

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of
Bill and prior notice of its introduction published in Government Gazette No. 42217 of
8 February 2019)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

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BILL

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2019/20 financial year, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's equitable share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution of the Republic of South Africa, 1996, requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made;

WHEREAS section 7(3) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009), requires the introduction of the Division of Revenue Bill at the same time as the Appropriation Bill is introduced,

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question, and—

“**accreditation**” means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities);

“**allocation**” means the equitable share allocation to the national sphere of government in Schedule 1, a province in Schedule 2 or a municipality in Schedule 3, or a conditional allocation;

“**category A, B or C municipality**” means a category A, B or C municipality envisaged in section 155(1) of the Constitution;

“**conditional allocation**” means an allocation to a province or municipality from the national government’s share of revenue raised nationally, envisaged in section 214(1)(c) of the Constitution, as set out in Schedule 4, 5, 6 or 7;

“**Constitution**” means the Constitution of the Republic of South Africa, 1996;

“**corporation for public deposits account**” means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

“**declared disaster**” means a national, provincial or local state of disaster declared in terms of section 27, 41 or 55 of the Disaster Management Act, 2002 (Act No. 57 of 2002);

“**Education Infrastructure Grant**” means the Education Infrastructure Grant referred to in Part A of Schedule 4;

“**financial year**”, in relation to—

(a) a national or provincial department, means the year ending 31 March; or

(b) a municipality, means the year ending 30 June;

“**framework**” means the conditions and other information in respect of a conditional allocation published in terms of section 16 or 26;

“**Health Facility Revitalisation Grant**” means the Health Facility Revitalisation Grant referred to in Part A of Schedule 5;

“**housing emergency**” means a housing emergency as defined in paragraphs 2.3.1 (a) and (b) of the Emergency Housing Programme contained in the National Housing Code published in terms of section 4 of the Housing Act, 1997 (Act No. 107 of 1997);

“**Human Settlements Development Grant**” means the Human Settlements Development Grant referred to in Part A of Schedule 5;

“**Integrated City Development Grant**” means the Integrated City Development Grant referred to in Part B of Schedule 4;

“**Integrated National Electrification Programme Grant**” means the Integrated National Electrification Programme Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;

“**integration zone**” means the integration zone as defined in the Built Environment Performance Plan Guideline issued by the National Treasury;

“**legislation**” means national legislation or provincial legislation as defined in section 239 of the Constitution;

“**level one accreditation**” means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration, of national housing programmes;

“**level two accreditation**” means accreditation to render full programme management and administration of all housing instruments and national housing programmes in addition to the responsibilities under a level one accreditation;

“**Maths, Science and Technology Grant**” means the Maths, Science and Technology Grant referred to in Part A of Schedule 5;

“**medium term expenditure framework**” means a budgeting framework applied by the National Treasury which—

- (a) translates government policies and plans into a multi-year spending plan; and
 (b) promotes transparency, accountability and effective public financial management;
- “metropolitan municipality”** means a metropolitan municipality as defined in section 1 of the Municipal Structures Act; 5
- “Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- “Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); 10
- “Neighbourhood Development Partnership Grant”** means the Neighbourhood Development Partnership Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;
- “organ of state”** means an organ of state as defined in section 239 of the Constitution; 15
- “overpayment”** means the transfer of more than the allocated amount of an allocation or the transfer of an allocation in excess of the applicable amount in a payment schedule;
- “payment schedule”** means a schedule which sets out— 20
- (a) the amount of each transfer of a provincial equitable share or a conditional allocation for a province or municipality to be transferred in terms of this Act;
- (b) the date on which each transfer must be paid; and
- (c) to whom, and to which bank account, each transfer must be paid;
- “prescribe”** means prescribe by regulation in terms of section 37; 25
- “primary bank account”**, in relation to—
- (a) a province, means a bank account of the Provincial Revenue Fund, envisaged in section 21(2) of the Public Finance Management Act and which the accounting officer of the provincial treasury has certified to the National Treasury; or 30
- (b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;
- “Provincial Roads Maintenance Grant”** means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4;
- “Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); 35
- “Public Transport Network Grant”** means the Public Transport Network Grant referred to in Part B of Schedule 5;
- “Public Transport Operations Grant”** means the Public Transport Operations Grant referred to in Part A of Schedule 4; 40
- “quarter”**, in relation to—
- (a) a national or provincial department, means the period from—
- (i) 1 April to 30 June;
- (ii) 1 July to 30 September;
- (iii) 1 October to 31 December; or 45
- (iv) 1 January to 31 March; or
- (b) a municipality, means—
- (i) 1 July to 30 September;
- (ii) 1 October to 31 December;
- (iii) 1 January to 31 March; or 50
- (iv) 1 April to 30 June;
- “receiving officer”**, in relation to—
- (a) a Schedule 4, 5 or 7 allocation transferred to a province, means the accounting officer of the provincial department which receives that allocation or a portion thereof for expenditure through an appropriation from its Provincial Revenue Fund; or 55
- (b) a Schedule 4, 5 or 7 allocation transferred or provided in kind to a municipality, means the accounting officer of the municipality;
- “receiving provincial department”**, in relation to a Schedule 4, 5 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure through an appropriation from its Provincial Revenue Fund; 60

“School Infrastructure Backlogs Grant” means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6;

“this Act” includes any framework or allocation published, or any regulation made, in terms of this Act;

“transferring officer” means the accounting officer of a national department that transfers a Schedule 4, 5 or 7 allocation to a province or municipality or spends a Schedule 6 allocation on behalf of a province or municipality; 5

“Urban Settlements Development Grant” means the Urban Settlements Development Grant referred to in Part B of Schedule 4; and

“working day” means any day except a Saturday, a Sunday or a public holiday as defined in the Public Holidays Act, 1994 (Act No. 36 of 1994). 10

(2) Any agreement, approval, certification, decision, determination, instruction, notification, notice or request in terms of this Act must be in writing.

Objects of Act

2. The objects of this Act are— 15

- (a) as required by section 214(1) of the Constitution, to provide for—
 - (i) the equitable division of revenue raised nationally among the three spheres of government;
 - (ii) the determination of each province’s equitable share of the provincial share of that revenue; and 20
 - (iii) other allocations to provinces, local government or municipalities from the national government’s share of that revenue and conditions on which those allocations are made;
- (b) to promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and 25
- (c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations, except Schedule 6 allocations, are reflected on the budgets of provinces and municipalities and the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities. 30

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government 35

3. (1) Revenue raised nationally in respect of the 2019/20 financial year must be divided among the national, provincial and local spheres of government as set out in Column A of Schedule 1.

(2) The envisaged division among the national, provincial and local spheres of government of revenue anticipated to be raised nationally in respect of the 2020/21 financial year and the 2021/22 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1. 40

Equitable division of provincial share among provinces

4. (1) Each province’s equitable share of the provincial share of revenue raised nationally in respect of the 2019/20 financial year is set out in Column A of Schedule 2. 45

(2) The envisaged equitable share for each province of revenue anticipated to be raised nationally in respect of the 2020/21 financial year and the 2021/22 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

(3) The National Treasury must transfer each province’s equitable share referred to in subsection (1) to the corporation for public deposits account of the province in accordance with the payment schedule determined in terms of section 23. 50

Equitable division of local government share among municipalities

5. (1) Each municipality's equitable share of local government's share of revenue raised nationally in respect of the 2019/20 financial year is set out in Column A of Schedule 3.
- (2) The envisaged equitable share for each municipality of revenue anticipated to be raised nationally in respect of the 2020/21 financial year and the 2021/22 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3. 5
- (3) The national department responsible for local government must transfer a municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 8 July 2019, 2 December 2019 and 16 March 2020, in the amounts determined in terms of section 23(2). 10

Shortfalls and excess revenue

6. (1) If the actual revenue raised nationally in respect of the 2019/20 financial year falls short of the anticipated revenue set out in Column A of Schedule 1, the national government bears the shortfall. 15
- (2) If the actual revenue raised nationally in respect of the 2019/20 financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally. 20
- (3) A portion of national government's equitable share or excess revenue envisaged in subsection (2), may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to—
- (a) national departments; or 25
- (b) provinces or municipalities.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations 30

Conditional allocations to provinces

7. (1) Conditional allocations to provinces for the 2019/20 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 35
- (b) Part A of Schedule 5, specifying specific-purpose allocations to provinces;
- (c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and
- (d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund an immediate response to a declared disaster or housing emergency. 40
- (2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the 2020/21 financial year and the 2021/22 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 45

Conditional allocations to municipalities

8. (1) Conditional allocations to municipalities in respect of the 2019/20 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets; 50

- (b) Part B of Schedule 5, specifying specific-purpose allocations to municipalities;
 - (c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and
 - (d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities that may be released to municipalities to fund an immediate response to a declared disaster or housing emergency. 5
- (2) An envisaged division of conditional allocations to municipalities from the national government's share of revenue anticipated to be raised nationally for the 2020/21 financial year and the 2021/22 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 10
- (3) If approved by the National Treasury after consultation with the national Department of Transport, allocations for specific transport contracts for capital projects from the envisaged conditional allocations for the Public Transport Network Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the 2020/21 financial year and 2021/22 financial year. 15
- (4) (a) A municipality that intends to pledge a conditional allocation, or a portion thereof, as security for any obligations in terms of section 48 of the Municipal Finance Management Act, must, in addition to notifying the National Treasury in terms of section 46(3) of that Act, notify the transferring officer and the relevant provincial treasury of that intention and provide the transferring officer and National Treasury at least 21 days to comment before obtaining the approval of the municipal council. 20
- (b) A municipality must submit financial and non-financial reports, in the format and on the dates determined by the National Treasury, for any project pledged to be partially or fully funded by using a conditional allocation, or a portion thereof, as security as envisaged in paragraph (a). 25

Part 2

Duties of accounting officers in respect of Schedule 4 to 7 allocations

- Duties of transferring officer in respect of Schedule 4 allocations** 30
- 9.** (1) The transferring officer of a Schedule 4 allocation must—
- (a) ensure that transfers to all provinces and municipalities are—
 - (i) deposited only into the primary bank account of the relevant province or municipality; and
 - (ii) made in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; 35
 - (b) monitor information on financial and non-financial performance of programmes partially or fully funded by an allocation in Part A of Schedule 4, in accordance with subsection (2) and the applicable framework; 40
 - (c) monitor information on financial and non-financial performance of the Urban Settlements Development Grant and Integrated City Development Grant against the capital budget and the service delivery and budget implementation plan;
 - (d) comply with the applicable framework; 45
 - (e) submit a quarterly financial and non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the applicable framework; and
 - (f) evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months after the end of the 2019/20 financial year applicable to a provincial department or a municipality, as the case may be. 50
- (2) Any monitoring programme or system that is used to monitor information on financial and non-financial performance of a programme partially or fully funded by a Schedule 4 allocation must— 55
- (a) be approved by the National Treasury;
 - (b) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management and budget information;

- (c) be compatible and integrated with and not duplicate other relevant national, provincial and local systems; and
- (d) support compliance with section 11(2).

(3) A transferring officer may only transfer the Urban Settlements Development Grant or the Integrated City Development Grant to a recipient metropolitan municipality, if the municipality has submitted a built environment performance plan in terms of section 14(1). 5

(4) A framework may impose a duty on the accounting officer of a national or provincial department, other than the transferring officer or receiving officer, that contributes to achieving the purpose of the allocation and the accounting officer must comply with the duty. 10

Duties of transferring officer in respect of Schedule 5 or 6 allocations

10. (1) The transferring officer of a Schedule 5 or 6 allocation must—

- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that— 15
 - (i) any monitoring or system that is used, is compatible and integrated with and does not duplicate other relevant national, provincial and local systems; and
 - (ii) any plans required in terms of the framework of a Schedule 5 allocation regarding the use of the allocation by— 20
 - (aa) a province, have been approved before the start of the financial year; or
 - (bb) a municipality, shall be approved before the start of the financial year;
- (b) in respect of Schedule 5 allocations— 25
 - (i) transfer funds only after receipt of all information required to be submitted by the receiving officer in terms of this Act and submission of all relevant information to the National Treasury;
 - (ii) transfer funds in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; and 30
 - (iii) deposit funds only into the primary bank account of the relevant province or municipality; and
- (c) comply with the applicable framework. 35

(2) The transferring officer must submit all relevant information and documentation referred to in subsection (1)(a) to the National Treasury within 14 days after this Act takes effect. 35

(3) A transferring officer, who has not complied with subsection (1), must transfer the allocation in the manner instructed by the National Treasury, including transferring the allocation as an unconditional allocation. 40

(4) Before making the first transfer of any allocation in terms of subsection (1)(b), the transferring officer must take note of any notice in terms of section 31(1) containing the details of the relevant primary bank accounts.

