

Vote 5

Provincial and Local Government

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R9 399 001 000	R10 600 036 000	R11 529 438 000
Statutory amounts	–	–	–
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 integrated and co-operative governance, and to support provincial and local government.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Provide for the management, leadership and administration of the Department.

Programme 2: Governance and Development

Purpose: Support the development and monitoring of the principles and practices of intergovernmental relations, co-operative governance, integrated planning and service delivery systems and strategic direction of the Urban Renewal Programme and the Integrated Sustainable Rural Development Programme.

Measurable objective: To strengthen the relationship between the various spheres of Government through intergovernmental relations policies and the promotion of integrated planning and delivery to build co-operative and integrated governance.

Programme 3: Institutional Reform and Support

Purpose: Provide for capacity building and support programmes for provincial and local government, a national disaster management centre, and direct fiscal transfers to local government.

Measurable objective: To promote a sustainable system of local government to foster integrated development and service delivery through monitoring, support and fiscal transfers.

Programme 4: Auxiliary and Associated Services

Purpose: Provide for communication and for services associated with the aims of the Department, such as the activities of the Municipal Demarcation Board and the National House of Traditional Leaders.

Measurable objective: To effect timeous provision of funds to associated institutions to foster their efficient functioning.

Strategic overview and key policy developments: 1999/00 – 2005/06

The Department of Provincial and Local Government, in consultation with other sector departments impacting on local government activities, continues to lead matters related to the transformation agenda of sub-national government. The Department's work involves ensuring that government structures, administration systems and planning procedures are in place to ensure good governance for service delivery. Its main portfolio includes promoting effective provincial and local governments, integrated systems, service delivery and economic development. The Department does this by developing policies and legislation on development planning, municipal infrastructure and service delivery, local government finance, disaster management, intergovernmental relations, traditional leadership and institutions, and capacity building. The Department, together with other sector departments, also provides support to provincial and local government, monitors the implementation of policies, provides technical support and manages fiscal transfers to local government. The Department has been instrumental in leading the processes of democratisation, demarcation and amalgamation of municipalities.

Legal framework

In line with the constitutional vision of a developmental local government, the 1998 White Paper on Local Government provided a policy framework aimed at making municipalities more accountable, transparent, financially sustainable and developmental. This White Paper formed the basis of the development of a suite of legislation, such as the Municipal Structures Act (117 of 1998) and the Municipal Systems Act (32 of 2000), which have set out the structures, core systems and functions of local government. To complete the legal framework necessary for the new system of local government, the Property Rates Bill will be introduced into Parliament during 2003. The Bill proposes to reform the property rating regime, bringing in innovation in administration and thus improving revenue collection at the local level. Once enacted, the legislation will be implemented over a four-year period. A process to rationalise 'old order' local government legislation in consultation with provinces is also under way, and will continue in 2003 to be completed by 2004.

A draft White Paper on Traditional Leadership and Institutions has been finalised. It addresses issues such as 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. The paper informed the Disaster Management Act (57 of 2002), which provided an effective disaster management policy for the country as a whole, integrating activities across the three spheres of Government. The implementation will be phased in over two years, taking into account capacity limitations in the provincial and local spheres.

Funding and grants

The Department administers and manages a system of intergovernmental 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) Grant, which provides funding to municipalities for the provision of bulk infrastructure. The Local Economic Development (LED) Fund, an instrument aimed at promoting job creation at the local level, has enhanced local government's ability to alleviate poverty. Further consolidation of infrastructure grants from other national sector departments are planned for phased incorporation into a new Municipal

Infrastructure Grant (MIG) during 2003/04. A technical task team, consisting of the Department, National Treasury and other sector departments, will undertake the phased in implementation of the MIG.

Funding allocated to local government through conditional grants and the equitable share will grow substantially over the medium term as national Government prioritises the provision of basic infrastructure and free basic services at the local level. An amount of the equitable share will be earmarked for the implementation of these free basic services.

In line with the timeframes set around the establishment and amalgamation of municipalities, the Local Government Transition Fund has been incorporated into the equitable share. The Department is leading the process for integrating all national government capacity-building grants to municipalities into a single funding instrument. This will lay the basis for the integration of sector initiatives within the overall framework of local government transformation. The Department's existing capacity-building grants are focused on stabilising municipalities, the development of planning and other in-house technical skills, addressing revenue enhancement initiatives, and implementing the decisions on the division of powers and functions between category B and C municipalities.

Support for local government

Local government receives support through the Management Support Programme, a component of Project Viability that was initiated a while ago to provide cash flow information on the 843 municipalities, and support to municipalities experiencing cash flow difficulties. Support is currently provided by consultants in the Management Support Teams who implement projects intended to have positive outcomes on municipalities' cash flow. The Municipal Systems Improvement Programme (MSIP) assists municipalities in implementing systems provided for in local government legislation.

The Department has supported the establishment of Planning and Implementation Management Support Centres (PIMS-Centres) at district municipality level. These provide strategic support to both district and local municipalities on integrated development planning and implementation. Thirty-three of these support centres are fully operational and seven more are in the final stages of establishment.

In addition, the Municipal Systems Improvement Programme will assist municipalities to deal with the implications of the division of municipal powers and functions. It will also introduce a revenue enhancement programme aimed at improving revenue generation and management within municipalities. Additionally, an individual-based capacity-building programme (the Local Government Leadership Academy) is being developed. The primary objective of the programme is to improve the effectiveness of local government leadership and accelerate the transformation of municipal organisations and the communities they serve.

Intergovernmental relations

The Department has been engaged in several initiatives during this period to strengthen intergovernmental relations between the spheres. These include a review of the entire system of intergovernmental relations undertaken in 1999/00 and the publication of guidelines on intergovernmental disputes and interventions under section 100 of the Constitution. Through the Governance and Administration Director-General Cluster, the Department has worked on the Medium Term Strategic Framework for Government in 2000, and other processes to support greater integration in the operations of Government.

