

| Land Care Programme Grant: Poverty Relief and Infrastructure Development | |
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| Transferring department | <ul style="list-style-type: none"> • Agriculture (Vote 23) |
| Strategic goal | <ul style="list-style-type: none"> • To optimise productivity and sustainable use of natural resources |
| Grant purpose | <ul style="list-style-type: none"> • To optimise productivity and sustainable use of natural resources to ensure greater productivity, food security, job creation and better quality of life for all. |
| Outcome statements | <ul style="list-style-type: none"> • Land Care projects progressively reflect specific community and landowner's needs e.g. Increased sustainable natural resource management; increased food security and poverty alleviation • Improved utilisation and protection of natural resource in a sustainable manner • Alleviate poverty through job creation and improved food security • Improved understanding of Land Care issues through awareness • Improvement of yield and management of soil degradation |
| Outputs | <ul style="list-style-type: none"> • Junior Care programme implemented • Veld Care management programme implemented • Water Care management programme implemented • Soil Care management programme implemented |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities |
| Conditions | <ul style="list-style-type: none"> • Provinces must confirm capacity to implement projects and operational funding to support this capacity by 30 April 2008 • There must be provincial departmental strategic plans for 2008/09 and over the MTEF that clearly indicate measurable objectives and performance targets as agreed with the national department • Provinces to implement the approved projects as per business plans |
| Allocation criteria | <ul style="list-style-type: none"> • The formula used to allocate funds is a weighted average of the following variables: <ul style="list-style-type: none"> – Communal land capability (per cent classes 1-3 of communal cultivated land) – Areas of severe degradation (degradation index) taking into consideration national priorities for critical agricultural natural resources use through the themes of soil care, water care and veldt care – Nodal areas according to Integrated Sustainable Rural Development Programme (ISRDP) nodes – Poor households living below minimum poverty line (percentage of medium level to high) – Size of the land in million hectares within the province – Subsistence farming/ agriculture in terms of cultivated land percentages |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government and therefore not part of the equitable share |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R55.7 million to provinces • Of the total available R61.8 million (including provincial roll overs of R6.1 million), provinces spent R49.8 million (80.6 per cent) <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • 15 258 beneficiaries; 2 428 ha of soil protected; 4 358 of Rangeland Management; 794 ha of weeds and invader plants controlled; 2447 of Junior LandCare projects/activities; 12 891 of LandCare Awareness activities and 809 of Land Care capacity building and partnerships |
| Projected life | <ul style="list-style-type: none"> • Grant continues until 2009 |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R48 million; 2009/10: R 51.4 million; 2010/11: R54.5 million |
| Payment schedule | <ul style="list-style-type: none"> • 10 per cent: 11 April 2008; 35 per cent: 11 July 2008; 35 per cent: 10 October 2008; 20 per cent: 09 January 2009 |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Set norms and standards for the implementation of the Land Care Condition Grant • Provide guidelines and criteria for the development and approval of business plans • Monitor implementation through provincial and project site visits and provide support • Submit quarterly performance reports to the NCOP and National Treasury • Quarterly visits to provinces by Departmental Executive Committee(DEXCO) to verify projects • Quarterly visits to provinces by the national Department of Agriculture secretariat to track performance and provide support • Monthly and quarterly reports |

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| Process for approval of 2009/10 business plans | <ul style="list-style-type: none">• Provide provincial departments with business plan format guidelines, criteria and outputs by 1st week of May 2008• Submission of business plans by provinces on 30 September 2008• Agree on outputs and targets with provincial departments in line with grant objectives for 2009/10 by 31 October 2008• Evaluate Annual Reports for 2007/08 for submission to NCOP and National Treasury by 31 October 2008• Engagement with provinces on business plans in October/November 2008• Evaluation of business plans (National Assessment Pane-NAP), last week of November 2008• Approval of business plans by Minister, December 2008• Inform provinces of approval of the business plan 27 February 2009 |

ARTS AND CULTURE GRANT

| Community Library Services Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> • Arts and Culture (Vote 12) |
| Strategic goal | <ul style="list-style-type: none"> • To enable the South African society to gain access to knowledge and information that will improve their socio-economic situation |
| Grant purpose | <ul style="list-style-type: none"> • To enable communities to gain access to knowledge and information that will improve their social, economic and political situation. |
| Outcome statements | <ul style="list-style-type: none"> • Improved coordination and collaboration between national, provincial and local government on library services • Transformed and equitable library and information services delivered to all rural and urban communities • Improved library infrastructure and services that reflect the specific needs of communities it serves • Improved staff capacity at urban and rural libraries to appropriately respond to community knowledge and information needs • Improved culture of reading • Effective and efficient management and coordination of the grant at national level |
| Outputs | <ul style="list-style-type: none"> • Community library governance structures developed in all provinces and national level. • Signed agreements between national, provincial and local government on the planning, management and maintenance of community libraries • Library materials (books, periodicals, toys etc) purchased • Improved library ICT infrastructure and systems based on open source software. • Services for the visually impaired introduced at community libraries • New libraries structures built • Existing library structures upgraded and maintained • Additional community library staff appointed • Monitoring and evaluation systems developed and are used |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities |
| Conditions | <ul style="list-style-type: none"> • The provincial business plans must be developed in accordance with identified priority areas • This funding is not a replacement funding for provinces • Provinces can top slice 5 per cent of the total amount allocated to them for provincial management • Service level agreements should be signed by 30 June 2008 |
| Allocation criteria | <ul style="list-style-type: none"> • The distribution formula is based on an impact assessment study done in all provinces which identified community library needs and priorities |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • This funding is intended to help resolve the constitutional implications of schedule 5 and ensure that it is used for the designated purpose of addressing backlogs in the provision of library services, which are not distributed across provinces as per the equitable share formula |
| Past performance | <p>2006/07 Audited financial outcomes</p> <ul style="list-style-type: none"> • This is a new grant which was only implemented in the 2007/08 financial year <p>2006/07 Service delivery performance</p> <ul style="list-style-type: none"> • This is a new grant which was only implemented in the 2007/08 financial year |
| Projected life | <ul style="list-style-type: none"> • The projected life is 3 years and a review will be conducted this year to determine when the grant can be incorporated into the equitable share |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R338 million; 2009/10: R440.6 million; 2010/11: R494 million |
| Payment schedule | <ul style="list-style-type: none"> • Four instalments (11 April 2008, 18 July 2008, 17 October 2008 and 30 January 2009) |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Identify risks and challenges • Monitor and evaluate implementation • Evaluate annual reports for 2007/08 for submission to National Treasury • Submit monthly and quarterly performance reports to National Treasury • Submit quarterly performance reports to the NCOP and National Treasury • Determine outputs and targets for 2009/10 with Provincial Departments • Develop guidelines and criteria for Provincial Business Plans |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Draft business plans submitted to DAC by Provinces by end of September 2008 • Draft Conditional Grant Framework submitted to National Treasury by November 2008 • Final Provincial Business Plans submitted to the Department of Arts and Culture by January 2009 • Department of Arts Culture approves business plans and submits them to National Treasury by 14 March 2009 |

EDUCATION GRANTS

| Further Education and Training College Sector Recapitalisation Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> • Education (Vote 13) |
| Strategic goal | <ul style="list-style-type: none"> • An increase in intermediate to high level skills in the labour market to respond to economic and development needs of the country |
| Grant purpose | <ul style="list-style-type: none"> • The FET recapitalisation programme seeks to increase the number of students enrolled in high priority skills vocational programmes that lead to higher education or employment by providing the essential infrastructure, equipment, learning material and human resources required to deliver skills programmes. |
| Outcome statements | <ul style="list-style-type: none"> • High priority skills vocational programmes • Improved management and teaching human resource capacity at FET colleges • Improved physical and IT infrastructure |
| Outputs | <ul style="list-style-type: none"> • Investment in infrastructure development and to secure modern technology that will enable the FET college sector to develop and deliver appropriate vocational programmes that lead to access higher education or employment |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities • Risk Management Plan |
| Conditions | <ul style="list-style-type: none"> • Three-year college operational and provincial business plans must be submitted to and approved by the Department of Education • Funds must be transferred to each college within 7 days of national transfer to Provincial Treasuries • Deviations over 10 per cent from strategic area allocations in business plans must be authorised by the Director-General of the Department of Education • All IT hardware and software procurement must be in accordance with the FET College Connectivity Specifications |
| Allocation criteria | <ul style="list-style-type: none"> • Each college must have a separate dedicated bank account for all recapitalisation grant deposits and other transactions • Funds are allocated per college based on the recapitalisation plans submitted by the colleges and these funds are in terms of the seven strategic areas of the FET college recapitalisation grant • Recapitalisation plans are assessed against: <ul style="list-style-type: none"> – Contribution of colleges to national skills priorities – Record of student enrolment and growth – Provincial youth population and skills priorities – Consideration of major infrastructure developments (both public and private) – State of college administration and financial systems and financial governance |
| Reason for not incorporating in equitable share | <ul style="list-style-type: none"> • To ensure that the grant is not utilised for other purposes other than recapitalising FET colleges in specifically identified areas • To ensure that the recapitalisation funds do not replace the provincial commitment and spending on FET Colleges |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R470 million to provinces • R470 million (100 per cent) was spent <p>2006/07 service delivery outcomes</p> <ul style="list-style-type: none"> • 4 410 staff trained to deliver new NC(V) programmes • Refurbished 60 classrooms, 50 workshops, 40 offices, 6 student support centres • 17 colleges installed with LAN and WAN • Built 36 classrooms, 44 workshops, 13 labs, 21 student support centres and 2 resource centres. • Upgraded 123 college sites • Introduced 11 new NC(V) Level 2 programmes |
| Projected life | <ul style="list-style-type: none"> • Grant to be phased into the provincial equitable share from 1 April 2009 |

| Further Education and Training College Sector Recapitalisation Grant | |
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| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R795 million |
| Payment schedule | <ul style="list-style-type: none"> • Two equal (2) installments (09 April 2008 and 10 September 2008) |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Provide framework for the development of operational plans by colleges • Evaluate operational plans and provide feedback to colleges • Evaluate provincial Business plans and provide feedback to provincial Departments of Education • Provide support as needed by the provincial Departments of Education and the colleges • Approve college operational plans for the disbursement of the recapitalisation funds • Monitor and evaluate the recapitalisation project implementation according to the approved recapitalisation operational plans • Submit quarterly performance reports to NCOP and National Treasury • Analyse the monthly spending trend of the FET Recapitalisation Grant • Keep record of the database of the FET Colleges • Set up a dedicated monitoring unit responsible for the monitoring the implementation of the recapitalisation project • Oversee the implementation of the plans assisted by the Inter-provincial FET College Recap Committee • The monitoring of activities against the approved college operational plans • Quarterly on-site visits to colleges to assess implementation • Regular support to provincial education departments and colleges that experience challenges in any of the areas of implementation • Analyse the provincial quarterly and annual reports and identify gaps in implementation. • Quarterly meetings of the inter-provincial committee on FET College recapitalisation |
| Process for approval of college operational plans and provincial business plans for 2009/10 | <ul style="list-style-type: none"> • The grant will be phased into the equitable share by April 2009 |

| HIV and Aids (Life Skills Education) Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Education (Vote 13) |
| Strategic goal | <ul style="list-style-type: none"> • To provide access to an appropriate and effective integrated system of prevention, care and support for learners infected and affected by HIV and Aids. |
| Grant purpose | <ul style="list-style-type: none"> • To coordinate and support the structured integration of life skills and HIV and Aids programmes across all learning areas in the school curriculum. |
| Outcome statements | <ul style="list-style-type: none"> • Life Skills integrated in the school curriculum and a significant change in learners' behavior is evident • Care and support provided to learners infected and affected with HIV and AIDS |
| Outputs | <ul style="list-style-type: none"> • Master trainers trained in the integration of life skills and HIV and Aids programmes • Educators trained to integrate Life Skills programme in line with Department of Education policies • Peer education, care and support programmes for learners and educators implemented in at least 5 000 schools • Age-appropriate national curriculum statement (NCS) compliant Learning and Teaching Support Materials (Grades 4-7) procured and distributed to all the selected schools |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities • Risk Management Plan |
| Conditions | <ul style="list-style-type: none"> • Each provincial business plan should distribute the allocation according to the following weightings: <ul style="list-style-type: none"> – Advocacy: 5 per cent – Training and development: Educator and EMGD training: 30 per cent – Peer education: 15 per cent – Care and support (Not EAP or clinical): 15 per cent – Learning and Teaching Support Materials: 25 per cent – Monitoring, support and evaluation: 7 per cent – Management and administration: 3 per cent |
| Allocation criteria | <ul style="list-style-type: none"> • Education component of the equitable share formula as explained in Annexure W1 published with the 2008 Division of Revenue Bill is used to allocate this grant amongst provinces |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • To enable the Department of Education to provide overall guidance, to ensure congruency, coherence and alignment with the National Integrated Plan (NIP) for children infected and affected by HIV and AIDS (NIP) and the government's National Strategic Plan for HIV and AIDS. This enables the Department of Education to play an oversight role in the implementation of the Life Skills programme in schools |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R144.4 million to provinces • Of the total available R146.2 million (R144.4 million + R1.7 million roll-over) provinces spent R139.1 million (95.1 per cent) of the total allocation <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • 10 020 learners and 1 002 educators trained as peer educators • 43 000 educators trained in life skills • 1 321 district officials trained as master trainers • Learning and Teaching Support Materials delivered to 15 000 schools • 17 542 school principals, teachers, learners and parents reached through advocacy activities |
| Projected life | <ul style="list-style-type: none"> • The grant will be reviewed on an ongoing basis in response to the nature of the pandemic |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R167.9 million; 2009/10: R177.4 million; 2010/11: R188 million |
| Payment schedule | <ul style="list-style-type: none"> • Four installments (09 April 2008, 11 July 2008, 31 October 2008 and 30 January 2009) |
| Responsibilities of the National and Provincial Department | <ul style="list-style-type: none"> • Identify risks and challenges • Develop the risk management strategy • Ensure synergy with national strategies and processes that are aimed at reducing HIV infection and all other related issues • Submit quarterly performance reports to NCOP and National Treasury • Agree on outputs and targets with provincial departments in line with grant objectives and national imperatives for 2009/10 by 30 November 2008 • Provide the guidelines and criteria for the development and approval of business plans based on monitoring and evaluation findings • Monitor implementation of the programme and provide support to provinces • Submit quarterly and annual performance reports to Senior Management, National Treasury and NCOP |

| HIV and Aids (Life Skills Education) Grant | |
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| Process for approval of 2009/10 business plans | <ul style="list-style-type: none">• Communication with provinces to inform targets for the next financial year by 30 September 2008• Provinces submit draft business plans to Department of Education for evaluation by 31 November 2008• Department of Education evaluates provincial business plans by 14 December 2008• Send comments to provinces for amending plans by 11 January 2009• Provinces submit amended, signed plans to Department of Education by 29 February 2009• Secure the Director-General's approval of provincial business plans by 28 March 2009 and no later than 4 April 2009 |