(5) The transferring officer of a Schedule 5 allocation to a municipality is responsible for monitoring financial and non-financial performance information on programmes funded by the allocation. 45

(6) (a) The transferring officer of a Schedule 5 or 6 allocation must, as part of the reporting envisaged in section 40(4)(c) of the Public Finance Management Act but subject to paragraph (b), submit information, in the format determined by the National Treasury, for the month in question, and for the 2019/20 financial year up to the end of that month, on— 50

- (i) the amount of funds transferred to a province or municipality;
- (ii) the amount of funds for any province or municipality withheld or stopped in terms of section 18 or 19, the reasons for the withholding or stopping and the steps taken by the transferring officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment; 55
- (iii) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 allocation;
- (iv) the actual expenditure incurred by the transferring officer in respect of a Schedule 6 allocation; 60

- (v) any matter or information that may be required by the applicable framework for the particular allocation; and
- (vi) such other matters as the National Treasury may determine.
- (b) For purposes of the application of paragraph (a) to Part B of Schedule 5, the period of 15 days envisaged in section 40(4)(c) of the Public Finance Management Act must be construed to mean a period of 20 days. 5
- (7) A transferring officer must submit to the National Treasury—
- (a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant, National Health Grant, School Infrastructure Backlogs Grant or Maths, Science and Technology Grant within 22 days after the end of each month, in the format determined by the National Treasury; and 10
- (b) a quarterly performance report of all programmes partially or fully funded by a Schedule 5 or 6 allocation within 45 days after the end of each quarter, in accordance with the applicable framework. 15
- (8) The transferring officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury within four months after the end of the 2019/20 financial year applicable to a provincial department or a municipality, as the case may be.
- (9) The transferring officer for the Public Transport Network Grant or Neighbourhood Development Partnership Grant to a metropolitan municipality— 20
- (a) may only transfer the grant if the municipality has submitted a built environment performance plan in terms of section 14(1); and
- (b) must take into account that built environment performance plan when monitoring and evaluating the performance of the municipality and assessing envisaged plans and allocations for the municipality. 25
- (10) The transferring officer of the Human Settlements Development Grant may only transfer the grant to a province after the relevant receiving officer has complied with section 12(6)(a) and (b).
- (11) A framework may impose a duty on the accounting officer of a national or provincial department, other than the transferring officer or receiving officer, that contributes to achieving the purpose of the allocation and the accounting officer must comply with the duty. 30

Duties of receiving officer in respect of Schedule 4 allocations

11. (1) The receiving officer of a Schedule 4 allocation is responsible for— 35
- (a) complying with the applicable framework; and
- (b) the manner in which the allocation received from a transferring officer is allocated and spent.
- (2) The receiving officer of a municipality must— 40
- (a) ensure and certify to the National Treasury that the municipality—
- (i) indicates each programme partially or fully funded by a Schedule 4 allocation in its annual budget and that the allocation is specifically and exclusively appropriated in that budget for utilisation only according to the purpose of the allocation; and
- (ii) makes public, in terms of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs; 45
- (b) when submitting the municipality's statements in terms of section 71 of the Municipal Finance Management Act for September 2019, December 2019, March 2020 and June 2020, report to the transferring officer, the relevant provincial treasury and the National Treasury— 50
- (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on financial performance against its capital budget and the measures defined in its service delivery and budget implementation plan; and 55
- (ii) in respect of any other Schedule 4 allocation, on financial performance of programmes partially or fully funded by the allocation; and
- (c) within 30 days after the end of each quarter, report to the transferring officer and the National Treasury—
- (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on non-financial performance for 60

- that quarter against the measures defined in its service delivery and budget implementation plan; and
- (ii) in respect of any other Schedule 4 allocation, on non-financial performance of programmes partially or fully funded by the allocation.
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to the transferring officer of the Urban Settlements Development Grant, Public Transport Network Grant and Integrated National Electrification Programme Grant and the accounting officer of any other national department having responsibilities relating to the applicable allocation. 5
- (4) The receiving officer of a provincial department must submit to the relevant provincial treasury and the transferring officer— 10
- (a) as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports on financial and non-financial performance of programmes partially or fully funded by a Schedule 4 allocation;
- (b) a quarterly non-financial performance report of programmes partially or fully funded by a Schedule 4 allocation within 30 days after the end of each quarter; 15
- and
- (c) a monthly provincial report on infrastructure programmes partially or fully funded by a Schedule 4 allocation within 15 days after the end of each month, in the format determined by the National Treasury. 20
- (5) The receiving officer must report on programmes partially or fully funded by a Schedule 4 allocation against the applicable framework in its annual financial statements and annual report.
- (6) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 4 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months— 25
- (a) in respect of a provincial department, after the end of the 2019/20 financial year of the provincial department; and
- (b) in respect of a municipality, after the end of the 2019/20 financial year of the municipality. 30

Duties of receiving officer in respect of Schedule 5 or 7 allocations

- 12.** (1) The receiving officer of a Schedule 5 or 7 allocation must comply with the applicable framework.
- (2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to— 35
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of that report to the relevant provincial treasury and the transferring officer; 40
- (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring officer; and
- (c) a province or municipality, submit a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring officer and the relevant provincial treasury. 45
- (3) A report for a province in terms of subsection (2)(a) must set out for the month in question and for the 2019/20 financial year up to the end of the month—
- (a) the amount received by the province; 50
- (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
- (c) the actual expenditure by the province in respect of Schedule 5 and 7 allocations;
- (d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing the programme; 55
- (e) the available figures regarding the expenditure by a public entity referred to in paragraph (d);

- (f) the extent of compliance with this Act and with the conditions of the allocation provided for in its framework, based on the available information at the time of reporting;
 - (g) an explanation of any material difficulties experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such difficulties; 5
 - (h) any matter or information that may be determined in the framework for the allocation; and
 - (i) such other matters and information as the National Treasury may determine.
- (4) A report for a municipality in terms of subsection (2)(b) must set out for the month in question and for the 2019/20 financial year up to the end of the month— 10
- (a) the amount received by the municipality;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
 - (c) the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework; 15
 - (d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
 - (e) any matter or information that may be determined in the framework for the allocation; and 20
 - (f) such other matters and information as the National Treasury may determine.
- (5) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2019/20 financial year applicable to a provincial department or a municipality, as the case may be. 25
- (6) (a) The receiving officer of the Human Settlements Development Grant must, in consultation with the transferring officer, publish in the *Gazette* within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the 2019/20 financial year, the 2020/21 financial year and the 2021/22 financial year per municipality with level one or level two accreditation. 30
- (b) The planned expenditure must indicate the expenditure to be undertaken directly by the province and transfers to each municipality. 35
- (c) The receiving officer of the Human Settlements Development Grant may, by notice in the *Gazette*, after taking into account the performance of the municipality and after consultation with the affected municipality and in consultation with the transferring officer, amend the planned expenditure for that municipality published in terms of paragraph (a). 40

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

- 13.** (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant, Human Settlements Development Grant or Provincial Roads Maintenance Grant must— 45
- (a) submit to the relevant provincial treasury a list of all infrastructure projects partially or fully funded by the relevant grant over the medium term expenditure framework for tabling as part of the estimates of provincial expenditure in the provincial legislature in the format determined by the National Treasury; 50
 - (b) within seven days after the tabling in the legislature, submit the list to the transferring officer and the National Treasury;
 - (c) after consultation with the relevant provincial treasury and the transferring officer, submit any amendments to the list, together with reasons for the amendments, to the provincial treasury for tabling with the adjusted estimates of provincial expenditure; 55
 - (d) within seven days after the tabling in the legislature, submit the amended list to the transferring officer and the National Treasury;
 - (e) report on all infrastructure expenditure partially or fully funded by the relevant grant to the transferring officer, relevant provincial treasury and the 60

- National Treasury in the format and on the date determined by the National Treasury;
- (f) within 15 days after the end of each month, submit to the relevant provincial treasury and transferring officer, a draft report on infrastructure programmes partially or fully funded from those grants in the format determined by the National Treasury; 5
- (g) within 22 days after the end of each month, submit to the National Treasury, a final report on infrastructure programmes partially or fully funded from those grants; and
- (h) within two months after the end of the 2019/20 financial year— 10
- (i) evaluate the financial and non-financial performance of the province in respect of programmes partially or fully funded by the grant based on the infrastructure budget of the province; and
- (ii) submit the evaluation to the transferring officer, the relevant provincial treasury and the National Treasury. 15
- (2) The receiving officer of the Education Infrastructure Grant or Health Facility Revitalisation Grant must—
- (a) within 22 days after the end of each quarter, submit to the transferring officer, the relevant provincial treasury and the National Treasury, a final report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; and 20
- (b) ensure that projects comply with infrastructure delivery management best practice standards and guidelines, as identified and approved by the National Treasury.

Infrastructure conditional allocations to metropolitan municipalities 25

14. (1) The receiving officer of a metropolitan municipality must, by 31 May 2019, submit to the National Treasury a built environment performance plan that includes all projects partially or fully funded by—
- (a) the Integrated City Development Grant, Urban Settlements Development Grant, Public Transport Network Grant or Neighbourhood Development Partnership Grant referred to in Part B of Schedule 4 and Part B of Schedule 5; and 30
- (b) money allocated for the Human Settlements Development Grant received from a province.
- (2) The built environment performance plan, referred to in subsection (1), must— 35
- (a) be in the format determined by the National Treasury, including information on the project pipeline for catalytic urban development projects;
- (b) demonstrate that the planned expenditure in the municipality's integration zones from all the grants referred to in subsection (1)(a) collectively, increases annually; and 40
- (c) be approved by its municipal council.
- (3) The National Treasury must, within seven days after the submission in terms of subsection (1), make available each built environment performance plan to all affected transferring officers and provincial departments.
- (4) (a) The receiving officer must report in its annual financial statements on the expenditure from each of the grants mentioned in subsection (1)(a) in each integration zone of the municipality against its built environment performance plan. 45
- (b) The transferring officer of the Integrated National Electrification Programme Grant referred to in Part B of Schedule 6 must report in its annual financial statements on the expenditure in each integration zone of every municipality against the built environment performance plan of the municipality. 50

Duties in respect of annual financial statements and annual reports for 2019/20

15. (1) The 2019/20 financial statements of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 55
- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate any transfer withheld or stopped in terms of section 18 or 19 in respect of each province or municipality and the reason for the withholding or stopping; 60

- (c) indicate any transfer not made in accordance with the payment schedule or amended payment schedule, unless withheld or stopped in terms of section 18 or 19, and the reason for the non-compliance;
 - (d) indicate any reallocations by the National Treasury in terms of section 20;
 - (e) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and 5
 - (f) indicate the funds, if any, used for the administration of the allocation by the receiving officer.
- (2) The 2019/20 annual report of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation indicate— 10
- (a) the reasons for the withholding or stopping of all transfers to a province or municipality in terms of section 18 or 19;
 - (b) the extent that compliance with this Act by provinces or municipalities was monitored; 15
 - (c) the extent that the allocation achieved its objectives and outputs; and
 - (d) any non-compliance with this Act, and the steps taken to address the non-compliance.
- (3) The 2019/20 financial statements of a provincial department responsible for receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 20
- (a) indicate the total amount of all allocations received;
 - (b) indicate the total amount of actual expenditure on each Schedule 5 or 7 allocation; and
 - (c) certify that all transfers of allocations in Schedules 4, 5 and 7 to the province were deposited into the primary bank account of the province. 25
- (4) The 2019/20 annual report of a provincial department receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—
- (a) indicate the extent that the provincial department complied with this Act;
 - (b) indicate the steps taken to address non-compliance with this Act; 30
 - (c) indicate the extent that the allocation achieved its objectives and outputs;
 - (d) contain any other information that may be specified in the framework for the allocation; and
 - (e) contain such other information as the National Treasury may determine.
- (5) The 2019/20 financial statements and annual report of a municipality receiving an allocation in Schedule 4, 5 or 7 must be prepared in accordance with the Municipal Finance Management Act. 35
- (6) The National Treasury may determine how transferring officers and receiving officers must report on conditional allocations to municipalities within 30 days after the end of each quarter to facilitate the audit of the allocations for the 2019/20 financial year. 40

Part 3

Matters relating to Schedule 4 to 7 allocations

Publication of allocations and frameworks

- 16.** (1) The National Treasury must, within 14 working days after this Act takes effect, publish by notice in the *Gazette*— 45
- (a) the conditional allocations per municipality for Part B of Schedule 5 allocations;
 - (b) the indicative conditional allocations per province for Part A of Schedule 6 allocations and per municipality for Part B of Schedule 6 allocations; and
 - (c) the framework for each conditional allocation in Schedules 4 to 7. 50
- (2) For purposes of correcting an error or omission in an allocation or framework published in terms of subsection (1)(a) or (c), the National Treasury must—
- (a) on its initiative and after consultation with the relevant transferring officer; or
 - (b) at the written request of the relevant transferring officer, 55
- by notice in the *Gazette* amend the affected allocation or framework.
- (3) The National Treasury may, after consultation with the relevant transferring officer and by notice in the *Gazette*, amend an indicative conditional allocation in Schedule 6 published in terms of subsection (1)(b).

(4) Before amending a framework in terms of subsection (2), the National Treasury must submit the proposed amendment to Parliament for comment for a period of 14 days when Parliament is in session.

(5) An amendment in terms of subsection (2) or (3) takes effect on the date of publication of the notice in the *Gazette*. 5

Expenditure in terms of purpose and subject to conditions

17. (1) Despite any other legislation to the contrary, an allocation referred to in Schedules 4 to 7 may only be used for the purpose stipulated in the Schedule concerned and in accordance with the applicable framework.

(2) A receiving officer may not allocate any portion of a Schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of state agree on the obligations of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and the National Treasury of the agreed payment schedule and— 10

(a) the allocation— 15

(i) is approved in the budget for the receiving provincial department or municipality; or

(ii) if not already so approved—

(aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant provincial department or municipality and indicates the reasons for the allocation; and 20

(bb) the National Treasury approves the allocation; or

(b) the allocation is for the payment for goods or services procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and, if it is an advance payment, paragraph (a)(ii) applies with the necessary changes. 25

(3) The receiving officer must submit a copy of the agreement envisaged in subsection (2) to the transferring officer and the National Treasury before payment is made. 30

(4) For purposes of the implementation of a Schedule 6 allocation to a municipality—

(a) Eskom Holdings Limited may receive funds directly from the transferring officer of the Department of Energy; or

(b) a water board, as defined in section 1 of the Water Services Act, 1997 (Act No. 108 of 1997), may receive funds directly from the transferring officer of the Department of Water and Sanitation. 35

(5) (a) For purposes of the Human Settlements Development Grant, a receiving officer and a municipality with level one or two accreditation or functions assigned in terms of section 126 of the Constitution to administer all aspects, including financial administration of national housing programme (herein called “assigned functions”) as at 1 April 2019, must, by the date determined by the National Treasury— 40

(i) enter into a payment schedule; and

(ii) submit, through the relevant provincial treasury, the payment schedule to the National Treasury.