An intergovernmental framework for co-ordinating the Integrated Sustainable Rural Development Programme was established in 2001. The President's Co-ordinating Council (PCC), a political

body which supports intergovernmental co-ordination, developed an intergovernmental programme of action for local government support. The building of intergovernmental relations continues. Liaison and co-ordination structures across the spheres are improved by better monitoring of the financial and service delivery performance of provincial and local government. There was further progress in meeting the objectives for 2002, including the production of a draft framework for assigning powers and functions to local government, guidelines on provincial-local intergovernmental relations, a draft policy document to implement section 41 of the Constitution, and together with National Treasury the tabling in Parliament of a draft amendment to section 139 of the Constitution. This body of work will be completed in 2003.

Further resolutions by the President's Co-ordinating Council included decisions on discontinuing cross-boundary municipalities and the feasibility of creating a single public service.

Monitoring framework

The implementation of the Performance Management Framework for monitoring municipalities is in progress. This framework will ensure early warning 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 related information for national and provincial policy-making processes and spending decisions, as well as to provide an accountability mechanism to municipalities' constituents.

Planning and implementation

The Department conceptualised and supported the establishment of a new system of municipal planning and implementation, underpinned by the leading role of municipalities in preparing participatory, strategic and implementation-oriented integrated development plans (IDPs). Work will continue in consolidating the new system and supporting the quality improvement of integrated development plans. At the same time a supporting intergovernmental planning framework will be established, giving greater clarity to the type and role of planning appropriate at each sphere, the relationship between planning in the different spheres, and the relationship between strategic and sector planning within Government. This framework will entail policy work as well as practical initiatives such as the IDP Nerve Centre. The IDP Nerve Centre will provide an information co-ordination service to strengthen intergovernmental planning.

Expenditure estimates

Table 5.1: Provincial and Local Government

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
1 Administration	19 647	21 775	30 014	41 190	43 527	50 784	52 960	56 432
2 Governance and Development	807 353	958 014	1 141 810	1 905 748	1 903 868	2 504 009	2 938 975	3 217 314
3 Institutional Reform and Support	2 418 285	2 626 044	3 454 542	4 596 837	4 593 896	6 799 734	7 559 366	8 206 627
4 Auxiliary and Associated Services	56 236	41 818	26 700	35 863	26 650	44 474	48 735	49 065
Total	3 301 521	3 647 651	4 653 066	6 579 638	6 567 941	9 399 001	10 600 036	11 529 438
Change to 2002 Budget Estimate				194 662	182 965	1 581 208	2 150 899	

	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
Economic classification								
Current	2 591 883	2 714 242	3 564 253	4 793 639	4 782 141	6 981 892	7 753 402	8 409 053
Personnel	27 786	31 014	34 182	50 477	49 807	68 998	74 145	79 070
Transfer payments	2 486 341	2 621 902	3 461 993	4 656 737	4 648 014	6 819 644	7 575 907	8 220 202
Other current	77 756	61 326	68 078	86 425	84 320	93 250	103 350	109 781
Capital	709 638	933 409	1 088 813	1 785 999	1 785 800	2 417 109	2 846 634	3 120 385
Transfer payments	706 261	929 009	1 082 376	1 780 567	1 779 968	2 410 253	2 841 028	3 113 470
Acquisition of capital assets	3 377	4 400	6 437	5 432	5 832	6 856	5 606	6 915
Total	3 301 521	3 647 651	4 653 066	6 579 638	6 567 941	9 399 001	10 600 036	11 529 438
Standard items of expenditure								
Personnel	27 786	31 014	34 182	50 477	49 807	68 998	74 145	79 070
Administrative	11 329	15 956	17 661	24 780	24 436	30 703	31 505	33 358
Inventories	3 100	4 799	3 157	6 283	5 710	7 312	7 645	8 094
Equipment	4 351	5 614	7 457	6 473	6 863	7 909	6 742	8 132
Land and buildings	–	–	–	–	–	–	–	–
Professional and special services	61 737	38 869	46 162	54 316	53 133	54 132	63 004	67 048
Transfer payments	3 192 602	3 550 911	4 544 369	6 437 304	6 427 982	9 229 897	10 416 935	11 333 672
Miscellaneous	616	488	78	5	10	50	60	64
Total	3 301 521	3 647 651	4 653 066	6 579 638	6 567 941	9 399 001	10 600 036	11 529 438

Expenditure trends

Expenditure on the Vote increased by an annual average of 25,8 per cent a year between 1999/00 and 2002/03 as the allocations to the Consolidated Municipal Infrastructure Programme (a subprogramme of the *Governance and Development* programme) and the local government equitable share rose. The average annual growth will accelerate until 2005/06, with increases of 43 per cent, 13 per cent and 9 per cent. Transfer payments make up 98,3 per cent of the Vote over the medium term with an annual average increase of 20,8 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 addressing the backlog of infrastructure needs, leading to considerable increases in the Consolidated Municipal Infrastructure Programme, which will grow by 78 per cent over the medium term. These allocations are important sources of funding for the ISRDP and the Urban Renewal Programme. In addition, the equitable share grows by 94 per cent over the period to support local government operating costs, with additional allocations for the funding of free basic services.

The remaining 1,7 per cent of the budget, excluding transfer payments, is for the Department's operational costs. The medium-term growth is 11,2 per cent with approximately half of the growth being attributable to personnel costs. The annual average growth in other expenditure items is below 10 per cent.

Departmental receipts

It is estimated that departmental receipts will amount to R305 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				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
Tax revenue	–	–	–	–	–	–	–
Non-tax revenue	32	58	41	66	65	63	61
Interest	17	42	29	50	48	46	44
Dividends	–	–	–	–	–	–	–
Rent	–	–	–	–	–	–	–
Sales of goods and services	14	16	12	16	17	17	17
Fines, penalties and forfeits	–	–	–	–	–	–	–
Miscellaneous	1	–	–	–	–	–	–
Sales of capital assets (capital revenue)	–	–	–	–	–	–	–
Financial transactions (recovery of loans and advances)	40 870	397	3 983	1 233	240	242	244
Total departmental receipts	40 902	455	4 024	1 299	305	305	305

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				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand							
Minister ¹	518	598	646	691	746	791	835
Deputy Minister ²	–	–	420	536	579	614	647
Management	1 542	1 634	3 063	3 804	5 602	5 998	6 399
Corporate Services	17 379	19 319	25 818	36 159	43 857	45 557	48 551
Special Functions: Authorised Losses	208	224	67	–	–	–	–
Total	19 647	21 775	30 014	41 190	50 784	52 960	56 432
Change to 2002 Budget Estimate				5 374	13 007	13 094	

¹ Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

² Payable as from 1 April 2002. Salary: R429 036. Car allowance: R107 259.