| National School Nutrition Programme Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Education (Vote 13) |
| Strategic goal | <ul style="list-style-type: none"> • To enhance learning capacity and to promote access to education |
| Grant purpose | <ul style="list-style-type: none"> • To contribute to enhanced learning capacity through school feeding. |
| Outcome statements | <ul style="list-style-type: none"> • Improved school attendance • Increased learner enrolment |
| Outputs | <ul style="list-style-type: none"> • Meals served to targeted learners • Established vegetable gardens • Trained personnel and school communities on food safety, food production and nutrition education |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities |
| Conditions | <ul style="list-style-type: none"> • National and Provincial business plans must be developed in accordance with the stipulated requirements as set out by the National Treasury and the Department of Education • Each business plan must distribute the allocation to activities according to the following weightings: <ul style="list-style-type: none"> – Minimum for school feeding: 93 per cent – Maximum for administration and other activities: 7 per cent • Meals should comply with recommended menus, nutrition quality, quantities, food safety standards and be socially acceptable • Learners should be fed by 10h00 • Minimum feeding requirements: <ul style="list-style-type: none"> - All Q1, Q2 and Q3 primary school learners should be fed in all school days - Feeding cost per meal should be an average of R1,50 per learner per day |
| Allocation criteria | <ul style="list-style-type: none"> • The distribution formula is poverty based in accordance with the poverty distribution table used in the National Norms and Standards for school funding as gazetted by the Minister of Education on September 2007 |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The National School Nutrition Programme is a government programme for poverty alleviation specifically initiated to uphold the rights of children to basic food. For this reason, there is a national mandate to fund, spend and account transparently before government and the public. This also enables the Department of Education to play an over-sight role in the implementation of all the NSNP activities in schools |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1.1 billion to provinces • Of the total available R1.2 billion (including R124.2 million roll over), R1.1 billion (87.9 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • About 6 million learners reached in 18 039 schools • 18 434 Training files were developed and distributed to provinces on food safety and hygiene • 27 405 Food handlers are engaged in preparing and serving meals to learners thereby creating opportunities for employment. Most provinces increased the honorarium to a minimum of R300 per month • 4 000 Schools have vegetable gardens to date. 237 Capacity building workshops on food production skills were held for 3 685 educators, 1 125 parents and 1 811 learners in 616 schools were assisted to set up gardens • 143 948 Posters on health and hygiene have been printed for distribution to schools. 84 000 Booklets with themes on health and hygiene aimed at Foundation and Intermediate phases as well as 42 000 playing cards promoting healthy lifestyles have been distributed to provinces for use by all NSNP schools • Schools received garden tools from national Department of Education, Department of Agriculture and Department of Health • 173 Kitchenettes were installed to improve food preparation areas in schools |
| Projected life | <ul style="list-style-type: none"> • The programme provides vulnerable children with an opportunity to learn. It is envisaged that, given the economic climate in the country and the impact of various health conditions such as HIV/AIDS, Diabetes and debilitating chronic conditions, the grant |

| National School Nutrition Programme Grant | |
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| | will continue for as long as deemed necessary |
| MTEF allocations | <ul style="list-style-type: none"> • 2008 /09 R1 583.1 million; 2009/10 R1 817.2 million; 2010 /11 R2 348 million |
| Payment schedule | <ul style="list-style-type: none"> • Four instalments (09 April 2008, 11 July 2008, 31 October 2008 and 30 January 2009) |
| Responsibilities of National and Provincial departments | <p>Responsibilities of National Department</p> <ul style="list-style-type: none"> • Develop guidelines, ensure compliance with reporting requirements and conditions of the grant • Develop a Monitoring and Evaluation strategy • Consolidate and submit monthly, quarterly and annual provincial reports for 2007/08 to National Treasury and NCOP • Develop and submit national business plan and approved provincial business plans to National Treasury • Provide support and intervene in provinces and districts with critical challenges based on data from monitoring mechanisms as and when requested • Evaluate performance of the conditional grant • Quarterly inter-provincial planning meetings • Bi-monthly/monthly provincial visits by the Department of Education to track progress against business plans and/or monitor the effectiveness of systems and/or visit targeted schools to verify implementation progress as reported by provinces • Provincial monthly, quarterly and annual reports submitted to the Department of Education, National Treasury and the NCOP • Verification of records through information collected from Department of Education Toll Free number |
| | <p>Responsibilities of Provincial Departments</p> <ul style="list-style-type: none"> • Develop provincial business plans • Provide human resource capacity • Assist national to monitor and provide support to districts/regions and schools • Submit approved monthly and quarterly reports • Submit quarterly performance reports to NCOP and National Treasury • Establish and strengthen partnerships with stakeholders • Provinces, monitor the implementation and management at district and school levels as indicated in the business plans • Districts monitor implementation of the programme at school level as indicated in the business plans • School Management Teams and School Governing Bodies monitor daily implementation and management at the school level |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Ensure: <ul style="list-style-type: none"> - Consultation with districts, provincial treasury and Department of Education finance section - Planning meeting by July 2008 - Department of Education evaluates draft business plans and sends comments to provinces by 31 August 2008 - Follow up inter-provincial planning meeting by 15 September 2008 to consolidate minimum requirements for 2009/10 - Provinces submit final draft business plans to the Department of Education by 5 December 2008 - DG approves national and provincial business plans by 31 March 2009 |

HEALTH GRANTS

| Comprehensive HIV and Aids Grant | |
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| Transferring department | <ul style="list-style-type: none"> Health (Vote 14) |
| Strategic goal | <ul style="list-style-type: none"> To facilitate and guide the implementation of the National Strategic Plan 2007 – 2011 and the National Operational Plan for Comprehensive Care, Management and Treatment of HIV and AIDS & STIs |
| Grant purpose | <ul style="list-style-type: none"> To enable the health sector to develop an effective response to HIV and Aids; and to support the implementation of the National Operational Plan for Comprehensive HIV and Aids treatment and care. |
| Outcome statements | <ul style="list-style-type: none"> Improved coordination and collaboration on the implementation of comprehensive HIV and AIDS grant between national, province and local government Improved quality of HIV and AIDS services including access to Voluntary Counselling and testing (VCT), ARVs, PEP, Home and community based care and support (HCBC) and , Prevention of Mother-to-Child-Transmission (PMTCT) Improved Health Workers' capacity at the three levels of care to ensure quality service delivery to South Africans |
| Outputs | <ul style="list-style-type: none"> Sub-districts that have at least one service point, number of ART accredited service points District coverage of HCBC service, caregivers who received accredited training, all active caregivers who received stipends, HCBC supplies available in all programmes HTA intervention sites, male and female condoms distributed at HTA intervention sites, proportion of STI treated - new episode at HTA intervention sites; new peer educators trained Pregnant mothers tested for HIV; Hospitals offering PMTCT; PHC facilities offering PMTCT; PMTCT babies PCR tested; NVP dose to baby coverage Number of SDC services, bed utilisation Government health facilities (PHC) offer VCT services, minimum of 2 lay counsellors is placed at each VCT service point |
| Details contained in the business plan | <ul style="list-style-type: none"> Outcome Indicators Output Indicators Inputs Key Activities |
| Conditions | <ul style="list-style-type: none"> Priority areas supported through the grant are: 1. ART related interventions; 2. HCBC; 3. High Transmission area interventions among high-risk populations (HTA); 4. Post Exposure Prophylaxis after Sexual Assault (PEP); 5. PMTCT; 6. Programme Management Strengthening and capacity building (PM); 7. Regional Training and Quality Assurance Centres (RTC); 8. Strengthening of Step down Care/Chronic care facilities; 9. VCT Flow of allocation will be dependent on compliance with each condition. Non-compliance will result in the delay of transfer payments, withholding of funds or re-allocation of funds to other provinces The IYM monthly financial reports and the monthly break-down report per sub-programme to be submitted latest by the 15th of the following month using standard formats as determined by the national department. An electronic version and/or a faxed hard copy signed by the provincial grant receiving manager, chief financial officer and the Head of Department need to be submitted Quarterly performance output reports to be submitted latest after four weeks following the reporting period using standard formats as determined by the National Department. An electronic version and/or faxed hard copy signed by the provincial grant receiving manager and the chief financial officer need to be submitted Provincial departmental strategic plans for 2008/09 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department Risk Management plans to be submitted by provinces together with the final business plans |
| Allocation criteria | <ul style="list-style-type: none"> Antenatal HIV prevalence, estimated share of Aids cases, populations post-demarcation |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> Due to the high national priority and the need for a coordinated response for the country as a whole Distribution of epidemic differs from equitable share distribution |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R1 616.2 million to provinces Of the total available R1 629.5 million (including provincial roll overs of R13.3 million), R1 701 million (104.4 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> 7 489 counsellors trained and providing services at service points 4 187 facilities were providing Voluntary Counselling and Testing services 1 938 210 people received counselling and 83 per cent were tested (1 610 775) Patients who had access to HBC services were 501 200 by the end of March 2007 100 per cent of sub-districts that had at least one ART service point 274 908 patients were initiated on ART There were 240 intervention high transmission sites 94 per cent of PHC facilities offer PMTCT services |

| Comprehensive HIV and Aids Grant | |
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| Projected life | <ul style="list-style-type: none"> • To be funded up to March 2011 and reviewed for extension beyond this period |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R2 585.4 million; 2009/10: R3 276.2 million and 2010/11: R3 986.8 million |
| Payment schedule | <ul style="list-style-type: none"> • Monthly instalments based on the approved Payment Schedule |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Liaise regularly with and/or visit provinces twice a year • Evaluate Annual Reports for 2007/08 for submission to the NCOP and National Treasury by 31 October 2008 • Monitor implementation and provide support to the provinces • Submit quarterly performance reports to NCOP and National Treasury • Meet with National Treasury to review the performance of the grant • Submit approved business plans for 2008/09 to the National Treasury on 14 April 2008 |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • First draft of the business plans on the format determined by National Department of Health or National Treasury must be submitted to the National Department of Health by 31 August 2008 • National Department of Health provides provincial budget allocations for provinces to Treasury by 15 November 2008 • Agree on outputs and targets with provincial departments in line with grant objectives for 2009/10 by 31 December 2008 • Provincial and National Departments of Health sign and certify, respectively, provincial business plans by 15 February 2009 |

| Forensic Pathology Services Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Health (Vote 14) |
| Strategic goal | <ul style="list-style-type: none"> • To ensure impartial professional forensic evidence for the criminal justice system concerning death due to unnatural causes |
| Grant purpose | <ul style="list-style-type: none"> • To continue the development and provision of a comprehensive Forensic Pathology Service following the shift of this function to the health sector from the South African Police Service (SAPS) in all provinces. |
| Outcome statements | <ul style="list-style-type: none"> • Comprehensive Forensic Pathology Service (FPS) in all provinces |
| Outputs | <ul style="list-style-type: none"> • New mortuary facilities built, refurbished and equipped • Human resource organogram filled with qualified personnel • Acceptable productivity levels in mortuaries • Operational standards for mortuaries published and implemented • FPS Information system in operation in all provinces |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities |
| Conditions | <ul style="list-style-type: none"> • Submit business plans, monthly and quarterly reports as required by the 2008 Division of Revenue Act • Maintain the required level of spending in each quarter: Targets are: - first quarter not less than 20 per cent of annual allocation; second quarter, not less than 40 per cent; third quarter, not less than 65 per cent; fourth quarter, 100 per cent in total |
| Allocation criteria | <ul style="list-style-type: none"> • In accordance with the National Project Plan, as modified for demarcation and inflation |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The service was transferred to Health to ensure that an integrated forensic pathology service is developed. This involved staff transfers, new appointments, retraining, reorganization of infrastructure and a redefinition of the relationship with all stakeholders in the criminal justice system |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R561.7 million to provinces • Of the total available R616.9 million (including provincial roll overs of R55.2 million), R347.1 million (56.3 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • All South African Police Service (SAPS) staff left the service by August 2006 and the numbers of staff, some of whom were ex-SAPS, were re-employed by Health. With the exception of Limpopo, progress has been satisfactory • There were delays in building and refurbishment of mortuaries, but these were starting to roll out by the end of the year. There are still arrangements with local funeral directors for storage of bodies in some rural areas. However, this is being phased out as the vehicle fleet was re-equipped, facilities built and staff employed • Provision of vehicles and consumables remained on target • The Forensic Pathology IT system development was completed and piloted in four mortuaries in the Western Cape • The regulations for the service were finalised for promulgation • The code of practice for the service was finalised • The FPO Training qualification was gazetted by SAQA and course content is being prepared |
| Projected life | <ul style="list-style-type: none"> • The projected life of the conditional grant is 5 years from 1 April 2006. The grant will be phased into the equitable share formula in 2011/12 |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R466.9 million; 2009/10: R491.7 million and 2010/11: R557 million |
| Payment schedule | <ul style="list-style-type: none"> • As per the approved payment schedule |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Visit provinces not less than twice per annum • Manage and monitor the grant at national level. Produce consolidated reports as required by the Division of Revenue Act • Ensure the implementation of the guidelines • Submit quarterly performance reports to NCOP and National Treasury • Monitor the provision of the service by carrying out visits to all provinces • Monitor expenditure on the grant. Regular meetings with provincial CFOs • Complete the designated upgrading programme • Submit invoices timeously to the provincial departments of health on completion of contracts |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Business plans, signed by the CFO and HOD must be submitted to the national Department of Health by 30 November 2008 • DG, national Department of Health must approve provincial business plans by 15 February 2009 |

| Health Professions Training and Development Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Health (Vote 14) |
| Strategic goal | <ul style="list-style-type: none"> • To contribute to the provision of quality training and development in health facilities in South Africa |
| Grant purpose | <ul style="list-style-type: none"> • Support provinces to fund costs associated with training of health professionals; development and recruitment of medical specialists in under-served provinces; and support and strengthen undergraduate and post graduate teaching and training processes in health facilities. |
| Outcome statements | <ul style="list-style-type: none"> • Development of medical specialists in provinces that receive the developmental portion • Support and strengthen undergraduate and post graduate training processes • Expansion of the number of health professionals nationally |
| Outputs | <ul style="list-style-type: none"> • Number of registrars and students per discipline and per institution • Expanded specialist infrastructure in all provinces • General and Specialist posts filled in the under-served hospital |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities |
| Conditions | <ul style="list-style-type: none"> • Submission of quarterly monitoring reports in the prescribed format a month after the end of the quarter • Regular meetings with national Department of Education and National Treasury to develop and finalise grant reform proposals |
| Allocation criteria | <ul style="list-style-type: none"> • Allocation of the training component is based on a historical approach derived from medical students distribution |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • Grant primarily targets certain provinces, which currently provide the majority of health professions training nationally • Expansion and shifting of location of training activities requires national coordination |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1 520.2 million to provinces • Of the total available R1 538.4 million (including provincial roll overs of R18.2 million), R1 541.5 million (100.2 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • All provinces submitted monitoring returns that include measurable outputs, details of which are contained in the annual reports • Provincial achievements in training and development by discipline: <ul style="list-style-type: none"> – Medical students and professional nurse students - 24 133 – Registrars - 840 – Specialists - 669 – Registrars/specialists involved in outreach services - 225 • Annual report to contain details of outputs of this grant |
| Projected life | <ul style="list-style-type: none"> • Ongoing |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R1 676 million; 2009/10: R1 759.8 million and 2010/11: R1 865.4 million |
| Payment schedule | <ul style="list-style-type: none"> • Monthly instalments as per approved payment schedule |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Monitoring the grant in line with the Division of Revenue Act • Visit provinces bi-annually • Evaluate annual reports for 2007/08 for submission to NCOP and National Treasury by 31 October 2008 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Submit quarterly performance reports to NCOP and National Treasury • Submit approved business plans for 2008/09 to the National Treasury on 13 April 2008 • Strengthen capacity to manage this grant |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Business plans to be submitted in the approved format by 27 February 2009 • Business plans signed by the Head of Department and approved by the National Department as per prescribed format by 27 February 2009 |

