

Vote 5

Provincial and Local Government

Amount to be appropriated	R6 384 976 000
Statutory appropriations	-
Responsible Minister	Minister for Provincial and Local Government
Administering Department	Department of Provincial and Local Government
Accounting Officer	Director-General of Provincial and Local Government

Aim

The aim of the Department of Provincial and Local Government is to develop and promote a national system of cooperative governance, and to support the development of provincial and local government.

Key objectives and programmes

The key objectives of the Department of Provincial and Local Government (DPLG) are:

- To strengthen the institutions of provincial and local government and traditional leadership, as well as inter-governmental relations, through appropriate policy interventions, the development of planning and implementation tools, and capacity-building initiatives
- To enhance integrated development planning
- To coordinate the implementation of the Urban Renewal Programme (URP) and the Integrated Sustainable Rural Development Programme (ISRDP)
- To implement a performance management system for provincial and local government
- To enhance financial management at the local government level, and provide support to municipalities in financial distress
- To develop and maintain a comprehensive disaster management system

The DPLG pursues these objectives through four programmes:

- *Administration* provides for the management, leadership and administration of the Department.
- The *Governance and Development* programme supports the development and monitoring of the principles and practices of inter-governmental relations, cooperative governance, and integrated planning and service delivery systems.
- *Institutional Reform and Support* provides for capacity-building and support programmes for provincial and local government, a national disaster management capability, and direct fiscal transfers to local government.
- *Auxiliary and Associated Services* provides for the Department's communication needs and for a variety of services associated with the aims of the Department, such as the activities of the Municipal Demarcation Board and the National House of Traditional Leaders.

Strategic overview and key policy developments: 1998/99 – 2004/05

The Department of Provincial and Local Government's main portfolios cover provincial and local government, and traditional affairs. It plays a policy development and oversight role, promoting the transformation of local and provincial government while maintaining the delivery of services. The aim of the Department is to assist these spheres of government with development planning, infrastructure and service delivery, and capacity-building and disaster management. It does this through developing policy and monitoring its implementation, as well as through transferring resources.

The Department's functioning has been shaped by the transition through which local and provincial governments have gone, including the processes of democratisation, demarcation and amalgamation. It has sought to assist in these transformative processes, working with the new municipalities as they deal with the challenges of planning, budgeting and implementation.

The 1998 White Paper on Local Government led to the passing of various pieces of legislation, which have set out the structures, functions and financing of local government. This process will continue in 2002 when the Property Rates Bill will come before Parliament after a long process of consultation.

The Department has helped to shape a system of inter-governmental transfers, the bulk of which are made to local government through the transfer of the equitable share of national revenue to which local government is constitutionally entitled. The Department also administers the Consolidated Municipal Infrastructure Programme (CMIP), which provides fiscal resources to local governments to assist them in the provision of bulk infrastructure. The Local Economic Development Fund, an instrument aimed at promoting job-creation at the local level, has enhanced local government's ability to alleviate poverty. Funding allocated to local government through conditional grants and the equitable share is set to grow very rapidly over the medium term as national government prioritises the provision of basic infrastructure and services at the local level.

A programme to monitor municipal finances and provide technical and financial support to municipalities experiencing severe financial difficulties complements these allocative processes.

The Department of Provincial and Local Government's medium-term goals are to continue to build inter-governmental relations by improving liaison and coordination structures, such as the President's Coordinating Council, by improving the monitoring of the financial performance and service delivery performance of provincial and local government, and by advising on the restructuring of the role of local government.

The Department is in the process of developing a Performance Management Framework for monitoring municipalities. This framework will ensure early warnings of difficulties in municipalities, and will enable provincial and national government to provide timely support. It will also enable municipalities to compare and benchmark their own performance and identify best practice. The aim is to instil a best value approach to service delivery and development, and to provide performance information for national and provincial policy-making processes and spending decisions.

A White Paper on Traditional Leadership and Institutions will be finalised in 2002. The main items to be addressed are the role and functions of traditional leaders, the structures of traditional leadership institutions, and the relationship between traditional leadership and Government.

A White Paper on Disaster Management was published in 1999. Legislation flowing from this will be promulgated in 2002, providing an effective disaster management policy for the country as a whole, and integrating activities across the three spheres of government.

Expenditure estimates

Table 5.1: Provincial and Local Government

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	18 300	19 647	21 775	32 673	32 393	35 816	37 777	39 866
2 Governance and Development	719 873	807 353	958 014	1 192 317	1 187 655	1 931 993	2 378 867	2 548 244
3 Institutional Reform and Support	2 311 900	2 418 285	2 633 945	3 482 416	3 461 277	4 383 012	5 365 467	5 822 150
4 Auxiliary and Associated Services	34 149	56 236	41 818	29 937	27 405	34 155	35 682	38 877
Total	3 084 222	3 301 521	3 655 552	4 737 343	4 708 730	6 384 976	7 817 793	8 449 137
Change to 2001 Budget Estimate				458 178	429 565	1 516 042	2 291 023	
Economic classification								
Current	2 379 977	2 591 883	2 722 143	3 705 835	3 677 222	4 629 789	5 600 499	6 070 726
Personnel	26 879	27 786	31 014	44 801	37 438	53 434	57 676	61 346
Transfer payments	2 316 750	2 486 341	2 621 902	3 577 098	3 564 476	4 503 069	5 444 658	5 905 839
Other current	36 348	77 756	69 227	83 936	75 308	73 286	98 165	103 541
Capital	704 245	709 638	933 409	1 031 508	1 031 508	1 755 187	2 217 294	2 378 411
Transfer payments	702 450	706 261	929 009	1 025 661	1 025 661	1 752 121	2 213 403	2 374 348
Acquisition of capital assets	1 795	3 377	4 400	5 847	5 847	3 066	3 891	4 063
Total	3 084 222	3 301 521	3 655 552	4 737 343	4 708 730	6 384 976	7 817 793	8 449 137
Standard items of expenditure								
Personnel	26 879	27 786	31 014	44 801	37 438	53 434	57 676	61 346
Administrative	9 649	11 329	15 956	20 460	20 472	20 689	21 995	23 413
Inventories	2 538	3 100	4 799	3 874	3 413	3 774	5 134	5 450
Equipment	2 643	4 351	5 614	7 270	7 279	4 036	4 869	5 114
Land and buildings	–	–	–	–	–	–	–	–
Professional and special services	22 691	61 737	46 770	58 179	49 970	47 823	70 008	73 567
Transfer payments	3 019 200	3 192 602	3 550 911	4 602 759	4 590 137	6 255 190	7 658 061	8 280 187
Miscellaneous	622	616	488	–	21	30	50	60
Total	3 084 222	3 301 521	3 655 552	4 737 343	4 708 730	6 384 976	7 817 793	8 449 137