Economic classification

Current	19 110	21 435	29 080	39 432	48 949	52 310	55 739
Personnel	11 191	11 743	15 944	22 806	30 617	32 907	35 105
Transfer payments	–	–	–	–	–	–	–
Other current	7 919	9 692	13 136	16 626	18 332	19 403	20 634
Capital	537	340	934	1 758	1 835	650	693
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	537	340	934	1 758	1 835	650	693
Total	19 647	21 775	30 014	41 190	50 784	52 960	56 432

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	11 191	11 743	15 944	22 806	30 617	32 907	35 105
Administrative	4 365	5 037	8 271	9 729	12 584	13 307	14 097
Inventories	694	1 076	980	1 168	1 186	1 247	1 314
Equipment	1 278	1 196	1 728	2 726	2 885	1 785	1 907
Land and buildings	–	–	–	–	–	–	–
Professional and special services	1 761	2 433	3 024	4 761	3 512	3 714	4 009
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	358	290	67	–	–	–	–
Total	19 647	21 775	30 014	41 190	50 784	52 960	56 432

Expenditure trends

The increases in *Administration* reflect the costs of establishing an office for the Deputy Minister, appointing ministerial advisors, and providing corporate services in an additional building leased to accommodate the full staff complement. Future increases will mainly cover an expanded corporate governance service with the primary goal of increasing the quality and quantity of the Department's output through better monitoring and evaluation.

Programme 2: Governance and Development

Governance and Development supports the development of integrated and co-operative governance, constitutional principles and practices in intergovernmental relations, and an integrated system of planning and delivery. The programme's two major subprogrammes are the Consolidated Municipal Infrastructure Programme and the Local Economic Development and Social Plan Grant. *Governance and Development's* activities include research, policy development and management, administration, the monitoring and evaluation of programmes, providing targeted institutional support for special initiatives, and strategic management of the ISRDP and Urban Renewal Programme.

Expenditure estimates

Table 5.4: Governance and Development

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	621	523	960	1 372	2 680	2 843	3 012
Intergovernmental Relations	3 720	3 523	3 942	6 382	5 570	6 000	6 409
Development and Planning	6 163	6 716	7 626	10 512	10 530	9 723	10 365
Consolidated Municipal Infrastructure Programme	700 531	856 292	1 000 234	1 730 853	2 297 467	2 781 487	3 077 608
Local Economic Development and Social Plan Grant	12 312	83 510	90 030	114 083	120 000	–	–
Municipal Infrastructure Investment Unit	4 006	7 450	6 000	7 000	10 000	10 600	11 236
KwaZulu-Natal Peace Initiative	80 000	–	–	–	–	–	–
Integrated Sustainable Rural Development Programme	–	–	33 018	35 546	7 762	8 322	8 684
Municipal Infrastructure Grant	–	–	–	–	50 000	120 000	100 000
Total	807 353	958 014	1 141 810	1 905 748	2 504 009	2 938 975	3 217 314
Change to 2002 Budget Estimate				(26 245)	125 142	390 731	

2003 Estimates of National Expenditure

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	101 137	28 583	59 102	125 440	93 017	97 632	103 064
Personnel	5 906	6 588	6 001	9 886	16 629	17 864	19 043
Transfer payments	86 556	8 999	39 588	92 417	48 408	51 333	54 794
Other current	8 675	12 996	13 513	23 137	27 980	28 435	29 227
Capital	706 216	929 431	1 082 708	1 780 308	2 410 992	2 841 343	3 114 250
Transfer payments	706 011	929 009	1 082 376	1 779 968	2 410 253	2 841 028	3 113 470
Acquisition of capital assets	205	422	332	340	739	315	780
Total	807 353	958 014	1 141 810	1 905 748	2 504 009	2 938 975	3 217 314

Standard items of expenditure

Personnel	5 906	6 588	6 001	9 886	16 629	17 864	19 043
Administrative	1 779	2 710	3 346	4 167	8 022	7 611	7 954
Inventories	361	557	1 464	1 491	1 877	1 976	2 103
Equipment	207	425	363	343	742	316	783
Land and buildings	–	–	–	–	–	–	–
Professional and special services	6 460	9 666	8 672	17 476	18 078	18 847	19 167
Transfer payments	792 567	938 008	1 121 964	1 872 385	2 458 661	2 892 361	3 168 264
Miscellaneous	73	60	–	–	–	–	–
Total	807 353	958 014	1 141 810	1 905 748	2 504 009	2 938 975	3 217 314

Transfer payments per subprogramme

Consolidated Municipal Infrastructure Programme							
Local Government	696 495	851 100	996 002	1 670 767	2 246 253	2 724 028	3 016 470
Provincial	–	–	–	51 887	38 408	40 733	43 558
Local Economic Development and Social Plan Grant	12 066	80 458	86 944	110 751	117 000	–	–
Municipal Infrastructure Investment Unit	4 006	6 450	6 000	7 000	10 000	10 600	11 236
KwaZulu-Natal Peace Initiative	80 000	–	–	–	–	–	–
Integrated Sustainable Rural Development Programme	–	–	33 018	31 980	–	–	–
Municipal Infrastructure Grant	–	–	–	–	47 000	117 000	97 000
Total	792 567	938 008	1 121 964	1 872 385	2 458 661	2 892 361	3 168 264

Expenditure trends

The expenditure on the *Governance and Development* programme is projected to increase by 31,3 per cent in 2003/04, 17,6 per cent in 2004/05 and a further 9,5 per cent in 2005/06. This reflects large increases in the allocations of the Consolidated Municipal Infrastructure Programme and the Local Economic Development and Social Plan Grant, which are key poverty alleviation initiatives. The CMIP allocation includes R1 billion over the MTEF period for the provision of labour-based infrastructure investment and services to help stimulate and support local economic development.