(b) If a municipality receives accreditation after 1 April 2019, the National Treasury may approve that paragraph (a) applies. 45

(c) If the transfer of the Human Settlements Development Grant to a municipality with assigned functions is withheld or stopped in terms of section 18 or 19, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 24. 50

(6) If a function which is partially or fully funded by a conditional allocation to a province is assigned to a municipality, as envisaged in section 10 of the Municipal Systems Act—

(a) the funds from the conditional allocation for the province for the function must be stopped in terms of section 19 and reallocated in terms of section 20 to the municipality which has been assigned the function; 55

(b) if possible, the province must finalise any project or fulfil any contract regarding the function before the date the function is assigned and, if not finalised, the province must notify the relevant municipality and the National Treasury; 60

- (c) any project or contract regarding the function not finalised or fulfilled at the date at which the function is assigned, must be subjected to an external audit and the province and the municipality must enter into an agreement to complete the project or fulfil the contract through ceding it to the municipality; 5
- (d) money that is retained by the province for any contract related to the function that is not ceded to the municipality must be spent by 31 March 2020 and shall not be available in terms of section 30 of the Public Finance Management Act or section 22(2);
- (e) the receiving officer of the province must submit to the transferring officer and the National Treasury a list of liabilities attached to the function, that were not transferred to the municipality, within seven days after the function is assigned to provide for the adjustment of the applicable allocations; and 10
- (f) the receiving officer of the municipality must, within one month from the date of the stopping of funds in paragraph (a), submit to the transferring officer a revised plan for its planned expenditure. 15

Withholding of allocations

18. (1) Subject to subsections (2) and (3), a transferring officer may withhold the transfer of a Schedule 4 or 5 allocation, or any portion thereof, for a period not exceeding 30 days, if— 20

- (a) the province or municipality does not comply with any provision of this Act;
- (b) roll-overs of conditional allocations approved by the National Treasury in terms of section 22 have not been spent; or
- (c) a satisfactory explanation is not given for significant under-expenditure on previous transfers during the 2019/20 financial year. 25

(2) If an allocation is withheld in terms of subsection (1), it suspends the applicable payment schedule approved in terms of section 23(3) until it is amended in terms of section 24.

(3) The amount withheld in terms of this section in the case of the Health Professions Training and Development Grant or the National Tertiary Services Grant listed in Part A of Schedule 4 may not exceed five per cent of the next transfer as contained in the relevant payment schedule. 30

(4) A transferring officer must, at least seven working days before withholding an allocation in terms of subsection (1)—

- (a) give the relevant receiving officer— 35
 - (i) notice of the intention to withhold the allocation; and
 - (ii) an opportunity to submit written representations as to why the allocation should not be withheld; and
- (b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to a municipality, also the provincial department responsible for local government. 40

(5) A notice envisaged in subsection (4) must include the reasons for withholding the allocation and the intended duration of the withholding to inform the amendment of the payment schedule in terms of section 24.

(6) (a) The National Treasury may instruct, or approve a request from, the transferring officer to withhold an allocation in terms of subsection (1) for a period longer than 30 days, but not exceeding 120 days, if the withholding shall— 45

- (i) facilitate compliance with this Act; or
- (ii) minimise the risk of under-spending by the relevant provincial department or municipality. 50

(b) When requesting the withholding of an allocation in terms of this subsection, a transferring officer must submit to the National Treasury proof of compliance with subsection (4) and any representations received from the receiving officer.

(c) The transferring officer must again comply with subsection (4) when the National Treasury instructs or approves a request by the transferring officer in terms of paragraph (a). 55

Stopping of allocations

- 19.** (1) Despite section 18, the National Treasury may, in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a Schedule 4 or 5 allocation, or a portion thereof, to a province or municipality—
- (a) in the case of—
 - (i) a province, if a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, occurs; or
 - (ii) a municipality, if—
 - (aa) a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, read with section 38(1)(b)(i) of the Municipal Finance Management Act, occurs; or
 - (bb) a breach or failure to comply, as envisaged in section 38(1)(b)(ii) of the Municipal Finance Management Act occurs;
 - (b) if the National Treasury anticipates that a province or municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2019/20 financial year; or
 - (c) for purposes of the assignment of a function from a province to a municipality, as envisaged in section 10 of the Municipal Systems Act.
- (2) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(i) or (b)—
- (a) comply with the procedures in section 18(4)(a); and
 - (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(ii), comply with the applicable provisions of section 38 of the Municipal Finance Management Act.
- (4) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.
- (5) (a) If—
- (i) an allocation, or any portion thereof, is stopped in terms of subsection (1)(a) or (b); and
 - (ii) the relevant transferring officer certifies in writing to the National Treasury that the payment of an amount in terms of a statutory or contractual obligation is overdue and the allocation, or a portion thereof, was intended for payment of the amount,
- the National Treasury may, by notice in the *Gazette*, approve that the allocation, or any portion thereof, be used to pay that amount partially or fully.
- (b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

Reallocation of funds

- 20.** (1) When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2019/20 financial year.
- (2) (a) When a Schedule 4 or 5 allocation, or a portion thereof, is stopped in terms of section 19(1)(c), the National Treasury must, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to the affected municipalities, on condition that the allocation must be spent by the end of the 2019/20 financial year.
- (b) The portion of the allocation reallocated in terms of paragraph (a) is, with effect from the notice in the *Gazette* in terms of subsection (3)(a), regarded as having been converted to an allocation in Part B of the same Schedule it appears before the reallocation.
- (3) (a) If the transferring officer of a Schedule 6 allocation indicates in writing to the National Treasury that a portion of the allocation is likely to be underspent, or needs to be reprioritised to meet a priority, the National Treasury may, at the request of the transferring officer, determine that the portion be reallocated, as the same type of

allocation as it was allocated originally, to a provincial department of another province or to another municipality.

(b) Before requesting a reallocation, the transferring officer must notify the affected provincial department or municipality of the proposed reallocation and give the provincial department or municipality at least 14 days to provide comments and propose changes. 5

(c) When making a request in terms of paragraph (a), the transferring officer must submit to the National Treasury comments and proposed changes provided by the affected provincial department or municipality in terms of paragraph (b).

(d) The reallocated portion must be spent by the end of the 2019/20 financial year. 10

(e) The reallocated portion is regarded as having been converted to an allocation to the relevant provincial department or municipality with effect from the date of the notice in the *Gazette* in terms of subsection (4)(a).

(4) (a) The National Treasury must—

(i) give notice in the *Gazette* of a reallocation in terms of subsection (1), (2) or (3); 15
and

(ii) provide a copy of the notice to the transferring officer and each affected receiving officer.

(b) The reallocation of a portion of an allocation not spent by the end of the 2019/20 financial year is eligible for a roll-over in terms of section 22(2). 20

(5) (a) When an intervention in terms of section 100 or 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act takes place, the National Treasury may, despite subsection (1) and on such conditions as it may determine, authorise in relation to—

(i) section 100 of the Constitution, the transferring officer to spend an allocation 25
stopped in terms of section 19 on behalf of the relevant province;

(ii) section 139 of the Constitution or section 137 or 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality; or

(iii) section 150 of the Municipal Finance Management Act, the relevant transferring 30
officer to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality.

(b) An allocation that is spent by the transferring officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given. 35

(6) (a) On a joint request by the transferring officer and the National Disaster Management Centre, established by section 8 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a declared disaster or the reconstruction or rehabilitation of infrastructure 40
damage caused by a declared disaster.

(b) Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation. 45

(c) The reallocated funds must be used in the 2019/20 financial year in the same sphere the allocation was originally made and for the same functional area that the original allocation relates to.

(d) The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the National Disaster Management Centre and with the 50
approval of the National Treasury.

(e) Subsection (4) applies with the necessary changes to a reallocation in terms of this subsection to another province or municipality.

Conversion of allocations

21. (1) If satisfied that the relevant provincial department or municipality has 55
demonstrated the capacity to implement projects, the National Treasury may, at the request of the transferring officer and after consultation with the receiving officer, convert any portion of—

(a) an allocation listed in Part B of Schedule 6 to one listed in Part B of 60
Schedule 5;

- (b) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or
 - (c) the National Health Insurance Indirect Grant listed in Part A of Schedule 6 to the Health Facility Revitalisation Grant, HIV, TB, Malaria and Community Outreach Grant, Human Papillomavirus Vaccine Grant, Human Resources Capacitation Grant or the National Health Insurance Grant listed in Part A of Schedule 5. 5
- (2) The National Treasury may, after consultation with the relevant transferring officer, receiving officer and provincial treasury, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that— 10
- (a) the conversion shall prevent under-expenditure or improve the level of service delivery in respect of the allocation in question;
 - (b) the affected national or provincial department or municipality has demonstrated the capacity to implement projects;
 - (c) the transferring officer has made a demonstrable effort to strengthen the capacity of the receiving officer to implement the allocation, but the receiving officer is still not capable of fully meeting the requirements of the allocation; and 15
 - (d) there is a history of poor performance in the previous two financial years for allocations of the relevant grant to this receiving officer, including withholding and stopping of allocations. 20
- (3) If satisfied that a municipality has failed to follow the procurement procedures prescribed in terms of the Municipal Finance Management Act, the National Treasury may, at the request of the transferring officer or in its discretion, after consultation with the relevant transferring officer and receiving officer, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6. 25
- (4) (a) Any portion of an allocation, except the School Infrastructure Backlogs Grant, converted in terms of subsections (1), (2) or (3) must—
- (i) be used for the same province or municipality to which the allocation was originally made; and 30
 - (ii) if—
 - (aa) possible, be used to implement the same project or projects that were planned if the allocation had not been converted; or
 - (bb) not possible, the receiving officer must sign an agreement that defines any new project to be funded, before it is implemented. 35
- (b) The School Infrastructure Backlogs Grant must be used—
- (i) for the same province to which the allocation was originally made; and
 - (ii) to implement the same project or projects that were planned if the allocation had not been converted. 40
- (5) The National Treasury must—
- (a) give notice in the *Gazette* of a conversion in terms of subsection (1), (2) or (3); and
 - (b) provide a copy of the notice to the transferring officer and each affected receiving officer. 45
- (6) A conversion in terms of subsection (1), (2) or (3) takes effect on the date of publication of the notice in terms of subsection (5)(a).
- (7) If an allocation listed in Part B of Schedule 7 is insufficient for a declared disaster or housing emergency referred to in section 26(3)(a), the National Treasury may, after consultation with or on the request of the relevant transferring officer, convert any portion of— 50
- (a) the Provincial Disaster Relief Grant listed in Part A of Schedule 7 to the Municipal Disaster Relief Grant listed in Part B of Schedule 7;
 - (b) the Municipal Disaster Relief Grant listed in Part B of Schedule 7 to the Provincial Disaster Relief Grant listed in Part A of Schedule 7;
 - (c) the Provincial Emergency Housing Grant listed in Part A of Schedule 7 to the Municipal Emergency Housing Grant listed in Part B of Schedule 7; or 55
 - (d) the Municipal Emergency Housing Grant listed in Part B of Schedule 7 to the Provincial Emergency Housing Grant listed in Part A of Schedule 7.
- (8) The National Treasury must—
- (a) in the notice published in terms of section 26(3)(c), include notification of the conversion in terms of subsection (7) and the effective date referred to in subsection (9); or 60
 - (b) provide a copy of the notice to the transferring officer.

(9) A conversion in terms of subsection (7) takes effect on the date that the National Treasury approves it.

Unspent conditional allocations

22. (1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the 2019/20 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2). 5

(2) The National Treasury may, at the request of a transferring officer, receiving officer or provincial treasury, approve a roll-over of a conditional allocation to the 2020/21 financial year if the unspent funds are committed to identifiable projects. 10

(3) (a) The receiving officer must ensure that any funds that must revert to the National Revenue Fund in terms of subsection (1), are paid into that Fund by the date determined by the National Treasury.

(b) The receiving officer must— 15

(i) in the case of a provincial department, request the roll-over of unspent funds through its provincial treasury; and

(ii) inform the transferring officer of all processes regarding the request.

(4) (a) The National Treasury may, subject to paragraphs (b) and (c), offset any funds that must revert to the National Revenue Fund in terms of subsection (1), but not paid into that Fund by the date determined in terms of subsection (3)(a)— 20

(i) in respect of a province, against future transfers of conditional allocations to that province; or

(ii) in respect of a municipality, against future transfers of the equitable share or conditional allocations to that municipality. 25

(b) Before any funds are offset in terms of paragraph (a), the National Treasury must give the relevant transferring officer, province or municipality—

(i) notice of the intention to offset amounts against future allocations, the intended amount to be offset against allocations, the intended date for the offsetting and the reasons for the offsetting; and 30

(ii) an opportunity, within 14 days of receipt of the notice, to—

(aa) propose an alternative date for offsetting;

(bb) make written submissions why the full or a part of the amount should not be offset; or

(cc) propose an alternative date or dates by which the amount or portions thereof must be paid into the National Revenue Fund. 35

(c) The National Treasury must—

(i) accept the date or dates proposed in terms of paragraph (b)(ii)(aa) or (cc) or determine a different date or dates; or

(ii) accept or reject the submissions made in terms of paragraph (b)(ii)(bb). 40

(5) (a) The National Treasury may amend the amount of the equitable share or a conditional allocation offset in terms of subsection (4).

(b) If the amendment contemplated in paragraph (a) results in an underpayment to a municipality—

(i) in respect of the equitable share of the municipality, the department responsible for local government must, despite section 5(3), transfer the difference to the municipality within 10 days; or 45

(ii) in respect of a conditional allocation of the municipality, the transferring officer must, despite the payment schedule contemplated in section 23(3), transfer the difference to the municipality within 10 days. 50

(c) If the amendment in terms of paragraph (a) results in an overpayment to a municipality, section 25 applies.

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

Payment requirements

23. (1) (a) The National Treasury must, after consultation with the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation. 5

(b) In determining the payment schedule, the National Treasury must take into account the monthly expenditure commitments of provinces and seek to minimise risk and debt servicing costs for national and provincial government.

(c) Despite paragraph (a), the National Treasury may advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in terms of the payment schedule— 10

(i) for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution takes place; and 15

(ii) on such conditions as it may determine.

(d) Any advances in terms of paragraph (c) must be offset against transfers to the province which would otherwise become due in terms of the payment schedule.

