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## PART 2 OF 2

2011 MTEF ALLOCATIONS TO  
MUNICIPALITIES, INCENTIVE ALLOCATIONS  
TO PROVINCES AND MUNICIPALITIES;  
PROVINCIAL AND MUNICIPAL CONDITIONAL  
GRANT FRAMEWORKS FOR  
2011/12

IN TERMS OF THE DIVISION OF REVENUE  
ACT, 2011  
(ACT NO. 6 OF 2011)

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**AIDS HELPLINE: 0800-0123-22 Prevention is the cure**

**SCHEDULE 8**

**INCENTIVES TO PROVINCES AND MUNICIPALITIES TO MEET TARGETS WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

(National and Municipal Financial Years)

## APPENDIX TO SCHEDULE 8: INCENTIVES TO PROVINCES TO MEET TARGETS WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES

Province/Provincial Department	Expanded Public Works Programme Incentive Grant for Provinces						
	Infrastructure Sector		Environment and Culture Sector		Financial Year		
	Minimum Threshold	FTE Performance Target	Minimum Threshold	FTE Performance Target	2011/12 (R'000)	2012/13 (R'000)	2013/14 (R'000)
<b>EASTERN CAPE</b>							
Housing	11 899	11 948			711		
Roads and Transport	10 856	10 906			7 788		
Health	2 511	2 560		648	16 579		
Education	3 816	3 865			711		
Economic Development and Environmental Affairs		49		118	1 760		
Agriculture and Rural Development	412	461		49	535		
Sport, Recreation, Arts and Culture		117	1 187	1 236	1 277		
Social Development		49			535		
Public Works		49			535		
<b>Total: Eastern Cape</b>	<b>29 494</b>	<b>30 006</b>	<b>1 187</b>	<b>2 051</b>	<b>30 431</b>		
<b>FREE STATE</b>							
Cooperative Governance and Traditional Affairs; Human Settlements	9 109	9 208		49	1 246		
Public Works and Rural Development		172		49	2 320		
Police, Roads and Transport	4 208	4 307			711		
Education	1 721	1 819		49	1 246		
Health	651	701			356		
Social Development		49		49	1 339		
Economic Development, Tourism and Environmental Affairs		49		49	711		
Sport, Arts, Culture and Recreation		49		49	536		
Agriculture		49	617	666	536		
Police, Roads and Transport		49			535		
Free State Provincial Treasury		49			535		
Police, Roads and Transport				49	535		
<b>Total: Free State</b>	<b>15 690</b>	<b>16 503</b>	<b>617</b>	<b>962</b>	<b>10 606</b>		
<b>GAUTENG</b>							
Housing	28 531	28 630			711		
Education	3 154	3 203		246	2 669		
Health	804	853			535		
Infrastructure Development		269			2 389		
Roads and Transport	4 166	4 264			14 006		
Agriculture and Rural Development		49	317	2 108	19 469		
Social Development		211			1 753		
Community Safety		49			536		
Sport, Arts, Culture and Recreation				49	535		
Roads and Transport		49		49	1 071		
Local Government				49	536		
<b>Total: Gauteng</b>	<b>36 655</b>	<b>37 578</b>	<b>317</b>	<b>2 502</b>	<b>44 210</b>		
<b>KWAZULU-NATAL</b>							
Human Settlements	20 787	20 885			711		
Public Works		214			2 690		
Education	8 513	8 612		125	1 532		
Health	2 883	2 981			4 493		
Transport	6 803	13 246			113 287		
Arts and Culture		49		49	711		
Agriculture, Environmental Affairs and Rural Development		49	1 118	1 560	4 806		
Provincial Treasury		49			535		
Office of the Premier				49	536		
Social Development				49	535		
<b>Total: KwaZulu-Natal</b>	<b>38 986</b>	<b>46 086</b>	<b>1 118</b>	<b>1 833</b>	<b>129 836</b>		
<b>LIMPOPO</b>							
Local Government and Housing	9 340	9 439		49	1 246		
Education	5 795	5 845		49	1 071		
Health and Social Development	1 481	1 530		49	1 071		
Public Works	189	339			1 698		
Roads and Transport	8 203	8 301		49	1 246		
Office of the Premier		49		49	1 071		
Economic Development, Environment and Tourism		49		49	1 071		
Agriculture			1 035	1 084	535		
Sport, Arts and Culture				49	536		
<b>Total: Limpopo</b>	<b>25 008</b>	<b>25 552</b>	<b>1 035</b>	<b>1 429</b>	<b>9 545</b>		
<b>MPUMALANGA</b>							
Public Works		99		49	1 070		
Roads and Transport	3 966	4 064		49	6 808		
Education	2 363	2 412			536		
Cooperative Governance and Traditional Affairs		49			536		
Agriculture, Rural Development and Land Administration			666	715	536		
<b>Total: Mpumalanga</b>	<b>6 328</b>	<b>6 624</b>	<b>666</b>	<b>814</b>	<b>9 486</b>		
<b>NORTHERN CAPE</b>							
Cooperative Governance, Human Settlements and Traditional Affairs	2 067	2 166			711		
Education	652	436			535		
Health	339	247			535		
Transport, Safety and Liaison		49			175		
Roads and Public Works	3 552	3 602		49	1 246		
Sport, Arts and Culture		49		49	536		
Agriculture, Land Reform and Rural Development			464	513	536		
Environment and Nature Conservation				49	536		
<b>Total: Northern Cape</b>	<b>6 611</b>	<b>6 548</b>	<b>464</b>	<b>661</b>	<b>4 810</b>		
<b>NORTH WEST</b>							
Human Settlements	10 416	10 465			536		
Public Works, Roads and Transport	4 223	4 272		107	1 163		
Education	2 653	2 702			536		
Sport, Arts and Culture		49		275	2 453		
Social Development		49			535		
Agriculture, Conservation, Environment and Rural Development			900	950	535		
<b>Total: North West</b>	<b>17 292</b>	<b>17 538</b>	<b>900</b>	<b>1 332</b>	<b>5 758</b>		
<b>WESTERN CAPE</b>							
Housing	14 137	14 235			711		
Transport and Public Works	2 913	3 958			18 718		
Environmental Affairs and Development Planning				192	1 552		
Agriculture			541	590	535		
Provincial Treasury				49	535		
Agriculture				49	536		
<b>Total: Western Cape</b>	<b>17 049</b>	<b>18 193</b>	<b>541</b>	<b>881</b>	<b>22 587</b>		
Unallocated						325 220	401 588
<b>Grand Total</b>	<b>193 113</b>	<b>204 628</b>	<b>6 845</b>	<b>12 464</b>	<b>267 269</b>	<b>325 220</b>	<b>401 588</b>

**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities						
		Eligibility Threshold	FTE Performance Target	National Financial Year			Municipal Financial Year	
				2011/12 (R'000)	2012/13 (R'000)	2013/14 (R'000)	2011/12 (R'000)	2012/13 (R'000)
<b>EASTERN CAPE</b>								
A	BUF Buffalo City	1 534	1 583	1 512			2 268	
A	NMA Nelson Mandela Bay	1 449	1 498	8 923			13 384	
B	EC101 Camdeboo		49	966			1 449	
B	EC102 Blue Crane Route		49	357			536	
B	EC103 Ikwezi		49	357			536	
B	EC104 Makana		49	357			536	
B	EC105 Ndlambe		49	357			536	
B	EC106 Sundays River Valley							
B	EC107 Baviaans		49	966			1 449	
B	EC108 Kouga		138	1 251			1 876	
B	EC109 Kou-Kamma		49	357			536	
C	DC10 Cacadu District Municipality							
<b>Total: Cacadu Municipalities</b>			481	4 968			7 454	
B	EC121 Mbhashe							
B	EC122 Mquma		49	357			536	
B	EC123 Great Kei							
B	EC124 Amahlathi		49	609			914	
B	EC126 Ngqushwa							
B	EC127 Nkonkobe		49	357			536	
B	EC128 Nxuba							
C	DC12 Amathole District Municipality		340	7 803			11 704	
<b>Total: Amathole Municipalities</b>			487	9 126			13 690	
B	EC131 Inxuba Yethemba		49	357			536	
B	EC132 Tsolwana		49	357			536	
B	EC133 Inkwanca		49	357			536	
B	EC134 Lukanji		49	966			1 449	
B	EC135 Intsika Yethu		49	966			1 449	
B	EC136 Emalahleni		190	1 625			2 438	
B	EC137 Engcobo		49	609			914	
B	EC138 Sakhisizwe		49	357			536	
C	DC13 Chris Hani District Municipality		709	16 400			24 600	
<b>Total: Chris Hani Municipalities</b>			1 242	21 994			32 994	
B	EC141 Elundini		49	357			536	
B	EC142 Senqu		49	966			1 449	
B	EC143 Maletswai		49	357			536	
B	EC144 Gariep		49	357			536	
C	DC14 Joe Gqabi District Municipality		213	3 476			5 214	
<b>Total: Joe Gqabi Municipalities</b>			409	5 513			8 271	
B	EC153 Ngqaza Hill		49	357			536	
B	EC154 Port St Johns		49	966			1 449	
B	EC155 Nyandeni		49				536	
B	EC156 Mhlontlo		49	966			1 449	
B	EC157 King Sabata Dalindyebo		49	609			914	
C	DC15 O.R. Tambo District Municipality		843	7 792			11 688	
<b>Total: O.R. Tambo Municipalities</b>			1 088	10 690			16 572	
B	EC441 Matatiele		232	1 934			2 901	
B	EC442 Umzimvubu		49	966			1 449	
B	EC443 Mbizana							
B	EC152 Ntabankulu		49	966			1 449	
C	DC44 Alfred Nzo District Municipality		543	9 530			14 295	
<b>Total: Alfred Nzo Municipalities</b>			873	13 396			20 094	
<b>Total: Eastern Cape Municipalities</b>		2 983	7 661	76 122			114 727	

**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>FREE STATE</b>									
A	MAN Mangaung	1 347	1 446	5 713			8 570		
B	FS161 Letsemeng		49	357			536		
B	FS162 Kopanong		49	357			536		
B	FS163 Mohokare		49	357			536		
B	FS171 Naledi		49	966			1 449		
C	DC16 Xhariep District Municipality		49	357			536		
<b>Total: Xhariep Municipalities</b>				245	2 394		3 593		
B	FS181 Masilonyana		49	357			536		
B	FS182 Tokologo		49	357			536		
B	FS183 Tswelopele		49	357			536		
B	FS184 Matjhabeng		49	3 335			5 002		
B	FS185 Nala		49	357			536		
C	DC18 Lejweleputswa District Municipality		49	966			1 449		
<b>Total: Lejweleputswa Municipalities</b>				294	5 729		8 595		
B	FS191 Setsoto		49	7 095			10 642		
B	FS192 Dihlabeng		100	367			550		
B	FS193 Nketoana		49	357			536		
B	FS194 Maluti a Phofung		295	6 706			10 059		
B	FS195 Phumelela								
B	FS196 Mantsopa		49	357			536		
C	DC19 Thabo Mofutsanyana District Municipality		151	1 347			2 020		
<b>Total: Thabo Mofutsanyana Municipalities</b>				693	16 229		24 343		
B	FS201 Moqhaka		49	1 726			2 589		
B	FS203 Ngwathe		184	975			1 462		
B	FS204 Metsimaholo		49	357			536		
B	FS205 Mafube		49	357			536		
C	DC20 Fezile Dabi District Municipality		49	966			1 449		
<b>Total: Fezile Dabi Municipalities</b>				380	4 381		6 572		
<b>Total: Free State Municipalities</b>		1 347	3 058	34 446			51 673		

**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>GAUTENG</b>									
A	EKU Ekurhuleni	3 980	4 729	6 222			9 333		
A	JHB City of Johannesburg	4 417	15 298	191 011			286 581		
A	TSH City of Tshwane	3 049	3 196	7 682			11 520		
B	GT421 Emfuleni		148	7 693			11 540		
B	GT422 Midvaal		49	357			536		
B	GT423 Lesedi								
C	DC42 Sedibeng District Municipality		49	357			536		
<b>Total: Sedibeng Municipalities</b>			246	8 407			12 612		
B	GT481 Mogale City		294	2 709			4 064		
B	GT482 Randfontein		49	2 009			3 013		
B	GT483 Westonaria		49	4 682			7 023		
B	GT484 Merafong City		268	3 952			5 928		
C	DC48 West Rand District Municipality		144	989			1 484		
<b>Total: West Rand Municipalities</b>			804	14 341			21 512		
<b>Total: Gauteng Municipalities</b>		11 446	24 273	227 663			341 558		

**SCHEDULE 8  
INCENTIVES TO MUNICIPALITIES TO MEET TARGETS  
WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities						
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year	
				2011/12	2012/13	2013/14	2011/12	2012/13
<b>KWAZULU-NATAL</b>								
A	ETH Ethekwini	4 730	8 425	72 084			108 126	
B	KZN211 Vulamehlo							
B	KZN212 Umdoni							
B	KZN213 Umzumbe							
B	KZN214 UMzuziwabantu							
B	KZN215 Ezingoleni							
B	KZN216 Hibiscus Coast		49	966			1 449	
C	DC21 Ugu District Municipality		49	1 802			2 704	
<b>Total: Ugu Municipalities</b>			98	2 768			4 153	
B	KZN221 uMshwathi							
B	KZN222 uMngeni							
B	KZN223 Mpofana							
B	KZN224 Impendle							
B	KZN225 Msunduzi	835	884	1 512			2 268	
B	KZN226 Mkhambathini							
B	KZN227 Richmond							
C	DC22 Umgungundlovu District Municipality							
<b>Total: Umgungundlovu Municipalities</b>			835	884	1 512		2 268	
B	KZN232 Ennambithi/Ladysmith		49	357			536	
B	KZN233 Indaka							
B	KZN234 Umtshezi							
B	KZN235 Okhahlamba							
B	KZN236 Imbabazane							
C	DC23 Uthukela District Municipality		482	11 153			16 729	
<b>Total: Uthukela Municipalities</b>			531	11 510			17 265	
B	KZN241 Endumeni							
B	KZN242 Nquthu							
B	KZN244 Msinga							
B	KZN245 Umvoti							
C	DC24 Umzinyathi District Municipality		343	3 537			5 306	
<b>Total: Umzinyathi Municipalities</b>			343	3 537			5 306	
B	KZN252 Newcastle		49	966			1 449	
B	KZN253 Emadlangeni							
B	KZN254 Dannhauser							
C	DC25 Amajuba District Municipality		49	966			1 449	
<b>Total: Amajuba Municipalities</b>			98	1 932			2 898	
B	KZN261 eDumbe		49	357			536	
B	KZN262 UPhongolo		49	357			536	
B	KZN263 Abaqulusi		49	357			536	
B	KZN265 Nongoma		49	357			536	
B	KZN266 Ulundi							
C	DC26 Zululand District Municipality		133	1 217			1 826	
<b>Total: Zululand Municipalities</b>			329	2 645			3 970	
B	KZN271 Umhlabyalingana							
B	KZN272 Jozini							
B	KZN273 The Big 5 False Bay							
B	KZN274 Hlabisa							
B	KZN275 Mtubatuba							
C	DC27 Umkhanyakude District Municipality		117	17 369			26 053	
<b>Total: Umkhanyakude Municipalities</b>			117	17 369			26 053	
B	KZN281 Mfolozi							
B	KZN282 uMhlathuze							
B	KZN283 Ntambanana							
B	KZN284 uMlalazi							
B	KZN285 Mthonjaneni							
B	KZN286 Nkandla							
C	DC28 Uthungulu District Municipality		163	4 868			7 301	
<b>Total: Uthungulu Municipalities</b>			163	4 868			7 301	
B	KZN291 Mandeni							
B	KZN292 KwaDukuza							
B	KZN293 Ndwedwe							
B	KZN294 Maphumulo							
C	DC29 iLembe District Municipality		176	7 067			10 601	
<b>Total: iLembe Municipalities</b>			176	7 067			10 601	
B	KZN431 Ingwe							
B	KZN432 Kwa Sani							
B	KZN433 Greater Kokstad		49	357			536	
B	KZN434 Ubuhlebezwe							
B	KZN435 Umzimkhulu		49	357			536	
C	DC43 Sisonke District Municipality		238	1 975			2 963	
<b>Total: Sisonke Municipalities</b>			336	2 689			4 035	
<b>Total: KwaZulu-Natal Municipalities</b>		<b>5 565</b>	<b>11 500</b>	<b>127 981</b>			<b>191 976</b>	

**SCHEDULE 8  
INCENTIVES TO MUNICIPALITIES TO MEET TARGETS  
WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>LIMPOPO</b>									
B	LIM331 Greater Giyani		49	357			536		
B	LIM332 Greater Letaba		186	2 643			3 965		
B	LIM333 Greater Tzaneen		49	911			1 367		
B	LIM334 Ba-Phalaborwa		49	357			536		
B	LIM335 Maruleng		49	966			1 449		
C	DC33 Mopani District Municipality		242	7 746			11 620		
<b>Total: Mopani Municipalities</b>				<b>624</b>	<b>12 980</b>		<b>19 473</b>		
B	LIM341 Musina								
B	LIM342 Mutale		49	1 621			2 432		
B	LIM343 Thulamela		49	2 291			3 437		
B	LIM344 Makhado		49	609			914		
C	DC34 Vhembe District Municipality		576	6 011			9 017		
<b>Total: Vhembe Municipalities</b>				<b>723</b>	<b>10 532</b>		<b>15 800</b>		
B	LIM351 Blouberg		116	483			725		
B	LIM352 Aganang		49	357			536		
B	LIM353 Molemole								
B	LIM354 Polokwane		781	10 244			15 366		
B	LIM355 Lepele-Nkumpi			966			1 449		
C	DC35 Capricorn District Municipality		504	4 269			6 404		
<b>Total: Capricorn Municipalities</b>				<b>1 450</b>	<b>16 319</b>		<b>24 480</b>		
B	LIM361 Thabazimbi		49	357			536		
B	LIM362 Lephalale		153	2 554			3 831		
B	LIM364 Mookgopong								
B	LIM365 Modimolle		49	357			536		
B	LIM366 Bela-Bela		49	357			536		
B	LIM367 Mogalakwena		173	1 693			2 540		
C	DC36 Waterberg District Municipality		49	966			1 449		
<b>Total: Waterberg Municipalities</b>				<b>522</b>	<b>6 284</b>		<b>9 428</b>		
B	LIM471 Ephraim Mogale		49	357			536		
B	LIM472 Elias Motosoledi		49	2 661			3 991		
B	LIM473 Makhuduthamaga		171	1 492			2 238		
B	LIM474 Fetakgomo		49	357			536		
B	LIM475 Greater Tubatse		142	1 284			1 926		
C	DC47 Greater Sekhukhune District Municipality		366	12 333			18 499		
<b>Total: Greater Sekhukhune Municipalities</b>				<b>826</b>	<b>18 484</b>		<b>27 726</b>		
<b>Total: Limpopo Municipalities</b>				<b>4 145</b>	<b>64 599</b>		<b>96 907</b>		



**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>MPUMALANGA</b>									
B	MP301 Albert Luthuli		49	966				1 449	
B	MP302 Msukaligwa		49	357				536	
B	MP303 Mkhondo		49	966				1 449	
B	MP304 Pixley Ka Seme		49	9 477				14 215	
B	MP305 Lekwa		49	966				1 449	
B	MP306 Dipaleseng		49	966				1 449	
B	MP307 Govan Mbeki		49	1 574				2 361	
C	DC30 Gert Sibande District Municipality		104	3 420				5 131	
<b>Total: Gert Sibande Municipalities</b>			<b>447</b>	<b>18 692</b>				<b>28 039</b>	
B	MP311 Victor Khanye		49	357				536	
B	MP312 Emalahleni		49	966				1 449	
B	MP313 Steve Tshwete		139	1 259				1 888	
B	MP314 Emakhazeni		49	357				536	
B	MP315 Thembisile		49	966				1 449	
B	MP316 Dr JS Moroka		106	1 788				2 683	
C	DC31 Nkangala District Municipality		122	3 242				4 863	
<b>Total: Nkangala Municipalities</b>			<b>563</b>	<b>8 935</b>				<b>13 404</b>	
B	MP321 Thaba Chweu		49	966				1 449	
B	MP322 Mbombela		109	1 911				2 867	
B	MP323 Umjindi		49	357				536	
B	MP324 Nkomazi		116	1 092				1 638	
B	MP325 Bushbuckridge		138	1 251				1 876	
C	DC32 Ehlanzeni District Municipality		127	563				844	
<b>Total: Ehlanzeni Municipalities</b>			<b>588</b>	<b>6 140</b>				<b>9 210</b>	
<b>Total: Mpumalanga Municipalities</b>			<b>1 598</b>	<b>33 767</b>				<b>50 653</b>	

**SCHEDULE 8  
INCENTIVES TO MUNICIPALITIES TO MEET TARGETS  
WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>NORTHERN CAPE</b>									
B	NC061 Richtersveld								
B	NC062 Nama Khoi								
B	NC064 Kamiesberg								
B	NC065 Hantam								
B	NC066 Karoo Hoogland								
B	NC067 Khâ-Ma								
C	DC6 Namakwa District Municipality		49	4 405			6 608		
<b>Total: Namakwa Municipalities</b>			<b>49</b>	<b>4 405</b>			<b>6 608</b>		
B	NC071 Ubuntu		49	357			536		
B	NC072 Umsobomvu								
B	NC073 Emthanjeni		49	357			536		
B	NC074 Kareeberg								
B	NC075 Renosterberg		49	966			1 449		
B	NC076 Thembelihle								
B	NC077 Siyathemba		49	966			1 449		
B	NC078 Siyancuma								
C	DC7 Pixley Ka Seme District Municipality								
<b>Total: Pixley Ka Seme Municipalities</b>			<b>196</b>	<b>2 646</b>			<b>3 970</b>		
B	NC081 Mier								
B	NC082 Kai !Garib								
B	NC083 //Khara Hais								
B	NC084 !Kheis								
B	NC085 Tsantsabane		49	357			536		
B	NC086 Kgatelopele								
C	DC8 Siyanda District Municipality		49	8 888			13 332		
<b>Total: Siyanda Municipalities</b>			<b>98</b>	<b>9 245</b>			<b>13 868</b>		
B	NC091 Sol Plaatje		992	16 087			24 130		
B	NC092 Dikgatlong								
B	NC093 Magareng								
B	NC094 Phokwane		49	357			536		
C	DC9 Frances Baard District Municipality		49	6 588			9 882		
<b>Total: Frances Baard Municipalities</b>			<b>1 090</b>	<b>23 032</b>			<b>34 548</b>		
B	NC451 Moshaweng		49	357			536		
B	NC452 Ga-Segonyana		49	966			1 449		
B	NC453 Gamagara								
C	DC45 John Taolo Gaetsewe District Municipality		49	7 113			10 669		
<b>Total: John Taolo Gaetsewe Municipalities</b>			<b>147</b>	<b>8 436</b>			<b>12 654</b>		
<b>Total: Northern Cape Municipalities</b>			<b>1 580</b>	<b>47 764</b>			<b>71 648</b>		

**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities						
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year	
				2011/12	2012/13	2013/14	2011/12	2012/13
<b>NORTH WEST</b>								
B	NW371 Moretele		208	1 759			2 638	
B	NW372 Madibeng		146	3 417			5 125	
B	NW373 Rustenburg		507	8 315			12 473	
B	NW374 Kgetlengrivier		49	357			536	
B	NW375 Moses Kotane		137	1 242			1 863	
C	DC37 Bojanala Platinum District Municipality		145	1 301			1 952	
<b>Total: Bojanala Platinum Municipalities</b>			<b>1 192</b>	<b>16 391</b>			<b>24 587</b>	
B	NW381 Radou		49	609			914	
B	NW382 Tswaing		49	966			1 449	
B	NW383 Mafikeng		49	966			1 449	
B	NW384 Ditsobotla		49	966			1 449	
B	NW385 Ramotshere Moiloa		49	609			914	
C	DC38 Ngaka Modiri Molema District Municipality		49	1 955			2 932	
<b>Total: Ngaka Modiri Molema Municipalities</b>			<b>294</b>	<b>6 071</b>			<b>9 107</b>	
B	NW392 Naledi		49	357			536	
B	NW393 Mamusa		49	357			536	
B	NW394 Greater Taung		49	966			1 449	
B	NW396 Lekwa-Toemane		49	357			536	
B	NW397 NW397		49	357			536	
C	DC39 Dr Ruth Segomotsi Mompati District Municipality		372	4 765			7 147	
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>			<b>617</b>	<b>7 159</b>			<b>10 740</b>	
B	NW401 Ventersdorp		49	966			1 449	
B	NW402 Tlokwe		49	966			1 449	
B	NW403 City of Matosana		198	7 334			11 002	
B	NW404 Maquassi Hills		49	966			1 449	
C	DC40 Dr Kenneth Kaunda District Municipality		49	357			536	
<b>Total: Dr Kenneth Kaunda Municipalities</b>			<b>394</b>	<b>10 589</b>			<b>15 885</b>	
<b>Total: North West Municipalities</b>			<b>2 497</b>	<b>40 210</b>			<b>60 319</b>	

**SCHEDULE 8**  
**INCENTIVES TO MUNICIPALITIES TO MEET TARGETS**  
**WITH REGARDS TO PRIORITY GOVERNMENT PROGRAMMES**

Category	Municipality	Expanded Public Works Programme Incentive Grant for Municipalities							
		Eligibility Threshold	FTE Performance	National Financial Year			Municipal Financial Year		
				2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
<b>WESTERN CAPE</b>									
A	CPT City of Cape Town	3 046	3 095	16 989			25 484		
B	WC011 Matzikama		49	357			536		
B	WC012 Cederberg		49	357			536		
B	WC013 Bergrivier		49	357			536		
B	WC014 Saldanha Bay								
B	WC015 Swartland								
C	DC1 West Coast District Municipality		49	357			536		
<b>Total: West Coast Municipalities</b>				196	1 428		2 144		
B	WC022 Witzenberg								
B	WC023 Drakenstein		49	357			536		
B	WC024 Stellenbosch								
B	WC025 Breede Valley		49	357			536		
B	WC026 Langeberg								
C	DC2 Cape Winelands District Municipality								
<b>Total: Cape Winelands Municipalities</b>				98	714		1 072		
B	WC031 Theewaterskloof		49	1 134			1 701		
B	WC032 Overstrand		176	357			536		
B	WC033 Cape Agulhas		49	357			536		
B	WC034 Swellendam		49	357			536		
C	DC3 Overberg District Municipality		49	357			536		
<b>Total: Overberg Municipalities</b>				372	2 562		3 845		
B	WC041 Kannaland		49	357			536		
B	WC042 Hessequa		49	357			536		
B	WC043 Mossel Bay		49	609			914		
B	WC044 George		49	1 585			2 378		
B	WC045 Oudtshoorn		153	1 359			2 038		
B	WC047 Bitou		49	357			536		
B	WC048 Knysna								
C	DC4 Eden District Municipality								
<b>Total: Eden Municipalities</b>				398	4 624		6 938		
B	WC051 Laingsburg								
B	WC052 Prince Albert								
B	WC053 Beaufort West		49	357					
C	DC5 Central Karoo District Municipality		49	357			3 267		
<b>Total: Central Karoo Municipalities</b>				98	714		3 267		
<b>Total: Western Cape Municipalities</b>		3 046	4 257	27 031			42 750		
<b>Unallocated:</b>						665 678	779 496	665 678	779 496
<b>National Total</b>		24 387	60 569	679 583	665 678	779 496	1 022 211	665 678	779 496