These two subprogrammes are to be amalgamated and, along with other local government infrastructure grants, will form part of the new Municipal Infrastructure Grant (MIG) from 2004/05. The Grant will be piloted from 2003/04 with an intended operational date of 2005/06. Operational costs have increased to cater for the recently assigned responsibility for the programme to co-ordinate the pilot as well as for the ISRDP and Urban Renewal Programme.

Service delivery objectives and indicators

Recent outputs

The Intergovernmental Relations subprogramme supported the development of the Integrated Sustainable Rural Development and the Urban Renewal programmes, drafting various reports and intergovernmental institutional frameworks. Joint work was undertaken with National Treasury to review the supervision regime in sections 100 and 139 of the Constitution, resulting in the submission to Cabinet of draft constitutional amendments for adoption in 2003. Guideline documents on provincial-local intergovernmental relations and intergovernmental dispute settlement have been produced to enhance co-operative government. A policy framework for the assignment of powers and functions to local government is being finalised to prevent functions being assigned where the financial resources have not been provided.

The Development and Planning subprogramme has drafted discussion documents and methodologies for integrated development planning and local economic development, with integrated development planning guide packs being distributed to all municipalities. Planning, Implementation and Management Support (PIMS-Centres) have been established in 33 district municipalities to strengthen their capacity.

The Consolidated Municipal Infrastructure programme has assisted more than 2,5 million households since its introduction, assisting 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. The Local Economic Development and Social Plan Grant subprogramme has assisted 109 municipalities with funding for 95 local development initiatives, creating 1 400 job opportunities in 2002/03.

The Urban Renewal and Integrated Sustainable Rural Development programmes have made significant progress in focusing government spending on the nodes. Just over R2 billion of national spending has been directed to the 21 nodal municipalities in 2002/03. These additional resources are especially targeted at financing anchor projects. To date, the two programmes have identified 227 anchor projects, with 60 per cent currently in the design and implementation phase. Due to major backlogs that still characterise nodal areas, a large proportion (about 67 per cent) of anchor projects are infrastructure related. All nodal municipalities have completed their integrated development plans (IDPs). A number of key stakeholders such as the National Coalition for Municipal Service Delivery, the Umsobomvu Youth Fund and the World Bank are also partnering with Government to support the programmes. Political and technical champions are in place in all nodes. However, the key challenges are getting the three spheres of government to co-operate around the budgeting and planning of this key government initiative and resourcing the management of the programmes in the various nodes.

Medium-term output targets**Governance and Development**

Measurable objective: To strengthen the relationship between the various spheres of Government through intergovernmental relations policies and the promotion of integrated planning and delivery to build co-operative and integrated governance.

Subprogramme	Output	Measure/Indicator	Target
Intergovernmental Relations	An enabling legislative framework for intergovernmental relations	Legislation implementing section 41 of the Constitution passed by Parliament	September 2003
	Proposals to Cabinet for options for the optimal reallocation of powers and functions	A comprehensive report assessing the current distribution of powers and functions (in schedules 4 and 5 of the Constitution and laws) across the three spheres of Government	September 2003
Development and Planning	Guidelines for integrated development planning across the three spheres of Government	An intergovernmental framework for integrated development planning submitted to Cabinet	September 2003
	Guidelines to facilitate effective infrastructure and service provision which fosters local economic development	Operationalisation of IDP Nerve Centre Local economic development policy submitted to Cabinet	July 2003 November 2003
	Assessment report and review of the performance of provinces	Assessment report of provinces submitted to Cabinet	July 2003
Local Economic Development and Social Plan Grant	Local economic development projects	Projects carried out in compliance with the IDPs of municipalities	Targets set in Division of Revenue Act, 2003
	Job opportunities created	Number of job opportunities created within the target time	
Consolidated Municipal Infrastructure Programme	Provision of funding for bulk infrastructure, in line with priorities in municipal IDPs	Regular reports on key indicators as specified in Division of Revenue Act, 2003	Targets to be set in Division of Revenue Act, 2003
Municipal Infrastructure Grant	Policy for implementation and a rollout strategy, starting with pilot projects	Reports on pilot projects	March 2004

Programme 3: Institutional Reform and Support

Institutional Reform and Support provides support to provincial and local government, and to institutions of traditional leadership to promote development, and manages the national disaster management centre. Other activities in this programme include financial support of the South African Local Government Association (Salga).

- The Project Viability subprogramme monitors and supports municipalities with financial difficulties through the Local Government Capacity Building Grant subprogramme. This grant is an amalgamation of the Local Government Support Grant and the Consolidated Municipal Infrastructure Programme Capacity Building Grant, in line with initiatives to rationalise grants flowing to different spheres.
- 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 for the provision of basic services and running an administration, 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				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Management	495	403	1 144	1 241	1 260	1 339	1 427
Disaster Management	77 901	14 821	28 223	16 818	13 317	15 575	16 241
Institutional Capacity Building and Support	7 357	11 544	6 776	12 307	12 478	16 990	19 896
Performance Management and Monitoring	7 843	5 346	4 256	8 627	10 527	11 281	11 580
South African Local Government Association	13 200	15 000	16 000	22 000	20 250	17 300	18 370
Project Viability	11 689	13 933	12 580	13 917	15 667	16 633	17 450
R293 Town Personnel Grant	503 000	462 997	347 256	–	–	–	–
Local Government Capacity Building Grant	137 000	150 000	160 000	241 244	232 339	220 459	–
Local Government Transition Fund	–	100 000	577 072	223 238	–	–	–
Municipal Systems Improvement Programme	–	–	41 235	93 831	150 418	182 243	423 484
Local Government Equitable Share	1 659 800	1 852 000	2 260 000	3 963 614	6 343 478	7 077 546	7 698 179
Total	2 418 285	2 626 044	3 454 542	4 596 837	6 799 734	7 559 366	8 206 627
Change to 2002 Budget Estimate				213 825	1 434 267	1 737 216	