Expenditure trends

The Vote increased by an annual average of about 9,0 per cent a year between 1998/99 and 2000/01 as the allocations to the Consolidated Municipal Infrastructure Programme and the equitable share rose. This growth will accelerate until 2003/04, with increases of 29,6 per cent, 34,8 per cent and 22,4 per cent. These rapid increases are also reflected in the changes to the budgets for 2002/03 and 2003/4 relative to the allocations made in the 2001 Budget Estimate.

Transfer payments make up almost 98 per cent of the Vote over the medium term. The value of these rises by an annual average of 21,7 per cent, which is necessary to support the transformation of the local government sphere in line with the White Paper on Local Government. Particular emphasis has also been placed on infrastructure needs, leading to considerable increases in the Consolidated Municipal Infrastructure Programme (which will grow by 34,4 cent a year over the medium term) and local economic development provisions. These allocations are important sources of funding for the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme.

Departmental receipts

It is estimated that departmental receipts will amount to R250 000 per year over the medium term. These are derived from the collection of parking fees, commission on insurance policy deductions, subsidised vehicles, and bursary repayments, and are paid into the National Revenue Fund.

Table 5.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate			
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
Non-tax revenue	69	63	90	62	88	86	84	
Property income	22	17	42	24	50	48	46	
Sales of goods and services	47	46	48	38	38	38	38	
Financial transactions (recovery of loans and advances)	1 016	40 839	365	3 790	200	118	116	
Total departmental receipts	1 085	40 902	455	3 852	288	204	200	

Programme 1: Administration

Administration conducts the overall management of the Department, formulates policy, and provides for the leadership functions of the Ministry's and the Department's senior management. Other activities include: providing centralised administrative and office support and legal services; managing departmental, personnel and financial administration; determining working methods and procedures; and exercising managerial and administrative control.

Expenditure estimates

Table 5.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
R thousand								
Minister ¹	503	518	598	646	685	722	759	
Deputy Minister ²	-	-	-	501	531	560	588	
Management	1 833	1 542	1 634	3 109	3 813	4 009	4 246	
Corporate Services	15 964	17 587	19 543	28 417	30 787	32 486	34 273	
Total	18 300	19 647	21 775	32 673	35 816	37 777	39 866	
Change to 2001 Budget Estimate				6 009	9 135	9 314		

¹ Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.

² Payable as from 1 April 2001. Salary: R400 964. Car allowance: R100 241.

Economic classification

Current	17 991	19 110	21 435	31 165	35 291	37 142	39 216
Personnel	10 466	11 191	11 743	17 461	21 431	22 943	24 395
Transfer payments	-	-	-	-	-	-	-
Other current	7 525	7 919	9 692	13 704	13 860	14 199	14 821
Capital	309	537	340	1 508	525	635	650
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	309	537	340	1 508	525	635	650
Total	18 300	19 647	21 775	32 673	35 816	37 777	39 866

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
Standard items of expenditure							
Personnel	10 466	11 191	11 743	17 461	21 431	22 943	24 395
Administrative	4 134	4 365	5 037	8 592	8 708	9 312	9 895
Inventories	690	694	1 076	923	909	950	1 010
Equipment	1 069	1 278	1 196	2 460	1 493	1 610	1 700
Land and buildings	-	-	-	-	-	-	-
Professional and special services	1 690	1 761	2 433	3 237	3 275	2 962	2 866
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	251	358	290	-	-	-	-
Total	18 300	19 647	21 775	32 673	35 816	37 777	39 866

Expenditure trends

The increases in *Administration* reflect the costs of establishing an office for the newly appointed Deputy Minister, appointing ministerial advisors, and providing corporate services in an additional building acquired to accommodate the full staff establishment.

Programme 2: Governance and Development

Governance and Development supports the development of cooperative governance, constitutional principles and practices in inter-governmental relations, and an integrated system of planning and delivery. Activities include research, policy management, administration, the monitoring and evaluation of programmes, and providing targeted institutional support for special initiatives.

Expenditure estimates

Table 5.4: Governance and Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01				
R thousand							
Management	564	621	523	1 015	1 260	1 334	1 410
Inter-Governmental Relations	2 431	3 720	3 523	4 734	6 081	5 947	6 311
Development and Planning	4 224	6 163	6 716	11 216	11 361	17 538	20 428
Consolidated Municipal Infrastructure Programme	704 654	700 531	856 292	1 033 773	1 769 585	2 221 306	2 506 584
Local Economic Development and Social Plan Grant	-	12 312	83 510	102 559	102 000	120 000	-
Municipal Infrastructure Investment Unit	8 000	4 006	7 450	6 000	7 000	10 000	10 600
KwaZulu-Natal Peace Initiative	-	80 000	-	-	-	-	-
Integrated Sustainable Rural Development Programme	-	-	-	33 020	34 706	2 742	2 911
Total	719 873	807 353	958 014	1 192 317	1 931 993	2 378 867	2 548 244
Change to 2001 Budget Estimate				88 323	636 470	802 878	