**APPENDIX TO SCHEDULE 4: FORMAT OF INFRASTRUCTURE PROJECTS LIST FOR PROVINCES THAT RECEIVE THE  
EDUCATION INFRASTRUCTURE GRANT, THE HEALTH INFRASTRUCTURE GRANT AND THE PROVINCIAL ROADS  
MAINTENANCE GRANT AS REQUIRED BY SECTION 9(2)(d) OF THE ACT**

**APPENDIX TO SCHEDULE 4: FORMAT OF INFRASTRUCTURE PROJECTS LIST FOR PROVINCES THAT RECEIVE THE EDUCATION INFRASTRUCTURE GRANT, THE HEALTH INFRASTRUCTURE GRANT AND THE PROVINCIAL ROADS MAINTENANCE GRANT AS REQUIRED BY SECTION 9(2)(d) OF THE ACT**

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for current financial year	Total project cost	Expenditure to date from previous years	Total available	Forward estimates	
			School (Primary/secondary/specialised; admin block; water; electricity; sanitation/toilet; fencing, etc.)	Units (i.e. number of classrooms or facilities or square meters)	Date: Start	Date: Finish						2012/13	2013/14
R thousands													
1. New and replacement assets													
1													
...													
n													
Total: New infrastructure assets													
2. Upgrades and additions													
1													
...													
n													
Total: Upgrades and additions													
3. Rehabilitation, renovations and refurbishments													
1													
...													
n													
Total: Rehabilitation, renovations and refurbishments													
4. Maintenance and repairs													
1													
...													
n													
Total: Maintenance and repairs													
5. Infrastructure transfers - current													
1													
...													
n													
Total: Infrastructure transfers - current													
6. Infrastructure transfers - capital													
1													
...													
n													
Total: Infrastructure transfers - capital													
Grand Total: Education Infrastructure Grant													

**APPENDIX TO SCHEDULE 4: FORMAT OF INFRASTRUCTURE PROJECTS LIST FOR PROVINCES THAT RECEIVE THE EDUCATION INFRASTRUCTURE GRANT, THE HEALTH INFRASTRUCTURE GRANT AND THE PROVINCIAL ROADS MAINTENANCE GRANT AS REQUIRED BY SECTION 9(2)(d) OF THE ACT**

No.	Project name	Municipality/Region	Type of infrastructure		Project duration		Budget programme name	EPWP budget for current financial year	Total project cost	Expenditure to date from previous years	Total available		Forward estimates
			Hospital (Regional/district/central; clinic; community health centre; pharmaceutical depots; mortuary, etc.)	Units (i.e. number of beds or facilities)	Date: Start	Date: Finish					2011/12	2012/13	
R thousands													
<b>1. New and replacement assets</b>													
1													
...													
n													
<b>Total: New infrastructure assets</b>													
<b>2. Upgrades and additions</b>													
1													
...													
n													
<b>Total: Upgrades and additions</b>													
<b>3. Rehabilitation, renovations and refurbishments</b>													
1													
...													
n													
<b>Total: Rehabilitation, renovations and refurbishments</b>													
<b>4. Maintenance and repairs</b>													
1													
...													
n													
<b>Total: Maintenance and repairs</b>													
<b>5. Infrastructure transfers - current</b>													
1													
...													
n													
<b>Total: Infrastructure transfers - current</b>													
<b>6. Infrastructure transfers - capital</b>													
1													
...													
n													
<b>Total: Infrastructure transfers - capital</b>													
<b>Total: Health Infrastructure Grant</b>													





## Part 2: Frameworks for Conditional Grants to Provinces

### Detailed frameworks on Schedule 4, 5, 7, 8 and 9 grants to provinces

#### Introduction

This appendix provides a brief description of the framework for the grants set out in Schedules 4, 5, 7, 8 and 9 of the 2011 Division of Revenue Act. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2011 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2012/13

The attached frameworks are not part of the 2011 Division of Revenue Act, but are published in order to provide more information on each grant to Parliament, provincial legislatures, municipal councils, officials in all three spheres of government and the public. Section 14 of the 2011 Division of Revenue Act requires that the frameworks be gazetted within 14 days from the date that the Act takes effect.

The financial statements and annual reports for 2011/12 will report against the 2011 Division of Revenue Act, 2011 Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. The Auditor-General is expected to audit compliance to the 2011 Division of Revenue Act and gazetted grant frameworks by both transferring national departments and receiving provincial departments.

## AGRICULTURE, FORESTRY AND FISHERIES GRANTS

<b>Comprehensive Agriculture Support Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 26)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To create a favourable and supportive agricultural service environment for the farming community, including subsistence, smallholder and commercial farmers</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To expand the provision of agricultural support services, promote and facilitate agricultural development by targeting smallholder and previously disadvantaged farmers</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved quality of comprehensive post settlement support services</li> <li>• Broadened access to agricultural support for subsistence, smallholder and previously disadvantaged farmers</li> <li>• Improved knowledge and information on farming within smallholder and previously disadvantaged farmers</li> <li>• Improved efficacy of extension and advisory services for farmers</li> <li>• Increased and sustainable employment within the agriculture sector</li> <li>• Established previously disadvantaged entrepreneurs within the agricultural sector</li> <li>• Improved farming efficiency</li> <li>• Improved household food production</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of subsistence, smallholder and commercial farmers supported through the Comprehensive Agricultural Support Programme (CASP)</li> <li>• Number of youth and women farmers supported through CASP</li> <li>• Number of CASP beneficiaries trained on farming methods</li> <li>• Number of CASP beneficiaries selling produce to markets</li> <li>• Number of permanent and seasonal jobs created</li> <li>• Number of extension personnel recruited and maintained in the system</li> <li>• Number of extension officers upgrading qualifications in various institutions</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</li> <li>• Outcome 4: Decent employment through inclusive economic growth</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring and evaluation plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The grant must be allocated to projects in terms of the approved provincial CASP business plans</li> <li>• Provincial department must confirm human resources capacity to implement the provincial CASP business plan by 1 April 2011</li> <li>• Provinces must inform the transferring national officer of any changes from plans and allocations approved by the transferring national officer within 30 days of such change</li> <li>• The business plans must be signed off by head of the provincial department responsible for agriculture in collaboration with the head of the Provincial Treasury</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The formula used to allocate funds is a weighted average of the following variables:               <ul style="list-style-type: none"> <li>– competitive CASP performance</li> <li>– land area (ha)</li> <li>– restituted land delivered</li> <li>– redistributed land delivered</li> <li>– benchmarks on production</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• A conditional grant enables the national department to coordinate and align agriculture support programmes with national priorities</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R715 million to provinces</li> <li>• Of the total available R739 million (including provincial roll overs), R687 million (93 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Extension recovery programme:               <ul style="list-style-type: none"> <li>– 217 extension officers recruited nationally</li> <li>– 646 extension officers registered for qualification upgrading</li> <li>– 2 346 extension officers trained in skills programmes</li> <li>– 2 244 extension officers supported with ICT equipment</li> </ul> </li> <li>• A total of 26 266 beneficiaries were supported and 706 projects were completed</li> </ul>

<b>Comprehensive Agriculture Support Programme Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will be reviewed during 2011/12</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R1 029 million, 2012/13: R1 148 million and 2013/14: R1 315 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>20 per cent: 20 April 2011, 35 per cent: 22 July 2011, 35 per cent: 7 October 2011 and 10 per cent: 11 January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Agree on outputs and targets with provincial departments in line with grant objectives</li> <li>Review and revise norms and standards for the implementation of the grant during the Intergovernmental Technical Committee on Agriculture and Land Affairs – Quarterly Review Meetings (ITCAL-QRM) workshops held quarterly</li> <li>Provide the guidelines and criteria for the development and approval of business plans</li> <li>Monitor implementation through project site visits and provide support on monthly and quarterly basis</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>Convene the National Assessment Panel</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Participate in the National Assessment Panel</li> <li>Provinces to implement the CASP pillars according to the approved business plans otherwise notify the national department in writing about deviations before implementation can take place</li> <li>Monitor and evaluate the impact of the implementation of CASP in achieving the programme goals</li> </ul>
<b>Process for approval of the 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Provide the provincial departments with business plans format guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2011</li> <li>Submission of provincial business plans to the national department by 30 September 2011</li> <li>Engagement with provinces on submitted business plans during October 2011 prior to National Assessment Panel</li> <li>Evaluation and recommendation of business plans by NAP between November 2011 and January 2012</li> <li>Funding agreement submitted to provinces by end of February 2012</li> <li>Agreement signed by HOD of provincial departments of agriculture, head of provincial treasuries and CASP coordinators and submitted to the national department by 23 March 2012</li> <li>Approval of Business plans by Director-General of the national department before 30 March 2012</li> <li>Inform provinces of approval of business plans by 2 April 2012</li> <li>Approval by the Director-General regarding DORA 2012 business planning process compliance during March 2012 and sent to National Treasury by 16 April 2012</li> </ul>

<b>Ilima/Letsema Projects Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 26)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce poverty through increased food production initiatives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To assist targeted vulnerable South African farming communities to increase agricultural production and improve farming skills</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased agricultural production efficiency for targeted groups</li> <li>• Increased agricultural production for the targeted group</li> <li>• Improved food production at both household and national level</li> <li>• Improved ability of targeted households to cope with high food prices</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of hectares (ha) supported by the programme</li> <li>• Number of farmers trained</li> <li>• Number of tons produced within agricultural development corridors</li> <li>• Number of beneficiaries supported</li> <li>• Number of newly established irrigate infrastructure plants</li> <li>• Number of hectares (ha) of rehabilitated and expanded irrigation schemes</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</li> <li>• Outcome 4: Decent employment through inclusive economic growth</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring and evaluation</li> <li>• Risks and mitigations</li> <li>• Exit strategies</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The Ilima/Letsema grant must be allocated in terms of the approved provincial Land and Agrarian Reform Programme (LARP) business plans and must support Comprehensive Rural Development Programme (CRDP) sites in provinces</li> <li>• Provincial Departments must confirm human resources capacity to implement Ilima/Letsema business plans by 1 April 2011</li> <li>• Provinces must inform the national transferring officer of any changes from plans and allocations approved by national transferring officer within 30 days of such change</li> <li>• The business plans must be signed off by the Head of Department (HOD) of Agriculture in collaboration with the head of the Provincial Treasury</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The formula used to allocate funds is a weighted average of LARP priority areas and targeted areas of increased food production</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The funding originated with the special poverty allocations made by national government for a specific purpose and a conditional grant enables government to ensure specific projects are targeted</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R50 million to provinces</li> <li>• Of the total available R70.9 million (including roll overs), R66.9 million (94.3 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 1 053 jobs were created</li> <li>• 12 967 beneficiaries/households were supported</li> <li>• 8 029 hectares planted with seeds</li> <li>• 3 irrigation schemes were rehabilitated</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant will be reviewed during 2011/12</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R400 million, 2012/13: R420 million and 2013/14: R443 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• 20 per cent: 20 April 2011, 35 per cent: 22 July 2011, 35 per cent: 7 October 2011 and 10 per cent: 11 January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Agree on outputs and targets with provincial departments in line with grant objectives</li> <li>• Revise and review norms and standards for the implementation of the grant during Intergovernmental Technical Committee on Agriculture and Land Affairs (ITCAL)-Letsema workshops held quarterly</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor implementation through project site visits and provide support on monthly and quarterly basis</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Convene the National Assessment Panel (NAP)</li> </ul>

<b>Ilima/Letsema Projects Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces to report monthly (financial) and quarterly (non-financial) on the progress of the projects</li> <li>• Participate in the National Assessment Panel</li> <li>• Provinces to implement the projects according to the approved business plans and notify DAFF in writing about deviations before implementation of projects can take place</li> <li>• Monitor projects implementation and evaluate the impacts of projects in achieving Ilima/Letsema goals</li> </ul>
<b>Process for approval of the 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provide provincial departments with business plan format guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2011</li> <li>• Submission of provincial and individual Ilima/Letsema business plans by provinces on 30 September 2011</li> <li>• Engagement with provinces on submitted business plans during October 2011 prior to NAP</li> <li>• Evaluation and recommendation of business plans by NAP during November 2011</li> <li>• Sent Funding Agreements to provinces by January/February 2012 to be signed by the Heads of Departments, Chief Financial Officers, and CASP/Ilima/Letsema Coordinators</li> <li>• Approval of business plans by the Minister before 30 March 2012</li> <li>• Inform provinces of approval of the business plan March/April 2012</li> </ul>

<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 26)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To promote conservation of agricultural natural resources to optimise production</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To enhance the sustainable conservation of natural agriculture resources through a community-based participatory approach</li> <li>• To create job opportunities through the Expanded Public Works programme</li> <li>• To create an enabling environment for improved food security and poverty relief</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved protection and utilization of agricultural natural resources</li> <li>• Improved Land Care ethics and high level of public awareness</li> <li>• Sustained and efficient use of water resources in agricultural production</li> <li>• Management of soil degradation</li> <li>• Making arable lands available for agricultural production and grazing</li> <li>• Effective management of run-off and protection of arable land</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 9 233 youths successfully attending organized Junior Land Care initiatives</li> <li>• 28 695 jobs created on Land Care projects including Conservation Agriculture practices</li> <li>• 8 297 ha of land alien invasive plants eradicated</li> <li>• 75 per cent to 55 per cent reduction of degraded land in South Africa</li> <li>• 1 382 ha of grazing area improved</li> <li>• 34 755 ha of cultivated land rehabilitated and or protected</li> <li>• 798 structures of gabions constructed</li> <li>• 598 ha of wetlands protected</li> <li>• 3 327 people with improved capacity and skill levels benefiting from capacity building initiatives</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all</li> <li>• Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring and evaluation</li> <li>• Risk and mitigation</li> <li>• Exit strategy</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provinces must confirm capacity to implement projects and operational funding by March 2010</li> <li>• Provincial department's Annual Performance Plans for 2011/12 must clearly indicate measurable objectives and performance targets as per approved business plans with the Department of Agriculture, Forestry and Fisheries (DAFF)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The allocation criteria uses an index comprising of nodes, land capability, poverty, degradation and land size derived from the following sources: <ul style="list-style-type: none"> <li>- nodes are the ISRDP nodes and URP (CoGTA)</li> <li>- poverty = per cent share in poverty gap (Human Science Research Council)</li> <li>- degradation = ha X 100 000 - (National land cover 2000)</li> <li>- size = number of ha per province - (new boundaries from Municipal Demarcation Board of SA, 2008)</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The funding originated with the special poverty allocations made by National Government for a specific purpose</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R51 million to provinces</li> <li>• Of the total available of R54 million to provinces (including provincial rollovers), expenditure was R52 million (96.7 per cent)</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 169 Junior Care management sub-programme implemented</li> <li>• 24 695 jobs created on Land Care projects</li> <li>• 8 297 ha of land alien invasive plants eradicated</li> <li>• 1 382 ha of grazing area improved</li> <li>• 559 ha of wetlands protected</li> <li>• 39 water sources developed or protected against over-utilization</li> <li>• 798 structures of gabions were constructed</li> </ul>
<b>Projected Life</b>	<ul style="list-style-type: none"> <li>• Ongoing and subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R58 million, 2012/13: R116 million and 2013/14: R109 million</li> </ul>

<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• 10 per cent: 20 April 2011, 35 per cent: 22 July 2011, 35 per cent: 7 October 2011 and 20 per cent: 11 January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2012/13</li> <li>• Review norms and standards for the implementation of the grant during ITCAL-Letsema workshops held quarterly</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor implementation through project site visits and provide support quarterly or as required</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Provinces to report monthly (financial) and quarterly (non-financial) on the progress of the projects</li> <li>• Provinces to implement the projects according to the approved business plans, any deviation should first be communicated to DAFF in writing and approved by DAFF before implementation</li> <li>• Monitor projects implementation and evaluate the impacts of projects in achieving Land Care goals</li> <li>• Provinces to report EPWP projects to public works department</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provide provincial departments with business plan format guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2011</li> <li>• Submission of provincial and individual Land Care business plans by provinces on 30 September 2011</li> <li>• Engagement with provinces on submitted business plans during October 2011 prior to National Assessment Panel (NAP)</li> <li>• Evaluation and recommendation of business plans by NAP during November 2011</li> <li>• Interactions with provinces requested by NAP to correct the business plans accordingly prior Ministerial approval and re-submit by 30 November 2011, only if necessary</li> <li>• Send Funding Agreements to provinces by January/February 2012 to be signed by the Heads of Departments, Chief Financial Officers and Land Care Coordinators</li> <li>• Approval of business plans by the Director-General before 31 March 2012</li> </ul>

## ARTS AND CULTURE GRANT

<b>Community Library Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Arts and Culture (Vote 14)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable the South African society to gain access to knowledge and information that will improve their socio-economic situation</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved coordination and collaboration between national, provincial and local government on library services</li> <li>Transformed and equitable library and information services delivered to all rural and urban communities</li> <li>Improved library infrastructure and services that reflect the specific needs of the communities they serve</li> <li>Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs</li> <li>Improved culture of reading</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Signed agreements between national, provincial and local government on the planning, management and maintenance of community libraries</li> <li>500 000 library materials (books, periodicals, toys etc) purchased</li> <li>Library Information and Communication Technology (ICT) infrastructure and systems using open source software in all provinces</li> <li>Library material and services for the visually impaired at community libraries in three provinces</li> <li>14 new libraries structures</li> <li>75 upgraded and maintained library structures</li> <li>Additional community library staff appointed</li> <li>Capacity building programmes</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The provincial business plans must be developed in accordance with identified priority areas</li> <li>This funding must not be used as a replacement funding for provinces</li> <li>Provinces may use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial management of the grant. The detail of how these funds will be used must be included in the respective business plans</li> <li>Service level agreements determining reporting protocols must be signed with receiving municipalities</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The distribution formula is based on an evaluation report for 2009/10 as well as an impact assessment study conducted by the department which identified community library needs and priorities</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This funding is intended to address backlogs and disparities in the ongoing provision and maintenance of community library services across provinces and enable national department to provide strategic guidance and alignment with national priorities</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R441 million to provinces</li> <li>Of the total available R471 million (including provincial rollovers), R418 million (88.7 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>43 libraries upgraded</li> <li>7 libraries built</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The projected life will be informed by ongoing evaluation reports</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R543 million, 2012/13: R571 million and 2013/14: R602 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (21 April 2011, 29 July 2011, 28 October 2011 and 31 January 2012)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Identify risks and challenges</li> <li>Monitor and evaluate implementation</li> <li>Evaluate annual performance of the grant for the 2010/11 financial year, for submission to National Treasury</li> <li>Submit monthly financial and quarterly performance reports to National Treasury</li> <li>Determine outputs and targets for 2012/13 with provincial departments</li> </ul>



<b>Community Library Services Grant</b>	
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"><li>• Monitoring and evaluation of the programme and municipalities</li><li>• Establish library governance structures in all provinces</li><li>• Submit monthly financial and quarterly performance reports including quarterly expenditure reports of municipalities to Department of Arts and Culture (DAC)</li></ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"><li>• Provinces to submit draft business plans to DAC by 30 September 2011</li><li>• DAC to evaluate provincial business plans and provide feedback to provinces by 30 November 2011</li><li>• Provinces to submit final provincial business plans to DAC by January 2012</li><li>• DAC approves business plans and submits them to National Treasury by 16 March 2012</li></ul>

## BASIC EDUCATION GRANTS

<b>Dinaledi Schools Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve the participation and performance of learners in Mathematics and Physical Science in line with the National Strategy for Mathematics, Science and Technology Education (NSMSTE)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote Mathematics and Physical Science teaching and learning</li> <li>Improve learner performance in Mathematics and Physical Science in line with the Action Plan 2014</li> <li>Improve teachers content knowledge of Mathematics and Physical Science</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Continually increased performance of Mathematics and Physical Science learning and teaching in underprivileged schools</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Up to 7 Textbooks for each learner in Grades 8, 9, 10, 11 and 12 learners as is required to address shortages</li> <li>Mobile Science laboratories to 300 Dinaledi schools without labs and science kits to 500 Dinaledi Schools</li> <li>Mathematics kits for 500 Dinaledi schools</li> <li>300 ICT laboratories in Dinaledi schools without ICT Labs</li> <li>Televisions that can receive education TV Broadcasts and solutions installed in 500 Dinaledi schools</li> <li>50 computers (specify) in each of the 500 schools</li> <li>Mathematics, Physical Science and English FAL teaching and learning software at 500 Dinaledi Schools</li> <li>2000 teachers trained on content knowledge in mathematics, physical science and English FAL</li> <li>Distribution to 500 Dinaledi schools of a diagnostic tool to assess, measure and address learning and teaching deficiencies in mathematics, physical science and English FAL</li> <li>Capacity development of principals in 90 Dinaledi schools achieving below 60 per cent pass rate in the NSC examinations</li> <li>Grade 8, 9 and 10 learners in 500 Dinaledi schools trained and supported to participate in mathematics and science Olympiads</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> <li>Risk management plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provinces may only procure through suppliers identified by the Department of Basic Education (DBE). Provinces must submit procurement plans for materials purchased for Dinaledi Schools to the DBE by 6 May 2011 for approval. The payment of the second instalment of this grant is contingent upon receipt and approval by DBE of these procurement plans</li> <li>Provinces must distribute budget allocation in terms of the needs analysis contained in the provincial business plans</li> <li>Provinces must appoint project managers to support provincial administration in Dinaledi Schools who will also be responsible for District Development and SMT mentoring Support</li> <li>Provinces must prove to the (transferring national officer) DBE that they have the necessary capacity to implement the grant effectively</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Dinaledi Schools will have to satisfy the following criteria: <ul style="list-style-type: none"> <li>At least 60 per cent of the learners enrolled in Mathematics and a maximum of 40 per cent of these may be enrolled for Mathematical Literacy</li> <li>At least 60 per cent of learners offering Mathematics should achieve 50 per cent and above</li> <li>At least 20 learners should have passed Mathematics/Physical Science at 50 per cent and above</li> <li>There is an improvement in enrolment and performance in Mathematics/Physical Science year on year at 50 per cent and above</li> <li>There should be more than 50 Grade 12 learners enrolled</li> <li>Serve disadvantaged communities</li> </ul> </li> <li>The minimum criteria of being a Dinaledi School must be adhered to as other schools may be considered for inclusion if the current schools do not meet performance standards</li> </ul>

<b>Dinaledi Schools Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The Dinaledi Schools Project is a pilot project and will be used as a model for other schools to improve performance in mathematics and physical science</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Until 2013/14, subject to review</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (20 May 2011, 15 July 2011, 28 October 2011 and 27 January 2012)</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R70 million, 2012/13: R100 million and 2013/14: R105 million</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>The DBE will monitor the performance of the provincial departments quarterly and will evaluate in June 2011 and in November 2011</li> <li>Develop a Monitoring and Evaluation Plan</li> <li>Develop and submit approved national business plans to National Treasury</li> <li>Evaluate, approve and submit provincial business plans to National Treasury</li> <li>Manage, monitor and support the programme implementation in provinces and evaluate provincial capacity to implement the grant</li> <li>Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>Evaluate performance of the conditional grant and submit an evaluation report to National Treasury by 29 July 2011</li> <li>Enter into agreements with suppliers of materials for Dinaledi schools</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Comply with the minimum requirements of the transferring national officer (DBE) monitoring and evaluation plan</li> <li>Develop and submit approved business plans to DBE</li> <li>Appoint competent project managers to monitor and provide support to districts/regions and schools</li> <li>Submit approved quarterly financial and narrative reports to DBE</li> <li>Report to DBE on the human resource capacity available in the province to implement the grant</li> <li>Evaluate the performance of the conditional grant and submit evaluation reports to DBE by 31 May 2011</li> <li>Submit a quarterly performance report to DBE within 30 days after the end of each quarter</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Consultation with district officials, finance sections of provincial treasuries and National Treasury</li> <li>Provinces submit first draft business plans and report on capacity to implement the grant to the DBE by 28 October 2011</li> <li>DBE evaluates draft business plans and sends comments to provinces by 15 November 2011 and provides feedback to the provinces by 15 December 2011</li> <li>Provinces submit final business plans to DBE by 28 January 2012</li> <li>Director-General approves national and provincial business plans by 2 April 2012</li> </ul>