Economic classification

Current	2 417 431	2 623 246	3 452 785	4 596 262	6 798 152	7 557 671	8 204 858
Personnel	9 940	11 696	10 586	14 575	16 362	17 582	18 746
Transfer payments	2 356 714	2 583 646	3 406 563	4 543 927	6 746 485	7 497 548	8 140 033
Other current	50 777	27 904	35 636	37 760	35 305	42 541	46 079
Capital	854	2 798	1 757	575	1 582	1 695	1 769
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	854	2 798	1 757	575	1 582	1 695	1 769
Total	2 418 285	2 626 044	3 454 542	4 596 837	6 799 734	7 559 366	8 206 627

Standard items of expenditure

Personnel	9 940	11 696	10 586	14 575	16 362	17 582	18 746
Administrative	2 659	5 170	2 964	6 340	5 387	5 775	6 147
Inventories	359	1 013	254	2 025	2 619	2 737	2 905
Equipment	864	3 133	1 894	578	1 582	1 695	1 769
Land and buildings	–	–	–	–	–	–	–
Professional and special services	47 579	21 260	32 270	29 387	27 249	33 969	36 963
Transfer payments	2 356 714	2 583 646	3 406 563	4 543 927	6 746 485	7 497 548	8 140 033
Miscellaneous	170	126	11	5	50	60	64
Total	2 418 285	2 626 044	3 454 542	4 596 837	6 799 734	7 559 366	8 206 627

Transfer payments per subprogramme

Disaster Management	30 000	–	5 000	–	–	–	–
Y2K	13 714	649	–	–	–	–	–
Performance Management and Monitoring	–	3 000	–	–	–	–	–
South African Local Government Association	13 200	15 000	16 000	22 000	20 250	17 300	18 370
R293 Town Personnel Grant	503 000	462 997	347 256	–	–	–	–
Local Government Capacity Building	137 000	150 000	160 000	241 244	232 339	220 459	–
Local Government Transition Fund	–	100 000	577 072	223 238	–	–	–
Municipal Systems Improvement Programme	–	–	41 235	93 831	150 418	182 243	423 484
Local Government Equitable Share	1 659 800	1 852 000	2 260 000	3 963 614	6 343 478	7 077 546	7 698 179
Total	2 356 714	2 583 646	3 406 563	4 543 927	6 746 485	7 497 548	8 140 033

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 subprogramme is projected to increase by 60 per cent, 12 per cent and 9 per cent over the next three years respectively, largely in acknowledgement of the responsibility of local government for free basic services. Approximately 13,5 per cent (R1,1 billion) of the equitable share is a supplementary allocation for free basic services. The Municipal Systems Improvement Programme and the Local Government Capacity Building Grant subprogramme grow in the medium term, reflecting the move to a consolidated medium-term national strategy to build financial, managerial and technical capacity in municipalities.

The Disaster Management allocations rose from R1,4 million in 1998/99 to R78 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. In 2002/03, the Working on Fire project was piloted in collaboration with the Department of Water Affairs and Forestry and will continue in 2003/04. The pilot aims to establish six fire associations in which an integrated approach to fire management across the three spheres of Government is tested.

Service delivery objectives and indicators

Recent outputs

An Inter-Ministerial Committee (IMC) was established during 2001 to review the funding of local government. Acknowledgement of the free basic services delivery responsibilities of local government led to the provision of additional funding, with the local government equitable share increasing by R852 million and within that, funding for the Consolidated Municipal Infrastructure Programme increases by R500 million in 2002/03.

Regulations on Municipal Planning and Performance Management were gazetted, specifying the key performance indicators. Implementation guidelines have been developed and distributed to municipalities, and a nationwide training programme implemented, with 26 municipalities participating in the Performance Management System pilot programme.

A total of 102 municipalities received support to restructure their financial administration through the Local Government Support Grant, which is now part of the Local Government Capacity Building Grant.

The enhancement of the capabilities of local government remained a high priority and to this end a single capacity-building grant-financing framework was published. The framework lays the basis for the consolidation of capacity-building grants. The first South African Cities Learning Network, aimed at promoting horizontal and vertical co-ordination, integration and sharing of information, was also established.

A draft White Paper on Traditional Leadership and Governance was published for public comment and further consultation.

Medium-term output targets**Institutional Reform and Support**

Measurable objective: To promote a sustainable system of local government to foster integrated development and service delivery through monitoring, support and fiscal transfers.

Subprogramme	Output	Measure/Indicator	Target
Disaster Management	A disaster management system focusing on a disaster risk reduction approach in the context of sustainable development	An operational disaster management information system focused on mapping vulnerable communities and enhancing early warning capacities	October 2003
Institutional Capacity Building and Support	Consolidation of local government capacity-building grants	New consolidated capacity-building grant in operation	April 2004
	National framework legislation to reform traditional leadership legislation	The repeal of 'old order' traditional leadership legislation and the finalisation of national framework legislation	June 2003
	Administrative and institutional transformation of local government	Cross-boundary municipalities accommodated in only 1 province	December 2003
		Draft framework for a single public service across the 3 spheres of Government published	July 2003
		Accelerated transformation of municipal organisations and the communities they serve	Ongoing
	Provincial capacity-building strategy and programme	Provincial capacity-building strategy approved by Cabinet	October 2003
	Local government leadership Programme	Programme developed and phased-in implementation	March 2004
Performance Management and Monitoring	National legislation on local government property rating	Draft Bill processed through parliament and promulgated	December 2003
	Fiscal powers of category B and C municipalities properly defined and aligned to expenditure responsibilities	Draft Bill, aimed at dividing the fiscal powers of B and C municipalities, approved by Cabinet	September 2003
South African Local Government Association	Transfer of annual grant	Timely payment and compliance with the PFMA	Quarterly
Project Viability	Monitoring of municipal finances and performance of municipalities	Quarterly report on the financial position of municipalities and performance	Quarterly
Local Government Capacity Building Grant	Support to municipalities to achieve financial stability and improve service delivery	Improved financial position of 50% of category B and C municipalities in financial difficulties, and sustainable service delivery system	March 2004
Municipal Systems Improvement Programme	Assistance to municipalities to implement the developmental local government model	Improvement in the quality of 50% of municipal IDPs	March 2004
		Performance Management System implemented in 50% of municipalities	March 2004
Local Government Equitable Share	Implementation of free basic services policy	Increase in the number of municipalities implementing the free basic services policy	Ongoing
	Review of the funding of local government	Draft framework for the funding of local government in the longer term	April 2004

Programme 4: Auxiliary and Associated Services

Auxiliary and Associated Services provides for communications, and support to the National House of Traditional Leaders; the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities; the Municipal Demarcation Board; and the proposed Commission on Claims and Disputes relating to Traditional Leadership.