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome				
			2000/01	2001/02			
Economic classification							
Current	17 517	101 137	28 583	166 256	180 327	165 480	174 077
Personnel	5 623	5 906	6 588	9 601	11 633	12 810	13 590
Transfer payments	8 000	86 556	8 999	138 504	145 008	120 747	127 992
Other current	3 894	8 675	12 996	18 151	23 686	31 923	32 495
Capital	702 356	706 216	929 431	1 026 061	1 751 666	2 213 387	2 374 167
Transfer payments	702 307	706 011	929 009	1 025 561	1 751 522	2 213 253	2 374 028
Acquisition of capital assets	49	205	422	500	144	134	139
Total	719 873	807 353	958 014	1 192 317	1 931 993	2 378 867	2 548 244

Standard items of expenditure

Personnel	5 623	5 906	6 588	9 601	11 633	12 810	13 590
Administrative	948	1 779	2 710	4 311	4 283	4 422	4 685
Inventories	155	361	557	1 022	1 151	756	849
Equipment	76	207	425	568	146	137	140
Land and buildings	-	-	-	-	-	-	-
Professional and special services	2 536	6 460	9 666	12 750	18 250	26 742	26 960
Transfer payments	710 307	792 567	938 008	1 164 065	1 896 530	2 334 000	2 502 020
Miscellaneous	228	73	60	-	-	-	-
Total	719 873	807 353	958 014	1 192 317	1 931 993	2 378 867	2 548 244

Policy developments

The activities of the Inter-Governmental Relations subprogramme include: developing an inter-governmental framework for monitoring, evaluation and capacity building; developing a government wide planning cycle; reviewing the administration of the President's Coordinating Council; co-administering the Governance and Administration Cluster; and preparing a framework for devolving powers and functions to local government. These activities require close cooperation with other national departments in Cabinet and departmental Clusters. During 2002/03, the subprogramme will concentrate on supporting the implementation of the government-wide planning cycle and the introduction of legislation regulating the supervision of provincial and local government. It will also work closely with the Governance and Administration Cluster to review the inter-governmental framework for the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme and the framework for local government's participation in executive inter-governmental processes.

In 2002/03 the Development and Planning subprogramme will focus on increasing its assistance to municipalities for the implementation of the Municipal Systems Act (32 of 2000) through the development of regulations and guidelines pertaining to Chapter 8 of the Act. Specific attention will be given to promoting municipal service delivery through mechanisms internal to municipalities.

The Consolidated Municipal Infrastructure Programme (CMIP) was approved by Cabinet in 1996 to consolidate the Department of Housing's Bulk and Connector Infrastructure Grant programme and the pre-existing municipal infrastructure programmes of the Department of Provincial and Local Government. The CMIP continues to be a key vehicle for the support of local service delivery. The budgets for the CMIP and Local Economic Development and Social Plan Grant subprogrammes are set to grow very rapidly in the medium term to ensure that more resources are directed at the provision of basic infrastructure to poor households, and at the associated delivery of services by local government. In addition, the Local Economic Development and Social Plan

Grant subprogramme will be conducting a series of studies on the regeneration of communities in the Integrated Sustainable Rural Development Programme nodes and on the funding of the subprogramme's initiatives.

The Department of Provincial and Local Government is responsible for the provision of seed capital to the Municipal Infrastructure Investment Unit, established in 1998 as a Section 21 company under the Companies Act (61 of 1973) to facilitate private sector investment and participation in the delivery of municipal services.

A grant of R65 million over two years has been allocated to municipalities for institutional support and the initiation of projects in the rural development nodes in 2001/02 and 2002/03. The grant will assist the Planning, Implementation and Management Support (PIMS) Centres responsible for the development of integrated development plans, and the Nodal Delivery Teams responsible for the implementation of the ISRDP. It is anticipated that the 2002/03 allocation will focus on the initiation of projects in the identified nodes.

Expenditure trends

The expenditure on the *Governance and Development* programme is projected to increase by 62 per cent in 2002/03, 23 per cent in 2003/04 and a further 7 per cent in 2004/05. This reflects very large increases to the allocations to the Consolidated Municipal Infrastructure Programme, as well as an increase to the capital transfers from the Local Economic Development Fund, which is part of Government's poverty relief initiative.

Key outputs, indicators and targets

Governance and Development

Subprogramme	Output	Output measure/indicator	Target
Inter-Governmental Relations	Proposals on the distribution of powers and functions between spheres of Government	Framework for managing assignment of powers and functions to local government	June 2002
		Report assessing schedules 4 and 5 of the Constitution submitted to Cabinet	October 2002
	An enabling legislative framework for an inter-departmental, inter-cluster and inter-sphere planning, monitoring and delivery system	Legislation implementing section 41 of the Constitution	November 2002
		Legislation regulating sections 139 and 100 of the Constitution	November 2002
		Inter-governmental guidelines for integrated development planning	March 2003
Development and Planning	Capacity-building for municipalities for integrated-development planning and local economic development	Training provided to planners and local economic development units, municipal managers, councillors and sector specialists	Approximately 200 people trained by August 2002
	Planning and Implementation Management Support (PIMS) to municipalities	Maintain and monitor existing PIMS Centres	Ongoing until 2004/05
	Develop an inter-governmental integrated development planning framework	Study on inter-governmental systems of planning and on mechanism for implementation	March 2003
	Develop a monitoring and evaluation system for integrated development plans (IDPs)	Assessment report on IDP implementation, management approaches, and tools developed	March 2003
	Provision of the infrastructure framework to guide departments in infrastructure delivery	Submission of proposal to Cabinet on the Municipal Infrastructure Investment Framework.	June 2002

Subprogramme	Output	Output measure/indicator	Target
Consolidated Municipal Infrastructure Programme	Provision of developmental and bulk infrastructure	Infrastructure promoting local economic development, job-creation and poverty alleviation	Targets to be set in Division of Revenue Act
Integrated Sustainable Rural Development Programme	Sustain integrated system of planning and delivery of urban and rural development	Implementation and monitoring of anchor projects in the initial set of rural and urban nodes	Terminate nodal programmes within 10 years

The Inter-Governmental Relations subprogramme has been restructured to enhance its capacity. It supported the Department of Provincial and Local Government in the development of the Integrated Sustainable Rural Development Programme and the Urban Renewal Programme, drafting various reports and inter-governmental institutional frameworks in the course of 2001. Joint work was undertaken with the National Treasury to review the supervision regime in sections 100 and 139 of the Constitution, which resulted in draft constitutional amendments that were submitted to Cabinet in June 2001 and introduced into the parliamentary programme.