<b>Education Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To supplement provinces to fund provincial education infrastructure</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education</li> <li>To enhance capacity to deliver infrastructure in education</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery by provincial departments as a result of improved and increased stock of schools infrastructure</li> <li>Aligned and coordinated approach to infrastructure development at the provincial level</li> <li>Improved education infrastructure expenditure patterns</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>New schools and additional libraries and laboratories constructed</li> <li>Existing school infrastructure upgraded and rehabilitated</li> <li>New and existing schools maintained</li> <li>Number of work opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a User Asset Management Plan (U-AMP) , which contains the following: <ul style="list-style-type: none"> <li>Levels of service</li> <li>Demand and need determination</li> <li>Project lists for 2011/12 and 2012/13</li> <li>Financial summary</li> <li>Organisational and support plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial Education Departments (PEDs) must submit tabled User Asset Management Plans (U-AMPs), (formerly Infrastructure Plans) with prioritised project lists that are signed-off for the 2011 MTEF by 8 April 2011 to the national Department of Basic Education (DBE) and the relevant Provincial Treasuries. This deliverable is required for the transfer of the first instalment of the grant</li> <li>The flow of the second instalment depends on the receipt by DBE of fourth quarter infrastructure reports for the 2010/11 financial year captured on the IRM by 21 April 2011. These reports must be submitted to the relevant Provincial Treasury</li> <li>The flow of the third instalment is dependent upon receipt by DBE of the draft 2012/13 U-AMPs including the initial list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP). The 2012/13 project list must be drawn from the prioritised project list for the MTEF tabled in 2011/12. Changes to the MTEF prioritised list of projects must be motivated to the DBE</li> <li>The flow of the third, fourth and fifth instalments are conditional upon submission and approval of signed-off quarterly infrastructure reports and education project assessments forms</li> <li>Quarterly reports on the implementation of infrastructure projects via the Infrastructure Reporting Model (IRM) are required in addition to monthly In-Year Monitoring expenditure reports. Client departments must enter into service delivery agreements (SDAs) with their Implementing Agents. The development or review of the SDA should continue in parallel with the development of the IPMP</li> <li>Provincial Education Capacity plans must be approved by the DBE</li> <li>All immovable asset management and maintenance responsibilities as prescribed by the Government Immovable Asset Management Act of 2007 (GIAMA) and the Infrastructure Delivery Management Toolkit must be adhered to</li> <li>PEDs must provide School Governing Bodies with maintenance guidelines to conduct minor maintenance</li> <li>Major maintenance function must be budgeted and planned for at the provincial level and carried out through the district department. This must be captured in the U-AMP</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations for 2011/12 and 2012/13 are based on historical division within the previous Infrastructure Grant for Provinces</li> <li>The allocation criteria for 2013/14 will be reviewed and therefore allocations currently shown may change</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure is coordinated and efficient</li> </ul>
<b>Past performance</b>	<p><b>2009/10 pre-audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>To be reviewed by DBE after five years</li> </ul>

<b>Education Infrastructure Grant</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R5 498 million, 2012/13: R5 883 million and 2013/14: R6 207 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• 12.5 per cent: 20 April 2011, 12.5 per cent: 20 May 2011, 25 per cent: 15 September 2011, 25 per cent: 18 November 2011, and 25 per cent: 27 January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• DBE will visit selected infrastructure sites in provinces</li> <li>• DBE and National Treasury will support provinces to improve infrastructure delivery capacity and systems</li> <li>• DBE must provide guidance to provinces in planning and prioritisation and evaluate U-AMPs and prioritised projects that provinces develop and submit</li> <li>• DBE to report on quarterly performance on infrastructure delivery to the Council of Education Ministers (CEM) and to National Treasury</li> <li>• DBE will provide provinces with a framework for capacity development plans</li> <li>• DBE will convene and chair meetings of the National Steering Committee during which assessments will be made of projects to be supplemented by this grant and projects funded by the School Infrastructure Backlogs Grant to ensure that the funding from the grants is directed to projects that are aligned with respective grant objectives</li> <li>• Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces must have an Infrastructure Projects Progress Review committee to oversee, monitor and report on the full physical and financial development cycle of all funded projects, and report per prescribed reporting formats and Infrastructure Delivery Management Toolkit</li> <li>• Provincial departments must attend and participate in meetings of the national steering committee and submit relevant project information within timeframes as reasonably requested by the National Department</li> <li>• Convene and chair the Provincial Progress Review Meetings</li> <li>• Compile and submit comprehensive projects progress report to DBE, Provincial Treasury and National Treasury</li> <li>• PEDs must table U-AMPs together with draft strategic and annual performance plans</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of draft U-AMPs and prioritised list of projects for 2012/13 by PEDs to DBE by 12 August 2011, or a later date as may be determined by DBE</li> <li>• Submission of IPMPs for 2012/13 by Client Departments to Implementing Agents by 2 September 2011</li> <li>• Implementing Department(s) or Agent(s) must submit the Infrastructure Programme Implementation Plans (IPIP) for 2012/13 to Client departments by 30 November 2011. Copies of IPIPs and SDAs must be submitted to DBE at the same time</li> </ul>

<b>HIV and Aids (Life Skills Education) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enhance awareness programmes offered by schools to prevent and mitigate the impact of HIV</li> <li>Increased knowledge, skills and confidence amongst learners and educators to take self-appropriate sexual and reproductive health decisions</li> <li>To increase access to sexual and reproductive health services including HIV services for learners and educators</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To support South Africa's HIV prevention strategy by increasing sexual and reproductive knowledge, skills and appropriate decision making among learners and educators</li> <li>To mitigate the impact of HIV by providing a caring, supportive and enabling environment for learners and educators</li> <li>To ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Educators receive in-service training on sexual and reproductive health including HIV</li> <li>Sexual and reproductive health education, including HIV is a mandatory, timetabled and assessed subject delivered in all South African schools primarily through the Life Orientation/ Skills subject</li> <li>Every South African school has a communicated plan in place to increase access to sexual and reproductive health and HIV services for learners and educators</li> <li>Barriers to retention and achievement in school for learners who are HIV affected or infected are mitigated by implementing pro-poor policies</li> <li>Age-appropriate sexual and reproductive health and HIV-related life skills are delivered through co-curricular means in all South African schools</li> <li>Schools, districts and provinces have integrated all components of the HIV and Aids life skills programme into their core work, evaluation and reporting systems</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Master trainers trained in the integration of sexual and reproductive health (SRH) programmes into the school curriculum</li> <li>Educators trained to implement SRH programmes for learners and to protect themselves from HIV</li> <li>School Management Teams (SMT) trained to develop school implementation plans focusing on keeping young people in school; ensuring that SRH education is implemented for all learners in schools; and ensuring access to SRH services</li> <li>Co-curricular activities on SRH implemented in schools</li> <li>Care and support programmes implemented for learners and educators</li> <li>Curriculum and Assessment Policy Statement (CAPS) compliant material including material for learners with barriers to learning printed and distributed to schools</li> <li>Advocacy events hosted with learners, educators and school communities</li> <li>Monitoring and support visits conducted at district and school levels</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>As agreed to at the interprovincial meeting of the National Department of Basic Education and Provincial Education Departments on 3 and 4 December 2010, provinces must distribute the grant allocation in accordance with the following weights for the key performance areas. The allocation must be spent on the specific activities as described in the draft version of this conditional grant framework e-mailed by DBE to provinces on 14 December 2010: <ul style="list-style-type: none"> <li>training and development (25 per cent)</li> <li>co-curricular activities (20 per cent)</li> <li>care and support (20 per cent)</li> <li>Learning and Teaching Support Material (15 per cent)</li> <li>Advocacy and Communication (10 per cent)</li> <li>Management, support, monitoring and evaluation (10 per cent)</li> </ul> </li> </ul>

<b>HIV and Aids (Life Skills Education) Grant</b>	
	<ul style="list-style-type: none"> <li>The above percentages are guidelines and may only be deviated from if a deviation is motivated to and approved by the national accounting officer. Deviations should only be requested to deal with critical challenges and trends in the epidemic specific to the province</li> <li>Provinces must report on the implementation of their business plans in their quarterly reports and deviation from the business plans and use of the grant on activities not described in the draft conditional grant framework will result in the withholding of funds</li> <li>Provincial Education Departments must ensure that they have the necessary capacity and skills to manage the grant</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The education component of the equitable share formula as explained in Annexure W1 to the 2011 Division of Revenue Bill is used to allocate the grant amongst provinces</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with the government's HIV and Aids and STI National Strategic Plan 2007-2011. This enables DBE to exercise an oversight role in the implementation of the HIV and Aids Life Skills Programme in schools</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>From the total allocation of R183 million (including roll-overs), provinces spent R169 million (91.9 per cent)</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>46 867 learners and 4 500 educators trained as peer educators</li> <li>25 609 educators trained in care and support</li> <li>23 273 educators teaching other learning areas trained in life skills</li> <li>1 069 district officials trained as master trainers</li> <li>353 000 sets of Learning and Teaching Support Material delivered to 15 000 schools</li> <li>115 363 school principals, educators, learners and parents reached through advocacy activities</li> <li>4 937 schools reached through monitoring and support</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will be reviewed on an ongoing basis to respond to the nature of the pandemic</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R199 million, 2012/13: R209 million and 2013/14: R221 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments: 20 April 2011, 15 July 2011, 28 October 2011 and 27 January 2012</li> </ul>
<b>Responsibilities of transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Identify risks and challenges impacting on provincial implementation</li> <li>Develop risk management strategies to address the risks</li> <li>Ensure synergy with national strategies and processes aimed at reducing HIV infection in the country</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives and national imperatives for 2012/13 by 30 September 2011</li> <li>Provide evidence-based guidance for the development of business plans based on monitoring and findings from international and national research</li> <li>Monitor implementation of the programme and provide support to provinces</li> <li>Develop partnerships with key stakeholders</li> <li>Evaluate performance of the conditional grant and submit an evaluation report to National Treasury by 29 July 2011</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Ensure synergy with national strategies and processes aimed at reducing HIV infection and all other related issues</li> <li>Identify risks and challenges impacting on implementation</li> <li>Develop risk management strategies and implementation plans to address the risks</li> <li>Submit monthly, quarterly and annual performance reports to DBE in line with DoRA and PFMA</li> <li>Agree with the DBE on outputs and targets to ensure effective implementation of the programme</li> <li>Monitor implementation of the programme and provide support to districts and schools</li> <li>Evaluate and submit a provincial evaluation report on the performance of conditional grant to the DBE by 31 May 2011</li> </ul>

<b>HIV and Aids (Life Skills Education) Grant</b>	
	<ul style="list-style-type: none"><li>• Submit quarterly performance reports to DBE within 30 days after the end of each quarter</li></ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"><li>• Communication and meeting with provinces to inform targets for the next financial year by 30 September 2011</li><li>• Provinces submit draft business plans to DBE for evaluation by 30 November 2011</li><li>• The DBE evaluates provincial business plans by 9 December 2011</li><li>• Comments sent to provinces to amend the plans by 10 January 2012</li><li>• Provinces submit amended, signed plans to DBE by 29 February 2012</li><li>• DBE secures the Director-General's approval of provincial business plans by 2 April 2012</li></ul>



<b>National School Nutrition Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enhance learning capacity and to improve access to education</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide nutritious meals to targeted learners</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Enhanced learning capacity and improved access to education</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Nutritious meals served to learners</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> <li>Risk Management Plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Develop national and provincial business plans</li> <li>A minimum of 95 per cent of the grant must be used for school feeding at both secondary and primary schools. A maximum of 5 per cent of the grant may be used for administration and other activities</li> <li>Provinces must adhere to the following minimum feeding requirements: <ul style="list-style-type: none"> <li>provide nutritious meals to all learners in quintile 1 to 3 primary and secondary schools (as per gazetted national quintiles) as well as identified special schools on all school days</li> <li>cost per meal per learner in primary schools as well as identified special schools at an average of R2.46 and in secondary schools at an average R3.36, inclusive of cooking fuel and honorarium</li> <li>a minimum honorarium of R640 per person per month, in line with a food handler to learner ratio of 1:200. A ratio of 1:120 is recommended for schools where learner enrolment is 250 or fewer</li> <li>comply with recommended food specifications and approved menu</li> <li>fresh fruit/vegetables must be served daily and vary between green and yellow/red on a weekly basis</li> <li>a variety of protein food must be served per week in line with approved menu options. Soya should not be served more than twice a week</li> <li>pilchards should be served at least once a week. High quality protein products can replace pilchard in areas where it is not socially acceptable. In areas where fresh milk/maas is unavailable, only whole powdered milk may be used</li> <li>meals should be served to learners by 10h00</li> </ul> </li> <li>The 10 May 2011 budget transfer (as per payment schedule) is for cooking facilities, equipment and utensils for quintile 1-3 primary schools as per equipment specifications provided by the Department</li> <li>Provinces must promote sustainable food production and nutrition education</li> <li>Provincial business plans will be approved in line with the above minimum requirements and available resources. The following variations may be approved by the Transferring National Officer based on achievements and/or critical challenges in each province <ul style="list-style-type: none"> <li>feeding days reduced to a minimum of 193 days</li> <li>feeding cost below the above stated minimum requirements, which provide meals with maximum nutritional value as per menu specifications</li> <li>number of learners that exceed the gazetted quintiles, but only if the province is able to meet minimum standards of the programme for all learners in gazetted quintiles</li> <li>serving of processed vegetables or fruit in remote areas</li> <li>feeding time later than 10h00 under special provincial circumstances such as provisioning of school breakfast and circumstances beyond control</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The distribution formula is poverty based in accordance with the poverty distribution table used in the National Norms and Standards for School Funding as gazetted by the Minister of Education on 6 November 2009</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The National School Nutrition Programme (NSNP) is a government programme for poverty alleviation, specifically initiated to uphold the rights of children to basic food and education. The conditional grant enables the Department of Basic Education (DBE) to play an oversight role in the implementation of all the NSNP activities in schools</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R2 394 million to provinces</li> <li>Of the total available of R2 536 million (including provincial rollovers), R2 497 million (99 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The programme was successfully extended to Quintile 1 secondary schools for the first time in April 2009</li> <li>Meals were provided to 6 181 574 learners in 18 384 Quintiles 1 to 3 public primary schools and 943 699 learners in 1 961 Quintile 1 public secondary schools, thus reaching a total of 7 125 273 learners in 20 345 schools nationally</li> <li>19 643 recipe books entitled 'Mnandi 4 Sure' were printed and distributed to schools</li> <li>5 868 vegetable gardens were maintained to teach school communities about food production and to supplement school meals</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Given the need for the grant and negative impact of factors associated with poor nutrition has on education, the grant will be necessary for a number of years. However it will be subject to review at a</li> </ul>

<b>National School Nutrition Programme Grant</b>	
	time agreed to by the Department of Basic Education and the National Treasury
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• The payment schedule will be in five instalments and in line with respective provincial procurement models as follows:               <ul style="list-style-type: none"> <li>— Provinces that transfer funds directly to schools (Free State, Gauteng, North West and Northern Cape): (20 April 2011, 10 May 2011, 14 June 2011, 14 September 2011 and 09 December 2011)</li> <li>— Provinces that procure from service providers on behalf of schools: (20 April 2011, 10 May 2011, 17 August 2011, 28 October 2011 and 12 January 2012)</li> </ul> </li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R4 579 million, 2012/13: R4 928 million and 2013/14: R5 199 million</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Develop and submit approved national business plans to National Treasury</li> <li>• Evaluate, approve and submit provincial business plans to National Treasury</li> <li>• Manage, monitor and support programme implementation in provinces</li> <li>• Ensure compliance with reporting requirements and NSNP guidelines</li> <li>• Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Evaluate performance of the conditional grant and submit an evaluation report to National Treasury annually by 31 July</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Develop and submit approved business plans to DBE</li> <li>• Monitor and provide support to districts/regions/area project offices and schools</li> <li>• Submit approved quarterly financial and narrative reports to DBE</li> <li>• Monitor and evaluate implementation of the programme according the departments monitoring and evaluation plan</li> <li>• Provide human resource capacity at all relevant levels</li> <li>• Evaluate the performance of the conditional grant annually and submit evaluation reports to the DBE by 31 May</li> <li>• Submit quarterly performance reports to DBE after the end of each quarter</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Planning meeting between DBE and provincial departments by 29 July 2011</li> <li>• Consultation with district officials, provincial treasuries, provincial finance sections and National Treasury</li> <li>• Provinces submit first draft business plans to DBE by 15 September 2011</li> <li>• Inter-provincial meeting held in September 2011 to consult provinces on the 2012/13 conditional grant framework</li> <li>• DBE evaluates draft business plans and sends comments to provinces by 13 October 2011</li> <li>• Provinces submit final business plans to DBE by 27 January 2012</li> <li>• Director-General approves national and provincial business plans by 2 April 2012</li> </ul>

<b>Technical Secondary Schools Recapitalisation Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To improve conditions of technical schools and modernise them to meet the teaching requirements of learners in the technical fields and increase the number of suitably qualified and technically skilled graduates from these schools</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To recapitalise up to 200 technical schools to improve the capacity to contribute to skills development and training in the country by: <ul style="list-style-type: none"> <li>– building workshops at technical schools to support the technical subject offerings</li> <li>– refurbishing or re-designing workshops in technical schools to comply with safety laws and regulations and to meet minimum industry standards</li> <li>– buying and installing new machinery and equipment consistent with the technical subjects that are offered in technical schools</li> <li>– training and up-skilling teachers at technical schools to acquire new trends, practical skills, and developments in their technical subjects</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Skills Development Strategy supported by training young people in relevant technical skills</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 32 new workshops to be built to support the technical subject offerings</li> <li>• 147 existing workshops refurbished, upgraded and re-designed to comply with safety laws and regulations and minimum industry standards</li> <li>• Equipment bought, delivered and installed at 191 workshops</li> <li>• 578 Technical schools teachers trained in practical skills of the subject content delivery</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Risk management plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Three year provincial recapitalisation plans for technical schools must be submitted to and approved by the Department of Basic Education (DBE)</li> <li>• Technical schools should develop detailed yearly (operational) business plans that must demonstrate how the approved funding would be spent</li> <li>• Deviations of between 2 per cent and 5 per cent from category allocations in business plans must be authorised by the Director-General: Basic Education</li> <li>• Should the entire recapitalisation process not be completed within the stipulated timeframe, an additional six (6) months will be added to complete the project. If the funds are not completely utilized, it will be redirected to other schools within the same province</li> <li>• Recapitalisation business plans assessed against: <ul style="list-style-type: none"> <li>– contribution of technical schools to provincial growth plans</li> <li>– record of student enrolment and growth</li> <li>– access, equity and redress</li> <li>– poverty index: rural and urban mix</li> </ul> </li> <li>• Recapitalisation funds to be managed at provincial level unless in the event where provinces have proven to the Department of Basic Education that the schools have the capacity, systems and controls to receive the funds directly for procurement and payment purposes</li> <li>• Procurement processes to be managed at provincial level unless in the event where provinces have proven to the Department of Basic Education that the schools have the capacity, systems and controls to manage the procurement processes on their own. In this case, payments will still be effected by the province</li> <li>• Procurement of technical subjects equipment, tools and machinery to comply with the Department's minimum specifications for technology subjects requirements.</li> <li>• Implementation of the grant to be prioritised in the following order: (1) Building of new workshops, (2) Refurbishment, re-designing and upgrading of existing workshops, (3) buying, delivering, installing of equipment, machinery and tools and training of users by the suppliers, and (4) Training of technical subjects teachers on new trends, practical skills and developments in their subjects</li> <li>• Budget allocation to be distributed according to the following order of priority: (1) Equipment, tools and machinery (2) infrastructure (new workshops and refurbishment), and (3) teacher training</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The distribution of funds is based on the needs identified through the outcome of the capacity audit conducted in October/November 2009</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Technical schools are not proportionally distributed across the provinces</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• It is envisaged that the project will be completed in three years (2011/12-2013/14)</li> </ul>

<b>Technical Secondary Schools Recapitalisation Grant</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R200 million, 2012/13: R210 million and 2013/14: R222 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments (20 May 2011, 25 July 2011, 31 October 2011 and 27 January 2012)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Develop and submit approved national business plans to National Treasury</li> <li>• Evaluate, approve and submit provincial business plans to National Treasury</li> <li>• Manage and support programme implementation</li> <li>• Develop and distribute planning, monitoring and evaluation guidelines</li> <li>• Ensure compliance with reporting requirements</li> <li>• Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury by 29 July 2011</li> <li>• Establish and strengthen partnerships with relevant stakeholders</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Develop and submit approved business plans to DBE</li> <li>• Manage and implement the programme in line with the Division of Revenue Act (DoRA) and the Public Finance Management Act (PFMA)</li> <li>• Monitor and provide support to districts/regions and schools</li> <li>• Provide human resource capacity at all relevant levels</li> <li>• Evaluate the performance of conditional grant and submit evaluation reports to DBE by 31 May 2011</li> <li>• Establish and strengthen partnerships with relevant stakeholders</li> <li>• Submit quarterly performance reports to DBE within 30 days after the end of each quarter</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces to submit first draft of the consolidated provincial business plans to DBE for appraisal by 27 January 2012</li> <li>• The DBE team will meet to evaluate the consolidated business plans by 10 February 2012</li> <li>• The comments on the business plans will be sent to provinces for amendments by 17 February 2012</li> <li>• Provinces will be required to submit the provincially approved amended business plans to DBE by 8 March 2012</li> <li>• DBE will approve the final business plans by 26 March 2012</li> <li>• Approved business plans by Director-General: Basic Education are submitted to the National Treasury on 2 April 2012</li> </ul>

<b>School Infrastructure Backlogs Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 15)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The eradication of inappropriate education structures and backlogs in basic services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• Eradication of inappropriate school infrastructure</li> <li>• Provision of water, sanitation and electricity to schools</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved access to enabling learning and teaching environments</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Eradication and replacement of 395 mud schools</li> <li>• 1 307 schools provided with water</li> <li>• 536 schools provided with sanitation</li> <li>• 1 434 schools provided with electricity</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Improved quality of basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Procurement plan</li> <li>• Monitoring and evaluation plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• This is a grant-in-kind administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects</li> <li>• DBE must submit a Programme Implementation Plan which includes detailed project plans, procurement plans and procurement strategies, projected cash flow schedules and plans detailing the monitoring and evaluation of project implementation of projects funded through this grant to National Treasury for sign off before requesting the first drawings on this grant</li> <li>• Provincial departments must appoint Programme Planning and Monitoring Teams (PPMT) that will assist the DBE plan and oversee the implementation of projects</li> <li>• The DBE must submit monthly project cash flow reports to National Treasury 7 days after the end of each month that show how actual payments and cash flow reconciles with the projected cash flow schedule and explain any deviations from the original projected cash flow</li> <li>• Provincial departments of education must report on the progress of projects funded through this grant in their annual report and describe how the schools have been considered in their future planning</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant allocation is based on the distribution of inappropriate structures, schools without access to water, sanitation and electricity</li> <li>• Final allocations will be based on the finalised project implementation plan of the DBE as approved by the National Steering Committee (NSC)</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant to deal with backlogs in education infrastructure and will be administered by the national department to achieve maximum impact in the shortest time possible</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Backlogs should be dealt with by 2013/14</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R700 million, 2012/13: R2 315 million and 2013/14: R5 189 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Payments will be made according to invoices as per the projected cash flow schedules of projects approved by NSC</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• DBE will convene and chair meetings of the NSC during which projects assessed for funding through this grant and those that will be supplemented by the Education Infrastructure Grant to Provinces will be approved to ensure that the funding from the grants is directed to projects that are aligned with respective grant objectives</li> <li>• The DBE must agree in writing with the provinces on projects that the DBE will administer on behalf of the province</li> <li>• Develop a Sector Procurement Strategy and procurement strategy for this grant in terms of the practice guide prescribed by the Infrastructure Delivery Management Toolkit. The department will develop a procurement strategy for this grant that will lead to the quickest possible achievement of the grant objectives which may require the clustering of projects across provincial boundaries</li> <li>• Submit approved project list with business plan to National Treasury</li> <li>• Manage, monitor and support programme implementation in provinces</li> <li>• Ensure compliance with reporting requirements and adherence to projected cash flow schedules</li> </ul>

<b>School Infrastructure Backlogs Grant</b>	
	<ul style="list-style-type: none"> <li>• Consolidate and submit quarterly reports to National Treasury and National Council of Provinces (NCOP) within 45 days after the end of each quarter</li> <li>• Conduct site visits to selected projects on a monthly basis to assess performance</li> <li>• Create the necessary organisational structures and build capacity within the department to oversee and monitor the implementation of the grant</li> <li>• In consultation with National Treasury convene the NSC that will approve Project Implementation Plans. The DBE must ensure this committee meetings at least once a month is provided with sufficiently detailed reports to assess project implementation and projected cash flow schedules reconciled to the end of the month preceding the monthly meeting</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Establish PPMTs that will provide support to the DBE when implementing projects funded by this grant</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of business plans for 2012/13 projects by 30 September 2011 by DBE to National Treasury</li> <li>• Submission of implementation plans for 2012/13 projects by 10 February 2012 by DBE to National Treasury</li> </ul>

## COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANT

<b>Provincial Disaster Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To pro-actively respond to the immediate needs after a disaster has occurred</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for the immediate release of funds for disaster response</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Immediate consequences of disasters are alleviated</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The disbursement of this grant is contingent on disasters occurring and therefore no outputs can be specified in advance</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the National Disaster Management Centre (NDMC) Provincial Disaster Grant Template which will include the following: <ul style="list-style-type: none"> <li>Copy of the classification letter in terms of the Disaster Management Act</li> <li>Copy of declaration of disaster in terms of the Disaster Management Act</li> <li>Number of people affected</li> <li>Items to be purchased</li> <li>Support received from NGOs and business</li> <li>Funds required for disaster response</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds from this grant can only be used to purchase the items described in NDMC Provincial Disaster Grant Template and will only be released on request of a provincial department and verification of a declared disaster as per the Disaster Management Act</li> <li>Provinces must authorise expenditure on this grant through an adjustments budget if the expenditure occurs prior to the tabling of the provinces adjustment budget or through a finance bill following the tabling of the annual report of the province for 2011/12</li> <li>Funds can only be released after a disaster has been declared in terms of the Disaster Management Act</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated based on the location of the declared disasters and an assessment of immediate needs</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant caters for responses to unforeseen disasters</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2011/12</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2011/12</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term but will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R305 million, 2012/13: R180 million and 2013/14: R190 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made subject to approval by National Treasury</li> </ul>
<b>Responsibilities of transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Advise Provincial Disaster Management Centres (PDMCs) about the existence of the grant and how grant funding must be applied for</li> <li>Perform assessments of disasters and verification of applications for funding as per the requirements of the Disaster Management Act</li> <li>Seek approval from National Treasury for disbursement of funds to provinces and provide written advice on the timing of disbursements to provinces and transfer these funds to provinces within five days of drawing the funds from the National Revenue Fund</li> <li>Notify the relevant provincial treasury of a transfer at least one day before transfer and transfer the funds no later than five days after notification</li> <li>Notify the relevant PDMC of a transfer and reason for transfer within one day of the transfer of funds to provinces</li> <li>Build relationships and establish the necessary communication channels with relevant national departments to ensure the country has a coordinated disaster response approach</li> <li>Provide a performance report to National Treasury within 45 days after the end of the quarter during which funds are spent</li> <li>Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provide a performance report within 30 days after the end of the quarter during which funds are spent to the NDMC and relevant PDMC</li> <li>Initiate requests for disaster funding when appropriate</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