(2) (a) The National Treasury must, after consultation with the national department responsible for local government, determine the amount of a municipality's equitable share allocation to be transferred on each date referred to in section 5(3). 20

(b) If an amount less than the amount approved in terms of paragraph (a) is paid to a municipality, the difference must, despite section 5(3), be paid within 10 days after it comes to the attention of the national department responsible for local government.

(c) Despite paragraph (a), the National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of section 5(3), be advanced to a municipality— 25

(i) after consultation with the national department responsible for local government;

(ii) for purposes of cash management in the municipality or an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act; and 30

(iii) on such conditions as it may determine.

(d) Any advance in terms of paragraph (c) must be offset against transfers to the municipality which would otherwise become due in terms of section 5(3). 35

(3) (a) Subject to section 28(1), the National Treasury must, within 14 days after this Act takes effect, approve the payment schedule for the transfer of an allocation listed in Schedule 4 or 5 to a province or municipality.

(b) The transferring officer of a Schedule 4 or 5 allocation must submit a payment schedule to the National Treasury for approval before the first transfer is made. 40

(c) Before the submission of a payment schedule in terms of paragraph (b), the transferring officer must, in relation to a Schedule 4 or 5 allocation, consult the relevant receiving officer.

(4) The transferring officer of a Schedule 4 or 5 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule before making the first transfer in terms thereof. 45

(5) The transfer of a Schedule 4 or 5 allocation to a municipality must accord with the financial year of the municipality.

(6) Each transfer of an equitable share or a conditional allocation to a municipality in terms of this Act must be made through a payment system provided by the National Treasury. 50

Amendment of payment schedule

24. (1) (a) Subject to subsection (2), a transferring officer of a Schedule 4 or 5 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 18 or 19, submit an amended payment schedule to the National Treasury for approval. 55

(b) No transfers may be made until the National Treasury has approved the amended payment schedule.

- (2) For purposes of better management of debt and cash-flow or addressing financial mismanagement or financial misconduct or slow or accelerated expenditure, the National Treasury may amend any payment schedule for an allocation listed in Schedule 2, 4 or 5, after notifying, in the case of—
- (a) an allocation to a province, its provincial treasury; 5
 - (b) an allocation to a municipality, the national department responsible for local government;
 - (c) a Schedule 4 or 5 allocation, the relevant transferring officer.
- (3) The amendment of a payment schedule in terms of subsection (1) or (2) must take into account— 10
- (a) the monthly expenditure commitments of provinces or municipalities;
 - (b) the revenue at the disposal of provinces or municipalities; and
 - (c) the minimisation of risk and debt servicing costs for all three spheres of government.
- (4) The transferring officer must immediately inform the receiving officer of any amendment to a payment schedule in terms of subsection (1) or (2). 15

Transfers made in error or fraudulently

- 25.** (1) Despite any other legislation to the contrary, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be. 20
- (2) The responsible transferring officer must, without delay, recover an overpayment referred to in subsection (1), unless an instruction has been issued in terms of subsection (3).
- (3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule. 25

New allocations during financial year and Schedule 7 allocations

- 26.** (1) If further allocations are made to provinces or municipalities, as envisaged in section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable— 30
- (a) amend any allocation or framework published in terms of section 16;
 - (b) publish the allocation per municipality for any new Part B of Schedule 5 allocation or the indicative allocation per municipality for any new Part B of Schedule 6 allocation; or 35
 - (c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation.
- (2) Section 16(2) to (5) applies with the necessary changes to allocations and frameworks published in terms of subsection (1).
- (3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for— 40
- (i) a declared disaster within the period envisaged in section 27(5), 41(5) or 55(5) of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - (ii) a housing emergency within 100 days after the date of the declaration of a housing emergency.
- (b) The transferring officer must notify the relevant provincial treasury and the National Treasury within 14 days of a transfer of a Schedule 7 allocation to a province or municipality. 45
- (c) The National Treasury must, within 21 days after the end of the 100 day period referred to in paragraph (a), by notice in the *Gazette* publish all transfers of a Schedule 7 allocation made for a declared disaster. 50
- (d) Despite any other legislation to the contrary, the National Treasury may approve that funds allocated in Schedule 7 be used at any time.
- (e) The funds approved in terms of paragraph (d) must be included either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation. 55

Preparations for 2020/21 financial year and 2021/22 financial year

27. (1) (a) A category C municipality that receives a conditional allocation in terms of this Act must, using the indicative conditional allocations to that municipality for the 2020/21 financial year and the 2021/22 financial year as set out in Column B of the Schedules to this Act, by 30 September 2019— 5
- (i) agree on the provisional allocations and the projects to be funded from those allocations in the 2020/21 financial year and the 2021/22 financial year with each category B municipality within the category C municipality's area of jurisdiction; and
 - (ii) submit to the transferring officer— 10
 - (aa) the provisional allocations referred to in subparagraph (i); and
 - (bb) the projects referred to in subparagraph (i), listed per municipality.
- (b) If a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring officer to facilitate agreement. 15
- (c) The transferring officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph (b).
- (d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 30(3)(b) must be agreed with the relevant category B 20 municipality, the transferring officer and the National Treasury, before publication and the submission of the allocations referred to in paragraph (a)(ii).
- (e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) before 30 September 2019, the National Treasury, after consultation with the relevant 25 provincial treasury, may determine the provisional allocations and provide those provisional allocations to the affected municipalities and the transferring officer.
- (f) (i) The transferring officer must submit the final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) and (e) to the National Treasury by 2 December 2019. 30
- (ii) If the transferring officer fails to submit the allocations referred to in subparagraph (i) by 2 December 2019, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the 2020/21 financial year.
- (2) (a) The transferring officer of a conditional allocation, using the indicative 35 conditional allocations for the 2020/21 financial year and the 2021/22 financial year as set out in Column B of the affected Schedules to this Act, must, by 30 September 2019, submit to the National Treasury—
- (i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the 2020/21 financial year; 40
 - (ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the affected Schedules in respect of existing conditional allocations;
 - (iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii); 45 and
 - (iv) electronic copies of any guidelines, business plan templates and other documents referred to in the draft frameworks referred to in subparagraph (iii).
- (b) A transferring officer must consult the accounting officer of a national or provincial department, other than the transferring or receiving officer, on a duty in the draft framework, before submission to the National Treasury in terms of paragraph (a). 50
- (c) When a document, referred to in a draft framework, that is submitted in terms of paragraph (a)(iii), is amended, the transferring officer must immediately provide the National Treasury and each receiving officer with electronic copies of the revised document.
- (d) The National Treasury must approve any proposed amendment or adjustment for 55 the 2020/21 financial year of the allocation criteria of an existing conditional allocation before the submission of the provisional allocations and draft frameworks.
- (e) The transferring officer must, under his or her signature, submit the final allocations and frameworks based on the provisional allocations and frameworks to the National Treasury by 2 December 2019. 60

(f) If the transferring officer fails to comply with paragraph (a) or (e), the National Treasury may determine the appropriate draft or final allocations and frameworks taking into consideration the indicative allocations for the 2020/21 financial year.

(g) (i) The National Treasury may amend final allocations and frameworks in order to ensure equitable and stable allocations and fair and consistent grant conditions. 5

(ii) The National Treasury must give notice to the transferring officer of the intention to amend frameworks and allocations and invite the submission of written comment within seven days after the date of the notification.

(h) The draft and final frameworks and allocations must be submitted in the format determined by the National Treasury. 10

(3) The National Treasury may instruct transferring officers, accounting officers of the provincial treasuries and receiving officers to submit to it such plans and information for any conditional allocation as it may determine at specified dates before the start of the 2020/21 financial year.

(4) (a) For purposes of the Education Infrastructure Grant or Health Facility Revitalisation Grant in the 2020/21 financial year, the receiving officer of the relevant provincial department must, in the format and on the date determined by the National Treasury, submit to the transferring officer, the relevant provincial treasury and the National Treasury— 15

(i) a user asset management plan for all infrastructure programmes for a period of at least 10 years; 20

(ii) an infrastructure programme management plan including a construction procurement strategy for infrastructure programmes and projects envisaged to commence within the period for the medium term expenditure framework; and

(iii) a document that outlines how the infrastructure delivery management system shall be implemented in the province and that is approved by the Executive Council of the province before or after the commencement of this Act. 25

(b) The receiving officer of the relevant provincial department must review the document referred to in paragraph (a)(iii) and if any substantive change is made to the document during the 2019/20 financial year, the amended document must be approved by the Executive Council of the province before submission to the National Treasury within 14 days after such approval. 30

(5) (a) Any category B municipality may apply to qualify for the Integrated Urban Development Grant, by submitting an application to the Department of Cooperative Governance by 26 July 2019. 35

(b) The Department of Cooperative Governance must determine the form of the application including the minimum qualifying conditions.

(c) The Department of Cooperative Governance must submit any proposed additional qualifying municipalities and any municipalities that have failed to meet the qualifying conditions to continue to qualify, to National Treasury for approval by 30 September 2019. 40

(d) A municipality that is informed by the Department of Cooperative Governance that it will qualify for the Integrated Urban Development Grant, must submit—

(i) a first draft of its three year capital programme and the 10 year Capital Expenditure Framework to the Department of Cooperative Governance by 27 March 2020; and 45

(ii) the final versions of its three year capital programme and the 10 year Capital Expenditure Framework by 29 May 2020, which must be evaluated by the Department of Cooperative Governance after consultation with relevant stakeholders. 50

Transfers before commencement of Division of Revenue Act for 2020/21 financial year

28. (1) (a) Despite the Division of Revenue Act for the 2020/21 financial year not having commenced on 1 April 2020, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each equitable share in terms of section 4(1), be transferred to the relevant province. 55

(b) Despite the Division of Revenue Act and the Appropriation Act for the 2020/21 financial year not having commenced on 1 April 2020, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of—

(i) each equitable share in terms of section 5(1), be transferred to the relevant municipality; 60

(ii) each allocation made in terms of section 7(1) or 8(1), as the case may be, be transferred to the relevant province or municipality.

(2) If an amount of an allocation, made in terms of section 7(1) or 8(1), is transferred in terms of subsection (1), the amount is, with the necessary changes, subject to the applicable framework for the 2019/20 financial year and the other requirements of this Act, as if it is an amount of an allocation for the 2019/20 financial year. 5

CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities 10

29. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, within 10 days after this Act takes effect, submit to the National Treasury, the relevant provincial treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2019/20 financial year, the 2020/21 financial year and the 2021/22 financial year, except if submitted in terms of any other legislation before the end of the 10 day period. 15

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 20

(2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project shall be implemented, and agree in writing which municipality is responsible for the operational and maintenance costs and the collection of user fees. 25

(3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, despite the fact that— 30

(a) the category C municipality retains the function in terms of the Municipal Structures Act; and

(b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without— 35

(a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or 40

(b) obtaining authorisation to perform the function in terms of the Municipal Structures Act.

(5) (a) A category C municipality and a category B municipality must, before the commencement of a financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of the financial year. 45

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph (a). 50

(6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to—

(i) make allocations referred to in subsection (1)(b);

(ii) reach an agreement envisaged in subsection (2); or 55

(iii) submit a payment schedule in accordance with subsection (5)(a).

(b) The following provisions apply to the withholding or stopping of an allocation in accordance with paragraph (a):

(i) Section 216 of the Constitution;

- (ii) in the case of withholding an allocation, section 18(4)(a), with the necessary changes; and
- (iii) in the case of stopping an allocation, section 19(2)(a), (3), (4) and (5), with the necessary changes.

(c) If an allocation is stopped in terms of this subsection, the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation that shall not be spent, be reallocated to one or more municipalities, on condition that the allocation shall be spent by the end of the 2019/20 financial year or the 2020/21 financial year.

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act.

Duties and powers of provincial treasuries

30. (1) A provincial treasury must reflect allocations listed in Part A of Schedule 5 to the province separately in the appropriation Bill of the province.

(2) (a) A provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a date not later than 14 days after this Act takes effect, approved by the National Treasury, publish by notice in the *Gazette*—

- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds and from conditional allocations to the province;
- (ii) the indicative allocation to be made per school and per hospital in the province in a format determined by the National Treasury;
- (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme;
- (iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the 2020/21 financial year and the 2021/22 financial year; and
- (v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs.

(b) The allocations referred to in paragraph (a) must be regarded as final when the provincial appropriation Act takes effect.

(c) If the provincial legislature amends its appropriation Bill, the provincial treasury must publish amended allocations and budgets by notice in the *Gazette* within 14 days after the appropriation Act takes effect, and those allocations and budget must be regarded as final.

(d) Allocations to municipalities in terms of subsection (2)(a) must be consistent with the terms of any agreement concluded between the province and a municipality.

(3) (a) Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (2).

(b) Any amendments to the allocations published in terms of subsection (2)(a) or (c) must be published by notice in the *Gazette* not later than 7 February 2020 and takes effect on the date of the publication.

(4) A provincial treasury must, as part of its report in terms of section 40(4)(b) and (c) of the Public Finance Management Act, in the format determined by the National Treasury, report on—

- (a) actual transfers received by the province from national departments;
- (b) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
- (c) actual transfers made by the province to municipalities and public entities, and actual expenditure by municipalities and public entities on such allocations, based on the latest information available from municipalities and public entities at the time of reporting.

- (5) (a) A provincial treasury must—
- (i) ensure that a payment schedule is agreed between each provincial department and receiving institution envisaged in subsection (2)(a);
 - (ii) ensure that transfers are made promptly to the relevant receiving officer in terms of the agreed payment schedule; and
 - (iii) submit the payment schedules to the National Treasury within 14 days after this Act takes effect.
- (b) If a provincial department and receiving institution do not agree to a payment schedule in time for submission to the National Treasury, the provincial treasury must, after consultation with the transferring officer, determine the payment schedule.
- (6) If a provincial treasury fails to make a transfer in terms of subsection (5)(a), the relevant receiving officer may request the provincial treasury to immediately make the transfer or to provide written reasons within three working days as to why the transfer has not been made.
- (7) If a provincial treasury fails to make the transfer requested by the receiving officer or provide reasons in terms of subsection (6), or the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, the receiving officer may request the National Treasury to investigate the matter.
- (8) On receipt of a request in terms of subsection (7), the National Treasury must—
- (a) consult the transferring officer on the matter;
 - (b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made;
 - (c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and
 - (d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer.