Development and Planning has drafted discussion documents and methodologies for integrated development planning and local economic development, with integrated development programme guide packs being distributed to all municipalities prior to their commencing the drafting process for development plans in July 2001. The subprogramme is coordinating a capacity-building programme for all municipalities on the new planning approach, while Planning, Implementation and Management Support (PIMS) Centres have been established in 30 district municipalities to strengthen their capacity.

The Consolidated Municipal Infrastructure Programme has assisted more than 1,8 million households since its introduction. CMIP assists all municipalities to provide bulk, connector and internal infrastructure, and community facilities that benefit poor households. Projects include water and sanitation services, roads, storm-water infrastructure, solid waste disposal and community services. Projects typically involve local contractors and are labour-intensive, targeting women and youth for employment and training.

Funds from the Local Economic Development and Social Plan Grant subprogramme have assisted 102 municipalities to undertake regeneration studies in the past two years. About half have been completed. A further 120 municipalities have received funding for local economic development initiatives, leading to the creation of just over 1 000 part-time and 1 000 full-time jobs. The showcasing of these initiatives is arranged at an annual local economic development Trade Fair that was first launched in Johannesburg in 2000.

In the past year, various training programmes have been undertaken, and the Municipal Infrastructure Investment Unit has issued guidelines on developing municipal service partnerships.

Programme 3: Institutional Reform and Support

Institutional Reform and Support provides fiscal and capacity-building support to provincial and local government and to institutions of traditional leadership to promote development. Apart from disaster management, the other activities in this programme include supporting the South African Local Government Association (Salga).

Support for local government finances is offered through the Project Viability subprogramme, which monitors and supports municipalities with financial management difficulties. Direct financial support to municipalities experiencing financial difficulties is provided through the Local Government Support Grant, which assists in implementing financial restructuring programmes. The Local Government Transition Fund assists municipalities with the amalgamation process resulting from the re-demarcation of municipal boundaries, while the Municipal Systems

Improvement Programme assists municipalities with implementing the new systems required by local government legislation. The Local Government Equitable Share, an unconditional transfer to local government to which it is constitutionally entitled, is also administered through this programme.

Expenditure estimates

Table 5.5: Institutional Reform and Support

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	2000/01	2001/02			
Management	753	495	403	1 246	1 234	1 306	1 380
Disaster Management	1 353	77 901	22 722	28 356	6 110	13 889	16 130
Institutional Capacity Building and Support	7 179	7 357	11 544	11 854	11 739	19 035	19 884
Performance Management and Monitoring	7 595	7 843	5 346	8 307	9 561	10 876	11 567
South African Local Government Association	12 050	13 200	15 000	16 000	22 000	20 000	17 000
Project Viability	11 695	11 689	13 933	17 659	16 600	18 465	19 600
R293 Town Personnel Grant ¹	951 000	503 000	462 997	358 123	–	–	–
Local Government Support	181 000	137 000	150 000	160 000	170 000	160 000	143 800
Local Government Transition Fund	–	–	100 000	578 000	200 000	–	–
Municipal Systems Improvement Programme	–	–	–	42 871	93 290	100 418	132 243
Local Government Equitable Share	1 011 950	1 659 800	1 852 000	2 260 000	3 852 478	5 021 478	5 460 546
External Debt Old Local Authorities	127 325	–	–	–	–	–	–
Total	2 311 900	2 418 285	2 633 945	3 482 416	4 383 012	5 365 467	5 822 150
Change to 2001 Budget Estimate				363 199	867 689	1 476 687	

¹ Commitments for 2002/03 and 2003/04 included in the provision for the Local Government Equitable Share.

Economic classification

	2 311 304	2 417 431	2 631 147	3 480 708	4 382 443	5 363 895	5 820 502
Current							
Personnel	9 158	9 940	11 696	14 826	16 727	18 026	19 210
Transfer payments	2 292 591	2 356 714	2 583 646	3 419 994	4 337 768	5 301 896	5 753 589
Other current	9 555	50 777	35 805	45 888	27 948	43 973	47 703
Capital	596	854	2 798	1 708	569	1 572	1 648
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	596	854	2 798	1 708	569	1 572	1 648
Total	2 311 900	2 418 285	2 633 945	3 482 416	4 383 012	5 365 467	5 822 150

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
R thousand								
Standard items of expenditure								
Personnel	9 158	9 940	11 696	14 826	16 727	18 026	19 210	
Administrative	2 136	2 659	5 170	4 644	4 506	4 821	5 204	
Inventories	1 250	359	1 013	1 387	914	2 598	2 726	
Equipment	603	864	3 133	2 111	569	1 572	1 648	
Land and buildings	-	-	-	-	-	-	-	
Professional and special services	6 029	47 579	29 161	39 454	22 498	36 504	39 713	
Transfer payments	2 292 591	2 356 714	2 583 646	3 419 994	4 337 768	5 301 896	5 753 589	
Miscellaneous	133	170	126	-	30	50	60	
Total	2 311 900	2 418 285	2 633 945	3 482 416	4 383 012	5 365 467	5 822 150	

Policy developments

One of the most important functions fulfilled by *Institutional Reform and Support* is the provision of fiscal resources to local governments. The rationale behind the system of inter-governmental fiscal transfers is to support local government, one of the key vehicles for delivery, in performing its functions. In addition, this support guides municipalities through the current institutional, legislative and systems reforms, and helps them create a viable financial base and expand service delivery to communities in need. For this reason, a variety of funds are allocated to local government.

The Department of Provincial and Local Government has administered the equitable share for local government since its introduction in 1998/99, and its basic structure has been retained in order to ensure transparency, stability and predictability in allocations to municipalities. The allocation for 2001/02 was increased to assist municipalities to provide free basic services, and the rapid growth in the equitable share over the medium term reflects Government's commitment to providing services to the poor. The equitable share also disburses funds that are made available for the 9 300 personnel from R293 towns (previously under homeland administrations) who were transferred from provincial government to municipalities in the course of the transition to democracy. The funding is guaranteed for a three-year period (2001/02 to 2003/04), after which it will be incorporated into the formula-driven component of the local government equitable share.