## HEALTH GRANTS

<b>Comprehensive HIV and Aids Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The implementation of the National Strategic Plan 2007 – 2011 and the National Operational Plan for Comprehensive Care, Management and Treatment of HIV and Aids and Sexually Transmitted Infections (STIs)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To enable the health sector to develop an effective response to HIV and Aids including universal access to HIV Counselling and Testing (HCT)</li> <li>• To support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care</li> <li>• To subsidise in-part funding for antiretroviral treatment programme</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved coordination and collaboration in the implementation of comprehensive HIV and Aids grant between national, provincial and local government</li> <li>• Improved quality of HIV and Aids services including access to: <ul style="list-style-type: none"> <li>– HIV Counselling and Testing (HCT)</li> <li>– Antiretroviral Treatment (ART)</li> <li>– Home and Community-based Care (HCBC)</li> <li>– Prevention of TB in HIV positive and Prevention of Mother-to-Child-Transmission (PMTCT)</li> <li>– Medical Male Circumcision (MMC)</li> </ul> </li> <li>• Improved health workers' capacity at the three levels of care to ensure quality service delivery to South Africans</li> <li>• Reduced HIV incidence and prevalence</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of public health facilities offering ART services, and number of patients initiated on ART</li> <li>• HCBC beneficiaries; active caregivers receiving stipends</li> <li>• Male and female condoms distributed among high risk population and at high transmission sites</li> <li>• Pregnant mothers tested for HIV</li> <li>• PMTCT babies tested for PCR</li> <li>• Nevirapine dose to baby coverage</li> <li>• PMTCT dual therapy coverage</li> <li>• TB and HIV support: <ul style="list-style-type: none"> <li>– HIV positive client screened for TB</li> <li>– HIV positive eligible TB sufferers started on IPT (INH Preventive Therapy)</li> </ul> </li> <li>• Government health facilities offering HCT services</li> <li>• Active lay counsellors on stipends</li> <li>• People offered counselling and testing for HIV</li> <li>• Health facilities offering MMC services and MMC conducted and adverse events reported</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Risk management plans</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The following priority areas must be supported through the grant: 1. ART related interventions; 2. Home Community Based Care (HCBC); 3. Condom distribution and related interventions; 4. PMTCT; 5. Programme Management Strengthening (PM); 6. Regional Training and Quality Assurance Centres (RTC); 7. TB/HIV and SDC; 8 HCT; 9. MMC</li> <li>• Provinces must submit monthly financial reports (IYM) and the monthly break-down report per sub-programme to the National Department of Health by the 15th of the following month using standard formats as determined by the national department. An electronic version and/or a faxed hard copy signed by the provincial grant receiving manager, chief financial officer and the Head of Department must be submitted</li> <li>• Provinces must indicate all sources of funding for the programme in their business plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Antenatal HIV prevalence, estimated share of Aids cases, populations post-demarcation</li> </ul>



<b>Comprehensive HIV and Aids Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>HIV and Aids is a high national priority and there is therefore a need for a coordinated response for the country as a whole</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial performance</b> <ul style="list-style-type: none"> <li>Allocated and transferred R4 376 million to provinces</li> <li>Of the total available R4 378 million (including provincial roll overs), R4 310 million (98.4 per cent) was spent</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>8 652 Lay counsellors trained and providing services at service points</li> <li>4 624 facilities were providing HCT services</li> <li>5 069 people received counselling and 86 per cent (4 349) were tested for HIV, 1 192 pregnant women were tested for HIV</li> <li>1 121 patients who had access to HCBC services by the end of March 2010</li> <li>495 accredited ART service points in operation</li> <li>1 007 patients were on ART</li> <li>454 intervention high transmission sites in operation</li> <li>73 per cent of new-born babies received Nevirapine</li> <li>95 per cent of PHC facilities offer PMTCT services</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing in line with National Strategic Plan on HIV and Aids</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R7 493 million, 2012/13: R8 825 million and 2013/14: R10 607 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments based on the approved payment schedule</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Visit provinces to monitor implementation and provide support</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of the quarter</li> <li>Improve demand planning for the treatment programme</li> <li>Meet with National Treasury to review performance of the grant</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Submit an electronic version and/or faxed hard copy signed by the provincial grant receiving manager and the chief financial officer</li> <li>Clearly indicate measurable objectives and performance targets as agreed with the national department in provincial departmental plans for 2012/13 and over the MTEF</li> <li>Submit risk management plans with final business plans</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>National and Provincial Departments of Health to sign and certify, provincial business plans by 28 February 2012</li> </ul>

<b>Forensic Pathology Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure provision of impartial professional forensic evidence for the criminal justice system concerning death due to unnatural causes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To continue the development and provision of adequate forensic pathology services in all provinces</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Comprehensive Forensic Pathology Service (FPS) in all provinces</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>New forensic pathology facilities built, refurbished and equipped</li> <li>Human resource organograms filled with qualified personnel</li> <li>Operational standards for mortuaries published and implemented</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Grant administration should be coordinated and monitored by the Programme Manager in consultation with provincial Grant Managers</li> <li>Provincial Health Departments should ensure a complete ring-fencing of the grant to facilitate an expeditious procurement of goods and services and filling of vacant posts.</li> <li>Provincial Health Departments should provide copies of a Business Case for every mortuary under construction</li> <li>The Chief Financial Officer/Delegate and Public Works delegate/s need to be present at all provincial visit meetings</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>In accordance with the National Project Plan, as modified for demarcation and inflation</li> </ul>
<b>Reason not incorporated in the equitable share</b>	<ul style="list-style-type: none"> <li>The grant funds the transfer of the service from the South African Police Services to the national Department of Health (DoH) to establish an integrated Forensic Pathology Service. It will be phased into the provincial equitable share in 2012/13</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R502 million to provinces</li> <li>Of the total available R527 million (including provincial roll overs), R642 million (122 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Mortuaries completed: 13</li> <li>Holding Facilities completed: 9</li> <li>Vehicles procured: 46</li> <li>Computers and Laptops procured: 89</li> <li>Employees recruited: <ul style="list-style-type: none"> <li>Pathologists: 4</li> <li>Forensic Officers: 48</li> <li>Support Staff: 17</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant ends in 2011/12 when it is phased into the provincial equitable share</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R590 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Monitor the provision of the service by visiting provinces once per year or as the needs require</li> <li>Coordinating the bi-annual meetings with the National Forensic Pathology Services Committee</li> <li>Ensure that the FPS Code of Guidelines Manual is used at all mortuaries as a procedure manual and for developing Standard Operating Procedures customised for the provinces</li> <li>Submit quarterly performance reports to National Treasury 45 days after the end of each quarter</li> <li>Submit annual evaluation reports to National Treasury by 31 July 2011</li> <li>Complete the designated mortuary building and upgrading programme</li> <li>Convene meetings with CFOs, HODs and all other stakeholders during provincial visits to strengthen the capacity of the grant administration and monitoring mechanisms</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Submit the annual evaluation report for the grant to DoH by 31 May 2011</li> <li>Report any deviation from the prescripts of service</li> <li>Invite other provincial stakeholders to DoH's bi-annual provincial visits</li> <li>Submit quarterly performance reports within 30 days after the end of each quarter</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable as the grant will be phased into the provincial equitable share</li> </ul>

<b>Health Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Provinces plan, manage, maintain and transform health infrastructure in line with national policy objectives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To supplement provincial funding of health infrastructure to accelerate the provision of health facilities and ensure proper maintenance of provincial health infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved accessibility to and quality of health services</li> <li>• Quality, modernised and well maintained health infrastructure</li> <li>• Improved organisational capacity in provinces for infrastructure asset management planning and implementation</li> <li>• Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of health facilities, planned, designed, constructed, maintained and operationalized</li> <li>• Number of work opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses a User Asset Management Plan (U-AMP), which includes the following information: <ul style="list-style-type: none"> <li>– immovable assets requirements</li> <li>– acquisition plan</li> <li>– refurbishment plan</li> <li>– repairs and maintenance</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provincial Departments of Health must submit tabled U-AMPs (formerly Infrastructure Plans) with prioritised project lists that are signed-off by HOD for the 2011 MTEF by 14 April 2011 to the national Department of Health (DoH). Tabled U-AMPs must include the projects listed in the approved Infrastructure Programme Implementation Plans (IPIPs) for 2011/12 and sector procurement strategy as per guideline in the Infrastructure Delivery Management System (IDMS) Toolkit. The flow of the first instalment of this grant is dependent upon receipt by the DoH of this project list and satisfaction that the list meets required detailed and alignment with infrastructure planning information submitted in 2010/11 or earlier. These plans must also be submitted to the relevant provincial treasury</li> <li>• The flow of the third quarter transfers is dependent upon receipt by DoH of the draft 2012/13 U-AMPs including the initial list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP). Changes to the MTEF prioritised list of projects must be approved in conjunction with DoH</li> <li>• Provinces must adhere to the Infrastructure Alignment Model in terms of programme implementation and in year reporting. Quarterly performance reports must be submitted to the National Council of Provinces within 45 days after the end of each quarter</li> <li>• The provinces must put in place a Provincial Progress Review Committee as approved by the National Health Council for monitoring and oversight for both the Health Infrastructure Grant and the Hospital Revitalisation Grant</li> <li>• Provinces must submit a list of projects in the required format to DoH within 14 days after the 2011 Division of Revenue Act comes into effect. Provinces must also submit quarterly performance reports, drawn from their infrastructure reporting model to the National Council of Provinces within 45 days after the end of each quarter. Failure to comply with these conditions may result in the withholding of funds</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are based on the formula that was used for the Infrastructure Grant to Provinces</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Infrastructure funding is protected through conditional grants to ensure that national priorities are addressed and best planning practices are complied with</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant will be merged with the Hospital Revitalisation Grant to create a consolidated source of health infrastructure funding once the necessary conditions are in place and is expected to continue past the end of the 2011 MTEF due to the scale of need for ongoing infrastructure spending in health and oversight of this spending</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R1 702 million, 2012/13: R1 821 million and 2013/14: R1 921 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Instalments as per approved payment schedule</li> </ul>
<b>Responsibilities of transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Provide guidelines and monitor the development and approval of provincial U-AMPs including project list and procurement strategies</li> <li>• Perform on-site monitoring of the implementation of projects and approved adherence to the project list and procurement strategy</li> <li>• Support and oversee provincial progress review meetings in all provinces</li> <li>• Convene and chair quarterly National Progress Review meetings</li> <li>• Collect project lists from provinces 14 days after the 2011 Division of Revenue Act comes into effect and publish the project list in a gazette within 28 days after the 2011 Division of Revenue Act comes into effect</li> <li>• Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> </ul>

<b>Health Infrastructure Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"><li>• Ensure that the provincial Infrastructure Projects Progress Review committee sit every month to oversee, monitor and report on the full physical and financial development cycle of all health infrastructure projects implemented by the province that comply with Infrastructure Delivery Improvement Programme (IDIP) guidelines</li><li>• Submit quarterly performance reports, drawn from the infrastructure reporting model, to the DoH and National Council of Provinces within 30 days after the end of each quarter</li><li>• Ensure that all health infrastructure projects are aligned and lead to best practice infrastructure planning and project implementation and effective and efficient management and sustainability of the province's health assets</li><li>• Submit a list of projects in the required format to DoH within 14 days after the 2011 Division of Revenue Act comes into effect</li></ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"><li>• Provinces must submit IPIPs and U-AMPs signed off by the head of provincial department of health with project lists for 2012/13 to DoH by the end of February 2012 for approval</li></ul>

<b>Health Professions Training and Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To contribute to the appropriate and adequate training of health professions nationally through the provision of quality education and development in designated health facilities in South Africa</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Support provinces to fund service costs associated with training of health professionals</li> <li>Development and recruitment of medical specialists in under-served provinces (Eastern Cape, Limpopo, Mpumalanga, Northern Cape and North West)</li> <li>Support and strengthen undergraduate and postgraduate training processes in health facilities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Medical specialists developed in targeted provinces (Mpumalanga, Limpopo, Eastern Cape, North West and Northern Cape)</li> <li>Strengthened undergraduate and post graduate training processes in designated health facilities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number and composition of health sciences students by province and training institution (Under and Post graduate students, Registrars and Specialists)</li> <li>Number of students per discipline and per training institution</li> <li>Number of students supported on the service platform</li> <li>Number of supervisors supporting students on the service platform</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Business plans must be submitted in the approved format by 28 February 2011</li> <li>The training platform and re-sourcing thereof need to be developed after consultation with the appropriate Health Science Institutions</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocation is based on the distribution of medical students</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Expansion and shifting of location of training activities requires national coordination</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R1 760 million to provinces. Total available amounts to R1 780 million, which includes provincial rollovers</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Provincial achievements in training and development by discipline: <ul style="list-style-type: none"> <li>medical students and professional nurse students: 20 157</li> <li>registrars: 791</li> <li>specialists: 260</li> <li>registrars/specialists involved in outreach services: 185</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>A review of the grant started during 2010/11 and will continue in 2011/12</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R1 997 million, 2012/13: R2 076 million and 2013/14: R2 190 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Provide the guidelines and criteria for the development and approval of business plans</li> <li>Monitor implementation and provide support to provincial departments</li> <li>Annual support visits to the provinces</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>Submit an annual evaluation report on the grant performance to the National Treasury by 30 July 2011</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Submit an annual evaluation report on the grant performance to the national Department of Health (DoH) by 31 May 2011</li> <li>Quarterly reporting by provinces on the number of students enrolled by discipline, level and training institution using the prescribed format must be submitted to DoH within 30 days after the end of each quarter</li> <li>Submit monthly financial reports to DoH</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Business plans signed by the Provincial Head of Department and approved by the DoH as per developed format by end of February 2012. The review of the grant will inform the business planning process</li> </ul>

<b>Hospital Revitalisation Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enable provinces to plan, manage, modernise, rationalise and transform the health infrastructure in line with national policy objectives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide funding to enable provinces to plan, manage, modernise, rationalise and transform health infrastructure, health technology, monitoring and evaluation of the health facilities in line with national policy objectives</li> <li>• Supplement expenditure on health infrastructure delivered through public-private partnerships</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved accessibility and service delivery in health</li> <li>• Provision of quality and modernised health infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of hospitals funded to upgrade, rebuilt and fully commissioned as per approved 2011/12 Project Implementation Plans (PIP)</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses a PIP, which includes the following: <ul style="list-style-type: none"> <li>– outcome indicators</li> <li>– output indicators</li> <li>– inputs</li> <li>– key activities</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provinces must implement projects in line with the Project Implementation Plans, as guided by the Project Implementation Manual (PIM) for 2011/12 that has been approved by the national Department of Health (DoH) for the 2011/12 financial year</li> <li>• With the exception of funding for costs incurred for planning, all projects commencing construction in 2011/12 must have business cases and Initial Project Implementation Plans (IPIPs) approved before funds can be released for such projects</li> <li>• All the new projects should follow Peer Review stages as per prescribed in Reporting Format incorporated in the Project Implementation Manual (PIM) 2011/12</li> <li>• Provinces must submit draft 2012/13 U-AMPs including the initial list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP) to DoH by 30 September 2011. The monthly instalment following this deadline is dependent on receipt of this information</li> <li>• Monthly reports for all projects funded in 2011/12 financial year in this grant must be submitted through the prescribed comprehensive reporting as prescribed by 2011/12 PIM and Infrastructure Reporting Model (IRM). This does not replace the reporting in the In-Year Monitoring (IYM) expenditure reports</li> <li>• Provincial health departments must strengthen grant management by appointing a complete Revitalisation Team as guided by DoH and ensure the core infrastructure management structure approved by National Health Council (NHC) for such grants is in place</li> <li>• Provinces must put in place Provincial Progress Review Committees as approved by the NHC for monitoring and oversight of the Health Infrastructure Grant and the Hospital Revitalisation Grant</li> <li>• Provinces may not award a tender to commence construction on a new project unless sufficient funding is available to undertake the hospital project under construction over the approved MTEF</li> <li>• Provinces may not use this grant on projects that were not part of approved 2011/12 PIP unless written approval to such effect is granted by DoH</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations based on provincial projected cash flow figures per project as per prescribed format per contract, which include budgets on infrastructure, health technology, organisational development and quality improvement</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This grant funds large projects requiring substantial capital investment. Their size, complexity and national strategic importance is suited to dedicated and closely managed funding</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial performance</b></p> <ul style="list-style-type: none"> <li>• Allocated R3 370 million and transferred R2 989 million to provinces</li> <li>• Of the total available R3 495 million (including provincial roll overs), R2 550 million (73 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Five hospitals were completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant will be merged with the Health Infrastructure Grant to create a consolidated source of health infrastructure funding once the necessary conditions are in place and is expected to continue past the end of the 2011 MTEF due to the scale of need for ongoing infrastructure spending in health and oversight of this spending</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R4 136 million, 2012/13: R4 336 million and 2013/14: R4 068 million</li> </ul>
<b>Payments schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per approved payment schedule</li> </ul>

<b>Hospital Revitalisation Grant</b>	
<b>Responsibilities of transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Provide guidelines and monitor the development and approval of provincial infrastructure plan, business case, project brief, design and Initial Project Implementation Plan</li> <li>• Conducting peer reviews per project at stages highlighted in the prescribed Comprehensive Progress Report format as prescribed in the 2011/12/ PIM</li> <li>• Perform on-site monitoring of the implementation of projects</li> <li>• Support and oversee provincial progress review meetings in all provinces</li> <li>• Convene and chair quarterly National Progress Review meetings</li> <li>• Approve all plans funded under the grant before the first transfer</li> <li>• Submit quarterly performance reports to National Treasury and National Council of Provinces (NCOP) within 45 days after the end of each quarter</li> <li>• Collect project lists from provinces 14 days after the 2011 Division of Revenue Act (DoRA) comes into effect and publish the project list in a gazette within 28 days after the 2011 DoRA comes into effect</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Convene Infrastructure Projects Progress Review committees to oversee, monitor and report on the full physical and financial development cycle of all health infrastructure projects</li> <li>• Report as per prescribed comprehensive reporting format required within the 2011/12 PIM and Infrastructure Development Improvement Programme (IDIP) guidelines</li> <li>• Provincial departments must participate in the national Progress Review committee meetings and report on project implementation of all health projects</li> <li>• Submit monthly financial reports to DoH within 15 days after the end of each month</li> <li>• Submit quarterly performance reports to DoH and NCOP within 30 days after the end of each quarter</li> <li>• Convene and chair the Provincial Progress Review Meetings</li> <li>• Ensure that all health infrastructure projects are aligned and lead to best practice infrastructure planning and project implementation and effective and efficient management and sustainability of the province's health assets</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces submit their draft PIP to DoH covering all four components of the Hospital Revitalisation Grant by 28 February 2011</li> <li>• Business cases and Initial Project Implementation Plan for projects potentially starting construction in 2012/13 will be approved by DoH and communicated to provinces by 30 June 2011</li> <li>• Provinces to submit Project Cost Template per Contract together with the PIP covering all components of Revitalisation</li> <li>• Provinces final signed 2012/13 annual PIPs by 28 February 2012 to DoH</li> </ul>

<b>National Tertiary Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To compensate tertiary facilities for the additional costs associated with spill over effects</li> <li>Ensure adequate provision of tertiary health services for all South African citizens</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Provision of modernised and transformed tertiary services that allows for improved access and equity</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Provision of designated national tertiary service levels in 26 hospitals/complexes as agreed between the Province and the National Department of Health (NDoH)</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Service Level Agreement (SLA) which contains the following: <ul style="list-style-type: none"> <li>Definitions of tertiary services funded by the grant</li> <li>Designated services funded by the National Tertiary Services Grant (NTSG), by facility and by province</li> <li>Summary of inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits</li> <li>Monitoring and reporting</li> <li>Validation and revision of data</li> <li>Deviations or changes to tertiary services</li> <li>Referral responsibilities</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Completion of SLA and business plan in the prescribed format signed by each provincial department or receiving officer, and the transferring officer by 15 March 2011</li> <li>The grant must contribute a maximum of 85 per cent of each tertiary hospital / complex budget</li> <li>Provinces must gazette allocations to individual hospitals / complexes as per SLA and be hospital/complex specific</li> <li>Institutions receiving the grant must report on expenditure and patient activity monthly to the provincial department</li> <li>Provinces must maintain a separate budget for each of the 26 benefitting hospitals/complexes</li> <li>Province must communicate in writing to each benefitting hospital/complex the allocation made, with the agreed upon service specifications which must be rendered. For monitoring purposes this information must be supplied to the NDoH by 29 April 2011</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Distribution of cost of designated tertiary services as determined by the ongoing reviews of patient activity</li> <li>Approved plans for the modernisation of tertiary services</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>There are significant cross boundary flows and spill effects associated with tertiary services that are not affected by provincial boundaries due to their specialised nature. Tertiary hospitals are a national asset requiring collective agreement and management</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R6 614.4 million to provinces</li> <li>Of the total available, R6 602 million (including provincial rollovers), 99.8 per cent was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Provincial tertiary services performance was measured against the Service Level Agreements and the total patient activity rendered is as follows: <ul style="list-style-type: none"> <li>551 436 inpatient separations</li> <li>3 087 857 inpatient days</li> <li>2 216 183 day patient separations</li> <li>868 614 outpatient first visits</li> <li>1 555 207 outpatient follow up visits</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Support for tertiary services will continue because of the cross boundary flows and spill over effects. The planning of the service configuration and the basis for the calculation of the grant will be constantly reviewed</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R8 049 million, 2012/13: R8 689 million, and 2013/14: R9 389 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments as per approved payment schedule</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Revise and assess framework for SLAs prior to transfer of funds</li> <li>Monitor expenditure and patient activity and provide on-site support to facilities and provinces</li> <li>Conduct support visits to the provinces and hospitals/complexes</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provide detail (by category, level and number) and costs of personnel employed in the hospitals and complexes</li> <li>Provide detailed expenditure on major cost drivers in goods and services</li> <li>Provide detailed break downs of capital expenditure</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Completion of SLA and an approved business plan, in the prescribed format, signed by each receiving officer, and the transferring officer by 28 February 2012</li> </ul>



## HIGHER EDUCATION AND TRAINING GRANT

<b>Further Education and Training Colleges Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Higher Education and Training (Vote 17)</li> </ul>
<b>Strategic Goal</b>	<ul style="list-style-type: none"> <li>The successful transfer of the further education and training (FET) colleges function to the national Department of Higher Education and Training (DHET)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To ensure the successful transfer of the FET College function to the Department of Higher Education and Training</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>FET Colleges offer approved programmes in support of Skills Development according to the Funding Norms for FET Colleges</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Enrolment of National Curriculum (Vocational) Programmes as set out in college enrolment target planning</li> <li>Enrolments in Report 191 Programmes in line with the Report 191</li> <li>Expanding ICT for teaching and learning utilising connectivity norms</li> <li>Continue Implementing MIS systems for the delivery of transversal MIS services</li> <li>Implementation of the Funding Norms for FET Colleges</li> <li>Refurbishment, maintenance and repairs of infrastructure and equipment to support the delivery of approved programmes</li> <li>New Infrastructure</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Provincial Implementation Protocol signed by the Minister and the Members of Executive Committee (MECs) of the Provincial Department of Education</li> <li>Provincial Implementation Protocols signed by the Director-General and the Heads of Provincial Education Departments (PEDs)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The funding of each of the following outputs will depend on the priority set for each college within available funding</li> <li>The national enrolment plan linked to funding norms will be used as a guideline for allocating the grant to each college. Any upward deviation from these enrolments must be funded by the college or entity causing such deviation</li> <li>On receipt of a conditional grant transfer for a college, the PEDs must transfer the relevant portion of the funds to the respective colleges within 14 days of receipt thereof. The date and proof of transfer to a college must be confirmed with the DHET within 2 days thereafter</li> <li>A portion of the grant to be withheld per province, calculated on the basis of 6 per cent of the total compensation of employees pending the finalisation of the labour negotiations in the Education Labour Relations Council (ELRC) and General Public Service Sector Bargaining Council (GPSSBC)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The basis for the allocation is the allocation for the FET Colleges as per programme 5 in PDEs as set out in the 2009/10 MTEF</li> <li>Allocations to each FET College must be informed by the funding norms for FET Colleges</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant protects funding for FET colleges while legislative processes required to shift the FET College function to the national DHET is completed</li> </ul>
<b>Past performance</b>	<p><b>2009/10 Audited financial outcomes</b> New grant</p> <p><b>2009/10 Service delivery performance</b> New grant</p>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The projected life will be determined by the legislative process that needs to take place to give effect to the shifting of the FET College function to the Department of Higher Education and Training.</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R4 326 million, 2012/13: R4 705 million and 2013/14: R5 262 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Eleven instalments</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Inform and provide proof of transfer of grants to PEDs</li> <li>Convene an Inter-provincial committee to oversee the implementation of the grant</li> <li>Provide framework for the development of College Operational and Strategic Plans</li> <li>Monitor the grant according to approved College Operational Plans and budgets</li> <li>Consolidate and submit Quarterly Performance Reports to National Treasury within 45 days after the end of the quarter being reported on</li> <li>To monitor the utilisation of the grant against the set outcomes and to take appropriate action if cases of non-compliance are discovered</li> <li>Calculate the programme based funding per college based on the Funding Norms for FET Colleges each year and recommend the transfer of this to the relevant FET College</li> <li>Establish provincial level institutional support to FET Colleges</li> <li>Evaluate performance of the conditional grant and submit an evaluation report to National Treasury annually by 31 July</li> </ul>

<b>Further Education and Training Colleges Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Transfer grant allocations to colleges within 14 days after transfer of funds by Provincial Treasury and confirm within 2 days of transfer:               <ul style="list-style-type: none"> <li>- whether or not the transfer was received</li> <li>- whether the grants were transferred to colleges</li> </ul> </li> <li>• Support the process of giving effect to the Provincial Implementation Protocol with the DHET</li> <li>• Ensure provincial officials who are currently supporting FET College functions to continue such support</li> <li>• Comply with reporting requirements as may be set from time to time</li> <li>• Evaluate performance of the conditional grant and submit an evaluation report to DHET annually by 31 July</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• The currently signed Implementation Protocols between the Minister and MECs, as well as the DG and Heads of Education Departments will remain in effect until such time that amendments to the protocols are made</li> </ul>