| Hospital Revitalisation Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Health (vote 14) |
| Strategic goal | <ul style="list-style-type: none"> • To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals in line with national policy objectives |
| Grant purpose | <ul style="list-style-type: none"> • To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals; and to transform hospital management and improve quality of care in line with national policy objectives. |
| Outcome statements | <ul style="list-style-type: none"> • To improve accessibility and service delivery in health |
| Outputs | <ul style="list-style-type: none"> • All hospital projects should be implemented according to the approved annual Project Implementation Plan |
| Details contained in the business plan | <ul style="list-style-type: none"> • The following items as appearing in the approved Project Implementation Plans (PIPs) <ul style="list-style-type: none"> – Outcome Indicators – Output Indicators – Inputs – Key Activities |
| Conditions | <ul style="list-style-type: none"> • Before the first transfer, Project Implementation Plans (PIP) as guided by the Project Implementation Manual (PIM) must be approved by the National Department of Health (NDOH) • Submission of annual PIP's on 15 February 2008 to NDOH • With the exception of funding for costs incurred for planning, all projects commencing in 2008/09 must have business cases and initial and annual project implementation plans approved before funds can be released for such projects • Provincial strategic plans must include comprehensive hospital plans, which provide a framework in which business cases are subsequently developed • Business cases for potential construction in 2010/11 should be submitted before 30 June 2008 • Initial Project Implementation Plan for projects potentially starting construction in 2009/10 should be submitted before 30 June 2008 unless an extension is approved by National Treasury. • Submission of cash flows covering life time of projects to NDOH before 30 June 2008 • Provincial Health Departments must strengthen grant management by appointing a complete Revitalisation Team as guided by PIM • Health Departments must comply with Budget Council guidelines on Hospital Revitalisation • No province may award a tender to commence construction on a new project unless sufficient funding is available to undertake that entire hospital project • A framework for provincial co-funding of projects to be finalised in 2008 and implemented in 2009/10. • Provinces should progressively increase funding for hospital maintenance and report on implementation of approved maintenance plans for all revitalised hospitals • Provinces should strengthen revenue management capacity for insured patients |
| Allocation criteria | <ul style="list-style-type: none"> • Allocations based on projected cash flow figures for approved projects over the MTEF period, and include expenditure on infrastructure, health technology, organisational development and quality improvement • Project based allocation approach is aligned with equity based approach over longer term |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • Strategic investment in hospital services to bring all provinces up to national target • These are large projects requiring substantial capital investments. Their size, complexity and national strategic importance is suited to dedicated funding |
| Past performance | <p>2006/07 Audited financial performance</p> <ul style="list-style-type: none"> • Allocated and transferred R1 527.3 million to provinces • Of the total available R1 755.3 million (including provincial roll overs of R228 million), R1 616.3 million (92.1 per cent) was spent <p>2006/07 Service delivery performance</p> <ul style="list-style-type: none"> • During this period two projects were completed: Dilokong and Nkhensani hospitals in Limpopo Province |
| Projected Life | <ul style="list-style-type: none"> • Time frame of the grant is ±25 years |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R2 882.7 million; 2009/10: R3 081.8 million and 2010/11: R3 636.7 million |
| Payment schedule | <ul style="list-style-type: none"> • Monthly instalments as per approved payment schedule |
| Responsibilities of the National and Provincial Departments | <ul style="list-style-type: none"> • Provide the guidelines and criteria for the development and approval of business cases and project implementation plans • Submit quarterly performance reports to NCOP and National Treasury. • Consult with National Treasury to review performance of the grant <p>Role of Provinces:</p> <ul style="list-style-type: none"> • To comply with Project Implementation Manual conditions • Monthly financial reports to be submitted by 15th after the end of each month |
| Process for approval of 2009/10 business Plans | <ul style="list-style-type: none"> • Annual cycle for grant: <ul style="list-style-type: none"> – Annual PIP's received by National Department of Health on 15 February 2008, covering all four components |

| Hospital Revitalisation Grant | |
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| | <ul style="list-style-type: none">- Approved PIP's submitted to National Treasury 14 April 2008- Business cases for potential construction in 2010/11 received by national Department of Health by 30 June 2008• Approved Initial Project Implementation Plan for projects starting in 2009/10 should be completed before 30 June 2008• Revised cash flows over MTEF period, including for remainder of year for existing and new projects, received by 30 June 2008• Annual Evaluation Reports for 2007/08 for submission to the NCOP and National Treasury by 31 August 2008• Project Implementation Manual 2009/10 completed by 31 December 2008 |

| National Tertiary Services Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Health (Votes 14) |
| Strategic goal | <ul style="list-style-type: none"> • To provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity |
| Grant purpose | <ul style="list-style-type: none"> • To compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects; and to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity. |
| Outcome statements | <ul style="list-style-type: none"> • Ensure provision of modernised and transformed tertiary services that allows for improved access and equity |
| Outputs | <ul style="list-style-type: none"> • Provision of designated national tertiary services levels in 27 hospitals as agreed between the province and the national Department of Health |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities |
| Conditions | <ul style="list-style-type: none"> • Completion of service level agreement (SLA) in the prescribed format signed by each provincial department or receiving officer, Head of Department of Health, and the transferring officer by 15 March 2008 • Submission of quarterly monitoring reports in the prescribed format within 30 days of the end of each quarter • Institutions should report monthly to the provincial office and quarterly reports to the national department • Maintain a separate budget for each of the 27 hospitals • Provincial Health Departments receiving this grant must communicate in writing to each benefiting hospital the allocation made, the relevant conditions and expected outputs and targets. For monitoring purposes this information must be supplied to the national Department of Health by 30 April 2008 • Provincial departmental strategic plans for 2008/09 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department |
| Allocation criteria | <ul style="list-style-type: none"> • Distribution of Cost of designated tertiary services as determined by the ongoing reviews of output and unit cost • Approved plans for the modernisation of tertiary services |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • Tertiary services are not limited to provincial boundaries and their specialised nature makes them a national asset requiring collective agreement and management |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R4 981.1 million to provinces • Of the total available R4 982 million (including provincial roll overs of R0.8 million), R4 961.1million (99.6 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • There is Increase in utilisations of services for all provinces • For details see Annual Report |
| Projected life | <ul style="list-style-type: none"> • Support for tertiary services will continue because of their spill over effects. The grant is likely to be reformulated to support the Modernisation of Tertiary Services strategy. The planning of the service configuration and the basis for the calculation of the grant will be constantly reviewed |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R6 075.6 million; 2009/10: R6 533.9 million and 2010/11: R7 303.1 million |
| Payment schedule | <ul style="list-style-type: none"> • Monthly instalments as per approved payment schedule |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Visit provinces bi-annually • Provide framework for service level agreements, assess, approve and manage SLAs prior for transferring of funds • Undertake grant reform process • Monitor implementation and provide support • Submit quarterly performance reports to NCOP and National Treasury and meet the National Treasury to review performance of the grant • Submit approved SLA for 2008/09 to the National Treasury by 14 April 2008 |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Evaluate provincial annual reports for 2007/08 for submission to NCOP and National Treasury by 31 August 2008 • Agree on grant objectives with provincial departments in line with grant objectives for 2009/10 by 31 October 2008 • National Department of Health provides provincial budget allocations for provinces to Treasury by the 15 November 2008 • Provincial and National Departments of Health sign and certify, respectively, provincial business plans/SLA's by 15 March 2009 |

HOUSING GRANTS

| Integrated Housing and Human Settlement Development Grant (IHAHSD) | |
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| Transferring department | <ul style="list-style-type: none"> • Housing (Vote 26) |
| Strategic goal | <ul style="list-style-type: none"> • To provide for the facilitation of a sustainable housing development |
| Grant purpose | <ul style="list-style-type: none"> • To provide for the facilitation of a sustainable housing development process by laying down general principles applicable to housing development in all spheres of government through the Division of Revenue Act |
| Outcome statements | <ul style="list-style-type: none"> • Facilitate habitable, stable integrated and sustainable human settlements • Upgrading of informal settlements • Job opportunities created • Women headed households assisted with subsidies • Disabled persons assisted with subsidies • Ownership for wealth creation |
| Outputs | <ul style="list-style-type: none"> • Land purchased for housing development purposes • Create secondary property • Houses constructed in the various subprogrammes • Spatial integration • Number of beneficiaries approved in the various subprogrammes • Number of serviced sites provided. |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome indicators: Number of; <ul style="list-style-type: none"> – Household benefiting from National Housing Programmes; – programmes approved and funded under the accreditation of municipalities; – Stands serviced with the respective informal settlements as a percentage of the total requirements; – Informal settlements upgraded as a percentage of informal settlements ; – Jobs created through the National Programmes as a percentage of total jobs created; – Housing projects allocated to emerging and women contractors as a percentage of total number of housing projects – Community residential units upgraded and converted. • Output indicators: Number of; <ul style="list-style-type: none"> – Properties transferred per subprogramme – Units completed per subprogramme – Sites serviced per subprogramme – Rental stock maintained – Housing units rectified per subprogramme – Projects and type completed per subprogramme – Municipalities accredited per level of accreditation – Programmes approved and funded under the accreditation of municipalities – Housing units completed in unblocked projects – Projects and houses enrolled with the NHBRC – Housing chapters of IDP's compiled – Facilitation grants and established grants awarded – Units upgraded and or converted in terms of the CRU housing programme • Inputs: <ul style="list-style-type: none"> – Human Resource Capacity – IT Systems – External inputs-norms and standards • Key Activities:- <ul style="list-style-type: none"> – Project Management – Technical assistance – Quality assurance – Monitoring and evaluation – Reporting |
| Conditions | <ul style="list-style-type: none"> • Housing allocations must be in terms of National Housing Programmes and priorities, and with due consideration of: <ul style="list-style-type: none"> – Creating quality living environments – A needs orientated approach – Delivery constraints identified and addressed – Adequate capacity for effective project/financial/monitoring management/measures for the execution of the projects. • Provincial multi-year development plans for 2009/10 and over the MTEF period must comply |

| Integrated Housing and Human Settlement Development Grant (IHAHSD) | |
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| | <p>with the guidelines and in particular the measurable objectives and performance targets must be reflected in the annual business plans;</p> <ul style="list-style-type: none"> • The development of housing plans must be undertaken as part of the IDP's process in line with procedures for integrated housing development plans • Province's may, if a proven need exists and subject to approval by the Accounting Officer of the Provincial Department of Housing in consultation with the Member of the Executive Council (MEC), utilize the lesser amount based on 3 per cent of the total allocation- or to a maximum of R50 million, approved in terms of national policies and guidelines of the voted allocation to support the approved national and provincial housing programmes and priorities (OPSCAP) • Provinces and must utilise the Housing Subsidy System for budgeting, subsidy administration, financial administration and reporting purposes. • No monthly transfer of funds for 2008/09 will take place to provinces unless the national department is in possession of the Head of Department and Provincial Treasury signed off business plan <p>EARMARKED FUNDS</p> <p>N2 Gateway project</p> <ul style="list-style-type: none"> • The payments of claims applicable to the Upgrading of Informal Settlements programme will form the basis of transfers from the Western Cape Provincial Housing Department to Thubelisha according to the approved business plan developed by Thubelisha • Payment for top structures will be done on the basis of cash flow projections as outlined in the project implementation plan(or service level agreement) on an imprest basis and payments will be made to Thubelisha by the Western Cape Provincial Housing Department • According to the business plan the enhanced top structures will be 40 m² with clear specifications <p>Zanemvula project</p> <ul style="list-style-type: none"> • The payments of claims applicable to the Upgrading of Informal Settlements programme will form the basis of transfers from the Eastern Cape Provincial Housing Department to Thubelisha and should be in accordance with the cost specification contained in the approved business plan; • Payment for top structures will be done on the basis of a monthly cash flow projections as outlined in the project implementation plan based on progress with achievement of targets and on an imprest basis/re-imburement basis and payments will be made to Thubelisha by the Eastern Cape Provincial Housing Department; • Housing units and sites are to be provided according to the Greenfield Development, Informal Settlement Upgrading, Rectification and Densification, Sustainable Community Planning and Rental Housing programmes |
| Allocation criteria | <ul style="list-style-type: none"> • Formula allocation as determined by MINMEC recognising the following factors: <ul style="list-style-type: none"> - Provincial needs measured by the housing backlog (homeless people, staying in inadequate housing or conditions, weighted (50 per cent) - Poverty indicator measured by the number of households earning less than R3 500 in each province, weighted (30 per cent) - Population indicator measured by each province's share of total population (as per the 2001 census date with effect from the 2005/06 financial year), weighted (20 per cent) • The formula provides for weighting in order of the priority of the elements as defined below- <ul style="list-style-type: none"> - $A=HN (50 \text{ per cent}) +HH (30 \text{ per cent}) +P (20 \text{ per cent})$, where <ul style="list-style-type: none"> -A = Allocation -HN = Housing Need -HH = Households earning less than R3 500 per month (affordability indicator) -P = Population - Housing need used in the formula is defined on a weighted formula that takes into account the following: <ul style="list-style-type: none"> -HN = $HL (1.25) + SE (1.2) + SBY ((1.0) + TC (1.0) + FR (0.5))$ where <ul style="list-style-type: none"> -HN = Housing Need -HL = Homeless People -SE = Shacks Elsewhere -SBY = Shacks in backyards -TC = Tents and Caravans -FR = Flat/room on shared property; |

| Integrated Housing and Human Settlement Development Grant (IHAHSD) | |
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| | <p>Phase-in of the Allocation formula:</p> <ul style="list-style-type: none"> The Housing MINMEC approved the adjustment of the formula. The mainstream, statistical part of the new formula, forming 80 per cent of the proposed 80/20 split, concentrates on housing needs, weighted at 90 per cent, and developmental potential which is weighted 10 per cent. The need component is broken down into three major areas, namely inadequate housing (70 per cent), population (10 per cent) and poverty (20 per cent). These three areas are then broken down into sub-components. Inadequate housing comprises of shack in backyard (20 per cent), shack not in backyard (30 per cent), traditional dwellings (30 per cent) and labour tenants on farms (20 per cent). Poverty comprise households earning R0 to R1,500 per month (80 per cent) and households earning R1,501 to R3,500 per month (20 per cent). Developmental potential has two sub-components, namely economic growth/ potential (50 per cent) and net migration (50 per cent). The 20 per cent part of the 80/20 split is to be top sliced for Priority Projects (High impact housing projects). <p>Technical Note: The new allocation formula has been implemented in a phased approach in order to cushion the negative impact the formula will have on certain Provincial allocations. The approach used is that the original allocation as provided in the 2006/07 ENE is regarded as the base amount. A 6 per cent increase per financial year is applied to the 2006/07 allocation and on this amount the old formulation is applied. The remaining amounts, excluding funds especially earmarked for priority projects, is subject to the new formula. This funding framework includes an initiative to top slice funds in order to address national priority housing projects. It is expected that the full implementation of this process will take place during the 2009/10 financial year.</p> <p>For 2008/09, the original allocation amount is distributed according to the current (2001) allocation formula. The additional funds are allocated to provinces using the new allocation formula.</p> <p>The Priority Projects top-slicing instrument (20 per cent of the IHHSD grant) will on optimizing housing delivery through the implementation of mega housing projects, while contributing to the achievement of the broad goals of the Comprehensive Housing Plan (BNG). It will enable the transformation of human settlements and will have a great impact in addressing the housing backlog and the upgrading and eradication of informal settlements as well as contribute towards achievement of the Millennium Development Goals (MDGs).</p> <p>The framework for the implementation of priority projects including the application and approval process as well as criteria that will guide project selection is in the process of finalization.</p> <ul style="list-style-type: none"> Should additional funding be made available in the budgetary process and approved by the Houses of Parliament to a province for a specific purpose to address a priority project and or any disaster situation caused by non-human action then such funds will not be subject to the approved formulae. |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> Housing is a concurrent provincial and national function with programmes implemented in accordance with the Housing Policy both at a national and provincial levels on that basis; The provision of housing to the poor is a national priority; and The housing development is viewed as an initiative through which projects and programmes can be funded that are in support of the housing investment being made in an effort to create viable communities living in sustainable integrated human settlements |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated R6 822.2 million, withheld R144.4 million and transferred R6 677.8 million (97.9 per cent) to provinces Of the total available R6 750.9 million, R6 505.6 million (96.4 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> 271 219 units were completed and in the process of completion 907 individual credit linked subsidies approved 32 426 beneficiaries approved in the People's Housing Process 3 Municipalities provided with capacity development to support accreditation |
| Projected life | <ul style="list-style-type: none"> Minimum of at least the next 20 years, however in practical terms the period can not be fixed as - as the Government has an obligation to assist the poor with housing |
| MTEF allocations | <ul style="list-style-type: none"> 2008/09: R9 852.8 million; 2009/10: R11 730.8 million and 2010/11: R14 222.7 million |
| Payment schedule | <ul style="list-style-type: none"> Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections as approved by the National Department of Housing and payment be effected on the dates approved by National Treasury |