In 2002/03 a committee of Ministers will review longer-term reforms, such as the appropriate size of the equitable share. Any reforms will be implemented from 2003/04.

The Local Government Transition Fund assists local governments with the significant once-off costs for amalgamation and restructuring following the demarcation process so that services will not be interrupted. This grant has a limited life-span and will be incorporated into the equitable share from 2003/04.

The Local Government Support Grant assists municipalities facing financial distress to restructure their financial management systems and practices to ensure their long-term sustainability.

The Municipal Systems Improvement Programme provides direct assistance to municipalities for Capacity building and for implementing the new systems required by local government legislation. PIMS Centres in district municipalities, in particular, will be funded to assist with the preparation of integrated development plans in line with municipal budgets. This grant will also assist municipalities to pilot performance management and monitoring systems, and will complement other initiatives by the National Treasury aimed at building municipal financial management capacity and at implementing budget reforms.

A performance management system for local government is in place and is monitoring how municipalities are managing the local government transformation programme. The priorities are establishing support for less strong municipalities to implement performance management systems, and developing a performance management system for provinces.

The Department of Provincial and Local Government has reviewed all the inputs received on the draft Property Rates Bill, submitted to Cabinet in August 2000, and will finalise the Bill in the first half of 2002. Other major policy initiatives include a review of the financing of district municipalities with a view to aligning their expenditure responsibilities with their powers to raise revenue. The Department's work, which includes municipal tariff policy development, will usher in a new regime for financing local government in line with the White Paper on Local Government.

Support to the National House of Traditional Leaders will continue to form an integral part of the Department's responsibilities. This body advises Government at national level on matters pertaining to traditional leadership, coordinates the activities of the provincial Houses of Traditional Leaders, and consults with other key stakeholders such as the South African Local Government Association and the National Council of Provinces.

A White Paper on Traditional Leadership and Institutions is being drafted, after consultations with role-players. It is envisaged that this process will result in the rationalisation of existing legislation, and the enactment of new legislation. It is also likely that a Commission on Claims and Disputes Relating to Traditional Leadership will be established.

The transformation and integration of the institution of traditional leadership into the system of local governance will also be a key issue for policy development.

A legal framework for the implementation of the disaster management policy is being developed.

Expenditure trends

The increase in spending on the programme is largely due to the rapid increase of the equitable share, funding for disaster management, and support for the transitional requirements of local government. The local government equitable share is projected to increase by 70 per cent, 30 per cent and 9 per cent over the next three years. The Municipal Systems Improvement Programme grows in the medium term, while the Local Government Support Grant declines. This reflects the move to a consolidated medium-term national strategy to build financial, managerial and technical capacity in municipalities.

The disaster management allocations rose from R1,3 million in 1998/99 to R77,9 million in 1999/00 to fund limited disaster relief and to provide for the investigation into Y2K compliance at municipal level. In 2000/01, provision was made for a command centre to oversee the response to flood damage.

Key outputs, indicators and targets

Institutional Reform and Support

Subprogramme	Output	Output measure/indicator	Target
Disaster Management	Develop and implement a disaster management system	National disaster management policy and subordinate legislation	October 2002
		Appropriate funding mechanism for disaster management risk reduction and emergency relief	July 2002
		Disaster management information system	February 2003
		Inter-governmental, multi-sectoral response to disasters	May 2002

2001 Estimates of National Expenditure

Subprogramme	Output	Output measure/indicator	Target
Institutional Capacity Building and Support	Capacity-building strategy for local and provincial government	Support for the development of local capacity-building plans linked to municipal integrated development plans	April 2002 to March 2003
		Finalisation of the capacity-building financing framework	June 2002
		Promotion of the integration of donor programmes within the national strategic framework for capacity-building	Ongoing
	Legislation to reform local government and institutions of traditional leadership	Rationalisation and repeal of old traditional leadership laws	By end 2002
	Transform traditional leadership and integrate into local governance	Finalisation of role and functions of traditional leaders, and policy on traditional leadership and institutions	By end 2002
	Cross-boundary municipalities monitored	Best practice model developed for administration	June 2002
Performance Management and Monitoring	Monitor performance of local and provincial government	Monitoring reports based on local government key performance indicators	September 2003 and March 2004
		Performance monitoring systems established and fully operational in all provinces.	December 2002
		Best practice reports on provincial performance	July 2003
	National legislation for property tax	Improved property tax administration and wider revenue base	June 2002
	Municipal finance policy	Fiscal powers of B and C municipalities properly defined	June 2002
South African Local Government Association	Transfer of annual grant	Timely payment and compliance with the Public Finance Management Act (PFMA)	Quarterly
Project Viability	Monitor municipal finances and performance of municipalities	Quarterly report on finances and performance	May, August, November and February
Local Government Support	Viable and stable municipalities	Appointment of management support to assist with fiscal restructuring in financially distressed municipalities	Management support appointed 2 months after approval of business plans
Local Government Transition Fund	Technical assistance to municipalities during the transition	Transfer funds to eligible municipalities timeously	Transfer funds within 1 month of determining where technical expertise is required
Municipal Systems Improvement Programme	Assistance to municipalities for implementing new operational and organisational systems	Implementation of new performance management system in pilot municipalities and integrated development plans prepared in line with the legislation	Municipalities requiring support to be identified by end of April 2002
Local Government Equitable Share	Transfer funds	Transfer funds to all eligible municipalities	As per legislation
		Incorporate R293 town personnel allocation into the equitable share for local government	Administer separately until 2004/05
	Review impact of the equitable share on municipalities	Annual measure of appropriateness of formula and size of allocations	Amend equitable share as required
	Implementation of the free basic services policy	National strategies in place to assist municipalities in the implementation of the policy	Services to low-income households for 10 years
	Incorporate ad hoc operating subsidies into the equitable share	Incorporate Department of Water Affairs and Forestry subsidies for water schemes transferred to municipalities	Date to be determined

A disaster management policy focusing on preventing or reducing the risk of disasters and mitigating their severity, on emergency preparedness, and on a rapid and effective response to disasters and post-disaster recovery, has been developed.