Expenditure estimates

Table 5.6: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Communication Services	9 936	9 339	5 592	10 058	12 364	13 031	13 816
National House of Traditional Leaders	2 374	2 905	3 904	4 613	5 649	5 788	6 807
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	793	317	20	8 923	9 140	9 703	10 286
Municipal Demarcation Board	33 598	29 215	15 842	11 670	14 311	16 023	13 802
Public Sector Education and Training Authority	–	42	–	–	–	–	–
Government Motor Transport	535	–	1 342	599	510	690	734
Training Fund for Local Government Affairs	9 000	–	–	–	–	–	–
Commission on Claims and Disputes Relating to Traditional Leadership	–	–	–	–	1 000	2 000	2 120
South African Cities Network	–	–	–	–	1 500	1 500	1 500
Total	56 236	41 818	26 700	35 863	44 474	48 735	49 065
Change to 2002 Budget Estimate				1 708	8 792	9 858	

Economic classification

Current	54 205	40 978	23 286	32 505	41 774	45 789	45 392
Personnel	749	987	1 651	3 210	5 390	5 792	6 176
Transfer payments	43 071	29 257	15 842	20 393	24 751	27 026	25 375
Other current	10 385	10 734	5 793	8 902	11 633	12 971	13 841
Capital	2 031	840	3 414	3 358	2 700	2 946	3 673
Transfer payments	250	–	–	599	–	–	–
Acquisition of capital assets	1 781	840	3 414	2 759	2 700	2 946	3 673
Total	56 236	41 818	26 700	35 863	44 474	48 735	49 065

Standard items of expenditure

Personnel	749	987	1 651	3 210	5 390	5 792	6 176
Administrative	2 526	3 039	3 080	4 544	4 710	4 812	5 160
Inventories	1 686	2 153	459	1 599	1 630	1 685	1 772
Equipment	2 002	860	3 472	2 826	2 700	2 946	3 673
Land and buildings	–	–	–	–	–	–	–
Professional and special services	5 937	5 510	2 196	2 692	5 293	6 474	6 909
Transfer payments	43 321	29 257	15 842	20 992	24 751	27 026	25 375
Miscellaneous	15	12	–	–	–	–	–
Total	56 236	41 818	26 700	35 863	44 474	48 735	49 065

Transfer payments per subprogramme

Communication Services							
Nedlac	473	–	–	–	–	–	–
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	–	–	–	8 723	8 940	9 503	10 073
Municipal Demarcation Board	33 598	29 215	15 842	11 670	14 311	16 023	13 802
Public Sector Education and Training Authority	–	42	–	–	–	–	–
Government Motor Transport	250	–	–	599	–	–	–
Training Fund for Local Government Affairs	9 000	–	–	–	–	–	–
South African Cities Network	–	–	–	–	1 500	1 500	1 500
Total	43 321	29 257	15 842	20 992	24 751	27 026	25 375

Expenditure trends

Following the finalisation of the municipal demarcation process, the expenditure on this programme has fallen. Projected increases are for 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 subprogramme reflects its probable establishment in 2003/04 after the promulgation of the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (9 of 2002).

Service delivery objectives and indicators

Recent outputs

The Municipal Demarcation Board investigated boundary changes, in particular cross-boundary municipalities for which a special report was prepared. A process was initiated for aligning municipal and service delivery boundaries with the relevant sector departments.

The National House of Traditional Leaders held a range of conferences and workshops focusing on rural developmental relations to ensure extensive consultation on the draft White Paper on Traditional Leadership and Institutions.

Medium-term output targets

Auxiliary and Associated Services

Measurable objective: To effect timeous provision of funds to associated institutions to foster their efficient functioning.			
Subprogramme	Output	Measure/indicator	Target
National House of Traditional Leaders	Advice to Government on matters relating to traditional leadership	Views of traditional leaders presented at all relevant forums	Continuous
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	Implementation of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (9 of 2002)	Establishment of the Commission	April 2003
	Transfer annual grant	Timely payment and compliance with the PFMA	Quarterly
Municipal Demarcation Board	Review existing municipal and ward boundaries	All queries and complaints, particularly about boundaries of tribal authorities, dealt with in a set timeframe	4-month turnaround time for each query
	Update and maintain database	Up-to-date information on municipalities	Annually
		Survey all cross-boundary municipalities	March 2004

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 help municipalities find innovative solutions to critical problems with the financing and management of essential municipal services. The MIIU received grant funding to provide 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. In the three years of its existence the MIIU has assisted in finalising projects with a contract value of over R6 billion.

South African Local Government Association

The South African Local Government Association (Salga) was created in 1996 and registered as an association not for gain. Salga has a mandate to represent the interests of organised local government in the country's intergovernmental relations system. It seeks to promote sound labour relations practices, giving voice to the interests of local government at national and provincial levels and in intergovernmental processes, as well as building the capacity of local government. The organisation was recognised by Government in January 1998 as the one national organisation representing the majority of provincial organisations in terms of section 2 of the Organised Local Government Act (52 of 1997).

Salga is funded through a combination of sources. These include a portion of the national revenue allocated to local government, voluntary membership fees from provincial and local government associations, funding from municipalities and donations from the donor community for specific projects.