| Integrated Housing and Human Settlement Development Grant (IHAHSD) | |
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| Responsibilities of National Department | <ul style="list-style-type: none"> • The internal audit unit of the national department to ensure that provincial departments have adequate systems in place to provide assurance that conditional grant funds are appropriately managed and controlled; • Provide, through a consultative process, the guidelines and criteria for the development of business plans if the current contents must be amended; • Monitor implementation and provide support to provinces in regard to housing delivery • Submit quarterly performance reports to NCOP and National Treasury on the dates specified in a Practice Note issued by National Treasury; • Submit the allocation formula, 2009 MTEF allocations and the final conditional grant framework that relate to the grant to National Treasury on date(s) specified by National Treasury • Structured visits to Provinces, interaction between National and Provincial Housing Departments Chief Financial Officers, Technical MINMEC and MINMEC meetings |
| Responsibilities of Thubelisha Homes Public Entity | <p>Where Thubelisha Homes is used as an entity to deliver housing on behalf of national and provincial government it:</p> <ul style="list-style-type: none"> • Must coordinate all its housing activities with the relevant municipality in which they are undertaking housing development • Must on a monthly basis report on progress and expenditure to the transferring national officer, provincial receiving officer and National Treasury • Must, to foster efficient municipal infrastructure planning, report to the relevant municipality progress on the project |
| Processes for approval of 2009/10 business plans | <ul style="list-style-type: none"> • Agree with provinces on outputs and targets in line with grant objectives for 2009/10 and 2010/11 by 31 May 2008 • Agree with the Provincial Housing Departments on the municipalities' provisional allocations and projects to be funded from the allocations for 2009/10 and 2010/11 by 31 May 2008 • First draft business plans for 2009/10 must be submitted to the National Department on or before 30 June 2008 and the pre-final draft on or before 31 October 2008 • The provisional/envisaged allocations to Provinces and Municipalities be submitted to National Treasury before 31 July 2008 for approval as prescribed in legislation • The final draft to be submitted by 15 February 2009 The final approval of business plans be granted by the National Department on or before the 31 March 2009 • Evaluate Annual Reports for 2007/08 for submission to NCOP and National Treasury by 30 November 2008 |

NATIONAL TREASURY GRANT

| Infrastructure Grant to Provinces | |
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| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 7) |
| Strategic goal | <ul style="list-style-type: none"> To supplement provinces to fund provincial infrastructure such as schools, health facilities, roads, agriculture and other fixed structures |
| Grant purpose | <ul style="list-style-type: none"> To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; to enhance the application of labour intensive methods in order to maximise job creation and skills development as encapsulated in the EPWP guidelines; and to enhance capacity to deliver infrastructure. |
| Outcome statements | <ul style="list-style-type: none"> Improved service delivery by provincial departments as a result of improved and increased stock of public infrastructure such as schools, health facilities, roads, agriculture and other fixed structures. Improved rates of employment and skills development in the delivery of infrastructure Aligned and coordinated approach to infrastructure development by provinces Improved infrastructure expenditure patterns. |
| Outputs | <ul style="list-style-type: none"> Quality and quantity of serviceable schools, health and roads infrastructure Comprehensive 5-10 year Infrastructure Plans Comprehensive Infrastructure Programme Management Plans & Infrastructure Programme Implementation Plans Employment and skills development initiatives and programmes Comprehensive monthly reports showing progress on infrastructure projects. |
| Details contained in the business plan | <ul style="list-style-type: none"> Outcome Indicators Output Indicators Inputs Key Activities |
| Conditions | <ul style="list-style-type: none"> Submission of final infrastructure plans for 2008 Budget by 11 April 2008 for departments that are targeted by the grant. These plans must comply with the prescribed version 4 of template 2T01, including EPWP requirements The maintenance of infrastructure and improving its management is important, therefore, provinces must submit to National Treasury infrastructure plans with costed projects that should include, (i) an assessment of existing infrastructure stock and future infrastructure needs, (ii) strategies on financing of infrastructure operation and maintenance costs. The key outputs include (i) an infrastructure maintenance programme for existing and potential stock, (ii) a costed infrastructure maintenance plan, (iii) alternative provider models for infrastructure maintenance The flow of the first instalment depends on the submission of detailed infrastructure plans, (and submission of fourth quarter report for the 2007/08 financial year) 2008/09 allocations should take into account the conditions for additional allocations that were made for scaling-up EPWP in roads in the framework for the grant in 2007 MTEF Additional R2 700 million for 2008 MTEF has been made available to increase spending on education infrastructure construction and maintenance with particular focus on addressing backlogs in infrastructure provision (including the eradication of unsafe/mud facilities by upgrading/replacing existing facilities). These funds are intended to increase the existing allocation for education infrastructure Submission of quarterly reports on physical progress with implementation of infrastructure projects in addition to in-year expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation. Reports should also indicate progress in terms of expenditure, jobs created, and training with EPWP designated projects The flow of the 2nd, 3rd and 4th instalment will be conditional upon submission and approval of signed-off quarterly reports All infrastructure suitable for labour-intensive construction as identified using the EPWP Guidelines must be implemented in compliance with the conditions specified in these guidelines Compliance with the approval process for infrastructure plans for 2009/10 and 2010/11 as outlined below Non-compliance to the above conditions can result in funds being withheld or reallocated |
| Allocation criteria | <ul style="list-style-type: none"> The formula to allocate the grant takes account of phased-in percentage share of equitable share allocation and the infrastructure backlogs In the 2008 MTEF, an equal split of 33.3 per cent for the phased-in equitable share component, the roads component and backlog component. The backlog component has been updated with the latest National Education Infrastructure Management System (NEIMS) |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This grant ensures that provinces give priority to infrastructure construction, maintenance, upgrading and rehabilitation, and support rural development and accelerated and shared growth initiatives in line with Government priorities It is also used as vehicle for stimulating the use of labour intensive methods in large infrastructure programmes/projects to create jobs and develop required skills |

| Infrastructure Grant to Provinces | |
|---|---|
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R4 983.5 million to provinces • Of the total available R4 976.8 million, R4 617.1 million (92.8 per cent) was spent <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> • Project information from provinces submitted on quarterly basis to National Treasury • Full allocation of the grant was transferred to provinces • Province spent 99.8 per cent of the infrastructure allocations • IDIP fully implemented in provincial departments of education and public works |
| Projected life | <ul style="list-style-type: none"> • To be reviewed after five years |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R7 246.7 million; 2009/10: R8 796.7 million and 2010/11: R10 080.5 million |
| Payment schedule | <ul style="list-style-type: none"> • Quarterly instalments as per the approved payment schedule |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • National Treasury provide guidelines/format for the development of infrastructure plans after consultation with relevant sector departments for 2009/10 by 30 April 2008 • Monitor the grant in line with the Division of Revenue Act and the PFMA requirements • Visit infrastructure sites in provinces • National Treasury support provinces to improve infrastructure delivery capacity and systems • Relevant sector department to report on quarterly performance in infrastructure delivery to the NCOP • The real outcome of the higher levels of spending on infrastructure is accountability of each province, and relevant MinMecs for key concurrent functions like education, health and roads • With respect to roads performance the Road Coordinating Body is a vehicle for evaluating the performance in line with the strategic framework for roads • With respect to education performance the Education: HEDCOM Sub-Committee for School Infrastructure Development is a vehicle for evaluating the performance in line with the NEIMS audit • The Provincial EPWP Coordinating Forum will be an advisory body to monitor and evaluate progress of EPWP projects in meeting the national target |
| Process for approval of 2009/10 and 2010/11 business plans | <ul style="list-style-type: none"> • Submission of draft infrastructure plans to Provincial Treasuries, which include organisational support plan for 2009/10, in the prescribed format 2T01, including EPWP requirements, by 30 June 2008, or any other date as determined by National Treasury • Submission of draft infrastructure plans, which include organisational support plan for 2010/11, in the prescribed format, including EPWP requirements and maintenance plans, by 29 August 2008, or any other date as determined by National Treasury • Final plans to be tabled together with strategic and annual performance plans • Submission of Infrastructure Programme Management Plan (IPMP) including list of prioritised projects by Client Departments to Implementing Agents in accordance with template 2T06, by 30 August 2008 • Submission of Infrastructure Programme Implementation Plan (IPIP) by Implementing Department(s) or Agent(s) in accordance with template 3T01, by 01 November 2008 • Client departments must enter into service delivery agreements with their implementing agents, including the provincial Department of Public Works by 1 November 2008 in accordance with template 2T09 or 2T10 • Final list of projects for 2009/10 and 2010/11 must be submitted to and agreed with implementing agents by 28 November 2008 • Submission of Infrastructure Programme Management Plan (IPMP) and final project lists by Client Departments to Implementing Agents in accordance with template 2T06, by 28 November 2008. Copies of IPMPs to be submitted for information to national Sector departments by 28 November 2008 • Submission of Infrastructure Programme Implementation Plan (IPIP) by Implementing Department(s) or Agent(s) in accordance with template 3T01, by 6 March 2009 • Client Departments enter into service delivery agreements with their implementing agents, including the provincial Departments of Public Works by 27 March 2009. Copies of SDAs to be submitted for information to national Sector departments by 31 March 2009 • Completion of feasibility studies as part of the needs planning process as prerequisite for Infrastructure plan of 2009/10 • Final provincial infrastructure plans (Infrastructure Plan, IPMP and IPIP) tabled together with provincial Strategic and Annual Performance plans by 31 March 2009 and submitted to National Treasury by 1 April 2009 • Non-compliance to the above conditions can result in funds being withheld or reallocated |

PUBLIC WORKS GRANT

| Devolution of Property Rate Funds Grant | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Public Works (Vote 5) |
| Strategic goal | <ul style="list-style-type: none"> To enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates |
| Grant purpose | <ul style="list-style-type: none"> To facilitate the transfer of property rates expenditure responsibility to provinces; and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates. |
| Outcome statements | <ul style="list-style-type: none"> Provinces taking over full responsibility of the management of all aspects of property portfolio deemed provincial |
| Outputs | <ul style="list-style-type: none"> Payment of property rates for provincially-owned properties as per invoices submitted by the various local governments. |
| Details contained in the business plan | <ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities |
| Measurable outputs | <ul style="list-style-type: none"> Payment of property rates for provincially-owned properties as per invoices submitted by the various local governments Zero balances on invoices pertaining to identified provincially-owned properties at the end of the financial year |
| Conditions | <ul style="list-style-type: none"> Implementation plans must be submitted by the provincial public works departments to and approved by the provincial treasuries with the consent of the National Treasury Provinces must appoint suitably qualified individual(s) in each province to lead the process Provinces must ensure that sufficient provision is made within their baselines to accommodate future commitments pertaining to provincially-owned properties |
| Allocation criteria | <ul style="list-style-type: none"> Allocations must be divided according to location of the relevant properties in specific provinces Funds are allocated per province based on the determination/calculations submitted by the national Department of Public Works The determinations/calculations plans assessed against: <ul style="list-style-type: none"> Property lists extracted from the national department's assets register Calculations based on the 2006/07 financial year's expenditure |
| Reason not incorporating in equitable share | <ul style="list-style-type: none"> To ensure that the grant is earmarked for payment of property rates pertaining to provincially-owned properties To ensure that the provinces are not adversely affected during the division of funds based on the number of properties in that specific province To ensure an effective transition of the function from national to provincial government |
| Monitoring mechanisms | <ul style="list-style-type: none"> The provincial treasuries have appointed dedicated suitably qualified individual(s) to monitor the transfer of the payment of property rates function Submit quarterly performance reports to NCOP and National Treasury Any additional mechanisms agreed upon by the National and Provincial departments (these could include site visits, surveys, SCOF hearings, etc) |
| Past performance | <p>2006/07 audited financial outcomes</p> <ul style="list-style-type: none"> New Grant <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> New grant |
| Projected life | <ul style="list-style-type: none"> 3 years |
| MTEF allocations | <ul style="list-style-type: none"> 2008/09: R889.3 million; 2009/10: R996.5 million and 2010/11: R1 096.2 million |
| Payment schedule | <ul style="list-style-type: none"> Four instalments (21 August 2008; 24 September 2008; 22 October 2008; and 19 February 2009) |
| Responsibilities of the National Department | <ul style="list-style-type: none"> The national Department of Public Works will oversee the transfer of the function and skilling of the provincial receiving office Together with the Regional offices, provide support and training as needed to the provincial departments of public works Monitor performance of provinces Support the national Department of Land Affairs in vesting of relevant properties in provinces' name Transfer payments to provincial departments of public works Monitor and evaluate the transfer of function into the relevant provinces Submit quarterly performance reports to National Treasury The provincial treasuries have appointed dedicated suitably qualified individual(s) to monitor the transfer of the payment of property rates function |

| Devolution of Property Rate Funds Grant | |
|---|--|
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none">• The intra-provincial task team supported by the national Department of Public Works team to draft an implementation plan to guide the process• Agreement on the content of the property lists between national and provincial departments of public works to be reached by 31 May 2008• The Department of Land Affairs continuously vests provincial properties in the name of the relevant province |