A legal framework for a performance management system for municipalities gained legal force in the Municipal Systems Act. Regulations on Municipal Planning and Performance Management were gazetted in August 2001, specifying the key performance indicators that will guide municipalities to achieve national development priorities. Implementation guidelines have been developed and distributed to municipalities, and a nation wide training programme is currently under way. With the support of the Department of Provincial and Local Government, 26 pilot municipalities are participating in the introduction of the training programme.

Programme 4: Auxiliary and Associated Services

Auxiliary and Associated Services renders a variety of services to the Department, including communications, and supports the National House of Traditional Leaders, the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, and the Municipal Demarcation Board.

Expenditure estimates

Table 5.6: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Communication Services	17 515	9 936	9 339	6 316	8 449	8 537	9 044
National House of Traditional Leaders	864	2 374	2 905	3 915	4 613	4 420	4 685
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	572	793	317	2 698	8 923	9 140	9 703
Municipal Demarcation Board	401	33 598	29 215	15 842	11 570	12 075	12 755
Public Sector Education and Training Authority	–	–	42	100	–	–	–
Government Motor Transport							
Departmental	268	285	–	966	1	360	370
Subsidised	143	250	–	100	599	150	320
Training Fund for Local Government Affairs	11 500	9 000	–	–	–	–	–
Volkstaat Council	2 886	–	–	–	–	–	–
Commission on Claims and Disputes Relating to Traditional Leadership	–	–	–	–	–	1 000	2 000
Total	34 149	56 236	41 818	29 937	34 155	35 682	38 877
Change to 2001 Budget Estimate				647	2 748	2 144	

Economic classification

Current	33 165	54 205	40 978	27 706	31 728	33 982	36 931
Personnel	1 632	749	987	2 913	3 643	3 897	4 151
Transfer payments	16 159	43 071	29 257	18 600	20 293	22 015	24 258
Other current	15 374	10 385	10 734	6 193	7 792	8 070	8 522
Capital	984	2 031	840	2 231	2 427	1 700	1 946
Transfer payments	143	250	–	100	599	150	320
Acquisition of capital assets	841	1 781	840	2 131	1 828	1 550	1 626
Total	34 149	56 236	41 818	29 937	34 155	35 682	38 877

Standard items of expenditure

Personnel	1 632	749	987	2 913	3 643	3 897	4 151
Administrative	2 431	2 526	3 039	2 913	3 192	3 440	3 629
Inventories	443	1 686	2 153	542	800	830	865
Equipment	895	2 002	860	2 131	1 828	1 550	1 626
Land and buildings	–	–	–	–	–	–	–
Professional and special services	12 436	5 937	5 510	2 738	3 800	3 800	4 028
Transfer payments	16 302	43 321	29 257	18 700	20 892	22 165	24 578
Miscellaneous	10	15	12	–	–	–	–
Total	34 149	56 236	41 818	29 937	34 155	35 682	38 877

Policy developments

Following the successful local government elections in 2000, the work of the Municipal Demarcation Board, which was responsible for the demarcation of municipalities and wards within them, has become less intensive. Its main activity now is reviewing existing municipal and ward boundaries.

The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities will be constituted in 2002/03.

The National House of Traditional Leaders has been established, in terms of the Constitution, to advise Government on matters pertaining to traditional leadership and to coordinate the activities of the provincial Houses of Traditional Leaders.

Expenditure trends

Following the municipal demarcation process, the expenditure on this programme has fallen. Projected increases are in respect of an enhanced communication unit for the Department. The rise in expenditure on the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities reflects its probable establishment in 2002/03.

Key outputs, indicators and targets

Auxiliary and Associated Services

Subprogramme	Output	Output measure/indicator	Target
National House of Traditional Leaders	Negotiate with Government on matters relating to traditional leadership	Representation of traditional leaders and consultation with other key stakeholders	Continuous
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	Parliament adopts legislation on the Commission	Establishment of the Commission	By March 2003
Municipal Demarcation Board	Review existing municipal and ward boundaries	Attend to queries and complaints, particularly about boundaries of tribal authorities	Continuous
	Update and maintain database	Up-to-date information on municipalities	Continuous
	Attend to requests from the Minister and MECs responsible for local government to re-demarcate municipal boundaries	Survey all cross-boundary municipalities	Continuous
		Proposals to the Minister and MECs on the boundaries of tribal authorities	Continuous

Public entities reporting to the Minister

Municipal Infrastructure Investment Unit

The Municipal Infrastructure Investment Unit (MIIU) is a non-profit company created in 1998 to channel grant funding and technical assistance to local governments pursuing municipal service partnerships, including long-term concession contracts, build-operate-transfer agreements, management contracts, and other partnerships with public and private entities. During 2000/01, the MIIU finalised 13 partnership projects, with a total contract value of over R3,4 billion, bringing the total contract value of all MIIU projects, during its three-year existence, to over R5,6 billion.