**HUMAN SETTLEMENTS GRANT**

<b>Human Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 31)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The creation of sustainable human settlements that enables an improved quality of household life</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding for the creation of sustainable human settlements</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The facilitation and provision of basic infrastructure, top structures and basic social and economic amenities that contribute to the creation of sustainable human settlements</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Financial interventions and measures that improve access to human settlement development and the property market</li> <li>Number of informal settlement households upgraded</li> <li>Number of social and rental housing units developed</li> <li>Hectares of well located land and property acquired and developed</li> <li>Number of Rural Housing units developed</li> <li>Number of serviced sites developed and provided</li> <li>Number of work opportunities created</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Outputs</li> <li>Key Activities</li> <li>Monitoring and Reporting</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds for this grant will only be released upon: <ul style="list-style-type: none"> <li>receipt of signed off provincial business plans supported by a project list per housing programme that indicate the readiness of projects for implementation, including cash flow projections report and compliance certificates</li> <li>provision of allocations to municipalities receiving the Urban Settlements Development Grant for publishing in a government gazette as required by section 10(8) of the 2011 Division of Revenue Act</li> </ul> </li> <li>Transfers to provinces will be contingent on their performance as assessed in reports submitted through the Housing Subsidy System (HSS) for project and programme administration.</li> <li>Provinces may, if a proven need exists, utilise up to 5 per cent of the provincial allocation for the Operational Capital Budget Programme (OPSCAP) to support the implementation of the approved national provincial housing and accredited municipal programmes and priorities</li> <li>The Minister for Human Settlements may identify and approve a project as a priority project upon pronouncement by the State President, Cabinet, the Minister and/or Human Settlements MinMec</li> <li>A national priority project will satisfy one or more of the following conditions: <ul style="list-style-type: none"> <li>the project promotes a national development interest including poverty eradication, sustainable development and/or dignity of communities and citizens</li> <li>the project promotes the targets and outputs contained in Outcome 8</li> <li>the project promotes good practices in human settlement development</li> <li>the approval of the project will result in the alleviation of an emergency and/or a life threatening situation</li> </ul> </li> <li>To expedite the completion of the high impact projects the provincial departments of human settlements must allocate the stipulated amounts from the provincial grant allocation per project as indicated below: <ul style="list-style-type: none"> <li>Gauteng; Khutsong Resettlement project: R105 million</li> <li>Gauteng; Doornkop: R200 million</li> <li>Gauteng; Diepsloot: R100 million</li> <li>Eastern Cape; Duncan Village: R120 million</li> <li>Gauteng; Sweet Waters: R50 million</li> <li>KwaZulu-Natal; Cornubia: R132 million</li> <li>Limpopo; Lephalale: R318.8 million (part of which could, in consultation with the municipality and the national department, be used for installing bulk infrastructure that supports human settlements)</li> <li>Western Cape; Drommedaris: R68.6 million</li> </ul> </li> <li>All new projects must form part of the Performance and Delivery Agreements signed in terms of Outcome 8, Provincial Multi-year Housing Plans, National, Provincial and Local Spatial Development Frameworks and Human Settlement Sector Plans and comply with the Housing Code and readiness criteria for implementation</li> <li>Provinces must make appropriate budget allocations to the National Upgrading Support Programme to improve capacity to upgrade informal settlement households</li> <li>The targets per province and municipality accredited to level one and two accreditation must be consistent with the outputs and targets contained in the Delivery Agreements between the Minister, MECs and where appropriate with Mayors</li> <li>Where targets are revised and/or budget shifted a revised business plan must be submitted to National Department within 30 days after Adjusted Estimates of National Expenditure</li> </ul>

<b>Human Settlements Development Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant is apportioned into a 80/20 split as follows:               <ul style="list-style-type: none"> <li>– 80 per cent of the proposed 80/20 split is allocated to provinces in terms of the sector approved formula</li> <li>– 20 per cent portion is allocated by the national department to supplement the funding of the social and rental housing, informal settlement upgrading, land and national priority programmes</li> <li>– The provincial allocations to municipalities accredited to level one and two accreditation will be made on the sector approved formula basis that is consistent with the Accreditation Framework</li> <li>– An interim allocation basis will consider the current approved projects budgets running in the municipalities accredited to level one and two</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• A conditional grant enables the national department to provide effective oversight, ensure compliance with the housing code and direct portions of the grant to accredited municipalities</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Allocated and transferred R12 442 million to provinces</li> <li>• Of the total available of R12 442 million, R12 250 million (98.5 per cent) was spent</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>• 161 854 housing units completed</li> <li>• 64 362 serviced sites completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• It is a long term grant of which the exact life span cannot be stipulated as the government has an obligation to assist the poor with the provision of human settlements</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R14 942 million, 2012/13: R15 599 million and 2013/14: R16 457 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per the approved payment schedule</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Monitor the provincial and municipal performance on grant, financial and non-financial, and control systems related to the human settlements conditional grant</li> <li>• Provide support to provinces and accredited municipalities with regards to human settlement delivery as maybe required</li> <li>• Undertake structured and other visits as is necessary to provinces and municipalities</li> <li>• Facilitate regular strategic interaction between national, provincial departments of human settlements and accredited municipalities</li> <li>• Submit an annual evaluation report for 2010/11 to National Treasury by 29 July 2011</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Provide systems (Housing Subsidy System) that support the administration of the human settlement delivery process</li> <li>• Comply with the responsibilities of the national transferring officer outlined in the Division of Revenue Act (DoRA)</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Submit 2010/11 annual evaluation reports to the national department by 31 May 2011</li> <li>• Support accredited municipalities in carrying out the functions delegated as per the Accreditation Framework</li> <li>• Utilize the Housing Subsidy System (HSS) for the administration of all the human settlement delivery processes</li> <li>• Ensure effective and efficient utilization of the Housing Subsidy System by municipalities</li> <li>• Comply with the responsibilities of the receiving officer outlined in the DORA</li> <li>• Comply with the terms and conditions of the national performance agreements and provincial and local delivery agreements</li> <li>• Submit quarterly reports on funds allocated and utilised on programmes and projects in respect of OPSCAP</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• First draft provincial business plans to be submitted to the national department by 15 November 2011</li> <li>• Submit final provincial business plans, project lists including cash flow projections and compliance certificates to the national department by 15 February 2012</li> <li>• Submit approved 2012/13 provincial and national plan to National Treasury by 30 March 2012</li> </ul>

## PUBLIC WORKS GRANTS

<b>Devolution of Property Rate Funds Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 7)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To facilitate the transfer of property rates expenditure responsibility to provinces</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Provinces take full responsibility for property rates with respect to property owned and deemed to be owned by provincial departments</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Payment of property rates for provincially-owned and deemed to be owned properties as per the verified invoices submitted by municipalities</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provinces must limit payments to invoices submitted by municipalities for property rates</li> <li>Provinces must ensure that sufficient provision is made within their baselines to accommodate future commitments pertaining to provincially-owned and deemed to be owned properties</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Funds are allocated per province based on the determination/calculations submitted by the national Department of Public Works (DPW)</li> <li>The determinations/calculations are assessed against: <ul style="list-style-type: none"> <li>property lists extracted from the national department's assets register of properties which were paid during 2005/06 financial year</li> <li>based on inputs by the provinces and the national departments as well as inflationary adjustments</li> </ul> </li> </ul>
<b>Reason not incorporating in equitable share</b>	<ul style="list-style-type: none"> <li>To ensure that provinces are not adversely affected during the division of funds based on the number of properties in that specific province</li> <li>To ensure an effective transition of the function from national to provincial government</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R1 350 million to provinces</li> <li>Of the total available R1 486 million (including provincial roll overs), R1 214 million (81.7 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Payments made for provincially-owned properties</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Subject to review in the 2011/12 financial year</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R1 803 million, 2012/13: R1 938 million and 2013/14: R2 091 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments ( 08 July 2011, 07 October 2011 and 20 January 2012)</li> </ul>
<b>Responsibilities of the national transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>DPW shall be responsible for payment of outstanding property rates arrears of list of properties devolved to the provinces prior to 1 April 2008</li> <li>Oversee the transfer of the function and skills development of the provincial receiving officers</li> <li>Monitor expenditure and performance of provinces monthly and quarterly</li> <li>DPW shall be responsible to apply for vesting of properties into the name of National Government through the national Department of Rural Development and Land Reform (RDLR)</li> <li>Monitor and evaluate the devolution process</li> <li>Submit quarterly performance reports within 45 days after the end of each quarter to National Treasury</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provinces must validate payment claims and accounts from municipalities in line with Treasury Regulations</li> <li>Submit quarterly performance reports to DPW within 30 days after the end of each quarter</li> <li>Provincial departments are responsible to apply for vesting of properties into the name of provincial government through RDLR</li> <li>Provincial departments are responsible for requesting any additional funding from National Treasury through DPW</li> <li>Provincial departments are responsible for requesting roll over funds from National Treasury through Provincial Treasuries</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

<b>Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 7)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase the amount of full-time equivalent (FTE) jobs created through the use of labour-intensive methods by provincial departments</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise provincial departments to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved quality of life of unemployed people and increased social stability through engaging the unemployed in paid and productive activities</li> <li>Reduced levels of poverty</li> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Increased number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> <li>Increased income per EPWP beneficiary</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive growth</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses incentives agreements which contains the following: <ul style="list-style-type: none"> <li>FTE thresholds for each eligible provincial department</li> <li>FTE target for each eligible provincial department</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligible provincial departments must sign a standard incentive agreement with the national Department of Public Works (DPW)</li> <li>Provincial departments must report on all projects for which they are claiming the incentive via DPW's EPWP Reporting systems</li> <li>Reports must be loaded on the EPWP reporting system within 22 days after the end of every quarter in order for performance to be assessed for an incentive payment 45 days after the end of each quarter</li> <li>Provincial departments must maintain beneficiary and payroll records as specified in the Audit Requirements in the EPWP Incentive Manual</li> <li>Once received by the eligible provincial department, the incentive grant must be used for continuing or expanding job creation programmes. A maximum of 5 per cent of the incentive received can be used for project management based capacity, which must be project linked and on contract</li> <li>To be paid out an incentive allocation, the eligible public body must: <ul style="list-style-type: none"> <li>sign an incentive agreement</li> <li>report on EPWP performance quarterly within required timeframes</li> <li>perform above the quarterly threshold</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an incentive allocation in 2011/12, a provincial department must have: <ul style="list-style-type: none"> <li>reported EPWP performance by 22 April 2010</li> <li>met the threshold FTEs to qualify</li> </ul> </li> <li>A nominal allocation of R680 000 is provided when: <ul style="list-style-type: none"> <li>public bodies report after 22 April 2010 but before 22 October 2010</li> <li>public bodies do not meet the minimum threshold</li> </ul> </li> <li>The nominal allocation can be accessed if public bodies meet their threshold in-year</li> <li>Incentive allocations are based on a targeted number of FTEs each provincial department should create above the set minimum threshold. Incentive allocations are indicative and the actual incentive payout is based on actual quarterly performance reported above the quarterly threshold during 2011/12</li> <li>The indicative incentive allocation from underperforming provincial departments may be re-allocated to over performing provincial departments by Public Works</li> <li>Eligible provincial departments that exceed their targets may be paid an incentive in excess of their published indicative incentive allocation subject to the availability of funds</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to incentivise and reward performance on the EPWP. This incentive will be paid out based on the performance of provincial departments</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Payments on the EPWP infrastructure incentive grant was made to the following provinces: <ul style="list-style-type: none"> <li>Eastern Cape: R18 million</li> <li>KwaZulu-Natal: R85 million</li> <li>Western Cape: R14 million</li> </ul> </li> </ul>
	<p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>129 193 work opportunities were reported from provincial departments in the infrastructure sector</li> <li>36 601 full time equivalent jobs were reported from provincial departments in the infrastructure sector</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until the end of the 2013/14 financial year subject to review</li> </ul>

<b>Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R267 million, 2012/13: R325 million and 2013/14: R402 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments per annum (16 May 2011, 15 August 2011, 15 November 2011 and 15 February 2012)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department of public works</b></p> <ul style="list-style-type: none"> <li>• Determine eligible provincial departments and set minimum thresholds, performance targets and indicative incentive allocations for eligible municipalities based on reported performance</li> <li>• Provide provincial departments with the EPWP Incentive Manual outlining the conditions and obligations of the incentive as well as the audit requirements</li> <li>• Support provincial departments to apply the EPWP Guidelines to project design</li> <li>• Support provincial departments to report using the EPWP reporting systems</li> <li>• Monitor the performance of provincial departments and report on quarterly progress against targets</li> <li>• Submit to National Treasury quarterly progress against performance targets; indicative incentive amounts earned by provincial departments; and a revised payment schedule within 45 days after the end of the quarter</li> <li>• Conduct sample audits on a continuous basis</li> <li>• Audit the final performance of provinces after the closure of the financial year</li> <li>• Disburse incentives on a quarterly basis to eligible provincial departments (via provincial treasuries) based on performance in the previous quarter once the quarterly thresholds have been exceeded</li> </ul>
	<p><b>Responsibilities of the provincial treasuries</b></p> <ul style="list-style-type: none"> <li>• Appropriate the indicative incentive allocation to eligible provincial departments as indicated in the annual Division of Revenue Act (DoRA) and the Gazette on allocations and frameworks for provinces</li> <li>• Disburse the incentive to the eligible provincial departments in accordance with the quarterly disbursement instructions of National Public Works</li> <li>• Monitor the spending of the incentive on job creation programmes and provide spending reports on the grant to Public Works as per DoRA</li> </ul>
	<p><b>Responsibilities of the eligible provincial departments</b></p> <ul style="list-style-type: none"> <li>• Sign the standard incentive agreement with National Public Works agreeing to comply with the conditions and obligations of the incentive grant before receiving any incentive payment</li> <li>• Report all projects to be taken into account when assessing performance into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements in the incentive agreement</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Provincial departments must report performance on EPWP projects for the 2010/11 financial year by the 21 April 2011</li> <li>• A late eligibility provision is applicable for late reporting: Public bodies that report after this date but before 21 October 2011 will qualify for only a nominal incentive allocation of R680 000</li> <li>• National Public Works will distribute the standard incentive agreement by 31 March 2011</li> <li>• Eligible provincial departments must sign the standard incentive agreement with National Public Works and agree to comply with the conditions and obligations of the incentive grant by 29 April 2011</li> </ul>

<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 7)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase job creation through the expansion of Social Sector Expanded Public Works Programme (EPWP) programmes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise provincial social sector departments identified in the 2011 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery to communities by expanding the reach and quality of social services</li> <li>Improved quality of life of unemployed people through employment creation and increased income</li> <li>Reduced levels of poverty</li> <li>Contribute towards decreased levels of unemployment</li> <li>Improved opportunities for sustainable work through the experience and learning gained</li> <li>Strengthened capacity of non-government delivery partners through increased access to funds for training, wages and administration</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Increased number of people employed and receiving income through the EPWP</li> <li>Increased duration of the work opportunities created</li> <li>Increased number of households and beneficiaries to which services are provided</li> <li>Increased income per EPWP beneficiary</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive economic growth</li> <li>Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> <li>Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial departments must submit to the national Department of Public Works (DPW) signed-off EPWP targets and budgets for the 2011/12 financial year as part of the EPWP annual log frame planning process by 31 March 2011</li> <li>Provincial departments must submit to DPW signed-off implementation plans on how to achieve these EPWP targets by 31 March 2011</li> <li>Provincial departments must report both conditional grant and equitable share EPWP expenditure on the monthly In-Year-Monitoring (IYM) tool in accordance with section 32 of the PFMA</li> <li>Provincial departments must sign a incentive agreement with DPW by 31 March 2011 to comply with the conditions and obligations of the grant</li> <li>Reports must be loaded on the EPWP Web-based Reporting System within 15 days after the end of every quarter</li> <li>Provincial departments must adhere to the Audit Requirements stipulated in an EPWP Incentive Manual</li> <li>The Incentive Grant allocation must be used to expand job creation programmes in the Social Sector</li> <li>The Incentive Grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> <li>To provide stipends to unpaid volunteers at R60 per day</li> <li>To expand Social Sector EPWP programmes as identified in the EPWP Social Sector Log-frame</li> <li>To create additional work opportunities</li> </ul> </li> <li>A minimum of 80 per cent of the incentive allocation must be used to pay stipends or wages</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an incentive allocation in 2011/12, a provincial department must have: <ul style="list-style-type: none"> <li>reported EPWP performance by 22 April 2010 for an incentive allocation to be calculated based on 2009/10 performance</li> <li>must have met at least 35 per cent of their Full Time Equivalent (FTE) target for the 2009/10 financial year</li> </ul> </li> <li>Each provincial department's performance is assessed against a set of EPWP performance indicators to determine the size of the incentive allocations for those years. These are: <ul style="list-style-type: none"> <li>Targeted number of FTE per provincial department</li> <li>Beneficiary profile consisting of 2 per cent persons with disabilities</li> <li>Beneficiary profile consisting of 40 per cent youth</li> <li>Beneficiary profile consisting of 55 per cent female beneficiaries</li> <li>10 per cent of days worked spent in training</li> <li>Average duration of 100-day work opportunities</li> <li>Average Minimum Daily Wage of R60 per person day of work</li> </ul> </li> <li>Incentive allocations to each provincial department are based on their past performance score [%] x the number of FTEs created x FTE Reward [R60 per day x 230 days]</li> <li>Provincial grant allocations for the two outer years are indicative and will be revised based on the performance of each province</li> </ul>



<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The incentive allocation is based on the performance of programmes in a prior financial year and use of the allocation is specifically earmarked for EPWP programme expansion</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
	<b>2009/10 service delivery performance</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R200 million, 2012/13: R242 million and 2013/14: R286 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (6 May 2011, 8 July 2011, 7 October 2011 and 6 January 2012)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department of public works</b>
	<ul style="list-style-type: none"> <li>Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations</li> <li>Draft an Incentive Manual that will provide provincial departments with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations</li> <li>Draft an Incentive Agreement outlining the requirements of the Incentive Grant and ensure that each provincial department signs the agreement by 31 March 2011</li> <li>Reach agreement with national sector departments on their roles in ensuring effective implementation of the Incentive Grant by 31 March 2011</li> <li>Support provincial departments to develop plans to meet job creation targets</li> <li>Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP Web Based System</li> <li>Monitor the performance of provincial departments and the use of the incentive grant against the conditions in the framework and report to National Treasury on quarterly progress</li> <li>Audit the final performance of provincial departments after the closure of the financial year</li> </ul>
	<b>Responsibilities of provincial departments</b>
	<ul style="list-style-type: none"> <li>Identify the employment and expansion potential of departmental Social Sector EPWP programmes and develop plans for maximising job creation and service delivery expansion</li> <li>Submit and obtain approval for the required programme expansion plans to DPW to show how targets will be achieved</li> <li>Sign the standard incentive agreement with DPW agreeing to comply with the conditions and obligations of the incentive grant before receiving any incentive payment</li> <li>Report EPWP performance onto the EPWP Web Based System and update progress quarterly in accordance with the reporting requirements in the incentive agreement</li> <li>Provide data on the use of the Incentive Grant on a quarterly basis in the format and manner prescribed by DPW</li> <li>Maintain beneficiary and payroll records as specified in the Audit Requirements of the EPWP</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Provincial departments report performance on Social Sector EPWP programmes for the 2010/11 financial year by the 15 April 2011</li> <li>Performance in 2010/11 will determine the targets and incentive allocations for 2012/13</li> <li>Provincial departments participate in the planning exercise in January each year and submit their business plans and targets to DPW during this process in the format required</li> <li>DPW to distribute the Incentive Agreement in March every year</li> <li>Provincial departments sign the Incentive Agreement with DPW by 30 March 2012 and agree to comply with the conditions and obligations of the incentive grant</li> </ul>

## SPORT AND RECREATION SOUTH AFRICA GRANT

<b>Mass Sport and Recreation Participation Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Sport and Recreation South Africa (Vote 20)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Increased and sustained participation in sport and recreation development continuum</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To facilitate mass participation within communities and schools through selected activities, empowerment of communities and schools in conjunction with relevant stakeholders</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased and sustained participation in sport through mass participation</li> <li>• Mass participation in schools and communities</li> <li>• Mass participation in sports programmes amongst marginalised groups</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Improved sector capacity/increased capacity to deliver Mass Participation in communities and schools</li> <li>• Sustainable mass participation structures established</li> <li>• Schools and communities supported through the mass participation programmes</li> <li>• Marginalised groups supported to participate in mass participation programmes</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provincial departments responsible for sport are required to enter into formal agreement with Sport and Recreation South Africa (SRSA) after approval of business plans prior to the start of the financial year</li> <li>• Provinces must appoint permanent staff on their establishments for the programme in consultation with the national department. The establishment must not be more than 6 per cent of the total grant requested</li> <li>• Each province must have risk management plans by 30 March 2011</li> <li>• Each province must have a sustainability plan for projects to ensure they will be self-sufficient after 3 years</li> <li>• Provincial department's Annual Performance Plan for 2011/12 and over the MTEF to clearly indicate measurable objectives and performance targets of the conditional grant as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Funds are distributed among provinces on a baseline allocation of R10 million, a needs analysis, performance and the provincial equitable share formula</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• A conditional grant is necessary to ensure national coordination, monitoring and facilitation</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R402 million</li> <li>• Of the total available R412 million (including provincial roll overs), R382 million (92.6 per cent) was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Number of people trained in sport and development: 14 679</li> <li>• Number of Mass mobilisation campaigns held: 45</li> <li>• Number of people participating in the programme: 4 520 000 people participating in schools and community clubs</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Ongoing subject to review as agreed with National Treasury</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R452 million, 2012/13: R475 million and 2013/14: R501 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments (29 April 2011, 29 July 2011, 31 October 2011 and 30 January 2012)</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Submit the 2010/11 annual evaluation report to National Treasury by 29 July 2011</li> <li>• Agree on outputs and targets with provincial departments in line with grant objective for 2012/13 by 15 September 2011</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor implementation and provide support</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Ensure that all the conditional grant practice notes issued by National Treasury are adhered to</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Submit the 2010/11 annual evaluation report to SRSA by 31 May 2011</li> <li>• Submit quarterly performance reports to SRSA within 30 days after the end of each quarter</li> <li>• Monitor progress of the grant in the communities and schools</li> <li>• All provincial grant managers to attend all the quarterly conditional grant meetings</li> </ul>

<b>Mass Sport and Recreation Participation Programme Grant</b>	
	<ul style="list-style-type: none"><li>• Provinces to ensure that capacity exist to manage the grant and there's a grant manager responsible for the grant</li><li>• Provinces must include the organisational capacity on the programme</li></ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"><li>• Provinces to provide draft business plans to SRSA by 14 October 2011</li><li>• SRSA evaluates draft business plan by 15 November 2011</li><li>• Comments sent to provinces by 30 November 2011</li><li>• Provinces to submit revised business plans to SRSA by 15 December 2011</li><li>• SRSA to approve revised business plans by 13 February 2012</li><li>• HODs submit signed business plans to SRSA 15 March 2012</li><li>• SRSA to sign project implementation agreements and business plans with Provincial HODs by 5 April 2012</li><li>• SRSA submit approved business plan to National Treasury by 13 April 2012</li></ul>

## TRANSPORT GRANTS

<b>Gautrain Rapid Rail Link</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To develop a fully integrated Rapid Rail Link based on a north-south spine between Tshwane and Johannesburg and an east-west spine between OR Tambo International Airport (ORTIA) and Sandton</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Reduction in road traffic congestion in the corridors between Tshwane and Johannesburg and between ORTIA and Sandton</li> <li>• Integration of the Gautrain Rapid Rail Link into to broader public transport network in Gauteng</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• The completion of the civil works and operational systems of the Gautrain Rapid Rail Link according to the specifications and milestones agreed between the Gauteng Province and the Concessionaire in the Public Private Partnership (PPP) Concession Agreement (CA)</li> <li>• Implementation of the Gautrain Strategic Integration Plan as approved by Cabinet in December 2005</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses a PPP Concession Agreement</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The conditional grant is to be used towards the payment of the provincial contribution for the completion of the Gautrain, as specified in the CA</li> <li>• The Province's rights and obligations in the CA will be managed by the Gauteng Management Agency (GMA), established through provincial legislation as a Schedule 3C public entity in terms of the Public Finance Management Act (PFMA)</li> <li>• The GMA will provide the national Department of Transport(DoT) with an annual projection of payment in terms of the Milestone completion schedule in the CA, which indicates the projected dates on which each General Milestone and each Key Milestone payment will be due and the quantum thereof payable from the conditional grant</li> <li>• Interim payments and the final payment made by the Province to the Concessionaire in terms of the Concession Agreement throughout the development period (payable according to the agreed General and Key Milestone completion schedules) will be made by the province, drawing from the conditional grant payments received from the national DoT in such a manner that the amounts expended on the project include any adjustment necessary to compensate for foreign exchange fluctuations as agreed by the National Treasury as well as escalation over and above the inflation rate set for the Project by the South African Reserve Bank (SARB)</li> <li>• Failure by the province to make payments to the Concessionaire within the stipulated 10 business days will result in the Province incurring interest on each overdue sum</li> <li>• The national DoT will advise the SARB of the annual payment schedule required for the Gautrain</li> <li>• The GMA will advise the Gauteng Treasury to draw required funds from the SARB's Gautrain holding account and to effect payment to the Concessionaire</li> <li>• The annual payment schedule lodged with the SARB may be amended from time to time according to revisions to the annual cash flow forecasts provided by the GMA</li> <li>• The Gauteng Department of Roads and Transport must ensure the efficient and effective functioning of the Gautrain Public Transport Integration Committee comprising of the three metros (Tshwane, Johannesburg and Ekurhuleni), DoT and the Passenger Rail Agency of South Africa with the primary task of developing a Gautrain Integration Implementation Plan that will respond to the: <ul style="list-style-type: none"> <li>– Rail Plan corridor alignment and the Gautrain implementation parameters</li> <li>– proposed new commuter rail links including station precinct developments, specifically Pretoria, Johannesburg, Hatfield and Rhodesfield as well as park and ride and feeder facilities</li> <li>– a single architecture integrated ticket system and the roll out of fare integration strategy to all public transport users and public transport service providers effected in the three Metropolitan Authorities</li> <li>– Operating License Strategies of the three Metropolitan Authorities</li> <li>– Operating Contracts with metropolitan bus services, subsidised bus services, Metrorail and recapitalised taxi operators and their service specifications</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The Grant is based on a financial model specifically developed for this project</li> </ul>