Duties and powers of National Treasury

- 31.** (1) The National Treasury must, within 14 days after this Act takes effect, submit a notice to all transferring officers containing the details of the primary bank accounts of each province and municipality.
- (2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 26.
- (3) The National Treasury may include in a report on the equitable share and conditional allocations in terms of this Act in any report it publishes—
- (a) that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act; and
 - (b) in respect of municipal finances.

CHAPTER 6

GENERAL

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

- 32.** (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation.
- (2) If a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful.
- (3) The amount of any such fruitless and wasteful expenditure must, in terms of the applicable procedures in the Public Finance Management Act or the Municipal Finance Management Act, be recovered without delay from every person who caused the organ of state not to comply with subsection (1).

Irregular expenditure

33. Expenditure of an allocation in Part B of Schedule 4 or Part B of Schedule 5 contrary to this Act is irregular expenditure in terms of the Municipal Finance Management Act, except if unauthorised expenditure in terms of the Municipal Finance Management Act. 5

Financial misconduct

34. (1) Despite any other legislation to the contrary, any wilful or negligent non-compliance with a provision of this Act constitutes financial misconduct.

(2) Section 84 of the Public Finance Management Act or section 171 of the Municipal Finance Management Act, as the case may be, applies in respect of financial misconduct envisaged in subsection (1). 10

Delegations and assignments

35. (1) The Minister may, in writing, delegate any of the powers entrusted to, and assign any of the duties imposed on, the National Treasury in terms of this Act, to an official of the National Treasury. 15

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury—

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to any other official of the National Treasury; and 20
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may vary or revoke any decision taken by an official as a result of a delegation or assignment, subject to any rights that may have vested as a consequence of the decision. 25

(4) A Member of the Executive Council responsible for finance in a province may, in writing, delegate any power entrusted to, and assign any duty imposed on, the provincial treasury in terms of this Act, to an official of the provincial treasury.

(5) (a) A transferring officer may, in writing, delegate any power entrusted to, and assign any duty imposed on, the transferring officer in terms of this Act, to an official in his or her department. 30

(b) A copy of the written delegation must be submitted to the National Treasury.

(6) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of subsection (4) or (5).

Departures 35

36. (1) The Minister may, if good grounds exist, approve a departure from a provision of a framework, a regulation made under section 37 or a condition imposed in terms of this Act.

(2) For purposes of subsection (1), good grounds include the fact that the provision of the framework, regulation or condition— 40

- (a) cannot be implemented in practice;
- (b) impedes the achievement of any object of this Act;
- (c) impedes an immediate response to a declared disaster; or
- (d) undermines the financial viability of the affected national or provincial department or municipality. 45

(3) Any departure approved in terms of subsection (1) must set out the period and conditions of the departure, if any, and must be published by notice in the *Gazette*.

Regulations

37. The Minister may, by notice in the *Gazette*, make regulations regarding—

- (a) anything which must or may be prescribed in terms of this Act; or 50
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act.

Repeal of laws and savings

- 38.** (1) Subject to subsection (2)—
- (a) the Division of Revenue Act, 2018 (Act No. 1 of 2018), except sections 16 and 26, is hereby repealed;
 - (b) sections 16 and 26 of the Division of Revenue Act, 2018, is hereby repealed with effect from 1 July 2019 or the date that this Act takes effect, whichever is the later date; and
 - (c) the Division of Revenue Amendment Act, 2018 (Act No. 14 of 2018), is hereby repealed.
- (2) Any repeal referred to in subsection (1), does not affect—
- (a) any duty to be performed in terms of any provision of an Act referred to in subsection (1) after the end of the 2019/20 financial year; and
 - (b) any obligation in terms of any provision of an Act referred to in subsection (1), the execution of which is outstanding.
- (3) Any framework published in terms of section 16 of the Division of Revenue Act, 2018, as amended in terms of section 16 or 26 of that Act, applies to funds of a conditional allocation approved for roll-over in terms of section 22(2) of that Act, if that conditional allocation does not continue to exist in terms of this Act.

Short title and commencement

- 39.** This Act is called the Division of Revenue Act, 2019, and takes effect on 1 April 2019 or the date of publication in the *Gazette*, whichever is the later date.

SCHEDULE 1

EQUITABLE DIVISION OF REVENUE RAISED NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT

Spheres of Government	Column A	Column B	
	2019/20	Forward Estimates	
		2020/21	2021/22
	R'000	R'000	R'000
National ^{1,2}	1 084 180 207	1 150 974 279	1 239 678 123
Provincial	505 553 753	542 908 577	578 645 170
Local	68 973 465	75 683 326	82 161 819
TOTAL	1 658 707 425	1 769 566 182	1 900 485 112

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs, the contingency reserve and provisional allocations

2. The direct charges for the provincial equitable share are netted out

SCHEDULE 2

DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY (as a direct charge against the National Revenue Fund)

Province	Column A	Column B	
	2019/20	Forward Estimates	
		2020/21	2021/22
	R'000	R'000	R'000
Eastern Cape	68 824 353	72 743 508	76 292 982
Free State	28 186 642	30 337 928	32 411 131
Gauteng	102 448 280	111 635 689	120 699 800
KwaZulu-Natal	106 014 289	113 369 965	120 323 991
Limpopo	58 964 758	62 986 213	66 778 856
Mpumalanga	41 427 976	44 474 644	47 389 179
Northern Cape	13 424 046	14 388 464	15 308 827
North West	34 972 816	37 694 412	40 324 937
Western Cape	51 290 593	55 277 754	59 115 467
TOTAL	505 553 753	542 908 577	578 645 170

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
EASTERN CAPE				
A	BUF Buffalo City	847 431	910 772	980 854
A	NMA Nelson Mandela Bay	1 021 661	1 106 936	1 201 603
B	EC101 Dr Beyers Naude	90 876	96 797	103 334
B	EC102 Blue Crane Route	53 519	56 757	60 308
B	EC104 Makana	93 494	100 042	107 289
B	EC105 Ndlambe	96 716	103 914	111 902
B	EC106 Sundays River Valley	79 777	86 565	94 146
B	EC108 Kouga	124 938	136 879	150 293
B	EC109 Kou-Kamma	49 376	52 799	56 579
C	DC10 Sarah Baartman District Municipality	93 464	97 114	101 070
Total: Sarah Baartman Municipalities		682 160	730 867	784 921
B	EC121 Mbhashe	249 464	263 849	279 590
B	EC122 Mquma	258 930	273 812	290 093
B	EC123 Great Kei	42 659	45 120	47 802
B	EC124 Amahlathi	105 863	111 975	118 658
B	EC126 Ngqushwa	82 696	87 480	92 709
B	EC129 Raymond Mhlaba	174 140	184 173	195 156
C	DC12 Amathole District Municipality	833 685	896 469	964 525
Total: Amathole Municipalities		1 747 437	1 862 878	1 988 533
B	EC131 Inxuba Yethemba	42 907	45 525	48 363
B	EC135 Intsika Yethu	159 020	168 213	178 267
B	EC136 Emalahleni	123 739	130 898	138 730
B	EC137 Engcobo	148 281	156 846	166 213
B	EC138 Sakhisizwe	68 109	72 022	76 291
B	EC139 Enoch Mgijima	180 007	190 986	202 997
C	DC13 Chris Hani District Municipality	543 689	581 574	623 473
Total: Chris Hani Municipalities		1 265 752	1 346 064	1 434 334
B	EC141 Elundini	152 511	161 309	170 954
B	EC142 Senqu	149 935	158 550	167 959
B	EC145 Walter Sisulu	58 205	62 255	66 673
C	DC14 Joe Gqabi District Municipality	273 796	293 181	314 679
Total: Joe Gqabi Municipalities		634 447	675 295	720 265
B	EC153 Ngquza Hill	257 385	273 656	291 567
B	EC154 Port St Johns	153 034	162 480	172 861
B	EC155 Nyandeni	262 068	277 790	295 066
B	EC156 Mhlontlo	184 192	194 849	206 519
B	EC157 King Sabata Dalindyebo	329 470	352 155	377 055
C	DC15 O.R. Tambo District Municipality	855 543	918 820	989 327
Total: O.R. Tambo Municipalities		2 041 692	2 179 750	2 332 395
B	EC441 Matatiele	234 919	249 849	266 265
B	EC442 Umzimvubu	217 928	230 702	244 735
B	EC443 Mbizana	260 384	278 209	297 873
B	EC444 Ntabankulu	122 525	129 621	137 381
C	DC44 Alfred Nzo District Municipality	556 720	597 920	643 853
Total: Alfred Nzo Municipalities		1 392 476	1 486 301	1 590 107
Total: Eastern Cape Municipalities		9 633 056	10 298 863	11 033 012

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
FREE STATE				
A	MAN Mangaung	735 867	800 260	871 988
B	FS161 Letsemeng	63 668	68 152	73 115
B	FS162 Kopanong	85 235	90 702	96 739
B	FS163 Mohokare	68 586	73 831	79 664
C	DC16 Xhariep District Municipality	43 542	45 503	47 631
Total: Xhariep Municipalities		261 031	278 188	297 149
B	FS181 Masilonyana	118 906	128 001	138 131
B	FS182 Tokologo	54 560	58 184	62 187
B	FS183 Tswelopele	74 224	79 124	84 544
B	FS184 Matjhabeng	504 417	543 730	587 388
B	FS185 Nala	122 062	129 505	137 684
C	DC18 Lejweleputswa District Municipality	128 350	133 330	138 720
Total: Lejweleputswa Municipalities		1 002 519	1 071 874	1 148 654
B	FS191 Setsoto	192 449	205 852	220 718
B	FS192 Dihlabeng	164 487	178 668	194 516
B	FS193 Nketoana	97 090	104 622	113 006
B	FS194 Maluti-a-Phofung	599 867	644 309	693 825
B	FS195 Phumelela	75 451	80 833	86 802
B	FS196 Mantsopa	82 760	88 810	95 526
C	DC19 Thabo Mofutsanyana District Municipality	115 593	120 972	126 832
Total: Thabo Mofutsanyana Municipalities		1 327 697	1 424 066	1 531 225
B	FS201 Moqhaka	205 660	221 972	240 141
B	FS203 Ngwathe	192 989	207 906	224 527
B	FS204 Metsimaholo	183 064	202 431	224 337
B	FS205 Mafube	95 847	103 146	111 265
C	DC20 Fezile Dabi District Municipality	154 559	159 201	164 173
Total: Fezile Dabi Municipalities		832 119	894 656	964 443
Total: Free State Municipalities		4 159 233	4 469 044	4 813 459

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
GAUTENG				
A	EKU City of Ekurhuleni	3 478 292	3 830 583	4 229 656
A	JHB City of Johannesburg	4 689 158	5 183 056	5 744 050
A	TSH City of Tshwane	2 642 492	2 924 283	3 244 640
B	GT421 Emfuleni	772 335	835 871	906 136
B	GT422 Midvaal	107 047	118 363	131 229
B	GT423 Lesedi	133 765	148 432	165 192
C	DC42 Sedibeng District Municipality	268 626	276 939	285 853
Total: Sedibeng Municipalities		1 281 773	1 379 605	1 488 410
B	GT481 Mogale City	408 061	449 128	495 630
B	GT484 Merafong City	204 068	221 470	241 011
B	GT485 Rand West City	303 723	331 754	363 365
C	DC48 West Rand District Municipality	207 500	215 005	223 120
Total: West Rand Municipalities		1 123 352	1 217 357	1 323 126
Total: Gauteng Municipalities		13 215 067	14 534 884	16 029 882

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
KWAZULU-NATAL				
A	ETH eThekweni	3 160 624	3 444 498	3 761 365
B	KZN212 uMdoni	132 002	141 442	151 872
B	KZN213 uMzumbhe	131 115	138 711	147 033
B	KZN214 uMuziwabantu	91 211	96 900	103 149
B	KZN216 Ray Nkonyeni	205 608	222 456	241 076
C	DC21 Ugu District Municipality	462 844	501 266	544 134
Total: Ugu Municipalities		1 022 780	1 100 775	1 187 264
B	KZN221 uMshwathi	101 901	108 833	116 451
B	KZN222 uMngeni	67 048	73 530	80 725
B	KZN223 Mpofana	35 624	37 898	40 379
B	KZN224 iMpendle	35 693	37 730	39 938
B	KZN225 Msunduzi	546 052	593 281	645 960
B	KZN226 Mkhambathini	62 733	67 351	72 448
B	KZN227 Richmond	69 731	74 923	80 654
C	DC22 uMgungundlovu District Municipality	526 031	571 980	622 193
Total: uMgungundlovu Municipalities		1 444 813	1 565 526	1 698 748
B	KZN235 Okhahlamba	124 946	132 718	141 269
B	KZN237 iNkosi Langelibalele	176 729	189 264	203 112
B	KZN238 Alfred Duma	232 678	248 697	266 301
C	DC23 uThukela District Municipality	432 409	466 420	504 349
Total: uThukela Municipalities		966 762	1 037 099	1 115 031
B	KZN241 eNdumeni	46 837	51 040	55 700
B	KZN242 Nquthu	137 328	145 929	155 401
B	KZN244 uMsinga	163 783	175 176	187 748
B	KZN245 uMvoti	127 889	138 469	150 220
C	DC24 uMzinyathi District Municipality	353 478	383 896	418 027
Total: uMzinyathi Municipalities		829 315	894 510	967 096
B	KZN252 Newcastle	373 648	402 741	435 158
B	KZN253 eMadlangeni	30 478	32 318	34 329
B	KZN254 Dannhauser	91 758	97 197	103 181
C	DC25 Amajuba District Municipality	161 133	173 709	187 283
Total: Amajuba Municipalities		657 017	705 965	759 951