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 personnel numbers and costs

Table 5.11: Summary of expenditure on training

Table 5.12: Summary of information and communications technology expenditure

Table 5.13: Summary of conditional grants to provinces

Table 5.14: Summary of conditional grants to local government (municipalities)

Table 5.15: Summary of donor support

Table 5.16: Summary of expenditure on infrastructure

Table 5.7: Summary of expenditure trends and estimates per programme

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Current					Capital	Total	
	1999/00	2000/01	2001/02								
R thousand											
1 Administration	19 647	21 775	30 014	5 374	35 816	41 190	43 527	48 949	1 835	50 784	56 432
2 Governance and Development	807 353	958 014	1 141 810	(26 245)	1 931 993	1 905 748	1 903 868	93 017	2 410 992	2 504 009	3 217 314
3 Institutional Reform and Support	2 418 285	2 626 044	3 454 542	213 825	4 383 012	4 596 837	4 593 896	6 798 152	1 582	6 799 734	8 206 627
4 Auxiliary and Associated Services	56 236	41 818	26 700	1 708	34 155	35 863	26 650	41 774	2 700	44 474	49 065
Total	3 301 521	3 647 651	4 653 066	194 662	6 384 976	6 579 638	6 567 941	6 981 892	2 417 109	9 399 001	11 529 438
Change to 2002 Budget Estimate				194 662		194 662	182 965			1 581 208	2 150 899

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

	Expenditure outcome				Medium-term expenditure estimate						
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total	
	1999/00	2000/01	2001/02								
R thousand	2 591 883	2 714 242	3 564 253	4 629 789	163 850	4 793 639	4 782 141	6 981 892	2003/04	2004/05	2005/06
Current	2 591 883	2 714 242	3 564 253	4 629 789	163 850	4 793 639	4 782 141	6 981 892	-	6 981 892	8 409 053
Personnel	217 786	31 014	34 182	53 434	(2 957)	50 477	49 807	68 998	-	68 998	74 145
Salaries and wages	18 234	20 387	22 568	34 530	(1 911)	32 619	32 186	44 848	-	44 848	48 195
Other	9 552	10 627	11 614	18 904	(1 046)	17 858	17 621	24 150	-	24 150	25 950
Transfer payments	2 486 341	2 621 902	3 461 993	4 503 069	153 668	4 656 737	4 648 014	6 819 644	-	6 819 644	7 575 907
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-	-
social security funds	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	43 714	2 049	-	-	-	-	-	-	-	-	-
provincial government	217 000	150 000	162 500	274 478	18 653	293 131	293 131	270 747	-	270 747	261 192
local government	2 162 800	2 414 997	3 261 651	4 179 248	134 915	4 314 163	4 314 163	6 493 896	-	6 493 896	7 259 789
Households and non-profit institutions	62 827	54 856	37 842	49 343	100	49 443	40 720	55 001	-	55 001	54 981
Foreign countries and international credit institutions	-	-	-	-	-	-	-	-	-	-	-
Other	77 756	61 326	68 078	73 286	13 139	86 425	84 320	93 250	-	93 250	109 781
Capital	709 638	933 409	1 088 813	1 755 187	30 812	1 785 999	1 785 800	-	2 417 109	2 417 109	2 846 634
Transfer payments	706 261	929 009	1 082 376	1 752 121	28 446	1 780 567	1 779 968	-	2 410 253	2 410 253	2 841 028
Other levels of government	706 011	929 009	1 082 376	1 751 522	28 446	1 779 968	1 779 968	-	2 410 253	2 410 253	2 841 028
Other capital transfers	250	-	-	599	-	599	-	-	-	-	-
Movable capital	3 377	4 400	6 437	3 066	2 366	5 432	5 832	-	6 856	6 856	5 606
Motor vehicles (transport)	285	-	1 510	501	(1)	500	500	-	810	810	690
Equipment - Computers	2 410	3 637	3 774	1 992	2 143	4 135	4 535	-	4 065	4 065	4 112
Equipment - Other office equipment	630	686	1 153	263	224	487	487	-	1 981	1 981	804
Other	52	77	-	310	-	310	310	-	-	-	-
Fixed capital	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	3 301 521	3 647 651	4 653 066	6 384 976	194 662	6 579 638	6 567 941	6 981 892	2 417 109	9 399 001	10 600 036
											11 529 438

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

	Expenditure outcome								Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	2001/02	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total	
	1999/00	2000/01	2001/02	2002/03								
R thousand												
Personnel	27 786	31 014	34 182		53 434	(2 957)	50 477	49 807	68 998	-	68 998	2004/05 74 145 2005/06 79 070
Administrative	11 329	15 956	17 661		20 689	4 091	24 780	24 436	30 703	-	30 703	31 505 33 358
Inventories	3 100	4 799	3 157		3 774	2 509	6 283	5 710	7 312	-	7 312	7 645 8 094
Equipment	4 351	5 614	7 457		4 036	2 437	6 473	6 863	1 053	6 856	7 909	6 742 8 132
Land and buildings	-	-	-		-	-	-	-	-	-	-	- -
Professional and special services	61 737	38 869	46 162		47 823	6 493	54 316	53 133	54 132	-	54 132	63 004 67 048
Transfer payments	3 192 602	3 550 911	4 544 369		6 255 190	182 114	6 437 304	6 427 982	6 819 644	2 410 253	9 229 897	10 416 935 11 333 672
Miscellaneous	616	488	78		30	(25)	5	10	50	-	50	60 64
Total	3 301 521	3 647 651	4 653 066		6 384 976	194 662	6 579 638	6 567 941	6 981 892	2 417 109	9 399 001	10 600 036 11 529 438

Table 5.10: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	91	93	117	127	158
2 Governance and Development	35	29	28	52	68
3 Institutional Reform and Support	59	47	53	78	76
4 Auxiliary and Associated Services	6	11	15	20	26
Total	191	180	213	277	328
Total personnel cost (R thousand)	27 786	31 014	34 182	50 477	68 998
Unit cost (R thousand)	145.5	172.3	160.5	182.2	210.4

¹ Full-time equivalent

Table 5.11: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand							
1 Administration	335	243	294	469	1 147	1 197	1 262
2 Governance and Development	77	53	40	181	264	273	281
3 Institutional Reform and Support	12	63	91	228	328	342	355
4 Auxiliary and Associated Services	18	-	16	60	62	62	65
Total	442	359	441	938	1 801	1 874	1 963