<b>Gautrain Rapid Rail Link</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The conditional grant is made for a specific, large public transport infrastructure project being undertaken by the Gauteng Province, as endorsed by Cabinet. The total cost of the project is unaffordable to the Province within the limits of its equitable share. It has therefore been agreed that fifty percent of the capital costs of the project will be borne by the Province (through a combination of funds from its equitable share and a borrowing agreement with National Treasury), and fifty percent will be borne by national government and made available to the Province through a conditional grant</li> <li>Cabinet has endorsed the project as a key strategic PPP project of national significance, with potential to stimulate investment in infrastructure and the economy, and to provide opportunities for public transport restructuring and integration</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R2 977 million to provinces</li> <li>Of the total available allocation, 100 per cent was spent</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Service delivery is measured in terms of the Annual Performance Evaluation submitted by the GMA, based inter alia on Milestones certified by the Independent Certifier</li> <li>The Concessionaire reported actual total project progress to be at 89 per cent compared to a planned progress of 94 per cent</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant comes to an end in 2011/12</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R5.3 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfer payments will be made based on an annual transfer schedule provided to the SARB by the national DoT, according to annual cash flow forecasts provided by the Gautrain Management Agency, which may be amended from time to time by the National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>DOT ensures that transfer payments are made to the Gauteng Province in accordance with the approved payment schedule and certified Milestones</li> <li>Ensures that expenditure from the Division of Revenue Act (DoRA) grant is in terms of the allocated funds and based on the approved payment schedule</li> <li>Submits reports as required in terms of the DoRA to National Treasury</li> <li>Facilitates the integration of Gautrain with the public transport system in line with the Cabinet resolution</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>The Gautrain Management Agency (GMA) on behalf of the Gauteng Provincial Government manages the Public-Private Partnership (PPP) Agreement and reports on progress and expenditure to DoT in accordance with the above-mentioned conditions.</li> <li>In line with the DoRA and the PFMA requirements, the Gauteng Province will submit reports to the DoT at the end of each quarter, detailing: <ul style="list-style-type: none"> <li>interim payments and the final payment made to the Concessionaire according to the General and Key Milestone payment schedules in that quarter. These reports will be supported by copies of the Interim Certificates and (when applicable) the Final Certificate issued by the Independent Certifier, which effected each payment made in the previous quarter in terms of the Concession Agreement</li> <li>progress as it relates to Gautrain Integration Implementation Plan</li> </ul> </li> <li>These reports will be submitted by the Gauteng Province to the DoT in the first week of January, April, July and October each year of the development period</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To ensure efficient investment in provincial roads</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks</li> <li>• Ensure provinces implement and maintain road asset management systems</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased lifespan of provincial roads and decreased vehicle operating costs on provincial road networks</li> <li>• Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Collected traffic volumes data and pavement condition data</li> <li>• Updated road asset management systems</li> <li>• Squared kilometres of preventative, routine and emergency maintenance work</li> <li>• Percentage of roads for which condition of roads changed from poor and very poor to at least fair</li> <li>• Weighbridge infrastructure &amp; monitoring systems operational and where the Road Transport Quality System (R.T.Q.S.) is implemented</li> <li>• Percentage of roads in good or very good condition maintained in that condition</li> <li>• Number of work opportunities created</li> <li>• Number of S3 students provided with experiential internships</li> <li>• Number of emerging contractor opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses a Road Asset Management Plan, which contains the following details: <ul style="list-style-type: none"> <li>- levels of service</li> <li>- network condition and traffic volumes</li> <li>- project lists for 2011/12 to 2013/14</li> <li>- financial summary</li> <li>- organisational and support plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provincial departments must submit quarterly infrastructure reports to the national Department of Transport (DoT) that comply with the infrastructure reporting model and toolkit</li> <li>• Final list of projects must be captured on the Infrastructure Reporting Model and submitted to the relevant Provincial Treasury and Department of Transport by the 21 April 2011</li> <li>• A detailed Asset Management Plan, that is compliant with the requirements of the Government Immovable Assets Management Act (2007) and based on the Road Asset Management System must be submitted by 31 August 2011 to DoT and National Treasury by 30 November 2011</li> <li>• All immovable asset management and maintenance responsibilities as prescribed by the Government Immovable Asset Management Act, 2007 (GIAMA), and the Infrastructure Delivery Management Toolkit must be adhered to</li> <li>• The payment of the second instalment of this grant is dependent on receipt by DoT of the quarterly performance reports for the fourth quarter of 2010/11. The third instalment is dependent on receipt by DoT of the first quarter report for 2011/12 and the final instalment is dependent on receipt of the second quarterly performance reporting for 2011/12.</li> <li>• Expenditure of this grant must be in accordance with maintenance requirements as identified by a road asset management system, set within the relevant budget limit, to improve conditions of the roads and extend the lifespan of road infrastructure</li> <li>• Allocations for 2013/14 will be conditional on updated systems and data. Data on roads and bridges needs to be updated every two and five years respectively</li> <li>• Projects for which tendered contracts have been entered into or funding committed before 31 March 2011 will be exempted from the conditions above apart from the quarterly reporting requirements on the infrastructure reporting model</li> <li>• Mpumalanga and Gauteng provinces must allocate the following amounts to coal haulage projects: <ul style="list-style-type: none"> <li>- Mpumalanga: R511 million in 2011/12, R659 million in 2012/13 and R808 million in 2013/14</li> <li>- Gauteng: R74 million in 2011/12, R4.4 million in 2012/13 and R0.9 million in 2013/14</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Criteria will include performance in relation to key performance indicators as agreed to between DoT and the provinces</li> <li>• Allocations are retained at 45 per cent of the Infrastructure Grant to Provinces in relation of proportional allocations shown in the 2010 Division of Revenue Act for 2011/12 and 2012/13</li> <li>• Allocation criteria from 2013/14 onwards will be based on the extent of the provincial road network, the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors. Key performance indicators will be developed during 2011/12 which will be used to link allocations of this grant to performance</li> <li>• The funding for the coal haulage road network to Gauteng and Mpumalanga is subject to separate allocation criteria based on the programme schedule as submitted to DoT and National Treasury</li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to ensure that provinces give priority to road infrastructure maintenance and promote efficiency in road investment</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is ongoing, but will be subject to periodic review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R6 457 million, 2012/13: R7 568 million and 2013/14: R8 259 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>According to payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Assess and evaluate all provinces road asset management systems and ensure these are used to plan and prioritise maintenance work according the Road Infrastructure Strategic Framework for South Africa</li> <li>Provide support to provinces to enable them to report on asset management system data that is compatible with the national system</li> <li>Maintain standards for Pavement Management Systems (TRH22) and ensure standardized data collection in relation to visual conditioning indices (TMH9, THM12 and M3-1), traffic volumes and vehicle operating costs</li> <li>Monitor expenditure and performance in accordance with road asset management systems</li> <li>Verify that primary data sources are updated</li> <li>Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> <li>Prescribe national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly by provinces as per the National Land Transport Act (Act 5 of 2009)</li> <li>Liaise with tertiary institutions for the placement of S3 students</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Update monthly expenditure reporting in terms of Section 40(4)(c) of the Public Finance Management Act and through the Infrastructure Reporting Model</li> <li>Submit quarterly performance reports within 30 days after the end of each quarter to the relevant provincial treasury and National Treasury, including reporting on: <ul style="list-style-type: none"> <li>visual conditioning index</li> <li>traffic volumes</li> <li>lifespan of the road (based on original design life, traffic and weather patterns)</li> </ul> </li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Provinces submit Road Asset Management Systems priority projects in the form of a User Asset Management Plan by 30 November 2011</li> </ul>

<b>Public Transport Operations Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Subsidisation of road based public transport services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide supplementary funding towards public transport services provided by provincial departments of transport</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>• The provision of public transport services in terms of contracts which are kilometre based that are supportive of intermodal efficiencies in public transport and affordable to the users of the services</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Subsidy per trip operated</li> <li>• Subsidy per km operated</li> <li>• Subsidy per passenger</li> <li>• Subsidy per vehicle</li> <li>• Number of vehicles subsidised</li> <li>• Number of scheduled trips</li> <li>• Number of trips operated</li> <li>• Total number of penalties incurred</li> <li>• Monetary value of penalties (including escalation)</li> <li>• Passengers per kilometre operated</li> <li>• Passengers per trip operated</li> <li>• Employees per vehicle</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The conditional grant is the national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised services</li> <li>• All contracts concluded must be done as per relevant legislation and in compliance with the Public Transport Strategy</li> <li>• Designs and operators' business plans detailing subsidised services will have to be approved by the Public Transport Integration Committee comprising of the three spheres of Government to ensure alignment with Integrated Public Transport Networks (IPTNs). Where an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act no. 5 of 2009, the functions of the two committees must be consolidated to ensure integration of planning, services and modes</li> <li>• Supervision, monitoring and or verification must be done to certify the correctness of the operator's claim in terms of km of services provided and report to Department of Transport (DoT) monthly</li> <li>• If the operating licence function is transferred to any municipality before the 2011/12 adjusted budget, the appropriate portion of the grant will also be devolved to the municipality. This devolvement must include all services in that city at once. To have the money devolved in the adjusted budget the municipality will have to have received the function by 1 September 2011. Should the function be devolved later than that the money will only be shifted in 2012/13. The municipality, province and operators will have to make transitional arrangements to ensure payments to operators</li> <li>• Where public transport services provided by a provincial department of transport are replaced by municipal run Integrated Public Transport Network (IPTN) services the province must take all reasonable measures to assist the transition within a framework to be prescribed by the National Department of Transport and National Treasury</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The 2011/12 to 2013/14 allocations are based on 2009 Division of Revenue Act (DoRA) allocation baseline plus percentage of additional budget per year based on an allocation formula as developed by DoT recognising the following factors: <ul style="list-style-type: none"> <li>– population weighted by density</li> <li>– GDP per province</li> <li>– employment in province</li> <li>– poverty population</li> <li>– passengers transported</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Subsidies are earmarked for the provision of public transport services</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R3 532 million to provinces</li> <li>• Of the total available of R3 532 million (including provincial rollovers), R3 523 million (99.3 per cent) was spent</li> </ul>



<b>Public Transport Operations Grant</b>	
	<p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Summary of Monthly Averages for Key Outputs and Performance for subsidised services 2009/10               <ul style="list-style-type: none"> <li>– Number of vehicles subsidised: 6 676</li> <li>– Number of routes subsidised: 8 224</li> <li>– Number of vehicle kms subsidised: 22 760 344</li> <li>– Subsidy/vehicle: 44 193</li> <li>– Subsidy/passenger: 10</li> <li>– Subsidy/kilometre operated: 13</li> <li>– Kilometres operated/vehicle: 3 410</li> <li>– Passengers/vehicle: 4 615</li> <li>– Passengers/trip operated: 54</li> <li>– Passenger revenue/kilometre: 11</li> <li>– Passenger revenue/trip operated: 432</li> <li>– Staff/vehicle: 2</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Subject to the devolution of funds to local government as part of the operationalisation of the National Land Transport Act (NLTA)</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R4 153 million, 2012/13: R4 361 million and 2013/14: R4 601 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Twelve (12) monthly payments/instalments according to payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring National officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Develop and coordinate the necessary contracting documents to be used in subsidising public transport services</li> <li>• Provide the guidelines and criteria for the development of business plans for services to be subsidised</li> <li>• Develop norms and standards for the creation of the IPTNs with all spheres of government</li> <li>• Advise contracting authorities regarding the design of contracted services</li> <li>• Maintain national database with key performance indicators of public transport services</li> <li>• Improve efficiencies of public transport spending</li> </ul>
	<p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>• Any contractual agreement entered into by a provincial department in relation to this grant will be the responsibility of the provincial department</li> <li>• Verify accuracy of monthly claims</li> <li>• Ensure that contracted operators' certified claims are paid within thirty (30) calendar days from the date of receipt</li> <li>• Submit monthly performance reports to DoT within 25 calendar days of the month following the operation and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT</li> <li>• Utilise supervision, monitoring and or verification to certify the correctness of the operator's subsidy claims in terms of km of services provided and report to DoT monthly</li> <li>• Ensure alignment of IPTNs with national policy, legislation and other guidelines and/or standards</li> <li>• Provinces must assist municipalities in the process of devolving the operating licence function as set out in the National Land Transport Act</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## **Part 3: Frameworks for Conditional Grants to Municipalities**

### **Detailed frameworks on Schedule 4, 6, 7, 8 and 9 grants to municipalities**

#### **Introduction**

This annexure provides a brief description for each grant in Schedules 4, 6, 7, 8 and 9 of the 2011 Division of Revenue Act. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2011 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2012/13 or process for approval of 2012 MTEF allocations

The attached frameworks are not part of the 2011 Division of Revenue Act, but are published in order to provide more information on each grant to Parliament, provincial legislatures, municipal councils, officials in all three spheres of government and the public. Section 14 of the 2011 Division of Revenue Act requires that the frameworks be gazetted within 14 days from the date that the act takes effect.

The financial statements and annual reports for 2011/12 will report against the 2011 Division of Revenue Act, 2011 Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved. The Auditor-General is expected to audit compliance to the 2011 Division of Revenue Act and gazetted grant framework by both transferring national departments and receiving municipalities.

## COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

<b>Municipal Disaster Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To pro-actively respond to immediate needs after a disaster has occurred</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for the immediate release of funds for disaster response</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Immediate consequences of disasters are alleviated</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Victims of disasters are supplied with immediate relief</li> <li>The impact of disasters minimised</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship</li> <li>Outcome 9: A responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the template developed by the National Disaster Management Centre (NDMC) which must include the following: <ul style="list-style-type: none"> <li>Copy of the classification letter in terms of the Disaster Management Act</li> <li>Copy of declaration of disaster in terms of the Disaster Management Act</li> <li>Number of people affected</li> <li>Items to be purchased or that have already been purchased by municipalities with relevant proof</li> <li>Support received from Non-Government Organisations (NGOs) and local business</li> <li>Contribution by the municipality (both financially or in-kind)</li> <li>Funds required for disaster response</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds from this grant can only be used to fund the items as described in the NDMC guideline and will only be released on request of a provincial government through the Provincial Disaster Management Structure</li> <li>Funds can only be released after a disaster has been declared in terms of the Disaster Management Act</li> <li>Municipalities must fund a portion of the costs of the disaster response from their own budget or prove that they are not able to do so. Municipalities with large revenue raising capacity will be expected to fund 25 per cent of the response, mid-sized municipalities will be expected to fund 10 per cent and municipalities with limited or no revenue raising capacity may be funded in full</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated based on the location of declared disasters and an assessment of immediate needs</li> <li>The proportion of a municipality's disaster response costs funded by the grant will be determined on a case-by-case basis</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant caters for responses to unforeseen disasters</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2011/12</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2011/12</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term and will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R470 million, 2012/13: R330 million and 2013/14: R350 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made subject to approval by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>Advise municipalities about the existence of the grant and how grant funding can be applied for</li> <li>Develop a guideline on the items that will qualify for funding through this grant</li> <li>Establish procedures for funding items already purchased by municipalities</li> <li>Together with the affected municipalities and provinces, conduct preliminary assessments of disaster impacts to verify the applications for funding as per the requirements of the Disaster Management Act</li> <li>Seek approval from National Treasury for disbursement of funds to municipalities and provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund</li> <li>Notify the relevant municipality of a transfer at least one day before transfer and transfer the funds no later than five days after notification</li> <li>Notify the relevant Provincial Disaster Management Centre (PDMC) of a transfer and reason for transfer within one day of the transfer of funds to municipalities</li> <li>Build relationships and establish the necessary communication channels with relevant national departments to ensure the country has a coordinated disaster response approach</li> <li>Provide a performance report to National Treasury within 45 days after the end of the quarter during which funds are spent</li> <li>Provide National Treasury and the relevant Provincial Treasury with written notification of the transfer within 14 days of a transfer of this grant</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Provide a performance report to the NDMC and relevant PDMC within 30 days after the end of the quarter during which funds are spent</li> <li>Initiate requests for disaster funding when appropriate</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

<b>Municipal Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidise the capital costs of providing basic services to poor households: priority must be given to meeting the basic infrastructure needs of poor households through the provision of appropriate bulk, connector and internal infrastructure in key services</li> <li>Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner which supports a co-ordinated approach to local development and maximises developmental outcomes</li> <li>Assist in enhancing the developmental capacity of municipalities through supporting multi-year planning and budgeting systems</li> <li>Provide a mechanism for the co-ordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectoral fragmented grants</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Facilitate access to basic services infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of additional poor households receiving basic water and sanitation services per annum</li> <li>Number of additional kilometres of municipal roads developed</li> <li>Number of additional sport and recreation facilities servicing poor communities developed</li> <li>Number of work opportunities created using Expanded Public Works Programme (EPWP) guidelines for above outputs</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Project description (specific details, e.g. number of kilometres of roads to be constructed)</li> <li>Project funding (Municipal Infrastructure Grant (MIG) funding, private as well as municipal own funding)</li> <li>Project category (B-Component, P-component, E-component or N-component) in terms of MIG allocation formula</li> <li>Population benefiting from the project (the grant is biased to rural poor households)</li> <li>Project location (this includes GPS coordinates of the project)</li> <li>Operation and maintenance budget projections</li> <li>Employment generation of the projects</li> <li>Specific indicators (depending on level of service to be provided, e.g. VIP or full water borne sanitation)</li> <li>Projects approved by council that also appear in the municipal three year capital budget or Integrated Development Plan (IDP)</li> <li>Sector departments' recommendations where applicable</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Prioritise basic residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and internal bulk infrastructure, and other municipal infrastructure like roads, sport and recreation and community facilities in line with the MIG policy framework (2004) and/or other government sector policies existed before the amalgamation of various grants into MIG</li> <li>Funds can be used for new or upgrading basic bulk and connector component of residential infrastructure as a result of the formalisation of settlements subject to compliance with sector policy and compliance on condition that backlogs as at 2001 has been addressed</li> <li>Compliance with Chapter 5 of the Municipal Systems Act (2000). Infrastructure investment and delivery must be based on an IDP, strengthened through comprehensive infrastructure planning, that provides a medium to long-term framework for sustainable human settlements and is in accordance with the principles of the National Spatial Development Perspective, Provincial Growth and Development Strategies and municipal council resolutions</li> <li>Municipalities must adhere to labour-intensive construction methods in terms of EPWP guidelines</li> <li>Compliance with the Division of Revenue Act, including additional reporting requirements on spending and projects as approved by sector departments</li> <li>Municipalities to ensure appropriate programme and project planning and implementation readiness</li> <li>Receiving officers must comply with sector conditions, norms, standards and legislation</li> <li>Funds can be used for basic new needs for upgraded and formalised settlements subject to compliance with sector policy and compliance</li> <li>A municipality receiving MIG must table a three year capital budget as part of its budget for the 2010/11 financial year in accordance with the MFMA, unless exempted in terms of that Act</li> <li>The P-component of the MIG formula (described in part 5 of Annexure W1 to the Division of Revenue Bill) amounts to 15 per cent of the MIG and must be used for municipal sports facilities only</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Part 5 of Annexure W1 spells out the MIG formula in detail. The formula incorporates backlog and poverty data</li> <li>The MIG must be transferred directly to a category B or C municipality that has the powers and functions referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide municipal infrastructure in respect of those powers and functions</li> <li>The MIG allocation for a category B or C municipality may be transferred to the category C municipality or province within whose jurisdiction the municipality is situated if, in the assessment of the transferring national officer in consultation with the National Treasury, the municipality does not:</li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>- have sufficient expenditure capacity to effectively carry out the infrastructure programmes</li> <li>- adhere to good financial governance practices</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• Allocated R11 077 million to municipalities with R9 019 million (78.9 per cent) spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Cumulative households benefiting from MIG by end June 2010: water 1 232 643, sanitation 703 121, storm water 166 151, solid waste 312 424, street/community lighting 391 164</li> <li>• 21 990.51km of roads developed</li> <li>• A cumulative total of 3 934 SMMEs and 2 436 BEE companies were utilised in the implementation of MIG projects</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme will continue up to 2013 subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R11 444 million, 2012/13: R13 914 million and 2013/14: R14 679 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national departments</b></p> <ul style="list-style-type: none"> <li>• Submit a report within 20 days after the end of each month to National Treasury and other national departments that have responsibilities relating to the grant. The report must include: <ul style="list-style-type: none"> <li>- expenditure and non-financial performance information on programmes funded by an allocation</li> <li>- an explanation of any material problems experienced by municipalities regarding an allocation that has been received and a summary of the interventions or steps taken to deal with such problems</li> </ul> </li> <li>• Department of Cooperative Governance and Traditional Affairs (CoGTA) administers the municipal infrastructure grant and co-ordinates its activities with all stakeholders through appropriate structures</li> <li>• Department of Water Affairs and the Department of Human Settlements to support and monitor municipalities to prepare and implement Water Services Development Plans (WSDPs), and monitor and oversee progress on water and sanitation projects implemented through the MIG grant</li> <li>• Department of Public Works to monitor compliance with the EPWP</li> <li>• Sport and Recreation South Africa (SRSA) to assist municipalities with planning of sport and recreation facilities and monitor implementation</li> <li>• Each sector, national or provincial department of local government will be expected to fulfil a sectoral and provincial monitoring role on relevant sectoral and provincial outputs</li> <li>• CoGTA coordinates monitoring systems and the overall programme implementation</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>• Coordinating municipal reports</li> <li>• Providing and coordinating support and capacity to municipalities</li> <li>• Submit reports to national CoGTA</li> <li>• Monitor project implementation in collaboration with sectors and submit site visit reports to CoGTA</li> <li>• Monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration</li> <li>• Ensure that municipalities implement projects in accordance with the municipal IDPs and council resolutions</li> <li>• Monitor performance of municipal Project Management Units and recommend relevant sanctions for under-performance to CoGTA</li> <li>• The provincial department must provide final recommendations to receiving officer by 30 September 2011</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• The receiving officer of MIG must, by 2 August 2011, submit all the project registrations forms for the projects to be implemented in 2011/12 to the provincial department responsible for local government</li> <li>• Municipalities must submit to the national department by 28 October 2011, detailed project implementation plans for all the projects to be implemented in the 2012/13 financial year. Such plans should include timelines regarding project designs, initiation of procurement, and Environmental Impact Assessment (EIA) approvals</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• The receiving officer of a MIG must, by 27 May 2011, submit all technical reports to the sector departments responsible for water services, sport and recreation, roads and transport for all projects to be implemented in 2012/13</li> <li>• The responsible sector department must evaluate reports and provide final recommendations to the receiving officer by 29 July 2011</li> </ul>

<b>Municipal Systems Improvement Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>An efficient and developmental sphere of local government capable of delivering services to local communities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and local government turnaround strategy</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A responsive, accountable, effective and efficient local government system</li> <li>Strengthen the ward participation systems in local government</li> <li>Effective implementation of municipality-specific turnaround strategies</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipalities improving their viability and management through targeted support interventions</li> <li>Number of municipalities with strengthened administrative systems enabling effective implementation of the ward participation system</li> <li>Number of municipalities implementing by-laws, policies and systems that support local government legislation</li> <li>Number of municipalities with information systems that support effective service delivery</li> <li>Number of municipalities that developed turnaround strategies and are implementing the strategies</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Submission of a signed activity plan in a prescribed format with detailed budgets and timeframes for the implementation of prioritised measurable outputs</li> <li>Municipalities must adhere to the local government turnaround strategy</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are made to selected municipalities based on previous expenditure performance and assessed priority needs</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is conditional and aimed at building the capacity of municipalities to implement sound institutional and governance systems required in terms of local government legislation</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated R200 million to municipalities with R186 million (94.3 per cent) spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>200 municipalities were supported with this grant to establish effective ward systems for public and community participation</li> <li>133 municipalities were able to fully implement the Municipal Property Rates Act</li> <li>68 municipalities were supported by the grant to review policies</li> <li>230 municipalities received support to identify, verify and finalise fixed asset registers in line with the Generally Recognised Accounting Practice (GRAP)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant continues over the MTEF period and will be reviewed during the 2011/12 financial year</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R219 million, 2012/13: R230 million and 2013/14: R243 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers to be made in July 2011 in accordance with payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>Monitoring of expenditure on the grant</li> <li>Visits to slow spending and non-reporting municipalities to determine challenges and to provide required support</li> <li>Implementation of the monthly expenditure report tracking system</li> <li>Analysis of monthly expenditure reports from municipalities</li> <li>Submit quarterly and annual performance reports to National Treasury</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Submit activity plans in the prescribed format</li> <li>Submit monthly expenditure reports, in the prescribed format, 20 working days after the end of every month</li> </ul>
<b>Process for approval of 2012/13 business plan</b>	<ul style="list-style-type: none"> <li>The department's business planning process is as follows: <ul style="list-style-type: none"> <li>activity plan format guidelines, criteria and outputs sent to municipalities by 28 January 2012</li> <li>submission of business/activity plans by municipalities by February/March 2012</li> <li>appraisal and approval of business/activity plans by April/May 2012</li> </ul> </li> </ul>

## PUBLIC WORKS GRANT

<b>Expanded Public Works Programme Incentive Grant for Municipalities</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 7)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase the amount of full-time equivalent jobs created by municipalities through the use of labour-intensive methods</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise municipalities to increase job creation efforts in infrastructure, environment and culture programmes through the use of labour-intensive methods and the expansion of job creation in line with the Expanded Public Works Programme (EPWP) guidelines</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved quality of life of unemployed people and increased social stability through engaging the unemployed in paid and productive activities</li> <li>Reduced levels of poverty</li> <li>Contribute to increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Increased number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> <li>Increased income per EPWP beneficiary</li> <li>Increase in the number of municipalities reporting on EPWP</li> <li>Increased total number of person days of employment created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive growth</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>This grant uses an incentive agreement which contains the following: <ul style="list-style-type: none"> <li>Full Time Equivalent (FTE) thresholds for each eligible municipality</li> <li>FTE target for each eligible municipality</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligible municipalities must sign a standard incentive agreement with the national Department of Public Works (DPW)</li> <li>Municipalities must report on all projects for which they are claiming the incentive via national DPW's EPWP reporting systems</li> <li>Reports must be loaded on the EPWP reporting systems within 22 days after the end of every quarter in order for performance to be assessed for an incentive payment 45 days after the end of each quarter</li> <li>Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP Incentive Manual</li> <li>Once received by the eligible municipality, the incentive grant must be used for continuing or expanding job creation programmes. Municipalities may use a maximum of 5 per cent of the grant to fund on-site management capacity that is contract-based and required to manage data capturing and on-site management costs related to the use of labour intensive methods. The incentive may not be used to hire permanent staff</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Incentive allocations for each municipality are based on the targeted number of FTEs each municipality must create above the set minimum threshold. The targeted number of FTEs for each municipality is based on the allocated infrastructure grant budget and performance in the 2009/10 financial year</li> <li>Incentive allocations are indicative - the actual incentive payout is based on actual quarterly performance reported above the quarterly threshold during 2011/12</li> <li>To be eligible for an incentive allocation in 2011/12, a municipality must have: <ul style="list-style-type: none"> <li>reported EPWP performance by 21 April 2010</li> <li>created a minimum number of FTEs (met the threshold) to qualify - rural municipalities have a zero minimum threshold in 2010/11</li> </ul> </li> <li>A nominal allocation of R680 000 is provided when: <ul style="list-style-type: none"> <li>municipalities report after 21 April 2010 but before 21 October 2010</li> <li>municipalities do not meet the minimum threshold</li> <li>municipalities exceed the threshold but qualify for an incentive of less than R680 000</li> </ul> </li> <li>The nominal allocation can then be accessed if public bodies meet their threshold in-year</li> <li>To be paid out an incentive allocation, a municipality must: <ul style="list-style-type: none"> <li>sign an incentive agreement</li> <li>report on EPWP performance to national DPW quarterly within required timeframes</li> <li>perform above the quarterly threshold</li> </ul> </li> <li>The indicative incentive allocation from underperforming municipalities may be re-allocated to overperforming municipalities by DPW</li> <li>Eligible municipalities that exceed their targets may be paid an incentive in excess of their published indicative incentive allocation subject to the availability of funds</li> </ul>