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
B	KZN261 eDumbe	74 585	79 359	84 606
B	KZN262 uPhongolo	136 387	146 638	157 988
B	KZN263 AbaQulusi	148 281	160 034	173 038
B	KZN265 Nongoma	154 506	164 433	175 392
B	KZN266 Ulundi	163 194	173 557	185 007
C	DC26 Zululand District Municipality	464 560	502 754	545 500
Total: Zululand Municipalities		1 141 513	1 226 775	1 321 531
B	KZN271 uMhlabuyalingana	166 017	179 115	193 659
B	KZN272 Jozini	181 990	195 100	209 604
B	KZN275 Mtubatuba	164 301	178 128	193 564
B	KZN276 Big Five Hlabisa	107 783	116 117	125 369
C	DC27 uMkhanyakude District Municipality	412 178	449 897	492 392
Total: uMkhanyakude Municipalities		1 032 269	1 118 357	1 214 588
B	KZN281 uMfolozi	130 797	140 706	151 704
B	KZN282 uMhlathuze	362 965	396 640	434 454
B	KZN284 uMlalazi	185 590	198 115	211 945
B	KZN285 Mthonjaneni	79 412	84 010	89 048
B	KZN286 Nkandla	96 903	102 480	108 586
C	DC28 King Cetshwayo District Municipality	514 940	557 682	604 101
Total: King Cetshwayo Municipalities		1 370 607	1 479 633	1 599 838
B	KZN291 Mandeni	167 483	181 360	196 795
B	KZN292 KwaDukuza	167 408	185 716	206 232
B	KZN293 Ndwedwe	147 784	158 306	169 946
B	KZN294 Maphumulo	90 716	95 932	101 627
C	DC29 iLembe District Municipality	516 503	566 725	623 405
Total: iLembe Municipalities		1 089 894	1 188 039	1 298 005
B	KZN433 Greater Kokstad	61 663	65 982	70 705
B	KZN434 uBuhlebezwe	110 309	117 050	124 463
B	KZN435 uMzimkhulu	189 217	202 113	216 343
B	KZN436 Dr Nkosazana Dlamini Zuma	125 869	134 189	143 357
C	DC43 Harry Gwala District Municipality	345 309	372 265	402 358
Total: Harry Gwala Municipalities		832 367	891 599	957 226
Total: KwaZulu-Natal Municipalities		13 547 961	14 652 776	15 880 643

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
LIMPOPO				
B	LIM331 Greater Giyani	287 217	307 312	329 523
B	LIM332 Greater Letaba	278 254	297 960	319 745
B	LIM333 Greater Tzaneen	383 693	413 205	445 855
B	LIM334 Ba-Phalaborwa	150 929	162 929	176 246
B	LIM335 Maruleng	124 492	133 600	143 676
C	DC33 Mopani District Municipality	919 537	998 379	1 086 819
Total: Mopani Municipalities		2 144 122	2 313 385	2 501 864
B	LIM341 Musina	142 917	158 169	175 401
B	LIM343 Thulamela	442 452	474 930	510 824
B	LIM344 Makhado	357 528	384 333	413 961
B	LIM345 Collins Chabane	369 556	395 637	424 446
C	DC34 Vhembe District Municipality	996 113	1 083 936	1 183 105
Total: Vhembe Municipalities		2 308 566	2 497 005	2 707 737
B	LIM351 Blouberg	186 309	197 295	209 377
B	LIM353 Molemole	142 578	150 814	159 866
B	LIM354 Polokwane	922 589	1 007 149	1 102 086
B	LIM355 Lepelle-Nkumpi	250 041	266 008	283 625
C	DC35 Capricorn District Municipality	588 933	634 267	683 761
Total: Capricorn Municipalities		2 090 450	2 255 533	2 438 715
B	LIM361 Thabazimbi	93 580	102 628	112 789
B	LIM362 Lephalale	147 694	163 912	182 354
B	LIM366 Bela-Bela	90 909	99 325	108 787
B	LIM367 Mogalakwena	436 536	467 163	501 280
B	LIM368 Modimolle-Mookgophong	109 995	117 709	126 263
C	DC36 Waterberg District Municipality	129 990	135 338	141 129
Total: Waterberg Municipalities		1 008 704	1 086 075	1 172 602
B	LIM471 Ephraim Mogale	144 997	155 477	167 068
B	LIM472 Elias Motsoaledi	269 009	289 070	311 324
B	LIM473 Makhuduthamaga	267 931	285 436	304 751
B	LIM476 Fetakgomo Tubatse	415 486	451 636	492 038
C	DC47 Sekhukhune District Municipality	769 253	837 663	914 654
Total: Sekhukhune Municipalities		1 866 676	2 019 282	2 189 835
Total: Limpopo Municipalities		9 418 518	10 171 280	11 010 753

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
MPUMALANGA				
B	MP301 Chief Albert Luthuli	311 205	335 283	362 109
B	MP302 Msukaligwa	172 093	189 215	208 470
B	MP303 Mkhondo	235 268	256 568	280 464
B	MP304 Dr Pixley ka Isaka Seme	119 397	128 109	137 772
B	MP305 Lekwa	118 689	129 247	141 032
B	MP306 Dipaleseng	72 019	78 223	85 158
B	MP307 Govan Mbeki	284 504	314 264	347 754
C	DC30 Gert Sibande District Municipality	291 937	300 463	309 582
Total: Gert Sibande Municipalities		1 605 112	1 731 372	1 872 341
B	MP311 Victor Khanye	96 421	105 943	116 664
B	MP312 Emalahleni	360 048	401 151	447 740
B	MP313 Steve Tshwete	200 511	226 033	255 256
B	MP314 Emakhazeni	63 383	68 737	74 707
B	MP315 Thembisile Hani	404 156	437 779	475 365
B	MP316 Dr JS Moroka	379 397	405 239	433 927
C	DC31 Nkangala District Municipality	356 274	367 176	378 869
Total: Nkangala Municipalities		1 860 190	2 012 058	2 182 528
B	MP321 Thaba Chweu	143 286	157 236	172 916
B	MP324 Nkomazi	569 784	617 615	671 087
B	MP325 Bushbuckridge	788 070	847 055	912 687
B	MP326 City of Mbombela	725 225	794 261	871 696
C	DC32 Ehlanzeni District Municipality	253 324	264 110	275 820
Total: Ehlanzeni Municipalities		2 479 689	2 680 277	2 904 206
Total: Mpumalanga Municipalities		5 944 991	6 423 707	6 959 075

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC061 Richtersveld	17 077	18 444	19 964
B	NC062 Nama Khoi	47 830	51 377	55 302
B	NC064 Kamiesberg	22 790	24 227	25 805
B	NC065 Hantam	24 746	26 454	28 337
B	NC066 Karoo Hoogland	22 416	24 207	26 195
B	NC067 Khâi-Ma	18 953	20 365	21 927
C	DC6 Namakwa District Municipality	49 192	50 862	52 654
Total: Namakwa Municipalities		203 004	215 936	230 184
B	NC071 Ubuntu	34 602	37 209	40 100
B	NC072 Umsobomvu	49 477	53 603	58 209
B	NC073 Emthanjeni	44 900	48 261	51 985
B	NC074 Kareeberg	24 348	26 170	28 188
B	NC075 Renosterberg	24 687	26 473	28 447
B	NC076 Thembelihle	25 395	27 157	29 101
B	NC077 Siyathemba	32 939	35 480	38 303
B	NC078 Siyancuma	49 714	52 731	56 039
C	DC7 Pixley Ka Seme District Municipality	51 027	53 246	55 651
Total: Pixley Ka Seme Municipalities		337 089	360 330	386 023
B	NC082 !Kai !Garib	84 517	92 084	100 544
B	NC084 !Kheis	25 352	26 871	28 530
B	NC085 Tsantsabane	39 037	42 613	46 621
B	NC086 Kgatelopele	22 388	24 354	26 552
B	NC087 Dawid Kruiper	84 895	91 837	99 543
C	DC8 Z.F. Mgeawu District Municipality	69 622	72 284	75 160
Total: Z.F. Mgeawu Municipalities		325 811	350 043	376 950
B	NC091 Sol Plaatjie	189 151	205 041	222 702
B	NC092 Dikgatlong	85 055	91 628	98 943
B	NC093 Magareng	46 340	49 392	52 762
B	NC094 Phokwane	104 786	111 598	119 135
C	DC9 Frances Baard District Municipality	120 606	124 276	128 210
Total: Frances Baard Municipalities		545 938	581 935	621 752
B	NC451 Joe Morolong	142 240	151 089	160 954
B	NC452 Ga-Segonyana	159 726	174 827	191 857
B	NC453 Gamagara	37 163	42 073	47 739
C	DC45 John Taolo Gaetsewe District Municipality	89 657	93 455	97 524
Total: John Taolo Gaetsewe Municipalities		428 786	461 444	498 074
Total: Northern Cape Municipalities		1 840 628	1 969 688	2 112 983

SCHEDULE 3

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GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number		Municipality		National Financial Year		
				Column A	Column B	
				2019/20	Forward Estimates	
			2020/21	2021/22		
		R'000	R'000	R'000		
NORTH WEST						
B	NW371	Moretele	340 474	363 988	390 111	
B	NW372	Madibeng	695 606	770 313	854 928	
B	NW373	Rustenburg	675 452	756 697	849 268	
B	NW374	Kgetlengrivier	91 271	99 928	109 658	
B	NW375	Moses Kotane	429 267	460 102	494 384	
C	DC37	Bojanala Platinum District Municipality	339 278	353 381	368 676	
Total: Bojanala Platinum Municipalities			2 571 348	2 804 409	3 067 025	
B	NW381	Ratlou	125 655	133 874	142 905	
B	NW382	Tswaing	115 359	123 655	132 773	
B	NW383	Mafikeng	257 427	278 683	302 184	
B	NW384	Ditsobotla	126 697	136 866	148 056	
B	NW385	Ramotshere Moiloa	174 021	187 091	201 532	
C	DC38	Ngaka Modiri Molema District Municipality	762 805	829 798	904 243	
Total: Ngaka Modiri Molema Municipalities			1 561 964	1 689 967	1 831 693	
B	NW392	Naledi	52 554	56 411	60 632	
B	NW393	Mamusa	55 905	59 954	64 408	
B	NW394	Greater Taung	194 770	206 299	218 956	
B	NW396	Lekwa-Teemane	49 909	53 687	57 842	
B	NW397	Kagisano-Molopo	121 637	128 953	136 979	
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	361 316	388 938	419 621	
Total: Dr Ruth Segomotsi Mompati Municipalities			836 091	894 242	958 438	
B	NW403	City of Matlosana	429 961	466 396	506 933	
B	NW404	Maquassi Hills	128 390	138 201	149 108	
B	NW405	JB Marks	257 937	284 424	314 255	
C	DC40	Dr Kenneth Kaunda District Municipality	187 599	193 795	200 458	
Total: Dr Kenneth Kaunda Municipalities			1 003 887	1 082 816	1 170 754	
Total: North West Municipalities			5 973 290	6 471 434	7 027 910	

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2019/20	Forward Estimates	
		2020/21	2021/22	
		R'000	R'000	R'000
WESTERN CAPE				
A	CPT City of Cape Town	2 815 558	3 081 195	3 377 636
B	WC011 Matzikama	56 540	60 937	65 789
B	WC012 Cederberg	49 201	53 168	57 561
B	WC013 Bergrivier	45 025	49 071	53 574
B	WC014 Saldanha Bay	88 277	97 101	107 001
B	WC015 Swartland	91 534	102 195	114 293
C	DC1 West Coast District Municipality	92 706	96 077	99 718
Total: West Coast Municipalities		423 283	458 549	497 936
B	WC022 Witzenberg	92 850	101 915	112 056
B	WC023 Drakenstein	150 601	164 466	179 913
B	WC024 Stellenbosch	136 177	149 804	165 076
B	WC025 Breede Valley	117 997	127 591	138 199
B	WC026 Langeberg	79 200	85 262	91 946
C	DC2 Cape Winelands District Municipality	232 056	238 436	245 239
Total: Cape Winelands Municipalities		808 881	867 474	932 429
B	WC031 Theewaterskloof	95 587	103 391	112 039
B	WC032 Overstrand	106 697	117 534	129 728
B	WC033 Cape Agulhas	29 908	32 266	34 872
B	WC034 Swellendam	31 579	34 229	37 168
C	DC3 Overberg District Municipality	71 776	74 593	77 644
Total: Overberg Municipalities		335 547	362 013	391 451
B	WC041 Kannaland	28 147	29 854	31 721
B	WC042 Hessequa	44 063	47 469	51 230
B	WC043 Mossel Bay	93 352	101 438	110 430
B	WC044 George	149 978	163 760	179 113
B	WC045 Oudtshoorn	73 525	78 781	84 574
B	WC047 Bitou	93 691	104 401	116 607
B	WC048 Knysna	86 321	94 207	103 020
C	DC4 Garden Route District Municipality	157 370	162 442	167 894
Total: Garden Route Municipalities		726 447	782 352	844 589
B	WC051 Laingsburg	16 574	17 764	19 067
B	WC052 Prince Albert	21 355	23 039	24 906
B	WC053 Beaufort West	62 434	67 202	72 482
C	DC5 Central Karoo District Municipality	30 642	32 062	33 606
Total: Central Karoo Municipalities		131 005	140 067	150 061
Total: Western Cape Municipalities		5 240 721	5 691 650	6 194 102
Unallocated		-	1 000 000	1 100 000
National Total		68 973 465	75 683 326	82 161 819