Table 5.12: Summary of information and communications technology expenditure

	Expenditure outcome		Adjusted appropriation		Medium-term expenditure estimate			
	2001/02	2002/03	2003/04	2004/05	2005/06			
R thousand								
1 Administration	–	20	–	–	–			
Technology	–	20	–	–	–			
IT services	–	–	–	–	–			
2 Governance and Development	187	201	342	216	359			
Technology	187	201	342	216	359			
IT services	–	–	–	–	–			
3 Institutional Reform and Support	1 706	519	1 533	1 640	1 707			
Technology	1 706	519	1 533	1 640	1 707			
IT services	–	–	–	–	–			
4 Auxiliary and Associated Services	2 595	3 266	2 865	2 956	3 839			
Technology	1 881	1 906	2 190	2 256	2 339			
IT services	714	1 360	675	700	1 500			
Total	4 488	4 006	4 740	4 812	5 905			

Table 5.13: Summary of conditional grants to provinces¹

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand							
2 Governance and Development							
Consolidated Municipal Infrastructure Programme (CMIP)	-	-	-	51 887	38 408	40 733	43 558
KwaZulu-Natal Peace Initiative	80 000	-	-	-	-	-	-
3 Institutional Reform and Support							
Local Government Capacity Building	137 000	150 000	160 000	241 244	232 339	220 459	-
Disaster Relief	-	-	2 500	-	-	-	-
Total	217 000	150 000	162 500	293 131	270 747	261 192	43 558

¹ Detail provided in the Division of Revenue Act, 2003.Table 5.14: Summary of conditional grants to local government (municipalities)¹

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2003/04	2004/05	2005/06
R thousand							
2 Governance and Development							
Consolidated Municipal Infrastructure Programme (CMIP)	696 495	851 100	996 002	1 670 767	2 246 253	2 724 028	3 016 470
Local Economic Development and Social Plan Fund	9 516	77 909	86 944	110 751	117 000	-	-
Integrated Sustainable Rural Development Programme	-	-	33 018	31 980	-	-	-
Municipal Infrastructure Grant	-	-	-	-	47 000	117 000	97 000
3 Institutional Reform and Support							
Local Government Transition Fund	-	100 000	577 072	223 238	-	-	-
Municipal Systems Improvement Programme	-	-	41 235	93 831	150 418	182 243	423 484
Disaster Relief	-	-	2 500	-	-	-	-
Total	706 011	1 029 009	1 736 771	2 130 567	2 560 671	3 023 271	3 536 954

¹ Detail provided in the Division of Revenue Act, 2003.

Table 5.15: Summary of donor support

ODA programme/project name	Donor	Cash or Kind	Outcome			2002/03	Medium-term expenditure estimate			
			1999/00	2000/01	2001/02		2003/04	2004/05	2005/06	
R thousand										
SADC Conference	Norway	Cash	271	76	500	130	1 500	1 500	1 500	
Local Government capacity building	Norway	Cash	8 512	11 770	9 944	8 868	7 000	6 400	-	
Project Viability	Norway	Cash	2 358	1 502	169	3 096	1 200	800	-	
White Paper on Traditional Leaders	Norway	Cash	-	-	-	640	-	-	-	
Capacity Building Mpumalanga	Norway	Cash	-	-	-	-	4 900	4 900	4 900	
LOGAM	Norway	Cash	-	-	1 000	1 000	500	500	-	
Mbombela Support	Norway	Cash	-	-	-	-	1 000	-	-	
SALGA	Norway	Cash	-	-	2 560	-	-	-	-	
Municipal Demarcation Board	Norway	Cash	-	-	1 000	1 000	500	500	-	
Local Govt support Mpumalanga/Limpopo	European Union	Cash	905	251	4 494	3 108	50 000	50 000	50 000	
Masibambane Project	Netherlands	Cash	-	-	-	1 000	-	-	-	
Local Govt Support	D F I D	Kind	5 500	5 500	5 500	38 100	38 100	38 100	38 100	
DPLG Support	USAID	Kind	102 520	102 520	102 520	102 520	15 950	15 950	15 950	
Sectoral budget support	Netherlands	Cash	-	5 889	18 954	13 012	61 200	61 200	61 200	
Local government workshops	Conseil de L'Europe	Cash	124	-	-	4	-	-	-	
Conference on intergovernmental relations	Conseil de L'Europe	Cash	201	-	-	-	-	-	-	
Winter school intergovernmental relations	Conseil de L'Europe	Cash	-	-	300	207	-	-	-	
Conference on Traditional Leaders	Raoul Wallenberg	Cash	106	-	-	23	-	-	-	
White Paper on Disaster Management	UNDP	Cash	-	-	-	443	-	-	-	
Building capacity of the DC27 Council	Flemish	Cash	-	-	-	300	-	-	-	
			120 497	127 508	146 941	173 451	181 850	179 850	171 650	

Table 5.16: Summary of expenditure on infrastructure

R thousand	Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate			Long-term planning		
			1999/00	2000/01	2001/02		2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Infrastructure programmes or large infrastructure projects Small project groups Infrastructure transfers - Consolidated Municipal Infrastructure Programme - Local Economic Development Fund - Municipal Infrastructure Grant		Basic municipal infrastructure projects targeted for low income households Job creation and poverty alleviation projects Basic bulk connector and internal infrastructure for municipal services (Pilot)	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			706 011	929 009	1 082 946	1 795 171	2 410 253	2 841 028	3 113 470	3 378 446	3 783 860	4 237 923
			696 495	851 100	996 002	1 684 420	2 246 253	2 724 028	3 016 470	-	-	-
			9 516	77 909	86 944	110 751	117 000	-	-	-	-	-
			-	-	-	-	47 000	117 000	97 000	3 378 446	3 783 860	4 237 923
			706 011	929 009	1 082 946	1 795 171	2 410 253	2 841 028	3 113 470	3 378 446	3 783 860	4 237 923
			-	-	-	-	-	-	-	-	-	-
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Fixed installations transferred to households Maintenance on infrastructure												
Total												