DEPARTMENT OF SPORT AND RECREATION GRANT

| Mass Sport and Recreation Participation Programme Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> • Sport and Recreation South Africa (SRSA) (Vote 17) |
| Strategic goal | <ul style="list-style-type: none"> • To promote sport and recreation activities in communities and schools through mass participation and sport development |
| Grant purpose | <ul style="list-style-type: none"> • To promote sport and recreation activities in communities and schools through mass participation and sport development. |
| Outcome statements | <ul style="list-style-type: none"> • Life long participation in sport and recreation, making more people, more active, more often • Improved capacity of national and provincial government in delivering the programme • Improved partnership within the three spheres of government • Increased number of participants in sport and recreation through Mass Participation • Improved school and community links • Profound Mass Participation Legacy programmes • Empowered communities |
| Outputs | <ul style="list-style-type: none"> • Hubs/schools delivering sustainable mass participation programme • Staff capacity building within national and provincial government • Education and training programmes for contract workers delivered • Implementation of mass participation programmes on a larger scale • Programmes to link schools and communities implemented |
| Details contained in the business plan | <ul style="list-style-type: none"> • Shown per sub-programme (Siyadlala, Legacy and School sport): <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities and resource schedule |
| Conditions | <ul style="list-style-type: none"> • Provincial departments responsible for sport will be required to enter into formal agreements after approval of business plans prior to the start of the financial year • Provinces may appoint temporal staff on contract on their provincial establishments for the programme in consultation with the national department insofar as the percentage (not more than 5 per cent of the total grant) requested. • Each province must have sustainability and risk management plans by 30 May 2008 to ensure that it will be self-sufficient after 3 years • Provinces will be required to submit monthly reports by the 15th of each month • Provincial department strategic plan for 2008/09 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department • Signed cooperation agreements with stakeholders |
| Allocation criteria | <ul style="list-style-type: none"> • Funds are distributed among provinces using the equitable share formula and a top up amount based on provincial needs |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • A conditional grant is necessary to ensure: <ul style="list-style-type: none"> – National coordination, monitoring and facilitation – National coordinated and integrated campaign to get the nation active |
| Past performance | <p>2006/07 Audited Financial Outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R119 million to provinces • Of the total available R119.5 million (including provincial roll overs of R524 thousand), R110.7 million (92.6 per cent) was spent <p>2006/07 Service Delivery Outcomes</p> <ul style="list-style-type: none"> • Number of people trained in sport and recreation administration: 1152 <ul style="list-style-type: none"> – Total participation in activities 2 854 696 – Women participating 40 per cent (of the total number of people participating) – Youth participating 77 per cent – Disabled participating 5 per cent – Elderly participating 3.2 per cent |
| Projected life | <ul style="list-style-type: none"> • Ongoing, subject to review as agreed with National Treasury |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R290 million; 2009/10: R402 250 million and 2010/11: R426 385 million |
| Payment schedule | <ul style="list-style-type: none"> • Four instalments paid in 15 April 2008, 15 July 2008, 15 October 2008 and 15 January 2008 |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • Evaluate Annual Reports for the 2007/08 grants for submission to the NCOP and National Treasury by 31 October 2008 • Agree on outputs and targets with provincial departments in line with grant objective for 2009/10 by 15 September 2008 • Provide the guidelines and criteria for the development and approval of business plans |

| Mass Sport and Recreation Participation Programme Grant | |
|--|--|
| | <ul style="list-style-type: none"> • Monitor implementation and provide support • Submit approved business plan for 2008/09 to the National treasury on 31 March 2008 • Submit quarterly performance reports to NCOP and National Treasury • Performance monitoring based on in-person meetings with provincial role players by the National Programme Manager • Hub/cluster inspections by national department to all provinces during the year (at least 6 per quarter) • Provincial quarterly performance monitoring through report back meetings to national |
| Process for approval of 2009/10 business plans | <ul style="list-style-type: none"> • SRSA provide business plan blue prints to provinces by the 15 September 2008 • Provinces provide draft business plan to SRSA by 15 October 2008 • SRSA evaluates draft business plan by 15 November 2008 • Comments send to provinces by the 30 November 2008 • Submit revised business plans to SRSA by 15 December 2008 • HOD approves business plans by 28 February 2009 • SRSA submit business plans to National Treasury by 31 March 2009 |

TRANSPORT GRANT

| Gautrain Rapid Rail Link Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> • Transport (Vote 33) |
| Receiving department | <ul style="list-style-type: none"> • Gauteng Provincial Treasury for implementation by the Gautrain Management Agency |
| Strategic goal | <ul style="list-style-type: none"> • To provide for national government funding contribution over a period of five years to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network |
| Grant purpose | <ul style="list-style-type: none"> • To provide for national government funding contribution over a period of five years to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network |
| Outcome statements | <ul style="list-style-type: none"> • Gauteng Provincial Government manages the PPP Agreement and reports on progress and expenditure to Department of Transport (DOT) in accordance with the conditions below • DOT ensures that transfer payment are made to the Gauteng Province in accordance with the key milestone completion schedules and that the integration of the Gautrain Rapid Rail link within the broader public transport network is implemented in accordance with the integration report approved by Cabinet |
| Measurable outputs | <ul style="list-style-type: none"> • The completion of the civil works and operational systems of the Gautrain Rapid Rail Link according to the specifications and milestones agreed between the Gauteng Province and the Concessionaire in the Public-Private Partnership (PPP) Concession Agreement • Implementation of the Gautrain Strategic Integration Plan as approved by Cabinet in December 2005 |
| Details contained in the business plan | <ul style="list-style-type: none"> • Outcome Indicators • Output Indicators • Inputs • Key Activities |
| Conditions | <ul style="list-style-type: none"> • The Conditional Grant is to be used towards the payment of the provincial contribution for the completion of the Gautrain, as specified in the Concession Agreement • Interim payments and the final payment made by the province to the Concessionaire in terms of the Concession Agreement throughout the development period (payable according to the agreed general and key milestone completion schedules), will be made by the province, drawing from the conditional grant payments received from the national Department of Transport in such a manner that the amounts expended on the project include any adjustment necessary to compensate for foreign exchange fluctuations as agreed by the National Treasury • Failure by the province to make payments to the Concessionaire within the stipulated 10 business days will result in the province incurring interest on each overdue sum • The Province's rights and obligations in the Concession agreement will be managed by the Gautrain Management Agency, established through provincial legislation as a Schedule 3C public entity in terms of the Public Finance Management Act • The Gautrain Management Agency will provide the national Department of Transport, with an annual projection of payment in terms of a Milestone completion schedule, indicating the projected dates on which each General Milestone and each Key Milestone payment will be due and the quantum thereof payable from the Conditional Grant • The national Department of Transport will advise the SA Reserve Bank of the annual transfer schedule required for the Gautrain • The Gautrain Management Agency will advise the Gauteng Treasury to draw required funds from the SA Reserve Bank's Gautrain holding account and to effect payment to the Concessionaire • The annual transfer schedule lodged with the SA Reserve Bank may be amended from time to time by the national Department of Transport according to revisions to the annual cash flow forecasts provided by the Gautrain Management Agency • The Gauteng Department of Public Transport, Works and Roads must within one month of the date on which the Division of Revenue Act comes into effect establish a Gautrain Public Transport Integration Committee comprising of the three metros (Tshwane, Johannesburg and Ekurhuleni), DOT and the South African Rail Commuter Corporation, funded outside of this grant, with the primary task of commencing work immediately on the development of an Gautrain Integration Implementation Plan that will respond to the: <ul style="list-style-type: none"> ○ Rail Plan corridor alignment and the Gautrain implementation parameters ○ Proposed new commuter rail links including station precinct developments, specifically Pretoria, Johannesburg, Hatfield and Rhodesfield as well as park and ride and feeder facilities ○ A single architecture integrated ticket system and the roll out of fare integration strategy to all public transport users and public transport service providers effected in the three Metropolitan Authorities ○ Operating Licence Strategies of the three Metropolitan Authorities ○ Operating contracts with Metropolitan bus services, Subsidised Bus Services, Metrorail and recapitalised taxi operators and their service specifications |
| Allocation criteria | <ul style="list-style-type: none"> • This is a special purpose grant with fifty percent of the capital costs of the project borne by the province (composed of equitable share and a borrowed portion), and fifty percent borne by national government through a conditional grant • The Gautrain conditional grant may only be used for the purposes set out in this framework |

| Gautrain Rapid Rail Link Grant | |
|--|--|
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The conditional grant is made for a specific, large public transport infrastructure project being undertaken by the Gauteng Province, as endorsed by Cabinet. The total cost of the project is unaffordable to the province within the limits of its equitable share |
| Past performance | <p>2006/07 Audited Financial Outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R3 241 million to Gauteng province • Of the total available R3 241 million , R3 241 million (100 per cent) was spent |
| Projected life | <ul style="list-style-type: none"> • Five years: 2006/07 to 2010/11 inclusive |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R3 266 million; 2009/10: R2 507.2 million and 2010/11: R317.5 million |
| Payment schedule | <ul style="list-style-type: none"> • Transfer payments will be made based on an annual transfer schedule provided to the SA Reserve Bank by the national Department of Transport, according to annual cash flow forecasts provided by the Gautrain Management Agency, which transfer schedule may be amended from time to time by the national Department of Transport |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • The Gauteng Province will submit reports to the national Department of Transport at the end of each quarter, detailing: <ul style="list-style-type: none"> ○ Interim Payments and the Final Payment made to the Concessionaire according to the General and Key Milestone payment schedules in that quarter. These reports will be supported by copies of the Interim Certificates and (when applicable) the Final Certificate issued by the Independent Certifier, which effected each payment made in the previous quarter in terms of the Concession Agreement ○ Progress as it relates to Gautrain Integration Implementation Plan • For the avoidance of doubt reporting, these reports will be submitted by the Gauteng Province to the national Department of Transport in the first week of January, April, July and October each year of the Development Period |
| Process for approval of 2009/10 business plan | <ul style="list-style-type: none"> • If there are required changes in the current business plan the national Department of Transport will be the approving authority |

Schedule 3: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on schedules 4, 6 and 7 grants to municipalities

Introduction

This appendix provides a brief description for each grant in Schedules 4, 6 and 7 of the 2008 Division of Revenue Act. The following are key areas considered for each grant:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2008 MTEF allocations
- The payment schedule
- Responsibility of national transferring department
- Process for approval of 2009/10 MTEF allocations

The attached frameworks are not part of the 2008 Division of Revenue Act, but are published in order to provide more information on each grant to Parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Section 22(1) of the 2008 Division of Revenue Act requires that the frameworks be gazetted within 14 days from the date that the Act takes effect.

The financial statements and annual reports for 2008/09 will report against the 2008 Division of Revenue Act and its schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved. The Auditor-General is expected to audit compliance to the 2008 Division of Revenue Act and gazetted grant framework by both transferring national departments and receiving municipalities.

MINERALS AND ENERGY GRANTS

| Integrated National Electrification Programme (Municipal) Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> Minerals and Energy (Vote 28) |
| Purpose | <ul style="list-style-type: none"> To implement the Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply To implement the programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings by utilising alternative energy solutions eg solar home systems |
| Measurable Output | <ul style="list-style-type: none"> The number of connections to households, schools and clinics per annum Progress on reduction of electrification backlogs Implementation of labour intensive methods on electrification projects and the number of jobs created |
| Conditions | <ul style="list-style-type: none"> Municipalities must contractually undertake to: <ul style="list-style-type: none"> Account for the allocated funds on a monthly basis by the 10th of every month Pass all benefits to end-customers Not utilise the fund for any purpose other than electrification Ring-fence funds transferred Adhere to the approved electrification programme and agreed cash flow budgets Ring-fence electricity function Reflect all assets created under the Integrated National Electrification Program (INEP) on the municipal asset register; this is to assist the process for the formation of the REDS Safely operate and maintain the infrastructure Adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. <ul style="list-style-type: none"> Register the Master Plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the Department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximize the economies of scale in the creation of bulk infrastructure affecting more than one municipality Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved under a framework to be regulated by the Department |
| Allocation criteria | <ul style="list-style-type: none"> Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> High backlog Rural bias Integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing, etc. Ability to provide top-up or seed capital for project finance The requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions The financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks Effective credit control policies Consultation with communities in terms of IDP process Ensuring that universal access objectives are fast tracked Infrastructure which is in a state of disrepair, unsafe and which adversely affects the quality of supply (blackouts and brownouts) Objectives related to Project Consolidate (revenue enhancement, asset protection, local economic development and contribution to job creation) <ul style="list-style-type: none"> Allocation made to either licensed or unlicensed municipalities based on: <ul style="list-style-type: none"> Projects to be electrified in Eskom area of supply Municipalities to enter into agreement with Eskom to maintain and take over of assets Eskom to collect revenue from these connections |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the Integrated National Electrification Programme |
| Monitoring system | <ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process |
| Past performance | <p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to the 2006/7 financial year The department's 2006/07 annual report contains a detailed explanation of grant outcomes <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> For 2006/07 30,329 households and 7 schools were connected with a total expenditure of R 220 million |
| Projected life | <ul style="list-style-type: none"> Until the inception of the Regional Electricity Distributors |
| MTEF allocations | <ul style="list-style-type: none"> Direct transfers to municipalities <ul style="list-style-type: none"> 2008/09: R596 million, 2009/10: R897 million, 2010/11: R951 million |

| Integrated National Electrification Programme (Municipal) Grant | |
|--|---|
| Payment schedule | <ul style="list-style-type: none">• Transfers are made monthly based on pre-agreed plans, requests for funds, cash flows and as per the Division of Revenue Act requirements |
| Responsibilities of the national department | <ul style="list-style-type: none">• Department report to NCOP on audited outcomes for 2007/08, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in 2007/08• Detailed information on the allocation formula and data used and on monitoring system, to be submitted to NCOP during the hearings on the Division of Revenue Bill or as agreed• Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none">• The distribution mechanism/ criteria to be finalised by 31 October 2008 |

| Integrated National Electrification Programme (allocation in-kind) Grant | |
|---|---|
| Transferring department | <ul style="list-style-type: none"> Minerals and Energy (Vote 28) |
| Purpose | <ul style="list-style-type: none"> To implement the Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure |
| Measurable Outputs | <ul style="list-style-type: none"> The number of connections to households, schools and clinics per annum Progress on reduction of electrification backlog Implementation of labour intensive methods on electrification projects and the number of jobs created |
| Conditions | <ul style="list-style-type: none"> Eskom must contractually undertake to: <ul style="list-style-type: none"> Account for the allocated funds on a monthly basis by the 20th of every month Pass all benefits to end-customers Not utilise the fund for any purpose other than electrification Adhere to the approved electrification programme and agreed cash flow budgets Reflect all assets created under the Integrated National Electrification Program (INEP) separately from the Eskom asset register; this is to assist the process for the formation of the REDS Safely operate and maintain the infrastructure Adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. Register the Master Plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the Department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximize the economies of scale in the creation of bulk infrastructure affecting more than one municipality |
| Allocation criteria | <ul style="list-style-type: none"> Applications from Eskom based on: <ul style="list-style-type: none"> High backlog Rural bias Integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing, etc. Ability to provide top-up or seed capital for project finance The requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions The financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks Effective credit control policies Consultation with communities in terms of IDP process Ensuring that universal access objectives are fast tracked Objectives related to Project Consolidate (revenue enhancement, asset protection, local economic development and contribution to job creation) |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the Integrated National Electrification Programme |
| Monitoring system | <ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process |
| Past performance | <p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to the 2006/07 financial year The department's 2006/07 annual report contains a detail explanation of grant outcomes <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> For 2006/07, 95 610 households and 262 schools were connected with a total expenditure of R764.9 million excluding expenditure for bulk infrastructure |
| Projected life | <ul style="list-style-type: none"> Until the inception of the Regional Electricity Distributors |
| MTEF allocations | <ul style="list-style-type: none"> Indirect transfers: <ul style="list-style-type: none"> R1 151 million for 2008/09 R1 421 million for 2009/10 R1 649 million for 2010/11 |
| Payment schedule | <ul style="list-style-type: none"> Transfers are made monthly based on pre-agreed plans and cash flows |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Department report to NCOP on audited outcomes for 2007/08, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in the 2007/08 financial year Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> The distribution mechanism/criteria to be finalised by 31 October 2008 |