Annexure

Vote 5: Provincial and Local Government

Table 5.7: Summary of expenditure trends and estimates per programme

Table 5.8: Summary of expenditure trends and estimates per economic classification

Table 5.9: Summary of expenditure trends and estimates per standard item

Table 5.10: Summary of transfers and subsidies per programme

Table 5.11: Summary of personnel numbers and costs

Table 5.12: Summary of expenditure on training

Table 5.13: Summary of information and communications technology expenditure

Table 5.14: Summary of conditional grants to provinces

Table 5.15: Summary of conditional grants to local government (municipalities)

Table 5.7: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01										
R thousand													
1 Administration	18 300	19 647	21 775	26 664	1 418	4 591	32 673	32 393	35 291	525	35 816	37 777	39 866
2 Governance and Development	719 873	807 353	958 014	1 103 994	57 525	30 798	1 192 317	1 187 655	180 327	1 751 666	1 931 993	2 378 867	2 548 244
3 Institutional Reform and Support	2 311 900	2 418 285	2 633 945	3 119 217	21 701	341 498	3 482 416	3 461 277	4 382 443	569	4 383 012	5 365 467	5 822 150
4 Auxiliary and Associated Services	34 149	56 236	41 818	29 290	365	282	29 937	27 405	31 728	2 427	34 155	35 682	38 877
Total	3 084 222	3 301 521	3 655 552	4 279 165	81 009	377 169	4 737 343	4 708 730	4 629 789	1 755 187	6 384 976	7 817 793	8 449 137
Change to 2001 Budget Estimate							458 178	429 565			1 516 042	2 291 023	

Table 5.8: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Current	2,379,977	2,591,883	2,722,143	3,307,000	23,653	375,182	3,705,835	3,677,222	4,629,789	-	4,629,789	5,600,499	6,070,726
Personnel	26,879	27,786	31,014	42,975	1,826	-	44,801	37,438	53,434	-	53,434	57,676	61,346
Salaries and wages	17,340	18,234	20,387	28,399	1,826	244	30,469	25,461	34,530	-	34,530	37,111	39,380
Other	9,539	9,552	10,627	14,576	-	(244)	14,332	11,977	18,904	-	18,904	20,565	21,966
Transfer payments	2,316,750	2,486,341	2,621,902	3,197,678	-	379,420	3,577,098	3,564,476	4,503,069	-	4,503,069	5,444,658	5,905,839
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	140,461	43,714	2,049	-	-	2,500	2,500	2,500	-	-	-	-	-
provincial government	181,000	217,000	150,000	258,914	-	2,500	261,414	261,414	274,478	-	274,478	270,747	261,192
local government	1,962,950	2,162,800	2,414,997	2,899,164	-	373,420	3,272,584	3,261,720	4,147,268	-	4,147,268	5,121,896	5,592,789
Households and non-profit institutions	32,339	62,827	54,856	39,600	-	1,000	40,600	38,842	81,323	-	81,323	52,015	51,858
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	36,348	77,756	69,227	66,347	21,827	(4,238)	83,936	75,308	73,286	-	73,286	98,165	103,541
Capital	704,245	709,638	933,409	972,165	57,356	1,987	1,031,508	1,031,508	-	1,755,187	1,755,187	2,217,294	2,378,411
Transfer payments	702,450	706,261	929,009	970,186	55,475	-	1,025,661	1,025,661	-	1,752,121	1,752,121	2,213,403	2,374,348
Other levels of government	702,307	706,011	929,009	970,086	55,475	-	1,025,561	1,025,561	-	1,751,522	1,751,522	2,213,253	2,374,028
Other capital transfers	143	250	-	100	-	-	100	100	-	599	599	150	320
Movable capital	1,795	3,377	4,400	1,979	1,881	1,987	5,847	5,847	-	3,066	3,066	3,891	4,063
Motor vehicles (transport)	268	285	-	1	365	768	1,134	1,134	-	501	501	360	370
Equipment - Computers	625	2,410	3,637	1,066	1,336	290	2,692	2,692	-	1,992	1,992	2,810	2,952
Equipment - Other office equipment	323	630	686	900	180	709	1,789	1,789	-	263	263	611	631
Other	579	52	77	12	-	220	232	232	-	310	310	110	110
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,084,222	3,301,521	3,655,552	4,279,165	81,009	377,169	4,737,343	4,708,730	4,629,789	1,755,187	6,384,976	7,817,793	8,449,137

Table 5.9: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	26 879	27 786	31 014	42 975	1 826	–	44 801	37 438	53 434	–	53 434	57 676	61 346
Administrative	9 649	11 329	15 956	16 994	2 375	1 091	20 460	20 472	20 689	–	20 689	21 995	23 413
Inventories	2 538	3 100	4 799	3 356	562	(44)	3 874	3 413	3 774	–	3 774	5 134	5 450
Equipment	2 643	4 351	5 614	2 931	2 284	2 055	7 270	7 279	970	3 066	4 036	4 869	5 114
Land and buildings	–	–	–	–	–	–	–	–	–	–	–	–	–
Professional and special services	22 691	61 737	46 770	45 045	18 487	(5 353)	58 179	49 970	47 823	–	47 823	70 008	73 567
Transfer payments	3 019 200	3 192 602	3 550 911	4 167 864	55 475	379 420	4 602 759	4 590 137	4 503 069	1 752 121	6 255 190	7 658 061	8 280 187
Miscellaneous	622	616	488	–	–	–	–	21	30	–	30	50	60
Total	3 084 222	3 301 521	3 655 552	4 279 165	81 009	377 169	4 737 343	4 708 730	4 629 789	1 755 187	6 384 976	7 817 793	8 449 137

Table 5.10: Summary of transfers and subsidies per programme

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02	2002/03			2003/04	2004/05	
R thousand										
2 Governance and Development	710 307	792 567	938 008	1 164 065	145 008	1 751 522	1 896 530	2 334 000	2 502 020	
Consolidated Municipal Infrastructure Programme										
Local Government	702 307	696 495	851 100	926 986	–	1 654 522	1 654 522	2 096 253	2 374 028	
Provincial	–	–	–	98 914	104 478	–	104 478	110 747	117 392	
Local Economic Development and Social Plan Grant	–	12 066	80 458	99 145	1 550	97 000	98 550	117 000	–	
Municipal Infrastructure Investment Unit	8 000	4 006	6 450	6 000	7 000	–	7 000	10 000	10 600	
KwaZulu-Natal Peace Initiative	–	80 000	–	–	–	–	–	–	–	
Integrated Sustainable Rural Development Programme	–	–	–	33 020	31 980	–	31 980	–	–	