<b>Expanded Public Works Programme Incentive Grant for Municipalities</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to incentivise and reward performance on the EPWP</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>47 of the 68 eligible municipalities earned the incentive and were paid a total of R114 million (57 per cent of the R202 million allocated) from the incentive</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>127 222 work opportunities were reported by 127 municipalities</li> <li>40 793 full time equivalent jobs were reported by 127 municipalities</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until the end of the 2013/14 financial year, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R680 million, 2012/13: R666 million and 2013/14: R779 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers will be made in accordance with a payment schedule agreed with National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department of public works</b> <ul style="list-style-type: none"> <li>Determine eligible municipalities and set minimum thresholds, performance targets and indicative incentive allocations for eligible municipalities based on reported performance</li> <li>Provide municipalities with the EPWP Incentive Manual outlining the conditions and obligations of the incentive as well as the audit requirements</li> <li>Support municipalities to apply the EPWP Guidelines to project design</li> <li>Support municipalities to report using the EPWP reporting systems</li> <li>Monitor the performance of municipalities and report on quarterly progress against targets</li> <li>Submit to National Treasury quarterly progress against performance targets; incentive amounts earned by municipalities; and a revised payment schedule within 45 days after the end of the quarter</li> <li>Conduct sample audits on a continuous basis</li> <li>Audit the final performance of municipalities after the closure of the financial year</li> <li>Disburse incentives on a quarterly basis to eligible municipalities based on performance in the previous quarter, if the quarterly thresholds have been exceeded</li> </ul>
	<b>Responsibilities of eligible municipalities</b> <ul style="list-style-type: none"> <li>Sign the standard incentive agreement with the national DPW</li> <li>Report all projects to be taken into account when assessing performance into the EPWP reporting systems and update progress quarterly in accordance with the reporting requirements in the incentive agreement</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Municipalities must report performance on EPWP projects for the 2010/11 financial year by 21 April 2011. Performance in 2010/11 as well as the allocated infrastructure budgets will determine the targets and allocations for 2012/13</li> <li>A late eligibility provision is applicable for late reporting: municipalities that report after this date but before 21 October 2011 will qualify for only a nominal incentive allocation of R680 000</li> <li>National DPW will distribute the standard incentive agreement by end March every year</li> <li>Eligible municipalities must sign the standard incentive agreement with national DPW and agree to comply with the conditions and obligations of the incentive grant at the beginning of the municipal financial year</li> </ul>



## NATIONAL TREASURY GRANTS

<b>Local Government Financial Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• National Treasury (Vote 10)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To secure sound and sustainable management of the fiscal and financial affairs of municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)</li> <li>• As part of strengthening financial and asset management in municipalities, the grant provides funding for water and energy internship programme to graduates in selected water boards and municipalities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved capacity in financial and asset management of municipalities</li> <li>• Progressive improvement in the quality of reporting for municipalities</li> <li>• Appropriately skilled financial management officers appointed in municipalities consistent with the competency regulations</li> <li>• Appropriately skilled engineers, technicians and artisans appointed in municipalities consistent with the infrastructure competency regulations</li> <li>• Municipalities have processes and procedures in place to provide quality reports and are publishing financial information on a regular basis</li> <li>• Continuous improvement in audit outcomes</li> <li>• Improved revenue, expenditure, asset and liability management</li> <li>• Improved overall compliance with implementing the MFMA</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Improved and sustained skills development including the appointment of at least five interns supporting the implementation of financial management reforms in municipalities focusing on the gaps identified in MFMA implementation plans</li> <li>• Upgrading of IT systems to deliver reports required for financial management improvement and improve the quality of data</li> <li>• Preparation and implementation of multi-year budgets meeting uniform norms and standards</li> <li>• Assist in the implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements</li> <li>• Improved and sustained skills development including the appointment of water and energy interns in selected municipalities supporting asset management reforms in such municipalities by focusing on the gaps identified in, amongst others, audit reports</li> <li>• Assist in the preparation and implementation of financial recovery plans</li> <li>• Progressive improvements in audit outcomes</li> <li>• Improvements to internal and external reporting on budgets, finances, Service Delivery Budget and Implementation Plan (SDBIP), in-year and annual reports</li> <li>• Implementation of the MFMA</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 9: A Responsive, accountable, effective and efficient local government system</li> <li>• Outcome 12: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses an implementation plan which contain the following: <ul style="list-style-type: none"> <li>– Outcomes indicators</li> <li>– Output indicators</li> <li>– Key activities</li> <li>– Inputs</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel and appointment of at least five interns over a multi-year period</li> <li>• Appoint interns through the water and energy internship programme in selected municipalities and water boards</li> <li>• Establishment of Supply Chain Management and Internal Audit units</li> <li>• Ongoing review, revision, and submission of MFMA implementation plans to National Treasury to address weaknesses in financial management</li> <li>• Acquisition of a financial management system that can produce multi-year budgets, in-year reports, SDBIP, annual reports and automation of financial management practices</li> <li>• Utilise funding to support the training of municipal officials in financial management reforms in support of Competency Regulations, Gazette 29967 of June 2007</li> <li>• Preparation and submission of annual financial statements for audits and implement changes required to address audit findings</li> <li>• Provide technical support to municipalities in financial management and the transference of skills to municipal officials</li> <li>• Where appropriate, the preparation of a financial recovery plan and the implementation thereof</li> <li>• Transfers will be dependent on timely reporting and appropriate spending levels</li> </ul>

<b>Local Government Financial Management Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Funds allocated to municipalities to assist in the implementation of financial management reforms, attendance at accredited training and capacity building programmes on financial management</li> <li>• Additional support to selected municipalities in the employment of an appropriately skilled, experienced and suitably qualified chief financial officer</li> <li>• Funds allocated to selected municipalities to improve asset management through the employment of technical interns on water and electricity amounting to R50 million in 2011/12, R75 million in 2012/13 and R100 million in 2013/14</li> <li>• To address special requests linked to financial reforms as pilot initiatives for wider application to all municipalities</li> <li>• Render support to national and provincial departments for administration of the programme, not exceeding 2.5 per cent of annual allocations</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• To provide direct support to develop municipal financial management and technical capacity in water and energy to lend assistance for the implementation of the MFMA and regulations</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R300 million to 283 municipalities of which R256 million (85.2 per cent) was spent by the end of 2009/10 municipal financial year</li> <li>• No adverse audit issues were identified</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Workshops with municipal officials have been undertaken across the country on the implementation of the regulations providing for minimum competencies</li> <li>• Facilitation of training providers accreditation with Local Government Sector Education and Training Authority (LGSETA)</li> <li>• Generally Recognised Accounting Practice (GRAP) and Municipal Budget formats and reporting regulations training was provided to municipal officials</li> <li>• Over 1200 graduate finance interns have been appointed in municipalities with the objective of increasing finance management capacity</li> <li>• Internship workshops have been concluded in a number of provinces</li> <li>• 180 municipalities have submitted their Annual Reports for 2008/09</li> <li>• Drafting of recovery plans for municipalities under financial distress</li> <li>• Issues around spending of the grant are addressed at the quarterly MFMA co-ordination meetings which are held with relevant stakeholders in support of provincial and municipal efforts in implementing the financial reforms</li> <li>• Technical advisors have been placed in two provincial treasuries (KwaZulu-Natal and Eastern Cape) and other support was offered to municipalities in Limpopo and Eastern Cape provinces</li> <li>• Total registrations for the MFMA DVD Interactive learning programme is at 7 443 officials</li> <li>• Training was provided to over 150 officials on the application and implementation of the MFMA Asset Transfer Regulations</li> <li>• 220 MFMA implementation plans submitted</li> <li>• Effectiveness and efficiency of the BTOs in 283 municipalities assessed and feedback provided to 17 large municipalities, while consolidated data on the 266 municipalities provided to provincial treasuries to strengthen their oversight role and provide the relevant feedback to their delegated municipalities</li> <li>• Support and guidance through the MFMA mailbox provided to municipalities on implementation and interpretation of the reforms</li> <li>• Training of municipal councillors on governance and oversight undertaken upon request</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme is designed to support and implement the MFMA and associated reforms. The grant forms part of government's broader capacity building initiative and focuses on building in-house municipal capacity</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R435 million, 2012/13: R479 million and 2013/14: R526 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• The grant will be disbursed during July 2011 and January 2012</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Monitoring and management of the programme</li> <li>• Transfer funds to support administration of the grant and to municipalities to assist implementation of the MFMA and its supporting regulations</li> <li>• Undertake ongoing monitoring in all municipalities</li> </ul>
	<p><b>Responsibilities of the municipalities</b></p> <ul style="list-style-type: none"> <li>• Submit monthly reports as per the requirements contained in the Division of Revenue Act</li> <li>• Transfer allocations to water boards and licenced energy providers, where technical interns are based, if paid by water boards and/or Eskom</li> <li>• In the case where interns are based at the municipality during the training period, monthly reports must be submitted on a monthly basis by the municipality as per the requirements contained in the Division of Revenue Act or as prescribed by National Treasury</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Ongoing review, revision and submission of implementation plans to address weaknesses in financial and asset management</li> <li>• The programme is based on the MFMA implementation plans of municipalities</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 10)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve quality of life of residents in township areas through the creation of economically viable and sustainable neighbourhoods</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Deliver targeted and sustainable capital improvements</li> <li>Crowd in private and public investments and partners into target areas</li> <li>Increase municipal/local capacity for ongoing township development</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipalities granted award status</li> <li>Establish long-range strategies and targeted plans (programmes) for township regeneration</li> <li>Catalytic township development projects are scoped, designed and implemented</li> <li>Partnerships and funding are leveraged into the programmes and/or target areas</li> <li>Township development knowledge is generated and disseminated</li> </ul>
<b>Priority outcome(s) of government that this grant contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 8: Create sustainable human settlements and improve the quality of household life</li> <li>Outcome 9: Responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Compliance with terms of funding agreement signed between municipality and national department</li> <li>Approval by the National Treasury of business plans and project plans which are aligned with Neighbourhood Development Partnership Grant (NDPG) objectives and guides</li> <li>Programmes are aligned to municipal Integrated Development Plans (IDPs), and there is a council resolution supporting the award and/or programme to be implemented</li> <li>Receiving officer to submit a payment schedule with budgets and timeframes for programme implementation by March annually</li> <li>Submission and approval of required monthly and quarterly reports</li> <li>Evidence of partnerships and leveraged funding into programme/target area</li> <li>Prioritisation of projects and approaches which demonstrate explicit response to government-wide priorities, including the promotion of labour-absorbing investments, green technology, and youth development</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are made to 57 qualifying municipalities who demonstrated the need for township developments that catalyse commercial and social upliftment. The grant is currently not open for new applications</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To directly facilitate neighbourhood / township development in selected municipal areas, and to investigate the catalytic role of public funding for spatially targeted development</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R551 million allocated in Schedule 6 direct transfers to municipalities, R508 million transferred and R505 million (99.3 per cent) spent by municipalities</li> <li>R110 million allocated in Schedule 7 indirect transfers to municipalities, R90 million transferred</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>57 municipalities granted award status, 52 of which are in receipts of technical assistance funding for programme planning and preparation (Schedule 7 grant), and 32 (5 new in period) have embarked on construction or implementation (Schedule 6 grant) to date</li> <li>100 townships directly targeted by NDPG investment</li> <li>8 municipalities meeting township regeneration strategy requirements</li> <li>1 Business Plan approved for NDPG programme implementation</li> <li>32 projects under construction</li> <li>3 projects in completion (exit and review) stage</li> <li>7 programmes with identified partnerships and funding leveraged</li> <li>2 (6 day) learning/training events delivered to a total of 95 NDPG officials and township development stakeholders through the Training for Township Renewal Initiative</li> <li>4 knowledge generation products supported (Township Renewal Sourcebook, Township Transformation Timeline, Impact of township retail study, Value capture of transport interchanges study)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This is a ten year programme where the first year of actual implementation was 2008</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Direct transfers (Schedule 6) 2011/12: R750 million, 2012/13: R800 million and 2013/14: R800 million</li> <li>• Allocation in-kind (Schedule 7) 2011/12: R100 million, 2012/13: R80 million and 2013/14: R55 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>• Determine the criteria for evaluating requests for grants from municipalities</li> <li>• Determine the grant allocations for the future MTEF periods</li> <li>• Monitor, manage and evaluate financial and non-financial performance</li> <li>• Oversee and enforce objectives and conditions of this grant</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the Division of Revenue Act</li> <li>• Provide adequate human resources capacity for the successful coordination and implementation of NDPG</li> <li>• Coordinate the development of programmes and plans aligned with the grant objectives against which performance will be assessed</li> <li>• Establish additional clear indicators for outputs and outcomes against which performance may be further assessed</li> <li>• Manage and monitor implementation of programmes according to the approved business and project plans, and ensuring sound financial management and value for money</li> <li>• Maintain accurate and current grant and performance information as specified in NDPG management information formats and systems</li> <li>• Engage stakeholders so as to develop partnerships and mainstream the township development agenda in municipal and other relevant growth and development plans</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• NDPG business plans are typically approved on a multi-year basis. The process for approval of business plans and annual allocations against these plans are based on: <ul style="list-style-type: none"> <li>- approved project plans and submission of payment schedules in July 2011</li> <li>- ongoing progress reporting, and performance review where necessary</li> </ul> </li> <li>• Municipal provisional allocations will be finalised by October 2011</li> </ul>

## ENERGY GRANTS

<b>Electricity Demand Side Management (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 29)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce electricity consumption by promoting energy efficient practices</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to Eskom to address EDSM in residential dwellings and communities in order to mitigate the risk of load shedding and supply interruptions</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>Amount of energy saved in W/Wh</li> <li>A reduction in the demand for electricity</li> <li>Increased awareness</li> <li>Energy management capability created</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Amount of energy saved</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Outputs indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Expenditure should be guided by the approved business plans</li> <li>EDSM programme must be implemented in line with a municipality's Integrated Development Plan</li> <li>Measurement and verification must be done in line with the standards set by the South African Bureau of Standards</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Its targeted to high energy consuming municipalities</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional transfer in support of the EDSM programme</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Transferred amount is R75 million</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Installation of solar water heaters started and will be completed in April 2011</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2011/12 financial year and is subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R119 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made according to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the national transferring and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Performance review report to be submitted in June 2011 to National Treasury</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Submit business plans to Department of Energy (DOE)</li> <li>Submit monthly and quarterly reports to DOE and National Treasury</li> </ul>
<b>Process for approval of 2012/13 business plan</b>	<ul style="list-style-type: none"> <li>The grant is subject to review and the outcome thereof will inform its continuation into 2012/13</li> </ul>

<b>Electricity Demand Side Management (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Energy (Vote 29)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce electricity consumption by promoting energy efficient practices</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To implement the Electricity Demand Side Management (EDSM) programme by providing subsidies to licenced distributors to address EDSM in residential dwellings, communities and municipal infrastructure in order to mitigate the risk of load shedding and supply interruptions</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Amount of energy saved in W/Wh</li> <li>• A reduction in the demand for electricity</li> <li>• Increased awareness</li> <li>• Energy management capability created</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Amount of energy saved</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Key activities</li> <li>• Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Expenditure should be guided by the approved business plans</li> <li>• EDSM programme must be implemented in line with a municipality's Integrated Development Plan</li> <li>• Measurement and verification must be done in line with the standards set by the South African Bureau of Standards</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Applications in the form of business plans from licensed municipal distributors are evaluated based on: <ul style="list-style-type: none"> <li>- targeting areas with high electricity usage</li> <li>- competency and the ability to implement and manage projects</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific conditional transfer in support of the EDSM programme</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated R175 million and R171 million was transferred to municipalities of which R86 million (50.3 per cent) spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• There are 19 Municipalities involved in the programme, of these, 11 completed projects</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant was introduced for a three year period, ending 2011/12, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R280 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Performance review report to be submitted in June 2011 to National Treasury</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Submit business plans to Department of Energy (DOE)</li> <li>• Submit monthly and quarterly reports to DOE and National Treasury</li> </ul>
<b>Process for approval of 2012/13 business plan</b>	<ul style="list-style-type: none"> <li>• The grant is subject to review and the outcome thereof will inform its continuation into 2012/13</li> </ul>

<b>Integrated National Electrification Programme (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Energy (Vote 29)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce the backlogs of un-electrified households and clinics</li> <li>• Funding of bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• A reduction in household and clinic electrification backlogs</li> <li>• Universal access to electricity and improvement in distribution infrastructure reliability</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• The number of connections to households and clinics per annum</li> <li>• The number of bulk infrastructure installations</li> <li>• Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 9: A Responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Key activities</li> <li>• Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Plans need to have undergone pre-engineered projects feasibility approval</li> <li>• Project prioritized by municipalities in terms of their IDP and supporting letters provided</li> <li>• Municipalities to comply with requirements to provide approved bulk project in their business plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities based on: <ul style="list-style-type: none"> <li>- high backlog</li> <li>- rural bias</li> <li>- integration with other programmes such as Urban Renewal Programme, Integrated Sustainable Rural Development and other infrastructure programmes like Breaking New Ground (BNG) housing, etc</li> <li>- ability to provide top-up or seed capital for project finance</li> <li>- the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks</li> <li>- effective credit control policies</li> <li>- cost of project is contained and aligned with Integrated Development Plans (IDP) for a particular municipality</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific conditional capital transfer for electrification of households and clinics not catered for in the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• R1 492 million was allocated and transferred to Eskom</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 100 379 household connections and 6 substations were completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant will continue until the backlogs are eradicated</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R1 738 million, 2012/13: R1 882 million and 2013/14: R1 986 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made monthly in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Agree with municipalities on outputs and targets</li> <li>• Continuously monitor implementation</li> <li>• Provide directive for central coordination for bulk infrastructure</li> <li>• Approve submissions for refurbishment of critical infrastructure</li> </ul> <p><b>Responsibilities of Eskom</b></p> <ul style="list-style-type: none"> <li>• 20 Amps per household connection and applicable supply for clinic connections</li> <li>• Report to Department of Energy and National Treasury on monthly expenditure for the grant</li> </ul>
<b>Process for approval of 2012/13 business plan</b>	<ul style="list-style-type: none"> <li>• Ensure that all planned projects are in line with the municipal IDP and priority list</li> <li>• Ensure that planned projects are feasible and went through the pre-engineering process</li> </ul>

<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Energy (Vote 29)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce the backlogs of un-electrified households and clinics</li> <li>• Funding of bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• A reduction in household and clinic electrification backlogs</li> <li>• Universal access to electricity and improvement in distribution infrastructure reliability</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• The number of connections to households and clinics per annum</li> <li>• The number of bulk infrastructure installations</li> <li>• Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>• Outcome 9: A Responsive, accountable, effective and efficient local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Key activities</li> <li>• Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc</li> <li>• Register master plans for bulk infrastructure with INEP and abide by the directives of the department regarding the central planning and co-ordination for such bulk infrastructure. Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by the national department</li> <li>• Utilise own funding if subsidy is insufficient – top-up funding must be available</li> <li>• Minimum suite of supply of 1KVA, ADMD, 20 Amp per household and maximum of 16 KVA per clinic connection</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> <li>– high backlogs</li> <li>– rural bias</li> <li>– nodal zones</li> <li>– existence of households for connections projects</li> <li>– past performance</li> <li>– integration with other programmes such as Urban Renewal Programme, other infrastructure programmes like Breaking New Ground (BNG), housing, etc</li> <li>– the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks</li> <li>– consultation with communities in terms of Integrated Development Plan (IDP) process</li> <li>– ensuring that universal access objectives are fast tracked</li> <li>– new and upgrading of bulk infrastructure projects related to (i) future electrification and (ii) where distribution network reliability adversely impacts economic activity</li> <li>– Infrastructure which is in a state of disrepair, unsafe and which prohibits further connections</li> <li>– Informal settlements where service delivery has been prioritised</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific conditional capital transfer for electrification of households and clinics not catered for in the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcome:</b></p> <ul style="list-style-type: none"> <li>• R932 million was allocated and R914 million was transferred to municipalities with R806 million (88.2 per cent) spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 48 752 households were electrified and 3 sub-stations were completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until the universal access is achieved and subject to government review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R1 097 million, 2012/13: R1 151 million and 2013/14: R1 215 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>• Agree with municipalities on outputs and targets</li> <li>• Continuously monitor implementation and provide support to municipalities</li> <li>• Verify reports from municipalities</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Ensure that projects are implemented in line with what is reflected in the IDP of the municipality</li> <li>• Report correctly on the management of this grant</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>• Application forms are sent to municipalities and evaluation of all applications/proposals received from municipalities by July 2011</li> </ul>



## HUMAN SETTLEMENTS GRANTS

<b>Rural Households Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 31)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To eliminate backlogs in water and sanitation in rural households</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>The grant is intended to provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Increase the number of rural households provided with non-bulk-dependent sanitation and water facilities</li> <li>Encourage the use of Community Based Organisations, Non-Governmental Organisations and Public Entities in delivering facilities and on-site training to rural households on how to sustain the maintenance of infrastructure</li> <li>Alleviate poverty by implementing programmes through labour-based methods</li> <li>Pursue on-site solutions, and allowing people to take charge of the improvement of their wellbeing</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of rural households provided with access to on-site sanitation and non-bulk-dependent water facilities</li> <li>Number of jobs created in accordance with Expanded Public Works Programme (EPWP) guidelines</li> <li>Number of people trained in on-site technologies and maintenance of facilities</li> <li>Number of people reached by health and hygiene awareness training</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses an implementation framework which contains the following: <ul style="list-style-type: none"> <li>outcome indicators</li> <li>outputs indicators</li> <li>key activities</li> <li>inputs</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Target the provision for rural on-site sanitation and water facilities to households not intended for connector services</li> <li>Implementation of this grant has to be done in consultation with the Water Services Authorities (WSAs) responsible for an area</li> <li>Specific service level agreements with the respective WSAs have to be entered into with the national programme manager</li> <li>Agreements include joint planning as well as acceptance of obligation by the recipient municipality regarding facilitation of operation and maintenance of facilities provided</li> <li>The design of sanitation facilities have to be within acceptable norms and standards</li> <li>The implementation of the programme should include training of communities on their understanding of their responsibilities with the outcomes of the programme and health and hygiene awareness training</li> <li>Proper procurement procedures must be followed</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Households in municipalities identified as rural households where water and sanitation needs exist and connector solutions are not appropriate</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a special purpose grant with specific objectives and distribution criteria and is not implemented by municipalities</li> <li>Outputs have to be measured specifically</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Grant introduced in 2010/11</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Grant introduced in 2010/11</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The programme is subject to meeting targets to eradicate rural backlogs by 2014</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R232 million, 2012/13: R480 million and 2013/14: R517 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule agreed to by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Administer the implementation of the programme</li> <li>Agree with municipalities on outputs and targets</li> <li>Continuously monitor implementation and provide support to municipalities and households</li> <li>Submit monthly and quarterly reports to National Treasury</li> <li>Verify reports from municipalities</li> </ul>

<b>Rural Households Infrastructure Grant</b>	
	<p><b>Responsibilities of Water Services Authorities (WSAs)</b></p> <ul style="list-style-type: none"> <li>• Determine through municipal participatory structures the most appropriate technology per project area</li> <li>• Municipality will be responsible for selection of the project areas that provide total coverage as per available funds (e.g. whole ward, village etc)</li> <li>• The ownership of assets and schemes developed through the project will not necessarily reside with either of the parties to the service level agreement. However, the municipality shall be responsible for maintenance of the installed infrastructure</li> <li>• WSAs will be part of the project steering committee, and will be part of problem solving, progress monitoring, evaluation and reporting</li> <li>• Facilitate the introduction of the project team to ensure smooth running of the project to benefiting communities</li> <li>• The WSAs shall adopt a Water Services Development Plan, as part of its Integrated Development Plan, as prescribed by the Water Services Act, and ensure that all projects included in the schedule of projects are identified and prioritized in accordance with its Water Services Development Plan</li> <li>• The WSAs must ensure that groundwater protocol has been conducted to manage the potential of groundwater contamination by the on-site sanitation and is attached to the agreement</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Based on current concentrations of backlogs in rural sanitation as a priority, the Department of Human Settlements must determine the municipalities and specific communities where funding will be spent. Similarly, in respect to the eradication of rural household water backlogs, allocations will be determined in consultation with the Department of Water Affairs. In both cases, allocations will be made in consultation with the respective WSAs</li> </ul>