| Backlogs in the Electrification of Clinics and Schools (allocation in-kind) | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> Minerals and Energy (Vote 28) |
| Purpose | <ul style="list-style-type: none"> To implement the Programme (INEP) by providing capital subsidies to Eskom in order to address the electrification backlog of schools and clinics |
| Measurable Outputs | <ul style="list-style-type: none"> The number of schools and clinics connected per annum Progress on reduction of the electrification backlog in schools and clinics Implementation of labour intensive methods on electrification projects and the number of jobs created |
| Conditions | <ul style="list-style-type: none"> Eskom must contractually undertake to: <ul style="list-style-type: none"> Account for the allocated funds on a monthly basis by the 10th of every month Pass all benefits to end-customers Not utilise the fund for any purpose other than electrification Adhere to the approved electrification programme and agreed cash flow budgets Reflect all assets created under the Integrated National Electrification Program (INEP) separately from the Eskom asset register; this is to assist the process for the formation of the REDS Safely operate and maintain the infrastructure Adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. Register the Master Plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the Department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximize the economies of scale in the creation of bulk infrastructure affecting more than one municipality |
| Allocation criteria | <ul style="list-style-type: none"> Applications from Eskom based on: <ul style="list-style-type: none"> High backlog Rural bias Integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing, etc. Ability to provide top-up or seed capital for project finance The requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions The financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks Effective credit control policies Consultation with communities in terms of IDP process Ensuring that universal access objectives are fast tracked Objectives related to Project Consolidate (revenue enhancement, asset protection, local economic development and contribution to job creation) |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the backlogs in the electrification of schools and clinics programme |
| Monitoring mechanisms | <ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process |
| Past performance | <ul style="list-style-type: none"> Grant was introduced in 2007/08 and no audited outcomes are available yet |
| Projected life | <ul style="list-style-type: none"> This is a three-year conditional grant ending in 2009/10 |
| MTEF allocations | <ul style="list-style-type: none"> Indirect transfers: <ul style="list-style-type: none"> 2008/09: R90 million; 2009/10: R150 million |
| Payment schedule | <ul style="list-style-type: none"> Transfers are made monthly based on pre-agreed plans and cash flows and in accordance with the Division of Revenue Act |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Department report to NCOP on audited outcomes for 2007/08 identifying any corrective steps to be taken on any problems with this grant identified during audit Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> The distribution mechanism/ criteria to be finalised by 31 October 2008 |

NATIONAL TREASURY GRANTS

| Local Government Financial Management Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 7) |
| Purpose | <ul style="list-style-type: none"> To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act (MFMA) |
| Measurable Outputs | <ul style="list-style-type: none"> Improved and sustained skills development including internship programme on financial management Upgrading of IT systems to deliver reports required for financial management improvement and improve the quality of data Preparation and implementation of multi-year budgets meeting uniform norms and standards Assist in the implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements Assist in the preparation of financial recovery plans Progressive improvements in audit outcomes Improvements to internal and external reporting on budgets, finances, SDBIP, in-year and annual reports Implementation of the Municipal Finance Management Act |
| Conditions | <ul style="list-style-type: none"> Councils and Municipal Managers' commitment to promote all aspects of the financial management reforms Establishment of a Budget and Treasury Office with positions filled by appropriately qualified (or skilled) personnel and a minimum of two interns over a multi year period Establishment of Supply Chain Management and Internal Audit units The employment of an appropriately skilled chief financial officer Ongoing review, revision, and submission of implementation plans to address weaknesses in financial management Acquisition of a financial management system that can produce multi-year budgets, in-year reports, SDBIP, annual reports and automation of financial management practices Expansion of the financial management internship programme Utilise funding to support the training of municipal officials in appropriate financial management reforms Preparation and submission of Annual Financial Statements for audits and implement changes required to address audit findings Provide technical support to municipalities in financial management |
| Allocation criteria | <ul style="list-style-type: none"> The allocation of funds spread to as many municipalities as possible in all categories of municipalities (A, B and C) to implement financial management reforms and modernise practices to meet the conditions of the grant To address special requests linked to financial reforms, as pilot initiatives for wider application to all municipalities, after successful implementation To assist in financial and technical support to be provided to municipalities in need of such support as identified by the MFMA co-ordination team |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> To provide direct support to develop municipal financial management capacity and to lend assistance for the implementation of the Municipal Finance Management Act and regulations |
| Monitoring system | <ul style="list-style-type: none"> Monthly monitoring is undertaken by the National Treasury per the requirements contained in the Division of Revenue Act |
| Past performance | <p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> All funds have been transferred. Municipalities were required to confirm their primary bank account details by submitting certified bank account information prior to transfer of resources. Some delays in transfers were experienced due to delays by municipalities in submitting the required reports. However, these have now all been addressed. The monthly reports submitted by municipalities on actual spending show varying levels of spending largely due to staffing constraints and slow lead times for planned priorities No adverse audit issues were identified The department's 2006/07 annual report contains a detailed explanation of the grant outcomes. The audit process for municipalities receiving these grants has also not been concluded <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> The MFMA became effective on 1 July 2004, with municipalities phasing-in the implementation of the Act based on capacity Guidelines, circulars, supporting material and training initiatives have continued during 2007, mainly in the field of budgeting, accounting, reporting, supply chain management and related financial management aspects All 283 municipalities are now participating in the reform programme. Over 470 graduate finance interns have been appointed in municipalities using these funds to increase finance management capacity in municipalities. A fair number of interns are also being offered permanent positions in municipalities Placement of 5 roving local advisors in provincial treasuries to assist all municipalities in North West, Free State, Limpopo, Mpumalanga, and Eastern Cape implement the reforms |

| Local Government Financial Management Grant | |
|--|--|
| Projected life | <ul style="list-style-type: none"> The programme is designed to support and implement the MFMA. This initiative is also linked to government's international commitments on the Municipal Finance Management Technical Assistance Programme (MFMTAP) and other capacity building programmes. The grant forms part of government's broader capacity building initiative and focuses on building in-house municipal capacity. It is projected that the grant will increase over the next MTEF period to address significant financial management capacity needs in municipalities |
| MTEF allocations | <ul style="list-style-type: none"> Direct transfers: 2008/09: R180 million, 2009/10: R300 million, 2010/11: R365 million Indirect transfers: 2008/09: R50 million |
| Payment schedule | <ul style="list-style-type: none"> The grant will be disbursed during July 2008 |
| Responsibilities of the National Department | <ul style="list-style-type: none"> National Treasury is responsible for the monitoring and management of the programme Funds will continue to be transferred to municipalities as well as leveraging a portion of the grant to secure international expertise through the MFMTAP The programme will encompass implementation of the Municipal Finance Management Act and its supporting regulations |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> Ongoing review, revision and submission of implementation plans to address weaknesses in financial management The programme is based on MFMA implementation plans |

| Neighbourhood Development Partnership Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> National Treasury (Vote 7) |
| Purpose | <ul style="list-style-type: none"> To provide municipalities with technical assistance to develop appropriate project proposals for property developments in underserved neighbourhoods (i.e. townships generally) and new residential neighbourhoods To provide for the construction or upgrading of community facilities for neighbourhood development and/or renewal projects that attract private sector funding and input where appropriate |
| Measurable Outputs | <p>Outputs include:</p> <ul style="list-style-type: none"> Funding agreements entered into Appropriate plans developed Delegated project managers provided Support of implementation of plans Number of projects awarded Number of projects constructed |
| Conditions | <ul style="list-style-type: none"> The receiving officer must submit a milestone payment schedule with budgets and time frames for project implementation Obtain a council resolution striving to achieve measurable outputs |
| Allocation criteria | <p>Allocations are made to qualifying municipalities based on capacity constraints and priority needs for neighbourhood development and/or renewal projects that facilitate commercial and social upliftment that include:</p> <ul style="list-style-type: none"> Planning for neighbourhood development and/or renewal Implementation of plans for neighbourhood development and/or renewal projects through well-considered projects |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> To facilitate neighbourhood development and/or renewal in selected municipal areas |
| Monitoring system | <ul style="list-style-type: none"> Submission of quarterly reports by municipalities on progress made with the design and/or implementation of the plan Submission of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act |
| Past performance | <ul style="list-style-type: none"> 35 projects granted award status in the 2006/7 financial year Municipalities commenced gearing up for spending in future years |
| Projected life | <ul style="list-style-type: none"> The grant will be ongoing to assist municipalities in planning and implementing of projects identified above, subject to annual reviews. The allocation is earmarked for technical assistance and capital grants to municipalities, with the allocations for 2008/09 and 2009/10 being mainly focused on disbursement for capital |
| MTEF allocations | <ul style="list-style-type: none"> Direct transfers: <ul style="list-style-type: none"> 2008/09: R407 million; 2009/10: R700 million; 2010/11: R1 billion Indirect transfers: <ul style="list-style-type: none"> 2008/09: R123 million; 2009/10: R170 million; 2010/11: R49 million |
| Payment schedule | <ul style="list-style-type: none"> Grant to be disbursed in accordance with milestone payment schedules |
| Responsibilities of the national department | <p>The National Transferring Officer must:</p> <ul style="list-style-type: none"> Determine the criteria for evaluating requests for grants from municipalities Request applications for the grant as appropriate and Report in terms of the Division of Revenue Act Ensure that projects submitted for funding must demonstrate the inclusion of private sector funding and involvement in the project structure where appropriate Determine the grant allocations for the future MTEF periods |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> Ongoing review of performance and progress meetings where appropriate Progress is based on implementation plans |

PROVINCIAL AND LOCAL GOVERNMENT GRANTS

| Municipal Infrastructure Grant (MIG) | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Provincial and Local Government (Vote 29) |
| Purpose | <p>The Grant is intended to:</p> <ul style="list-style-type: none"> Provide capital finance for <i>basic</i> municipal infrastructure for <i>poor</i> households, micro enterprises and social institutions To provide for new, rehabilitation and upgrading of municipal infrastructure To eradicate the bucket sanitation system mainly in urban townships It is important that it is properly targeted to ensure efficient use of funds |
| Measurable Outputs | <ul style="list-style-type: none"> Number of new households receiving water and sanitation services per annum Number of additional kilometres' roads developed Number of additional sports facilities developed Number of jobs created using expanded public works guidelines for above outputs Number of households where the bucket sanitation system has been replaced with an alternative system |
| Conditions | <ul style="list-style-type: none"> Prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads, in line with the MIG policy framework and/or other government sector policies established before the start of the municipal financial year Compliance with Chapter 5 of the Municipal Systems Act (2000). Infrastructure investment and delivery must be based on an Integrated Development Plan that provides a medium to long-term framework for sustainable human settlements and is in accordance with the principles of the National Spatial Development Perspective Municipalities must adhere to the labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines Compliance with the Division of Revenue Act, including additional reporting requirements on spending and projects as approved by National Treasury |
| Allocation criteria | <ul style="list-style-type: none"> Part 4 of Annexure WI spells out the MIG formula in detail. The formula incorporates backlog and poverty-weighted data |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific purpose grant with conditions, objectives and distribution criteria, (e.g. backlogs on infrastructure) different from that of the equitable share |
| Monitoring system | <ul style="list-style-type: none"> This grant requires monitoring of the overall capital budget of municipalities as well as monitoring the overall programme implementation. Each sector national or provincial department will be expected to fulfil sectoral monitoring role National and provincial treasuries will monitor municipal capital budgets, and the reporting on spending information Department of Provincial and Local Government will monitor the overall programme implementation |
| Past performance | <p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> No matter of emphasis was raised by the Auditor-General with regard to the Municipal Infrastructure Grant <p>2006/07 Service delivery</p> <p>The Division of Revenue Act 2 of 2006, Chapter 3 section 11 (3) (b) requires the municipalities to submit a quarterly performance report to the dplg within 30 days after the end of each quarter. Sector Departments need to verify information</p> <ul style="list-style-type: none"> The cumulative households benefited from MIG by end June 2007: Water (610 293), Sanitation (343 943), Storm Water (95 859), Solid Waste (234 439) 10 481km of roads developed A cumulative total of 2 438 SMMEs utilised in the implementation of MIG projects and 30 000 467 person days of employment have been created through the labour intensive up to June 2007 |
| Projected life | <ul style="list-style-type: none"> The programme will continue up to 2013 subject to availability of funding |
| MTEF allocations | <ul style="list-style-type: none"> 2008/09: R8 657 million; 2009/10: R10 330 million, 2010/11: R11 678 million A ring-fenced allocation of R4 million for emergency funding for the West Coast District Municipality has been included in the MIG allocation for 2008/09 Bulk allocations of R50 million is included in the total MIG allocations to deal with commitments for 2008/09 |
| Payment schedule | <ul style="list-style-type: none"> Transfers are made in terms of the Division of Revenue Act |
| Responsibilities of the National Department | <ul style="list-style-type: none"> dplg – Administer the municipal infrastructure grant and co-ordinating Municipal Infrastructure Task Team meetings DWAF –support and monitor municipalities to prepare and implement Water Services Development Plans (WSDP's) and monitor progress on water and sanitation budgets Department of Public Works to monitor compliance with the EPWP National Treasury and Provincial Treasuries – ensure receipt of budgets of municipalities and monitoring of spending trends in terms of MFMA Sports and Recreation SA to play an advocacy role and assist the municipalities with planning of sports and recreation facilities and monitor implementation |

| Municipal Infrastructure Grant (MIG) | |
|--|---|
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none">• The receiving officer of a Municipal Infrastructure Grant must by 01 August 2008, submit all the project registrations forms for the projects to be implemented in 2009/10 financial year to the National Transferring Officer• The receiving officer must submit to the transferring officer by 31 October 2008 the detail project implementation plan of all the projects to be implemented in the 2009/10 financial year. Such details should include timelines regarding project designs, initiation of procurement, and EIA approvals |