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20		Forward Estimates	
					R'000	2020/21	R'000	2021/22
Basic Education (Vote 14)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to enhance capacity to deliver infrastructure in education; to address damages to infrastructure; to address achievement of the targets set out in the minimum norms and standards for school infrastructure.	General conditional allocation to provinces	Eastern Cape	1 585 532	1 564 208	R'000	1 685 128
				Free State	833 485	722 425		778 272
				Gauteng	1 474 715	1 440 169		1 551 501
				KwaZulu-Natal	2 187 162	2 013 404		2 169 050
				Limpopo	1 050 160	1 175 467		1 266 336
				Mpumalanga	731 792	819 111		882 432
				Northern Cape	639 817	505 649		544 738
				North West	902 484	1 010 169		1 088 260
				Western Cape	1 109 331	1 031 186		1 110 902
				Unallocated	-	1 184 844		1 250 010
	TOTAL		11 466 632		12 326 629			
Health (Vote 16)	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform.	General conditional allocation to provinces	Eastern Cape	253 131	267 053		281 741
				Free State	185 430	195 629		206 389
				Gauteng	1 027 240	1 083 738		1 143 343
				KwaZulu-Natal	370 863	391 260		412 779
				Limpopo	147 168	155 262		163 801
				Mpumalanga	120 678	127 315		134 317
				Northern Cape	97 132	102 475		108 111
				North West	132 452	139 738		147 424
				Western Cape	606 334	639 682		674 865
					TOTAL		3 102 152	
	(b) National Tertiary Services Grant	Ensure provision of tertiary health services in South Africa, to compensate tertiary facilities for the additional costs associated with provision of these services.	Conditional allocation	Eastern Cape	995 438	1 062 132		1 120 549
				Free State	1 137 386	1 213 591		1 280 339
				Gauteng	4 724 843	5 041 407		5 318 684
				KwaZulu-Natal	1 895 149	2 022 124		2 133 341
				Limpopo	409 263	436 684		460 702
				Mpumalanga	122 993	131 234		138 451
				Northern Cape	378 323	403 671		425 873
				North West	300 482	320 614		338 248
				Western Cape	3 221 651	3 437 406		3 626 463
					TOTAL		14 068 863	

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20	2020/21	Forward Estimates	2021/22
Transport (Vote 35)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance), to ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines, to implement and maintain Road Asset Management Systems; to supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidences including natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	1 483 539	1 464 993	1 577 405	1 401 101
				Gauteng	767 506	669 835	721 233	
				KwaZulu-Natal	1 882 781	1 867 023	2 010 283	
				Limpopo	1 158 253	1 164 114	1 253 439	
				Mpumalanga	1 572 126	937 686	1 009 636	
				Northern Cape	1 146 470	1 106 570	1 191 479	
				North West	990 802	952 293	1 025 364	
				Western Cape	1 040 051	959 648	1 033 284	
				Unallocated	-	1 669 759	1 797 882	
			TOTAL		11 381 665	12 093 174	13 021 106	
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	252 115	269 007	283 803	
				Free State	278 735	297 410	313 768	
				Gauteng	2 436 074	2 599 291	2 742 249	
				KwaZulu-Natal	1 168 099	1 246 362	1 314 912	
				Limpopo	376 790	402 035	424 147	
				Mpumalanga	634 434	676 941	714 173	
				Northern Cape	56 723	60 524	63 854	
				North West	116 603	124 415	131 258	
				Western Cape	1 006 182	1 073 596	1 132 644	
			TOTAL		6 325 755	6 749 581	7 120 808	

SCHEDULE 4, PART B

ALLOCATIONS TO MUNICIPALITIES TO SUPPLEMENT THE FUNDING OF FUNCTIONS FUNDED FROM MUNICIPAL BUDGETS

Vote	Name of allocation	Purpose	City	Column A		Column B		
				2019/20		Forward Estimates		
				R'000		2020/21	2021/22	
Human Settlements (Vote 38)	Urban Settlements Development Grant	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development; to provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements.	Buffalo City	8 17 423	R'000	655 735	R'000	632 538
			City of Cape Town	1 572 724		1 276 068		1 230 926
			City of Ekurhuleni	2 092 514		1 694 564		1 634 616
			City of Johannesburg	1 968 023		1 591 883		1 535 569
			City of Tshwane	1 711 013		1 379 901		1 331 086
			eThekweni	2 094 441		1 690 379		1 630 580
			Mangaung	8 13 563		649 912		626 921
			Nelson Mandela Bay	975 685		778 352		750 817
			TOTAL	12 045 386		9 716 794		9 373 053
			National Treasury (Vote 7)	Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.	Buffalo City	10 383	
City of Cape Town	55 387					60 092		64 397
City of Ekurhuleni	54 295					51 069		54 878
City of Johannesburg	75 757					71 255		75 574
City of Tshwane	43 265					46 940		50 522
eThekweni	51 486					55 309		58 351
Mangaung	6 781					12 009		13 670
Nelson Mandela Bay	12 697					18 511		20 529
TOTAL	310 051					327 319		351 868

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B			
					2019/20		Forward Estimates			
					R'000	2020/21	R'000	2021/22		
Agriculture, Forestry and Fisheries (Vote 24)	(a) Comprehensive Agricultural Support Programme Grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export, to revitalise agricultural colleges into centres of excellence.	Conditional allocation	Eastern Cape	244 101	265 946	287 800			
				Free State	168 373	183 441	198 516			
				Gauteng	91 306	99 476	107 650			
				KwaZulu-Natal	199 351	217 191	235 040			
				Limpopo	246 542	268 605	290 679			
				Mpumalanga	154 076	167 864	181 659			
				Northern Cape	119 458	130 149	140 844			
				North West	164 857	179 609	194 369			
				Western Cape	150 261	163 708	177 161			
				TOTAL	1 538 325	1 675 989	1 813 718			
				(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.	Conditional allocation	Eastern Cape	75 254	79 393	84 236
							Free State	70 586	74 468	79 011
							Gauteng	31 974	33 733	35 791
							KwaZulu-Natal	75 253	79 392	84 234
							Limpopo	75 254	79 393	84 235
Mpumalanga	61 504	64 887	68 845							
Northern Cape	64 169	67 698	71 828							
North West	70 586	74 468	79 011							
Western Cape	58 779	62 012	65 795							
TOTAL	583 359	615 444	652 986							
(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape				11 063	11 671	12 313	
			Free State				8 415	8 878	9 366	
			Gauteng				5 675	5 987	6 316	
			KwaZulu-Natal				12 418	13 101	13 822	
			Limpopo				12 863	13 570	14 316	
			Mpumalanga	9 141	9 644	10 174				
			Northern Cape	8 166	8 615	9 089				
			North West	9 238	9 746	10 282				
			Western Cape	5 255	5 545	5 851				
			TOTAL	82 234	86 757	91 529				

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2019/20	Forward Estimates 2020/21	2021/22
Arts and Culture (Vote 37)	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	169 824	179 156	190 114
				Gauteng	168 691	177 982	188 875
				KwaZulu-Natal	167 784	177 681	188 003
				Limpopo	184 417	194 572	206 377
				Mpumalanga	144 314	151 500	160 305
				Northern Cape	166 389	175 910	185 860
				North West	168 750	178 062	188 959
				Western Cape	144 267	152 233	161 709
					186 763	197 026	208 966
Basic Education (Vote 14)	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by providing comprehensive sexuality education and access to sexual and reproductive health services to learners and supporting the provision of employee health and wellness programmes for educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	TOTAL	1 501 199	1 584 122	1 679 168
				Eastern Cape	45 455	47 878	50 511
				Free State	14 148	14 853	15 670
				Gauteng	37 907	39 869	42 062
				KwaZulu-Natal	62 155	65 450	69 050
				Limpopo	29 124	31 137	32 849
				Mpumalanga	21 919	22 994	24 259
				Northern Cape	5 594	5 794	6 113
				North West	18 849	19 791	20 879
				Western Cape	21 800	22 878	24 136
	256 951	270 644	285 529				
	(b) Learners With Profound Intellectual Disabilities Grant	To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities.	Conditional allocation	Eastern Cape	25 182	27 768	29 295
				Free State	25 369	27 670	29 192
				Gauteng	31 259	33 715	35 569
				KwaZulu-Natal	32 279	34 586	36 488
				Limpopo	26 839	28 932	30 523
				Mpumalanga	26 094	29 020	30 616
				Northern Cape	11 298	13 260	13 990
				North West	16 267	18 414	19 427
				Western Cape	26 198	29 499	31 122
					220 785	242 864	256 222

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20		Forward Estimates	
					R'000	2020/21	R'000	2021/22
Basic Education (Vote 14)	(c) Maths, Science and Technology Grant	To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements for the improvement of Mathematics, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	49 434	51 875	54 698	
				Free State	36 277	38 714	40 879	
				Gauteng	56 042	58 483	61 638	
				KwaZulu-Natal	64 638	67 079	70 663	
				Limpopo	45 802	48 239	50 880	
				Mpumalanga	40 354	42 794	45 164	
				Northern Cape	25 948	28 388	30 038	
				North West	38 391	40 831	43 101	
				Western Cape	34 416	36 856	38 927	
				TOTAL	391 302	413 259	435 988	
Health (Vote 16)	(d) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	1 278 635	1 348 960	1 423 153	
				Free State	400 727	422 767	446 019	
				Gauteng	849 075	895 774	945 042	
				KwaZulu-Natal	1 621 291	1 710 462	1 804 538	
				Limpopo	1 292 011	1 363 072	1 438 041	
				Mpumalanga	687 691	725 514	765 417	
				Northern Cape	189 224	199 632	210 611	
				North West	481 859	508 361	536 321	
				Western Cape	385 202	406 388	428 739	
				Unallocated	-	114 971	167 470	
TOTAL	7 185 715	7 695 901	8 165 351					
Health (Vote 16)	(a) HIV, TB, Malaria and Community Outreach Grant	To enable the health sector to develop and implement an effective response to HIV and AIDS; to enable the health sector to develop and implement an effective response to TB; to ensure provision of quality community outreach services through Ward Based Primary Health Care Outreach Teams; to improve efficiencies of the Ward Based Primary Health Care Outreach Team programme by harmonising and standardising services and strengthening performance monitoring; prevention and protection of health workers from exposure to hazards in the work place; to enable the health sector to develop and implement an effective response to support the effective implementation of the Malaria Elimination Strategic Plan 2019-2023.	Conditional allocation	Eastern Cape	2 397 703	2 657 743	2 972 861	
				Free State	1 331 235	1 474 491	1 666 204	
				Gauteng	4 766 734	5 279 737	5 978 288	
				KwaZulu-Natal	5 840 629	6 470 140	7 300 479	
				Limpopo	1 947 302	2 167 956	2 525 491	
				Mpumalanga	1 998 197	2 207 510	2 532 610	
				Northern Cape	596 276	657 409	761 747	
				North West	1 475 402	1 629 389	1 896 374	
				Western Cape	1 685 517	1 864 096	2 118 533	
				TOTAL	22 038 995	24 408 471	27 752 587	

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20		Forward Estimates	
					R'000	2020/21	R'000	2021/22
Health (Vote 16)	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance; to enhance capacity to deliver health infrastructure; to accelerate the fulfilment of the requirements of occupational health and safety.	Conditional allocation	Eastern Cape	784 988	610 773	658 646	R'000
				Free State	498 713	527 985	569 368	
				Gauteng	859 028	909 450	980 733	
				KwaZulu-Natal	1 353 497	1 212 653	1 307 702	
				Limpopo	457 951	484 830	522 832	
				Mpumalanga	344 915	365 162	393 783	
				Northern Cape	386 706	409 404	441 495	
				North West	508 549	538 398	580 598	
				Western Cape	812 626	640 033	690 199	
				Unallocated	-	660 869	712 668	
	TOTAL				6 006 973	6 359 557	6 858 024	
	(c) Human Papillomavirus Vaccine Grant	To enable the health sector to prevent cervical cancer by making available Human Papillomavirus Vaccination for grade four school girls in all public and special schools.	Conditional allocation	Eastern Cape	35 345	37 289	39 340	
				Free State	12 258	12 932	13 643	
				Gauteng	28 841	30 427	32 100	
				KwaZulu-Natal	47 495	50 108	52 864	
				Limpopo	29 009	30 604	32 287	
				Mpumalanga	18 654	19 680	20 762	
				Northern Cape	4 894	5 164	5 449	
				North West	14 007	14 777	15 590	
				Western Cape	20 697	21 835	23 036	
					TOTAL			
	(d) Human Resources Capacitation Grant	To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	Conditional allocation	Eastern Cape	58 253	62 097	66 072	
				Free State	28 188	30 049	31 972	
				Gauteng	135 235	144 161	153 387	
				KwaZulu-Natal	122 316	130 388	138 734	
				Limpopo	43 258	46 113	49 064	
				Mpumalanga	41 562	44 305	47 140	
				Northern Cape	11 606	12 372	13 164	
				North West	29 994	31 974	34 020	
				Western Cape	135 284	144 213	153 442	
				Unallocated	-	417 411	440 232	
	TOTAL				605 696	1 063 083	1 127 227	

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20	Forward Estimates	2020/21	2021/22
Health (Vote 16)	(e) National Health Insurance Grant	To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance; to enhance capacity and capability to deliver infrastructure for National Health Insurance; to accelerate the fulfilment of the requirements of occupational health and safety; to expand the alternative models for the dispensing and distribution of chronic medication; to develop and roll out new health information systems in preparation for National Health Insurance; to enable the health sector to address the deficiencies in primary health care facilities systematically and to yield fast results through the implementation of the Ideal Clinic programme; to expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	Nationally assigned function to provinces	Eastern Cape	R'000	-	R'000	-
				Free State	-	-	-	-
				Gauteng	-	-	-	-
				KwaZulu-Natal	-	-	-	-
				Limpopo	-	-	-	-
				Mpumalanga	-	-	-	-
				Northern Cape	-	-	-	-
				North West	-	-	-	-
				Western Cape	-	-	-	-
				Unallocated	-	-	-	-
				TOTAL	-	-	-	-
Human Settlements (Vote 38)	(a) Human Settlements Development Grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements; to provide funding to facilitate a programme and inclusive approach to upgrading informal settlements.	Conditional allocation	Eastern Cape	1 960 278	1 634 932	1 631 302	1 631 302
				Free State	1 093 166	917 011	908 030	908 030
				Gauteng	5 164 409	4 319 346	4 293 873	4 293 873
				KwaZulu-Natal	3 485 407	3 100 921	2 694 924	2 694 924
				Limpopo	1 301 677	1 098 807	1 079 035	1 079 035
				Mpumalanga	1 296 059	1 091 658	1 075 145	1 075 145
				Northern Cape	470 262	403 061	387 887	387 887
				North West	1 934 947	1 641 426	1 601 428	1 601 428
				Western Cape	2 073 610	1 729 455	1 725 616	1 725 616
				TOTAL	18 779 815	15 936 617	15 397 240	15 397 240
				Human Settlements (Vote 38)	(b) Informal Settlements Upgrading Partnership Grant: Provinces	To provide funding to facilitate a programme and inclusive approach to upgrading informal settlements.	Conditional allocation	Eastern Cape
Free State	-	176 745	253 334					253 334
Gauteng	-	859 829	1 232 421					1 232 421
KwaZulu-Natal	-	553 779	793 750					793 750
Limpopo	-	197 160	282 596					282 596
Mpumalanga	-	200 956	288 037					288 037
Northern Cape	-	59 464	85 232					85 232
North West	-	277 541	397 808					397 808
Western Cape	-	354 596	508 255					508 255
TOTAL	-	3 015 286	4 321 909					4 321 909