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Current	Capital	Total		
	1998/99	1999/00	2000/01		2001/02	2002/03		2003/04	2004/05
3 Institutional Reform and Support	2 292 591	2 356 714	2 583 646	3 419 994	4 337 768	-	4 337 768	5 301 896	5 753 589
Disaster Management	-	30 000	-	5 000	-	-	-	-	-
Y2K	-	13 714	649	-	-	-	-	-	-
Performance Management and Monitoring	-	-	3 000	-	-	-	-	-	-
South African Local Government Association	12 050	13 200	15 000	16 000	22 000	-	22 000	20 000	17 000
Project Viability	9 266	-	-	-	-	-	-	-	-
R293 Town Personnel Grant	951 000	503 000	462 997	358 123	-	-	-	-	-
Local Government Support	181 000	137 000	150 000	160 000	170 000	-	170 000	160 000	143 800
Local Government Transition Fund	-	-	100 000	578 000	200 000	-	200 000	-	-
Municipal Systems Improvement Programme	-	-	-	42 871	93 290	-	93 290	100 418	132 243
Local Government Equitable Share	1 011 950	1 659 800	1 852 000	2 260 000	3 852 478	-	3 852 478	5 021 478	5 460 546
External Debt Old Local Authorities	127 325	-	-	-	-	-	-	-	-
4 Auxiliary and Associated Services	16 302	43 321	29 257	18 700	20 293	599	20 892	22 165	24 578
Communication Services									
Masakhane	3 870	-	-	-	-	-	-	-	-
Nedlac	720	473	-	-	-	-	-	-	-
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	-	-	2 658	8 723	-	8 723	8 940	9 503
Municipal Demarcation Board	69	33 598	29 215	15 842	11 570	-	11 570	12 075	12 755
Public Sector Education and Training Authority	-	-	42	100	-	-	-	-	-
Government Motor Transport	143	250	-	100	-	599	599	150	320
Training Fund for Local Government Affairs	11 500	9 000	-	-	-	-	-	-	-
Commission on Claims and Disputes Relating to Traditional Leadership	-	-	-	-	-	-	-	1 000	2 000
Total	3 019 200	3 192 602	3 550 911	4 602 759	4 503 069	1 752 121	6 255 190	7 658 061	8 280 187

Table 5.11: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	93	91	93	124	127
2 Governance and Development	35	35	29	39	52
3 Institutional Reform and Support	58	59	47	77	78
4 Auxiliary and Associated Services	7	6	11	18	20
Total	193	191	180	258	277
Total personnel cost (R thousand)	26 879	27 786	31 014	44 801	53 434
Unit cost (R thousand)	139.3	145.5	172.3	173.6	192.9

¹ Full-time equivalent**Table 5.12: Summary of expenditure on training**

	Expenditure outcome		Adjusted Appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration	335	243	469	412	426	452
2 Governance and Development	77	53	145	183	201	216
3 Institutional Reform and Support	12	63	187	218	211	223
4 Auxiliary and Associated Services	18	–	40	40	40	40
Total	442	359	841	853	878	931

Table 5.13: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate			
	appropriation	2001/02	2002/03	2003/04	2004/05
1 Administration	110	20	-	-	-
Technology	110	20	-	-	-
Hardware	110	20	-	-	-
Software and licences	-	-	-	-	-
Audio-visual equipment	-	-	-	-	-
Systems	-	-	-	-	-
IT services	-	-	-	-	-
Consulting	-	-	-	-	-
Outsourcing	-	-	-	-	-
2 Governance and Development	346	101	87	91	91
Technology	346	101	87	91	91
Hardware	346	101	87	91	91
Software and licences	-	-	-	-	-
Audio-visual equipment	-	-	-	-	-
Systems	-	-	-	-	-
IT services	-	-	-	-	-
Consulting	-	-	-	-	-
Outsourcing	-	-	-	-	-
3 Institutional Reform and Support	1 240	544	1 533	1 605	1 605
Technology	1 240	544	1 533	1 605	1 605
Hardware	1 240	544	1 533	1 605	1 605
Software and licences	-	-	-	-	-
Audio-visual equipment	-	-	-	-	-
Systems	-	-	-	-	-
IT services	-	-	-	-	-
Consulting	-	-	-	-	-
Outsourcing	-	-	-	-	-

R thousand	Adjusted	Medium-term expenditure estimate		
	Appropriation	2002/03	2003/04	2004/05
	2001/02			
4 Auxiliary and Associated Services	1 619	1 977	1 865	1 956
Technology	996	1 327	1 190	1 256
Hardware	996	1 327	1 190	1 256
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	623	650	675	700
Consulting	623	650	675	700
Outsourcing	-	-	-	-
Total	3 315	2 642	3 485	3 652

Table 5.14: Summary of conditional grants to provinces¹

R thousand	Expenditure outcome			Adjusted	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01	appropriation	2002/03	2003/04	2004/05
				2001/02			
2 Governance and Development							
Consolidated Municipal Infrastructure Programme (CMIP)	-	-	-	98 914	104 478	110 747	117 392
KwaZulu-Natal Peace Initiative	-	80 000	-	-	-	-	-
3 Institutional Reform and Support							
Local Government Support	181 000	137 000	150 000	160 000	170 000	160 000	143 800
Disaster Relief	-	-	-	2 500	-	-	-
Total	181 000	217 000	150 000	261 414	274 478	270 747	261 192

¹ Detail provided in the Division of Revenue Act, 2002.

Table 5.15: Summary of conditional grants to local government (municipalities)¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
2 Governance and Development							
Consolidated Municipal Infrastructure Programme (CMIP)	702 307	696 495	851 100	926 986	1 654 522	2 096 253	2 374 028
Local Economic Development and Social Plan Grant	-	9 516	77 909	99 145	98 500	117 000	-
Integrated Sustainable Rural Development Programme	-	-	-	33 020	31 980	-	-
3 Institutional Reform and Support							
Local Government Transition Fund	-	-	100 000	578 000	200 000	-	-
Municipal Systems Improvement Programme	-	-	-	42 871	93 290	100 418	132 243
Disaster Relief	-	-	-	2 500	-	-	-
Total	702 307	706 011	1 029 009	1 682 522	2 078 292	2 313 671	2 506 271

¹ Detail provided in the Division of Revenue Act, 2002.