| Municipal Systems Improvement Grant (MSIG) | |
|---|--|
| Transferring Department | <ul style="list-style-type: none"> Provincial and Local Government (Vote 29) |
| Purpose | <ul style="list-style-type: none"> To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government: Municipal Systems Act, 2000 and related legislation and policies. |
| Measurable Outputs | <ul style="list-style-type: none"> Number of municipalities that developed/implement municipal rates policies and maintaining/updating their property registers in terms of the Local Government Municipal Property Rates, 2004 Strengthening the financial viability and management of municipalities through targeted support interventions including Service Delivery Facilitators programme in selected municipalities Number of municipalities with strengthened administrative systems for effective implementation of ward participation system. Number of municipalities implementing by-laws/ policies/ systems that support Local Government Legislation |
| Conditions | <ul style="list-style-type: none"> Submission of signed (only Municipal Manager) activity plan in a prescribed format with detailed budgets and time frames on the implementation of prioritised measurable outputs Submission of monthly expenditure reports by the 10th of every month and in accordance with the Division of Revenue Act |
| Allocation Criteria | <ul style="list-style-type: none"> Allocations are made to Districts, selected category A and B municipalities based on capacity and priority needs |
| Reasons not incorporated in Equitable Share | <ul style="list-style-type: none"> The grant is conditional to assists municipalities in implementing Local Government Legislation |
| Monitoring system | <ul style="list-style-type: none"> Implementation of the monthly expenditure report tracking system Monthly analysis of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act |
| Past Performance | <p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> The Auditor-General reported no matter on the conditional grants. <p>2006/07 grant performance</p> <ul style="list-style-type: none"> Support provided to a total of 61 municipalities on financial management aspects including the compilation of Annual Financial Statements and development of financial management policies such as investment policies etc. A total of 40 municipalities were supported in the development of GAMAP/GRAP implementation plans Billing systems of 12 Project Consolidate municipalities were audited and data cleansing completed where Service Delivery Facilitators (SDFs) were deployed to deal with Revenue Enhancement –Billing Systems project Majority of receiving municipalities developed Municipal Property Rate policies as part of the implementation of the Municipal Property Rate Act, 2004. Review of indigent policies completed by majority of receiving municipalities Spatial Development Plan developed and Local Economic Development strategies facilitated in some municipalities |
| Projected Life | <ul style="list-style-type: none"> The grant forms part of government's commitment to building local government in-house capacity to perform their functions. The grant will be reviewed in line with the 5 year Local Government Strategic Agenda and it is projected to continue beyond 2011 period to address systems and capacity building needs in municipalities. |
| 2008 MTEF allocation | <ul style="list-style-type: none"> 2008/09: R200 million, 2009/10: R200 million and 2010/11: R212 million |
| Payment Schedule | <ul style="list-style-type: none"> Transfers will be made in July 2008. |
| Responsibilities by national department | <ul style="list-style-type: none"> Monitoring of expenditure, compliance with the Division of Revenue Act Random visits to low spending and non-reporting municipalities Carry out duties and responsibilities of the Transferring National Officer as stipulated by the Division of Revenue Act Submission of quarterly and annual performance reports to SCOF |
| Process for approval of 2009/10 MTEF Allocations | <p>The dplg to align its business planning process as follows:</p> <ul style="list-style-type: none"> Business plan format guidelines, criteria and outputs to municipalities by 30 November 2008 Submission of business/activity plans by municipalities by January/February 2009 Appraisal and approval of business/activity plans by April/May 2009 |

| 2010 FIFA World Cup Stadiums Development Grant | |
|---|---|
| Transferring department | Sports and Recreation, Vote 17 |
| Purpose | <ul style="list-style-type: none"> To fund the design and construction of new designated stadiums or the design and upgrading of designated existing stadiums and supporting bulk services (such as bulk water, sanitation and electricity management) in World Cup Host Cities. |
| Measurable Outputs | <ul style="list-style-type: none"> Appropriately resourced divisions in Host City municipal offices to undertake large multi-faceted stadium development projects and contract management as required for the 2010 FIFA World Cup and thereafter Project management units in place and functioning in Host City offices Creation of 30 000 short-term and 10 000 long-term jobs Ensure timely disbursement of the 2010 FIFA World Cup Stadiums Development funds in line with milestone payment schedule with appropriate monitoring and control mechanisms Funds conversion rate to fixed asset (monitor disbursement of funds from National Department to Host City) Construction contract monthly milestone achievement milestone achievement progress reports Five new stadiums constructed and completed for the 2010 FIFA World Cup competition Five existing stadiums upgraded for the 2010 FIFA World Cup competition |
| Conditions | <ul style="list-style-type: none"> The project and funding must be approved by the municipal Council in accordance with the Municipal Finance Management Act The allocation must be used for the following, subject to the specific maximum amounts allocated for each component: <ul style="list-style-type: none"> The construction of a new stadium or the upgrading of an existing stadium designated by the transferring national officer in consultation with the receiving municipality The provision and installation of bulk service infrastructure to ensure a functional stadium designated stadium for the 2010 FIFA World Cup competition and thereafter to the amount indicated in Schedule 6; and transaction advisory cost <p>The municipality must:</p> <ul style="list-style-type: none"> Enter into a construction contract with a qualified construction company in accordance with its supply chain management policy. The construction contract must be consistent with best practice and, specifically require the contractor to have insurance commensurate with the risks associated with the construction and provide indemnities and guarantees in respect of the structure; Appoint and retain a dedicated project manager for the duration of the project that is responsible for managing the performance of the construction company in accordance with the construction contract; Ring-fence funds transferred to the municipality's primary bank account and interest thereon in a separate dedicated 2010 FIFA World Cup Stadium secondary account. Annually submit a detailed project plan to the national transferring officer by 1 April, which must provide for separate cost centres for professional fees, the stadium, bulk services infrastructure and overlay. Cap the professional fees as a percentage of the original project value at the time of the principal building contractor's appointment. The recipient must present proof that the fees have been capped to the transferor before funds are released. Calculate input cost escalation according to the Joint Building Contracts Committee indices application manual dated May 2005. Provide proof that original budget provision for input cost escalation requires additional funds per work group index as presented in the Joint Building Contracts Committee Work Groups Composition and Weightings Sub-Indices. Provide detailed analysis of consumption of the funds provided for in the contingencies line item. Provide a detailed analysis of the budget of provisional sum items and deviations from that budget. Provide a detailed sources and application of funds statement of the current project value and that of the shortfall in funds. <p>If there is a shortfall in funding for the construction of the stadium the municipality:</p> <ul style="list-style-type: none"> May approach the Development Bank of Southern Africa for a concessionary loan. The interest on the loan will be subsidized from the National Revenue Fund up to a maximum amount provided for in the Division of Revenue Act and only in financial years 2009/2010 and 2010/2011. To claim the interest subsidy the municipality must provide a copy of the loan agreement to the transferor. |
| Allocation Criteria | Grant allocated based on projected funding requirements of World Cup Host Cities. |
| Reason not incorporated in equitable share | The conditional allocation is made for specific sports facilities to be constructed or upgraded by designated World Cup Host Cities for the 2010 FIFA World Cup. |

| 2010 FIFA World Cup Stadiums Development Grant | |
|---|--|
| Monitoring system | Submission of monthly professional quantity surveyor's cost report and expenditure reports by municipalities as stipulated in the 2008 Division of Revenue Act. |
| Past performance | 2006/07 R 600 million was allocated to municipalities to commence construction of stadiums |
| Projected life | 2007/08 to 2009/10 |
| MTEF allocations | 2008/09: R 2.9 billion 2009/10: R 1.4 billion 2010/11: R 100 million |
| Payment schedule | Transfers will be made in accordance with the payment schedule determined in terms of section 33 of the Act |
| Responsibilities of the National department | Provided for in the Division of Revenue Act |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> • The distribution mechanism/ criteria to be finalised by 31 October 2008 • Final allocations to be submitted to National Treasury by 15 January 2009 |

| 2010 World Cup Host City Operating Grant | |
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| Transferring department | <ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 17) |
| Purpose | <ul style="list-style-type: none"> • To assist host cities with the operational response associated with the hosting of the 2009 Confederations Cup and the 2010 FIFA World Cup |
| Measurable Outputs | <ul style="list-style-type: none"> • Successful hosting of 2009 Confederations Cup and the 2010 FIFA World Cup • Short-term jobs created • Expertise in event management developed |
| Conditions | <ul style="list-style-type: none"> • The project and funding must be approved by the municipal Council in accordance with the Municipal Finance Management Act • The allocation must be used for the following, subject to the specific maximum amounts allocated for: - <ul style="list-style-type: none"> • the operations of the Confederations Cup and 2010 FIFA World Cup competitions construction • the recruitment of volunteers for the duration of the competition • the recruitment of specialists in event planning and commissioning of stadiums • the execution of labour intensive city beautification and environmental projects • the installation of appropriate signage for the competition • the preparation and distribution of promotional and marketing materials highlighting the host city's economic assets and investment opportunities • the preparation of training venues, public viewing areas and fan parks • the provision of ancillary event related overlay facilities • The municipality must – <ul style="list-style-type: none"> • ensure that the operational plan is approved by the municipal Council • enter into contracts with a qualified specialists (if required) in accordance with its supply chain management policy • appoint and retain a dedicated operations manager for the duration of the project that is responsible for managing the performance of the volunteers and contracted specialists in accordance with the contracts • ring-fence funds transferred to the municipality's primary bank account and interest thereon in a separate dedicated Confederations Cup and 2010 FIFA World Cup operation secondary account • annually submit a detailed project plan to the national transferring officer by 1 April, which project plan must provide for separate cost centres for operations, volunteers, specialists, city beautification and environmental projects, signage and promotional material |
| Allocation criteria | <ul style="list-style-type: none"> • The allocation is based on projected funding requirements for host cities Confederations and 2010 FIFA World Cup operational budgets |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • The allocation is made for specific operational budgets for the hosting of the Confederations Cup in 2009 and the FIFA World Cup in 2010 |
| Monitoring system | <ul style="list-style-type: none"> • Provided for by the Division of Revenue Act |
| Past performance | <ul style="list-style-type: none"> • New grant |
| Projected life | <ul style="list-style-type: none"> • Two financial years: 2009/10 and 2010/11 |
| MTEF allocations | <ul style="list-style-type: none"> • 2009/10: R 488 million, 2010/11: R 196 million |
| Payment schedule | <ul style="list-style-type: none"> • Transfers will be made quarterly and in accordance with an agreed cash flow by the transferor and the recipient |
| Responsibilities of the National Department | <ul style="list-style-type: none"> • The transferor is responsible for the application of the provisions in the this Act that are applicable to this oversight and monitoring of this grant • The transferor must present a system to monitor this grant within thirty days after this Act has been promulgated • The transferor must submit monthly expenditure reports |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> • The recipient must submit an operational plan that has been approved by the council to transferor • The transferor must evaluate and approve the operational and approve • The transferor must approve the cash flow in accordance with the provisions and allocations set out in this Act |

TRANSPORT GRANT

| Public Transport Infrastructure and Systems Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> • Transport (Vote 33) |
| Purpose | <ul style="list-style-type: none"> • To provide for accelerated planning, establishment, construction and improvement of new and existing public transport and non-motorised transport infrastructure and systems |
| Outcome indicators | <ul style="list-style-type: none"> • An improved level of service for public transport users • Adequate infrastructure and operations available for the successful hosting of the 2010 event |
| Measurable Outputs | <ul style="list-style-type: none"> • Improved public transport facilities, construction of access roads, airport- city links, public transport priority lanes, bus stops, taxi ranks, rail systems transport plans, bicycle lanes, pedestrian lanes, signage, shelters, coaches IT solution throughout the country • Number of households within 500 m of a public access point • Sufficient infrastructure and operators to meet the needs of the 2010 FIFA World Cup • Proper funding framework for PTIS developed and approved • Funding allocations made available and transferred to the Host Cities, for implementation • Developing and implementing monitoring and evaluation procedures for implementation progress, and intervention, where appropriate |
| Conditions | <ul style="list-style-type: none"> • Authorities had to submit Priority Statements by end of July 2007 • Projects related to new or improved infrastructure have to conform to EPWP directives and guidelines • There should be service level agreement between the transferor and the recipient • Only qualified professionals should be used to execute the projects • BEE guidelines and directives of government should be applied where applicable • Implementing authorities are expected to actively fast-track procurement processes, within the existing legal framework • Progress reports should be submitted to the Department of Transport on a quarterly basis • Should the reports show unsatisfactory progress, the Department of Transport will provide the city with external capacity, and provide intensive, direct project management and execution, until such time the project is back on track |
| Allocation criteria | <p>Projects shall be evaluated on the extent to which they:</p> <ul style="list-style-type: none"> • Meet the dual objective of long term mobility and support for 2010 FIFA World Cup • Prioritise public over private transport • Able to improve public transport infrastructure, systems, operations and non- motorised transport • Reinforce public transport policies |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • This is a specific purpose grant with objectives and distribution criteria different from that of the equitable Share |
| Monitoring system | <ul style="list-style-type: none"> • Detailed quarterly reports must be submitted by recipients |
| Past performance | <ul style="list-style-type: none"> • R241.7 million was transferred during the 2005/06 financial year, and R519 million in the 2006/07 financial year • The infrastructure projects are still underway, at varying stages in the different municipalities |
| Projected life | <ul style="list-style-type: none"> • The fund is permanently created, with an initial, specific focus on projects linked to the 2010 FIFA World Cup |
| MTEF allocations | <ul style="list-style-type: none"> • 2008/09: R3 170 million, 2009/10: R2 325 million, 2010/11: R4 465 million |
| Payment schedule | <ul style="list-style-type: none"> • Quarterly payments |
| Responsibilities of the national department | <ul style="list-style-type: none"> • Provide the overall vision and guidance for public transport restructuring and reform • Disbursement, and monitoring of allocated funds, as the national transferring department • Provide the necessary project management assistance to host cities, to ensure the 2010 transport guarantees are met • Where and when necessary, direct intervention in the form of direct project execution and management shall be provided |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> • The project evaluation and allocation criteria was developed at the inception of the fund • Allocations made within the normal government budgeting cycle |

WATER AFFAIRS AND FORESTRY GRANTS

| Water Services Operating Subsidy Grant | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34) |
| Purpose | <ul style="list-style-type: none"> To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government |
| Measurable Outputs | <ul style="list-style-type: none"> This grant is used to fund over 318 water schemes and 1 348 rudimentary schemes and 7 482 staff involved with operations. Both the schemes and the appropriate staff are to be transferred to 54 municipalities. The key measurable output is on the speed and success of effecting such transfers to municipalities <p>Operating outputs:</p> <ul style="list-style-type: none"> Operation of water services schemes and improved revenue collection All transfer agreements signed and formalised by 31 March 2008 Successful transfer of all appropriate staff, budgets and schemes to municipalities by 31 March 2008 <p>Transfer outputs:</p> <ul style="list-style-type: none"> Schemes refurbished to standards outlined in terms of the agreed policy framework Sustainability assessments completed per scheme or group of schemes to be transferred Water Services Authority/Provider has developed sufficient capacity in line with funding requirements Cost recovery plan in place to support the sustainability of schemes |
| Conditions | <ul style="list-style-type: none"> The operating and transfer subsidy is a grant in kind until the effective date of transfer. The operating subsidy (grant-in-kind) will cover staff related costs (HR component), the direct operating and maintenance costs (O component), the refurbishment costs and will facilitate the transfer of schemes All receiving municipalities and providers will be required to conclude formal transfer agreements where the latest effective date of transfer is 31 March 2008 The necessary capacity must be in place in the receiving institution for the implementation of the conditional grant 2008/09 – All transfer agreements concluded. Receiving institutions receive 100 per cent for O&M and HR components 2009/10 – 2011/12 - Incorporation into the local government equitable share |
| Allocation criteria | <ul style="list-style-type: none"> Basic allocation per Water Services Authority in accordance with the operational requirements identified and agreed to in transfer agreements |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> To facilitate the transfer of schemes to Water Service Authorities/Providers, following which funds will be incorporated into the local government equitable share |
| Monitoring system | <ul style="list-style-type: none"> A comprehensive information and monitoring and evaluation system has been developed and is being implemented Submission of monthly expenditure report as stipulated in the Division of Revenue Act |
| Past performance | <p>2006/07 service delivery performance</p> <ul style="list-style-type: none"> Progress can be summarised as follows: 53 agreements signed, 1 841 staff transferred, and 1 698 (this includes the rudimentary schemes) schemes with a total asset value of approximating R5 932 million transferred. The department conducted a joint study with dplg outlining the process of transferring over 300 water schemes with their staff to 54 municipalities |
| Projected life | <ul style="list-style-type: none"> The transfer of assets to be completed by 31 March 2007 and the transfer of appropriate staff to be completed by 31 March 2008. DWAF to continue to monitor implementation of conditional grants to the end of 2011/12 |
| MTEF allocations | <ul style="list-style-type: none"> Direct transfer to municipalities: <ul style="list-style-type: none"> R861 million in 2008/09, R855 million in 2009/10 and R570 million in 2010/11 Indirect transfers: <ul style="list-style-type: none"> o R269 million in 2008/09 Allocations to be reclassified in the Adjustment Budget upon conclusion of transfer agreements |
| Payment schedule | <ul style="list-style-type: none"> The payments will be made on a quarterly basis as agreed to in the transfer agreement for each specific scheme/municipality |
| Responsibilities of the National Department | <ul style="list-style-type: none"> Detailed information on the allocation formula and data used, and on monitoring system, to be submitted with SCOF in NCOP during the Division of Revenue hearings or as agreed Submission of quarterly performance (i.e. outputs) reports with a quarter lag to SCOF in NCOP |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> All transfer agreements signed and formalised by 31 March 2008 |