<b>Urban Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 31)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The Urban Settlement Development Grant (USDG) seeks to support the development of sustainable human settlements and improved quality of life for households through accelerating the provision of serviced land with secure tenure for low-income households in large urban areas by supplementing municipal resources</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To improve the efficiency and coordination of investments in the built environment through: <ul style="list-style-type: none"> <li>Providing large municipalities with appropriate resources and control over the selection and pursuit of investment programmes in the built environment</li> </ul> </li> </ul>
<b>Outcome statements</b>	<p>Enhanced sustainability of human settlements and improved quality of household life in urban areas as measured by (<i>measurement units in brackets</i>):</p> <ul style="list-style-type: none"> <li>Increased availability of serviced urban land parcels (<i>reduction in average production cost and price of land</i>)</li> <li>Increased access to suitable shelter (<i>reduction in real costs of rental for a well-located housing unit</i>)</li> <li>Increased average density of cities (<i>city-wide average dwelling units per hectare</i>)</li> <li>Increase security of tenure irrespective of ownership, or rental, formal or informal structures security (<i>number of new freehold tenure units transferred to beneficiaries, rental agreements signed and legal protection provided</i>)</li> <li>Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of proclaimed and serviced land units produced per annum</li> <li>The number of serviced land units transferred to eligible beneficiaries per annum (number of households receiving secure tenure)</li> <li>Number of hectares of municipal land proclaimed, serviced and released for human settlement</li> <li>Reduction in the number of informal settlements (number informal settlements upgraded)</li> <li>Number of households in informal settlements provided secure tenure and basic services either in-situ or elsewhere</li> <li>Identification and development of land within strategically located areas for mixed income and use residential purposes</li> <li>Number of households receiving support in basic services per annum over the grant period, including water, sanitation, solid waste and electricity services and bulk and connector infrastructure</li> <li>Average number of working days taken from application to approval of development applications by category (township establishment; building plan approval)</li> <li>The number of brownfield development approvals within the existing urban fabric (subdivision, rezoning, redevelopment)</li> <li>Ratio of annual municipal own investments in land development relative to annual USDG expenditure</li> <li>Ratio of total land development investment (USDG and own financing) to Human Settlements Development Grant (HSDG)</li> <li>Ratio of total value of building completed to total municipal capital expenditure</li> <li>Number of local areas (suburbs) benefiting from financing from USDG, Public Transport Infrastructure and Systems (PTIS) and Neighbourhood Development Partnership (NDP) grants</li> <li>Timely submission of annual plan</li> <li>Timely submission of in-year and annual report</li> <li>Capital expenditure performance (variance of budgeted to actual capital expenditure)</li> <li>The number of households with adequate shelter</li> <li>Number of new affordable rental units delivered</li> <li>Number of informal rental upgrades</li> <li>Number of work opportunities created through the overall capital programme</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 8: Sustainable human settlements and an improved quality of household life</li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a performance framework which contains the following; <ul style="list-style-type: none"> <li>City specific problem analysis</li> <li>Human settlements strategy and targets</li> <li>Public transportation and spatial planning linkages</li> <li>Strategies for informal settlements, Greenfield and Brownfield development</li> <li>Financing strategy and instruments</li> <li>Subsidy and service standards</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Multi-year performance targets must be agreed with the national Department of Human Settlements and where required the relevant provincial departments, based on the strategic capital investment plans and programme of the municipality</li> <li>Conditions associated with the grant must be restricted to output and outcome performance of the overall municipal capital expenditure programme</li> <li>Funds may be transferred to a municipality only if the municipality has satisfied the criteria set out in the grant policy framework; and has submitted a draft performance framework by 30 March 2011 and the final approved framework by 7 June 2011, and human settlement and built environment performance framework which complies with the requirements set out in the grant policy framework to the national Department of Human Settlements, along with proof that the performance framework and the performance targets contained therein have been ratified by a resolution of the municipal council</li> <li>This programme must: <ul style="list-style-type: none"> <li>prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and roads which support the planning, funding and development of human settlements</li> </ul> </li> </ul>

<b>Urban Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>– be consistent with the national and provincial human settlement strategic objectives and goals</li> <li>• A municipality may utilise grant funds for:               <ul style="list-style-type: none"> <li>– the acquisition, development or re-development and release of land with secure tenure</li> <li>– the capital costs of the basic services infrastructure at bulk, connection and internal levels for poor households</li> <li>– the rapid upgrading of informal settlements</li> </ul> </li> <li>• A municipality must ensure that:               <ul style="list-style-type: none"> <li>– grant funds are used for the purpose of land development that supports the integrated development of human settlements</li> <li>– poor households receive the final benefit of the grant</li> <li>– expenditures are consistent with the national and provincial human settlement strategic objectives and goals</li> </ul> </li> <li>• Municipalities must comply with grant conditions associated with the transfer and outlined in its performance framework including timely and full compliance with reporting requirements as outlined below:               <ul style="list-style-type: none"> <li>– transfer of the first instalment depends on the submission and approval of a performance framework including agreed performance targets</li> <li>– transfer of the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> instalment will be conditional upon submission and approval of signed-off quarterly reports</li> <li>– a report on performance against the targets provided for in the framework and in conjunction with the reporting requirements of section 71 of the Municipal Finance Management Act must be submitted to National Treasury</li> </ul> </li> <li>• Non compliance to the above conditions can result in the funds being withheld or re-allocated</li> <li>• Municipalities must adhere to labour-intensive construction methods in terms of EPWP guidelines</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 in the bill</li> <li>• The formula incorporates backlog and poverty-weighted data</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a supplementary infrastructure grant with conditions, objectives and distribution criteria, (e.g. backlogs on infrastructure) different from that of the equitable share</li> </ul>
<b>Past performance</b>	<b>2009/10 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• This is a new grant that was introduced in 2011 MTEF</li> </ul>
	<b>2009/10 service delivery performance</b> <ul style="list-style-type: none"> <li>• This is a new grant that was introduced in 2011 MTEF</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme will continue up to 2014 subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2011/12: R6 267 million, 2012/13: R7 410 million and 2013/14: R8 127 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Quarterly transfers in terms of a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Monitor municipal performance on financial, non-financial, and control systems related to the grant</li> <li>• Provide support to municipalities with regards to human settlement delivery as may be required</li> <li>• Undertake structured and/or necessary visits to municipalities</li> <li>• Facilitate strategic planning, funding and implementation interaction between national and provincial departments of human settlements and accredited municipalities on a regular basis</li> <li>• Submit an evaluation report on the 2010/11 municipal annual reports to National Treasury by 15 December 2011</li> <li>• Provide systems (Housing Subsidy System) that support the administration of the human settlement delivery process</li> <li>• Convene the evaluation committee for assessing the built environment plans</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Promote and coordinate with the relevant municipalities, the planning, funding and implementation of human settlements and built environment programmes</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Submit 2010/11 annual reports to the national department on or before 30 September 2011 and to National Treasury by 15 December 2011</li> <li>• Ensure that the municipal planning, funding and implementation of human settlement and built environment development are consistent and aligned with national and provincial strategic and annual performance plans</li> <li>• Support the national department and province in carrying out the functions delegated as per the Constitution, legislation, policy and procedure in relation to human settlements development and the built environment</li> <li>• Utilise the housing subsidy system for the administration of all the human settlement delivery processes</li> <li>• Comply with the terms and conditions of the national performance agreements and provincial and local delivery agreements on the human settlements development outcome</li> <li>• Submit quarterly reports on funds allocated and utilised on programmes and projects in respect of the grant</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit a draft comprehensive and credible funding proposals in a prescribed format by 31 March 2011 and final by 7 June 2011, and demonstrate eligibility for the grant in terms of prescribed requirements</li> </ul>

## TRANSPORT GRANTS

<b>Public Transport Infrastructure and Systems Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To support the Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable Integrated Rapid Public Transport Network (IRPTN) services in the major cities of South Africa in line with the National Land Transport Act (NLTA)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for accelerated planning, construction and improvement of public and non-motorised transport networks</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved public transport network services that are formal, scheduled and well managed and which are accessible to an increasing percentage of the population of major cities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Public transport infrastructure includes development of dedicated lanes, upgrade of network routes, stations, depots and control centres and the fare system</li> <li>Public transport services include buses, security, station management, ticketing and contributions towards the economic rights of existing operators and workers</li> <li>IRPTN plans which should be approved at municipal level and contain: <ul style="list-style-type: none"> <li>network operational plans including universal design access plans</li> <li>engineering and architectural designs</li> <li>vehicle and technology plans</li> <li>institutional and operator business plans and financial, marketing and communication plans for the network services</li> </ul> </li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive infrastructure network</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>This grant uses Integrated Rapid Public Transport Network (IRPTN) operational plans</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The allocation of Public Transport Infrastructure and Systems (PTIS) funds must be aligned with the Integrated Transport Plan (ITP) and its IRPTN components as approved by the relevant municipal council</li> <li>From the start of operations, IRPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operational costs consist of fuel, labour and vehicle maintenance. City-wide networks must ultimately also recover the capital costs of vehicles</li> <li>If buses are bought with grant funds and are used by contracted operators, the municipality must retain ownership unless National Treasury specifically approves alternative arrangements</li> <li>Cities are required to establish specialist capacity to manage and monitor IRPTN system contracts and operations as well as to plan future expansions of the network. This capacity must be in place in advance of the first IRPTN operator commencing with service provision to the public</li> <li>Up to R10 million in the 2011/12 financial year may be used to prepare for the public transport regulatory function (see Responsibilities of Municipalities). In future years, funding must be sourced from municipal sources</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is focused on IRPTN implementation in up to 12 cities in accordance with Phases 1 and 2 of the Public Transport Strategy and Action Plan</li> <li>Budget requests will be evaluated in accordance with the outputs of a municipal IRPTN operational plan which specifies the infrastructure, systems and transitional costs of serving a defined number of passenger trips per day by a given fleet of IRPTN vehicles running on a defined amount of exclusive IRPTN infrastructure (including IRPTN stations, feeder stops, depots and exclusive lanes)</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Public transport network investment needs are not provided for in the local government equitable share allocations</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R2 418 million to municipalities with R4 279 million (176.9 per cent) spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>43 vehicles were delivered to the City of Cape Town and 24 vehicles to Nelson Mandela Bay municipality</li> <li>The Phase 1a trunk service supported by complimentary and feeder services is operating in the City of Johannesburg. It is 25.5 km with 33 stations and carrying a peak of 34 000 passengers/day</li> <li>City of Cape Town has constructed 17 km of West Coast route and 17 stations between the Civic Centre and Bayside. An 18.5 km Airport to Civic Centre trunk service is currently operating</li> <li>Nelson Mandela Bay has constructed 8.45 km of bus way at an average cost of R34.6 million per kilometre</li> <li>Other cities that have completed operational plans (Tshwane, Polokwane and Rustenburg) have spent most of the PTIS funds allocated up to June 2010 on infrastructure and services for the FIFA World Cup. Tshwane spent over R600 million on road and non-motorised transport infrastructure. eThekweni spent R332 million on strategic projects including R65 million on Warwick Junction, R30 million on electronic ticketing and R20 million on an inner-city distribution system. Match-day operations cost R25 million</li> </ul>

<b>Public Transport Infrastructure and Systems Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is expected to continue up to at least 2020 in support of the Public Transport Strategy of 2007</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R4 803 million, 2012/13: R5 000 million and 2013/14: R5 564 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with an agreed payment schedule by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Disburse PTIS funds and monitor PTIS expenditure</li> <li>Monitor IRPTN implementation progress in line with the National Land Transport Act and the Public Transport Strategy</li> <li>Verify reports from municipalities by conducting at least one site visit per annum</li> <li>Allocate the funds based on stated priorities through a Joint PTIS Committee comprising the Department of Transport and National Treasury</li> <li>Evaluate the performance of the grant annually</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Ensure that projects are implemented in line with what is reflected in the integrated development plan of the municipality</li> <li>Reporting is done correctly on the management of this grant and all relevant DoRA requirements are adhered to</li> <li>Provide budget proposals for the PTIS, IRPTN funding that are based on sound operational plans</li> <li>Compile and submit data that indicates the efficiency and effectiveness of planned and actual IRPTN services including: <ul style="list-style-type: none"> <li>number of weekday passenger trips carried on IRPTN systems</li> <li>change, relative to the previous year, in the number and percentage of households within 500 metres of IRPTN access points (stations and feeder service stops)</li> <li>number of kilometres of bi-directional, exclusive lanes in operation in IRPTN systems</li> <li>number of IRPTN network stations and feeder service stops in operation</li> <li>planned/actual capital expenditure per IRPTN passenger kilometre</li> <li>planned/actual operational expenditure per IRPTN passenger kilometre</li> <li>size of the formal IRPTN vehicle fleet in operation (per contracted trunk, complementary and feeder vehicle type) as well as passenger trips per trunk/complementary vehicle per weekday</li> <li>provide detailed information on the actual costs of procuring IRPTN inputs including those for infrastructure, systems and transitional and regulatory items</li> <li>establish a dedicated IRPTN project team to implement the system in the development phase and subsequently once IRPTN services to the public have commenced</li> <li>establish a specialist capacity to manage and monitor operations and to plan expansions</li> </ul> </li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Municipalities will be requested to submit budget proposals that are based on sound IRPTN operational plans by 15 July 2011</li> <li>These requests will be evaluated by a Joint PTIS committee comprising the Department of Transport and National Treasury</li> <li>Municipal provisional allocations will be finalised by 30 November 2011</li> </ul>

<b>Rural Transport Services and Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 37)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Ensure efficient and effective investment in rural roads through development of Road Asset Management Systems (RAMS)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To assist rural district municipalities to set up rural road asset management systems, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improve data on rural roads to guide infrastructure investments</li> <li>Reduce vehicle operating costs and extend the lifespan of rural roads</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Collection of road inventory data including condition assessment and traffic data</li> <li>Setting up pavement and bridge management systems compatible with national standards</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 7: Vibrant, equitable and sustainable rural communities and food security</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Not applicable as 2011 MTEF allocations are meant to be used to collect data on rural roads</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Data must be collected and presented in the format prescribed by RISFSA</li> <li>Data collection should use labour intensive methods that comply with Expanded Public Works Programme (EPWP) guidelines</li> <li>All data collected must be made available to the national Department of Transport (DoT), South African National Roads Agency Limited (SANRAL) and the relevant provincial roads authorities</li> <li>Systems developed to record data must be compatible with Department of Transport specifications</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Amount equally shared among 21 rural district municipalities</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific purpose grant mainly for the provision of systems to collect rural road and traffic data</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R9.8 million to Chris Hani District municipality and R7.1 million (72.4 per cent) was spent by the end of the 2009/10 municipal financial year</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The allocations for this grant were spent towards design and construction of an intermodal public transport facility in Chris Hani District Municipality</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant has a life span up to 2013/14</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R35 million, 2012/13: R37 million and 2013/14: R39 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>Monitoring implementation of RAMS together with provincial road authorities</li> <li>Data integrity will be checked by DoT and provincial road authorities</li> <li>Provide guidance on sustainable RAMS operation and standards</li> <li>Facilitate training to municipalities and assist them to acquire RAMS from SANRAL</li> <li>Check the quality of data captured on municipalities' RAMS</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Municipalities must make provision to maintain RAMS after the lifespan of the grant</li> <li>Data for all rural roads to be updated within two years</li> <li>Ensure human capacity at municipalities for the operation of RAMS is built</li> <li>Road quality data on RAMS will be a conditionality for Municipal Infrastructure Grant (Roads) in 2012/13</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Municipalities must submit business plans to the Department of Transport by 30 September 2011</li> <li>Business plans must contain the following: <ul style="list-style-type: none"> <li>the extent of the road network in the municipality</li> <li>the condition of the network in the municipality</li> <li>the status of the municipality's RAMS</li> <li>the proportion of municipal roads with updated data captured on its RAMS</li> </ul> </li> <li>The Department of Transport together with provincial roads authorities will evaluate the business plans and review technical reports by 15 November 2011</li> </ul>

## WATER AFFAIRS GRANTS

<b>Regional Bulk Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water Affairs (Vote 38)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Facilitate achieving water targets through successful execution and implementation of regional bulk infrastructure projects</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries</li> <li>In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Access to water supply enabled through the establishment of regional bulk infrastructure</li> <li>Proper waste water management and disposal will be effected through establishment of regional sanitation infrastructure (bulk sewer pipelines and waste water treatment works)</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of implementation readiness plans finalised for regional bulk projects</li> <li>Number of regional bulk projects initiated</li> <li>Number of projects completed</li> <li>Number of people or households being impacted due to a new regional bulk system</li> <li>Number of villages/areas/municipalities to benefit from the regional bulk system</li> <li>Number of jobs created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The emphasis is only on the social component of regional bulk water and sanitation services</li> <li>This grant can be used to build enabling infrastructure required to connect water resources over significant distances with bulk and reticulation system</li> <li>The need for a bulk infrastructure solution must be confirmed and accepted</li> <li>Financing plan with associated/co-funding options and agreements must be in place prior to implementation</li> <li>All sources of funding must be outlined in the business plan</li> <li>Regional Bulk Infrastructure Grant (RBIG) allocations will be transferred to Water Services Authorities (WSA) or institutions which have capacity to deliver the service</li> <li>Department of Water Affairs must register the asset in their own register before transferring it to the WSA</li> <li>The transfer of infrastructure will be done on condition that the new owner has capacity to operate and maintain the scheme</li> <li>Projects will be assessed individually, no blanket approach allocation method will be utilised</li> <li>All projects must be aligned with and referenced to Integrated Development Plan (IDP) and Water Services Development Plans as well as a detailed plan which shows alignment of RBIG and Municipal Infrastructure Grant (MIG) projects</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are made on a project basis and must take into account the conditions listed above</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Regional bulk projects are closely linked to water resource development which is a Water Affairs competency</li> <li>Bulk water supply systems frequently cross municipal boundaries and so cannot be funded at municipal level</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>Allocated R571 million was transferred to the national Department of Water Affairs (DWA) for implantation of this grant</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Projects completed (6), in the following local municipalities: <ul style="list-style-type: none"> <li>Mbhashe LM with 4 901 people benefitting</li> <li>Umzumbe LM with 21 100 people benefitting</li> <li>Mthonjaneni/ Nkandla LM with 26 327 people benefitting</li> <li>Nkomazi LM with 3 977 people benefitting</li> <li>Kareeberg LM with 1 924 people benefitting</li> <li>Renosterberg LM with 13 553 people benefitting</li> </ul> </li> <li>32 Projects in construction phase</li> <li>18 Projects are in design or tender phase</li> <li>48 Projects are in feasibility stage</li> </ul>



<b>Regional Bulk Infrastructure Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The life span of the grant depends on the eradication of the water services backlogs</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R1 704 million, 2012/13: R 2 003 million and 2013/14: R2 176 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>The national department must:               <ul style="list-style-type: none"> <li>Ensure every municipality benefiting from a specific project or scheme, is invited to participate in the feasibility study</li> <li>Enter into agreements with municipalities regarding the construction, ownership, funding arrangements and operation and maintenance of proposed infrastructure prior to the commencement of construction</li> <li>Make quarterly visits to projects</li> <li>Provide detailed information on the selection criteria and conditions for the grant</li> <li>Monitor implementation by water services institutions (municipalities or water boards)</li> <li>Direct implementation where capacity gaps exist</li> <li>Ensure that service level agreements as well as Memorandums of Understanding are in place between Water Services Providers and Water Services Authorities</li> </ul> </li> </ul>
	<p><b>Responsibilities of WSA/ Institutions which schemes will be transferred to</b></p> <ul style="list-style-type: none"> <li>Submission of quarterly reports and annual reports by municipalities</li> <li>Ensure that projects are appropriately linked to the municipality's IDP</li> <li>Ensure that the municipality is able to provide the reticulation services required to provide households with access to the water provided through the bulk infrastructure funded by this grant</li> </ul>
<b>Process for approval of 2012/13 business plans</b>	<ul style="list-style-type: none"> <li>Implementation readiness studies will be evaluated and approved if the feasibility studies comply with the RBIG implementation framework and criteria</li> <li>At a regional level a committee comprising of representatives from the DWA, National Treasury, Department of Cooperative Governance and Traditional Affairs, and the South African Local Government Association meet and approve and prioritise projects</li> <li>At national level projects are allocated a budget by DWA, based on the implementation framework guidelines and National Treasury will be informed of the decisions taken</li> </ul>

<b>Municipal Drought Relief Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water Affairs (Vote 38)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Ensuring access to water supply in the declared and gazetted drought disaster area of Nelson Mandela Bay metropolitan municipality</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide capital finance for construction of appropriate water infrastructure to alleviate further impacts of drought in Nelson Mandela Bay metropolitan municipality for affected households, micro enterprises and social institutions</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>All citizens in drought declared area have access to water supply</li> <li>Impacts of drought alleviated in the municipality</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of households, micro enterprises and social institutions receiving water</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>The number of households, micro enterprises and social institutions, without access to basic services that will be impacted</li> <li>Type of drought intervention infrastructure developed and registered in municipal asset register</li> <li>Detailed design approved by a professional engineer, schedule of quantities, activity-based budget and scheme layout</li> <li>Project implementation plan and deliverables</li> <li>Alignment of the project outcome with the municipality's long-term water services planning</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds must be spent in accordance with: <ul style="list-style-type: none"> <li>municipal drought implementation plans submitted to the national Department of Water Affairs (DWA)</li> <li>technical reports developed by the metropolitan municipality and assessed by DWA</li> </ul> </li> <li>Monthly cash flow projections and progress reports must be submitted to DWA and presented to provincial and national coordination and management structures</li> <li>Affected municipalities must: <ul style="list-style-type: none"> <li>account to DWA for the allocated funds on a monthly basis by the 10th of every month as per Division of Revenue Act (DoRA)</li> <li>adhere to the approved drought programme and agreed cash flow budgets</li> <li>reflect all assets created under the special drought relief funds in the municipal asset register</li> <li>use drought relief funds to provide new or refurbished critical infrastructure, only upon submission of a technical report which must be approved and regulated by DWA</li> </ul> </li> <li>Operation and maintenance plans specific to drought intervention infrastructure must be incorporated and funded through normal municipal processes</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocation based on application received and extent of need</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific grant with objectives and criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New allocation to Nelson Mandela Bay metropolitan municipality</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Not applicable</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>One year</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2011/12: R450 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Administer the grant and coordinate all stakeholders through the appropriate structures</li> <li>Monitor the overall programme implementation</li> </ul> <p><b>Responsibilities of municipality</b></p> <ul style="list-style-type: none"> <li>No responsibilities additional to standard DoRA requirements</li> </ul>
<b>Process for approval of 2012 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>

<b>Water Services Operating Subsidy Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water Affairs (Vote 38)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure effective, efficient and sustainable service delivery by all Water Services Authorities (WSA) or municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs or by other agencies on behalf of the department and transfer these schemes to local government</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>To ensure that transferred schemes are fully functional and operated by skilled personnel to ensure optimal service delivery by WSA</li> <li>To ensure that funds transferred to WSA are utilised for the intended purpose and that there is proper accountability by both receiving and transferring institutions</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Operating outputs as defined in the business plan for each individual scheme: <ul style="list-style-type: none"> <li>transfer workable and fully functional schemes to municipalities in accordance with the Water Services Act</li> <li>build capacity and skills to run schemes</li> </ul> </li> <li>Transfer outputs as outlined in the policy framework and business plan: <ul style="list-style-type: none"> <li>schemes refurbished to standards outlined in terms of the agreed policy framework</li> <li>sustainability assessments completed per scheme or group of schemes to be transferred</li> <li>Water services authority/provider has developed sufficient capacity in line with funding requirements</li> <li>number of transferred schemes with adequate capacity and skills to function optimally</li> </ul> </li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9 : Responsive, accountable, effective and efficient local government system</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The operating and transfer subsidy is a grant-in-kind until the effective date of transfer</li> <li>The operating subsidy (grant-in-kind) will cover staff related costs (HR component), the direct operating and maintenance costs (O component), the refurbishment costs and will facilitate the transfer of schemes</li> <li>All receiving municipalities and providers will be required to conclude formal transfer agreements</li> <li>This grant must be used to build the necessary capacity to operate, maintain and further develop the infrastructure to be taken over by the relevant institution</li> <li>Reporting on the grant will be done on a monthly basis</li> <li>The transferring national department may adjust the allocation to a municipality, subject to approval from National Treasury, to reflect: <ul style="list-style-type: none"> <li>the actual personnel allocation payable to a municipality as a result of the number of staff transferred to the municipality</li> <li>the actual operating allocation payable to a municipality, as informed by the percentage or portion of assets transferred to a municipality in respect of assets shared across municipal boundaries</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocation as agreed in the transfer agreement, in line with a business plan for the project and agreed upon with National Treasury</li> <li>Schedule 6 will cover human resources (compensation of employees), operations and maintenance (goods and services) and refurbishment</li> <li>Schedule 7 will cover human resources (compensation of employees) and operations and maintenance (goods and services)</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To establish functional, viable and sustainable capacity in municipalities to provide water services and will be incorporated into the equitable share subject to an assessment of capacity and the timelines in business plans</li> </ul>
<b>Past performance</b>	<p><b>2009/10 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Schedule 6 direct transfers to municipalities, allocated R871million and transferred R849 million to municipalities with R862 million (98.9 per cent) spent by the end of the 2009/10 municipal financial year</li> <li>Schedule 7 allocation in kind for municipalities, allocated R130 million</li> </ul> <p><b>2009/10 service delivery performance</b></p> <ul style="list-style-type: none"> <li>59 agreements signed, 4 903 staff transferred in total, 1 051 staff transferred during 2009/10. Total number of schemes transferred is 1 643 this includes 1 155 rudimentary schemes and 488 schemes with a total asset value of approximating R6.4 billion</li> <li>Currently 1 181 schemes have been refurbished at a cost of R973 million</li> <li>Of 18 337 components targeted, 15 427 have been refurbished</li> </ul>

<b>Water Services Operating Subsidy Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Subject to the outcome of a review of the grant in 2011/12</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Direct transfers to municipalities (Schedule 6) 2011/12: R561 million, 2012/13: R399 million and 2013/14: R421 million</li> <li>• Allocation in kind to municipalities/WSA (Schedule 7) 2011/12: R100 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Payments on direct transfers will be made on a quarterly basis and based on performance, as agreed to in the transfer agreement for each specific scheme in a municipality/WSA and also according to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the national transferring officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>• Agree with municipalities on outputs and targets</li> <li>• Continuously monitor implementation and provide support to municipalities to enable independence in managing schemes</li> <li>• Report to National Treasury on a monthly basis about the performance of the grant (in the prescribed format determined by National Treasury) to ensure compliance with the grant conditions</li> <li>• Implement a comprehensive information monitoring and evaluation system</li> <li>• Submit monthly and quarterly progress reports on expenditure in a format agreed by National Treasury</li> <li>• Submit a comprehensive review of the current status of the subsidy</li> </ul>
	<p><b>Responsibilities of municipalities and WSAs</b></p> <ul style="list-style-type: none"> <li>• Municipalities or WSA will submit monthly and quarterly reports in the format prescribed by National Treasury and DWA</li> <li>• Submit of operating and maintenance plans as well as refurbishment plans in compliance with the standard set by DWA</li> </ul>
<b>Process for approval of 2012/13 business plan</b>	<ul style="list-style-type: none"> <li>• 2012/13 business plans to be signed and formalised by December 2011</li> <li>• Specific support to enhance ability and capacity to enable schemes function optimally</li> <li>• Break-down of cost of refurbishment and implications</li> <li>• A transfer agreement and addendum in place which contains revised allocations and actual funds to be transferred</li> <li>• A comprehensive assessment of the status report on management of the WSAs</li> </ul>







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