| Regional Bulk Infrastructure Grant | |
|--|--|
| Transferring department | <ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34) |
| Purpose | <ul style="list-style-type: none"> To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries. In the case of sanitation to supplement regional bulk collection as well as regional waste water treatment works |
| Measurable Outputs | <ul style="list-style-type: none"> Number of project plans finalised for several regional bulk projects Number of funding arrangements in place for the funding of the social component of projects, and implementation started on a number of regional bulk networks, mostly in rural areas Number of projects completed Number of people or households being served due to a new regional bulk system |
| Conditions | <ul style="list-style-type: none"> The emphasis is only on the social component of regional bulk water and sanitation services A clear perspective on the user profile must be provided (social and economic) The need for a bulk solution must be confirmed and accepted Proposed project must be implementation ready. All preparatory work must be completed and approved Financing plan with associated/co-funding options and agreements must be in place No duplication of funding will be allowed (e.g. MIG) Ownership and commitment for sustainable management must be proven Priority in terms of national and sector objectives must be motivated Due to the uniqueness and individuality of each case, nominated proposal will be assessed on merit and associated motivation – no blanket allocation to be made In the case of internal bulk, all funding requests must be preceded and accompanied by an acceptable asset management plan All projects must be aligned with and referenced to the IDP (and WSDP). Such alignment will be confirmed by the feasibility studies and checked by the project assessment panel |
| Allocation criteria | <ul style="list-style-type: none"> Allocations are made on a project basis and must take into account the conditions listed above |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> This is a specific capital grant with objectives and criteria different from that of the equitable share Regional bulk projects will be closely linked to water resource development which is a national competency |
| Monitoring system | <ul style="list-style-type: none"> Quarterly reports, Annual report, Quarterly visits to projects |
| Past performance | <ul style="list-style-type: none"> For the 2007/08 financial year the programme consisted out of 51 implementation readiness projects and 30 infrastructure projects |
| Projected life | <ul style="list-style-type: none"> There is a huge backlog for regional bulk infrastructure and further studies will indicate the full extend of the need. At this stage it is estimated to continue beyond 10 years depending on future financing levels |
| MTEF allocations | <ul style="list-style-type: none"> 2008/09: R450 million, 2009/10: R650 million, 2010/11: R689 million |
| Payment schedule | <ul style="list-style-type: none"> Transfers and payments per invoice are made in terms of the Division of Revenue Act |
| Responsibilities of the national department | <ul style="list-style-type: none"> Detailed information on the selection criteria as well as the conditions Monitoring of implementation by Water Services Institutions (municipalities or water boards) Direct implementing where capacity gaps exist |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> Of the 30 infrastructure projects 28 will continue for the 2008/09 financial year The 51 implementation readiness projects will be evaluated and approved if the feasibilities comply with the policy and criteria guidelines. These projects are awaiting additional funding for implementation National Treasury and dplg will be consulted during the process of implementation readiness project evaluation |

| Backlogs in Water and Sanitation at Clinics and Schools: Indirect Grant | |
|--|---|
| Transferring department | <ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34) |
| Purpose | <ul style="list-style-type: none"> To eradicate the water supply and sanitation backlog of all clinics by 2008 and that of all schools which were never served by December 2009 |
| Measurable Outputs | <ul style="list-style-type: none"> The grant has the following targets: 600 schools supplied with safe water and sanitation services by December 2008/2009 Further 600 schools supplied with safe water and sanitation facility by December 2009 |
| Conditions | <ul style="list-style-type: none"> Provincial schools water and sanitation implementation plans submitted to DWAF by end February 2008 Quarterly cash flows and projections and reports presented to provincial and national coordination and management structures Implementation plans developed and assessed by provincial management structures Operation and maintenance plans and budget requirements for facilities to be incorporated in Provincial Infrastructure Grants of the Departments of Education |
| Allocation criteria | <ul style="list-style-type: none"> All funding in 2008/09 and 2009/10 to be applied to Schools Schools without any form of water services facilities and/or have non-functional water services facilities that require total replacement will be prioritised Provincial allocation be determined proportional to backlog To exclude cases where the only need is a toilet for the disabled |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> Specific focus on meeting target for schools requires ring fenced budget and dedicated focus Fostering the prioritisation of water services to schools that were never served to eradicate backlog by December 2009 |
| Monitoring system | <ul style="list-style-type: none"> DWAF submits quarterly reports to national coordination structure on expenditure and physical progress DWAF submits expenditure and physical progress reports monthly to provincial coordinating and management structures National transferring officer and National Treasury will monitor the capital budgets, and reporting on expenditure National and provincial Departments of Education and Health will fulfil sector monitoring roles |
| Past performance | <ul style="list-style-type: none"> Clinics programme achieved practical completion in 2007/08. All schools with buckets addressed in 2007/08. Schools not previously served started in 2007/08 |
| Projected life | <ul style="list-style-type: none"> 2007/08 to 2009/10 |
| MTEF allocations (R000s) | <ul style="list-style-type: none"> 2008/09: R210 million, 2009/10: R350 million |
| Payment schedule | <ul style="list-style-type: none"> Quarterly instalments Quarterly reviews and requests for funds from provinces |
| Responsibilities of the national department | <ul style="list-style-type: none"> National Framework for water services to schools and clinics to be developed by Department of Water Affairs and Forestry, Department of Education and Department of Health DWAF manage water services budget, implement and report to relevant structures Department of Education to provide updated provincial programmes by February 2008 Department of Water Affairs and Forestry, Department of Education and Department of Health support provinces in planning |
| Process for approval of 2009 MTEF allocations | <ul style="list-style-type: none"> Technical reports (business plans) submitted to DWAF prior to implementation |

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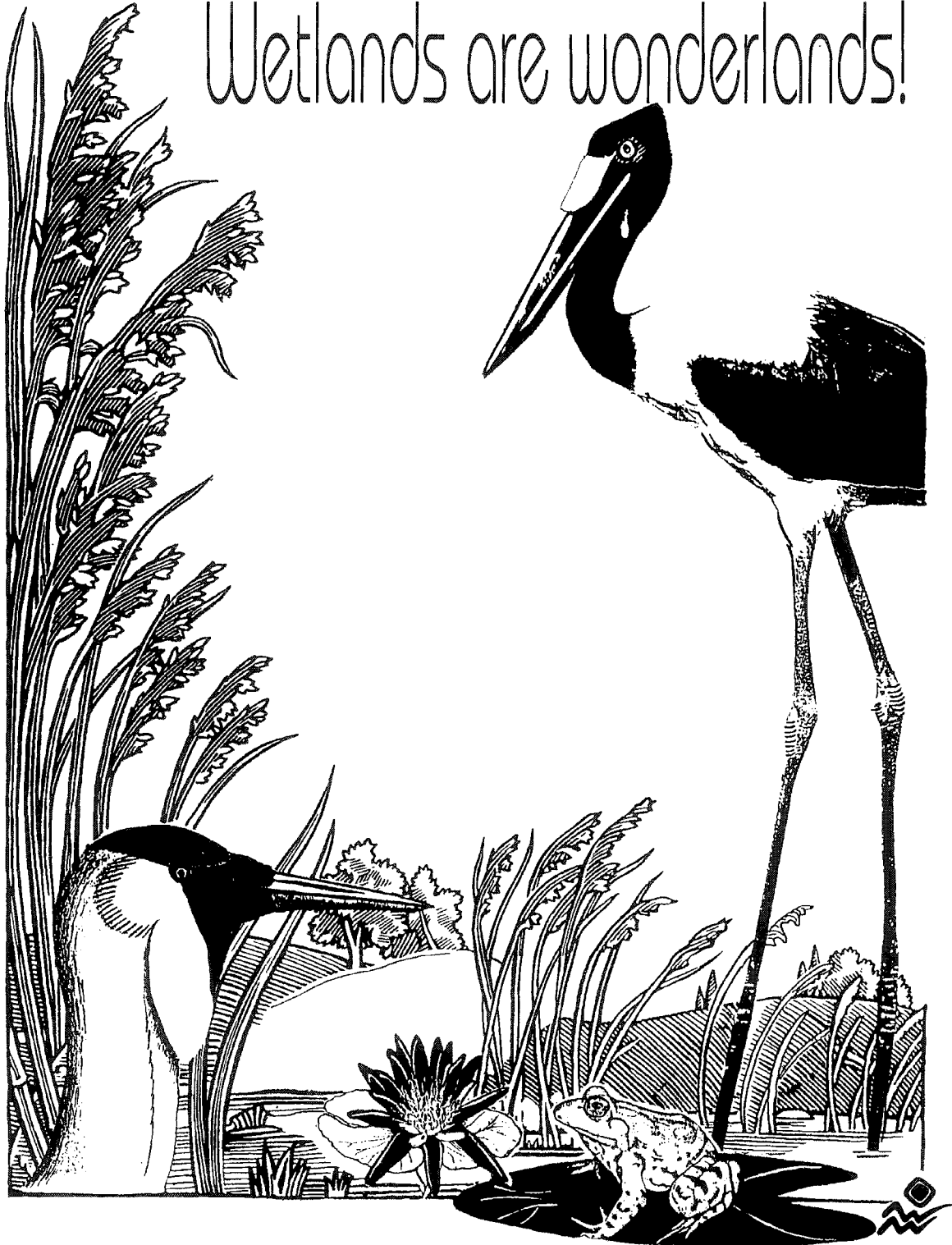
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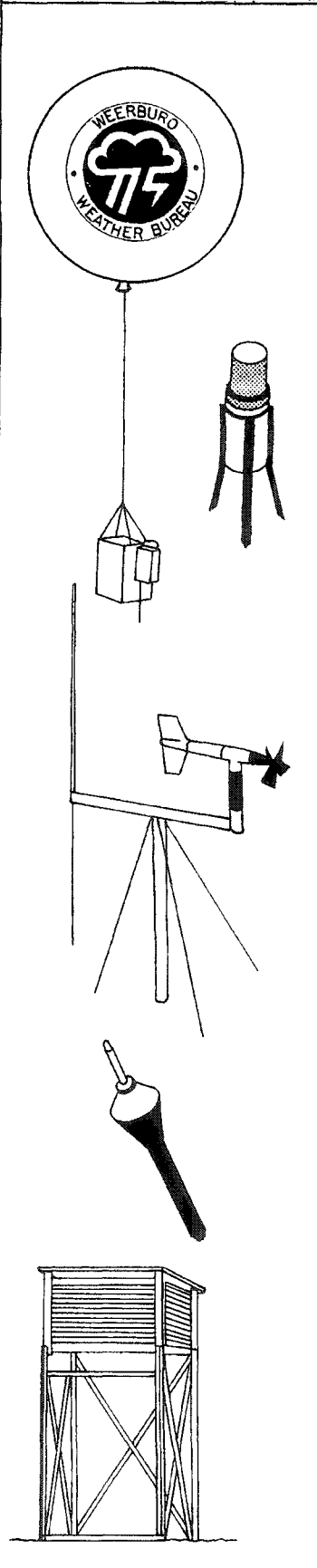
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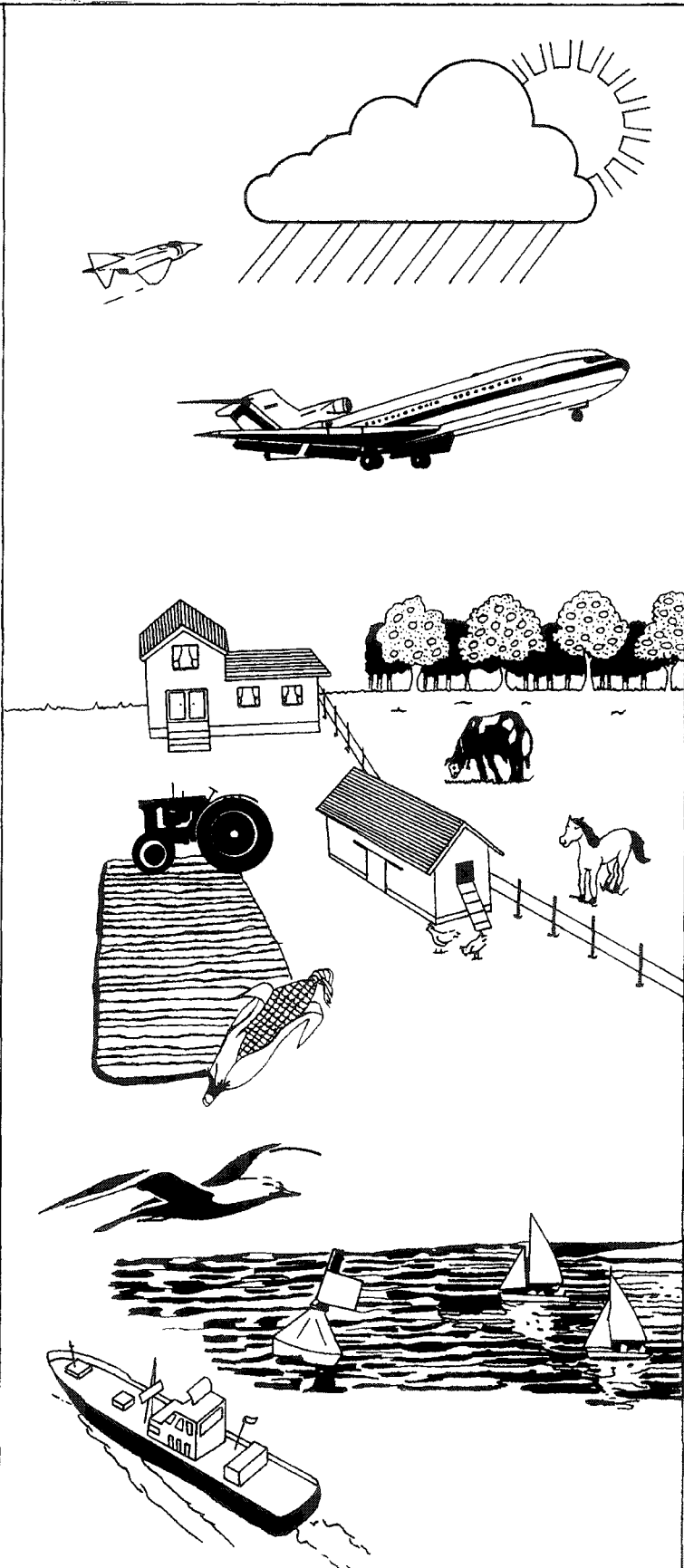


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