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20		Forward Estimates	
					R'000	R'000	2020/21	2021/22
Human Settlements (Vote 38)	(c) Title Deeds Restoration Grant	To provide funding for the eradication of the pre-2014 title deeds registration backlog.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape	60 904 32 095 156 204 100 612 35 820 36 477 10 790 50 388 64 410	64 254 33 860 164 795 106 146 37 790 38 483 11 383 53 160 67 952	- - - - - - - - -	R'000
Public Works (Vote 11)	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; sustainable land based livelihoods; waste management.	Conditional allocation	TOTAL Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape Unallocated	547 700 106 862 31 203 51 518 120 173 29 428 27 249 20 321 21 944 28 690 -	577 823 - - - - - - - - - - 462 376	- - - - - - - - - - 488 789	R'000
	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2018 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Conditional allocation	TOTAL Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape Unallocated	437 388 50 363 41 821 53 346 90 179 61 684 39 308 25 196 29 912 38 984 -	462 376 - - - - - - - - - - 454 487	- - - - - - - - - - 479 484	488 789
				TOTAL	430 793	454 487	479 484	

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2019/20	Forward Estimates	2020/21	2021/22
Social Development (Vote 17)	Early Childhood Development Grant	To increase the number of poor children accessing subsidised early childhood development services through partial care facilities; to support early childhood development providers delivering an early childhood development programme to meet basic health and safety requirements for registration; to pilot the construction of new low cost early childhood development centres.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	85 397	91 117	96 129	28 681
				Gauteng	25 477	27 186	28 681	76 655
				KwaZulu-Natal	68 097	72 658	123 807	130 616
				Limpopo	116 035	123 807	77 665	49 926
				Mpumalanga	68 992	73 616	47 323	15 985
				Northern Cape	44 351	47 323	58 899	62 137
				North West	14 199	15 152	43 191	45 567
				Western Cape	55 201	58 899		
					40 479	43 191		
					TOTAL			518 228
Sport and Recreation South Africa (Vote 40)	Mass Participation and Sport Development Grant	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	70 037	73 888	78 175	111 232
				Gauteng	100 839	105 883	104 826	118 297
				KwaZulu-Natal	92 223	98 537	79 651	53 776
				Limpopo	104 673	111 186	32 883	48 009
				Mpumalanga	71 489	75 451	59 044	62 205
				Northern Cape	48 791	51 210		
				North West	32 086	32 883		
				Western Cape	43 814	45 850		
					56 064	59 044		
					TOTAL			620 016

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2019/20	Forward Estimates	2021/22
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	-	-	-
National Treasury (Vote 7)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered, as per the requirements of the relevant statutory councils within the built environment.	149 416	157 930	166 616
	(b) Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	532 822	561 713	592 607
Public Works (Vote 11)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.	730 046	771 174	814 414
TOTAL			1 412 284	1 490 817	1 573 637

SCHEDULE 5, PART B
SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		Column B	
			2019/20	Forward Estimates	2020/21	2021/22
			R'000		R'000	
INFRASTRUCTURE GRANTS						
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Integrated Urban Development Grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure; to ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.	856 895	939 163	1 013 203	
	(b) Municipal Disaster Recovery Grant	To reconstruct and rehabilitate municipal infrastructure damaged by a disaster.	193 953	-	-	
	(c) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities.	14 816 103	15 659 923	16 830 814	
Energy (Vote 26)	(a) Energy Efficiency and Demand Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	227 065	239 554	252 729	
	(b) Integrated National Electrification Programme Grant (Municipal)	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, new, and existing dwellings) and the installation of relevant bulk infrastructure.	1 863 328	1 977 364	2 131 018	
Human Settlements (Vote 38)	Informal Settlements Upgrading Partnership Grant: Municipalities	To provide funding to facilitate a programmatic, inclusive and municipal-wide approach to upgrading of informal settlements.	-	2 985 285	4 383 830	
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant (Capital)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	621 172	654 936	704 057	
Transport (Vote 35)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	6 468 248	7 495 172	8 366 935	
	(b) Rural Roads Asset Management Systems Grant	To assist district municipalities to set up rural Roads Asset Management Systems, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	113 891	120 485	127 112	
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the rollout of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.	3 669 319	3 870 972	4 161 295	
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	2 066 360	2 180 005	2 343 505	
TOTAL			30 896 334	36 122 859	40 314 498	

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		Column B	
			2019/20	Forward Estimates	2020/21	2021/22
Basic Education (Vote 14)	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	R'000	R'000	R'000	R'000
Health (Vote 16)	National Health Insurance Indirect Grant	To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance; to enhance capacity and capability to deliver infrastructure for National Health Insurance; to accelerate the fulfilment of the requirements of occupational health and safety; to expand the alternative models for the dispensing and distribution of chronic medication; to develop and roll out new health information systems in preparation for National Health Insurance; to enable the health sector to address the deficiencies in primary health care facilities systematically and to yield fast results through the implementation of the Ideal Clinic programme; to expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	2 027 048	1 769 036	2 338 937	
			2 533 699	3 210 816	3 336 014	
		TOTAL	4 560 747	4 979 852	5 674 951	

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2019/20	Forward Estimates	2021/22
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	121 562	128 248	135 302
Energy (Vote 26)	Integrated National Electrification Programme Grant (Eskom)	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, new, and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licenced areas.	3 374 053	3 062 738	3 820 670
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant (Technical Assistance)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	30 997	32 702	34 501
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities in implementing water conservation and water demand management projects; support the closeout of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.	644 085	678 806	729 692
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	3 037 523	3 206 832	3 447 294
	TOTAL		7 208 220	7 109 326	8 167 459

SCHEDULE 7, PART A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A		Column B	
			2019/20	R'000	Forward Estimates	
					2020/21	2021/22
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Relief Grant	To provide for the release of funds for disaster response.	R'000	R'000	R'000	R'000
			130 904	138 489	146 106	
Human Settlements (Vote 38)	Provincial Emergency Housing Grant	To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency; to provide funding to provinces to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter.	276 900	294 899	311 118	
			407 804	433 388	457 224	
TOTAL						

SCHEDULE 7, PART B

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A		Column B	
			2019/20	R'000	Forward Estimates	
					2020/21	2021/22
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Disaster Relief Grant	To provide for the immediate release of funds for disaster response.	R'000	R'000	R'000	R'000
			335 488	353 940	373 407	
Human Settlements (Vote 38)	Municipal Emergency Housing Grant	To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency; to provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter.	149 100	158 792	167 526	
			484 588	512 732	540 933	
TOTAL						

MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE BILL

1. BACKGROUND

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996, (“the Constitution”) requires that an Act of Parliament must provide for—
 - (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
 - (b) the determination of each province’s equitable share of the provincial share of that revenue; and
 - (c) any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and for any conditions on which those allocations may be made.

- 1.2 Section 10 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), requires that, as part of the process of the enactment of the Act of Parliament referred to in paragraph 1.1, each year when the annual budget is introduced, the Minister of Finance must introduce in the National Assembly a Division of Revenue Bill (“the Bill”) for the financial year to which that budget relates.

- 1.3 The Intergovernmental Fiscal Relations Act, 1997, requires that the Bill be accompanied by a memorandum explaining—
 - (a) how the Bill takes account of each of the matters listed in section 214(2)(a) to (j) of the Constitution;
 - (b) the extent to which account was taken of any recommendations of the Financial and Fiscal Commission (“the FFC”) that were submitted to the Minister of Finance or were raised during consultations with the FFC; and
 - (c) any assumptions or formulae used in arriving at the respective shares of the three spheres of government and the division of the provincial share between the nine provinces.

- 1.4 In terms of section 7(4) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009), when tabling the budget, a report must also be tabled that responds to the recommendations made in the reports by the Parliamentary Committees on Finance on the proposed fiscal framework in the Medium Term Budget Policy Statement and the reports by the Committees on Appropriations regarding the proposed division of revenue and the conditional grant allocations to provinces and local government as contained in the Medium Term Budget Policy Statement. The report must explain how the Bill and the national budget give effect to, or the reasons for not taking into account, the recommendations contained in the Committee reports.

- 1.5 The memorandum referred to in paragraph 1.3 is attached to this Memorandum and will also be attached as “Annexure W1” to the Budget Review, and the report referred to in paragraph 1.4 will be tabled with the budget.

- 1.6 The Bill is introduced in compliance with the Constitution, the Intergovernmental Fiscal Relations Act, 1997, and the Money Bills and Related Matters Act, 2009, as set out in paragraphs 1.1 to 1.4.

- 1.7 The allocations contemplated in section 214(1) of the Constitution are set out in the following Schedules to the Bill:
 - *Schedule 1* contains the equitable shares of the three spheres of government;
 - *Schedule 2* sets out provincial equitable share allocations;
 - *Schedule 3* sets out local government equitable share allocations per municipality;

- *Schedules 4 to 7* deal with grant allocations for provinces and municipalities, including allocations to supplement funding of functions funded from provincial and municipal budgets, specific purpose allocations, allocations-in-kind (indirect transfers to provinces and local government) and the release of funds to provinces and municipalities for immediate response to a disaster.

2. SUMMARY OF BILL

The following is a brief summary of the Bill:

- **Clause 1** contains definitions;
- **Clause 2** sets out the objects of the Bill, which are to provide for the equitable division of revenue raised nationally among the three spheres and to promote predictability and certainty in respect of allocations to provinces and municipalities as well as transparency and accountability in the resource allocation process;
- **Clause 3** provides for the equitable division of anticipated revenue raised nationally among the national, provincial and local spheres of government, which is set out in Schedule 1;
- **Clause 4** provides for each province's equitable share, which is set out in Schedule 2, and that it must be transferred in terms of a payment schedule;
- **Clause 5** provides for each municipality's equitable share of revenue, which is set out in Schedule 3 and that it must be transferred on dates specified in clause 5 in amounts as determined in terms of clause 23(2);
- **Clause 6** determines what must happen if actual revenue raised falls short or is in excess of anticipated revenue for the financial year, and allows for additional conditional and unconditional allocations to be made from the national government's portion of the equitable share or excess revenue;
- **Clause 7** provides for conditional allocations to provinces in Part A of Schedules 4 to 7;
- **Clause 8** provides for conditional allocations to municipalities in Part B of Schedules 4 to 7;
- **Clauses 9 and 10** set out the duties of a transferring national officer in respect of Schedules 4, 5 and 6 allocations;
- **Clauses 11 and 12** set out the duties of a receiving officer in respect of Schedules 4, 5 and 7 allocations;
- **Clauses 13 and 14** set out the additional duties of a receiving officer in respect of infrastructure conditional allocations to provinces and to metropolitan municipalities;
- **Clause 15** prescribes the duties in respect of annual financial statements and annual reports for the 2019/20 financial year;
- **Clause 16** requires the publication of certain allocations and all conditional grant frameworks in the *Government Gazette*;
- **Clause 17** requires that spending must only be in accordance with the purpose and subject to the conditions set out in the grant frameworks for Schedules 4 to 7 allocations, and sets out funding related arrangements if a function partially or fully funded by a conditional grant is assigned by a province to a municipality;
- **Clauses 18 and 19** provide for the withholding and stopping of allocations;
- **Clause 20** provides for the reallocation of funds;

- *Clause 21* provides for the possible conversion of certain allocations in order to prevent under-spending on the allocation, if the affected national or provincial department has demonstrated the capacity to implement projects;
- *Clause 22* provides for the management of unspent conditional allocations;
- *Clauses 23 and 24* provide for payment schedules and their amendment;
- *Clause 25* provides for the recovery of any allocation transferred in error or fraudulently;
- *Clause 26* provides for new allocations during a financial year and the use of funds allocated in Schedule 7;
- *Clause 27* provides for preparations for the 2020/21 and 2021/22 financial years;
- *Clause 28* deals with transfers before the commencement of the Division of Revenue Act for the 2020/21 financial year and the conditions attached to such transfers;
- *Clause 29* sets out the duties of municipalities;
- *Clause 30* sets out the duties and powers of provincial treasuries;
- *Clause 31* sets out the duties and powers of the National Treasury;
- *Clauses 32 to 37* provide for general matters such as liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations, irregular expenditure, financial misconduct, delegations and assignments, departures and the power of the Minister of Finance to make regulations;
- *Clause 38* provides for the repeal of laws; and
- *Clauses 39* provides for the short title and commencement.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

The following institutions were consulted on the Bill—

- Financial and Fiscal Commission;
- South African Local Government Association; and
- National and provincial departments.

4. FINANCIAL IMPLICATIONS FOR STATE

This memorandum outlines the proposed division of revenue between the three spheres of government, and the financial implications to government are limited to the total transfers to provinces and local government as indicated in the Schedules to the Bill.

5. CONSTITUTIONAL IMPLICATIONS

The Bill gives effect to section 214 of the Constitution.

6. PARLIAMENTARY PROCEDURE

- 6.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure prescribed by section 76(1) of the Constitution, since it provides for legislation envisaged in Chapter 13 of the Constitution, and it includes provisions affecting the financial interests of the provincial sphere of government, as contemplated in section 76(4)(b) of the Constitution.

- 6.2 Chapter 4 of the Constitution provides for the procedures that Bills must follow in Parliament. Section 76 of the Constitution provides for parliamentary procedure for ordinary Bills affecting the provinces. In terms of section 76(3) a Bill must be dealt with in accordance with the procedure established by either subsection 76(1) or subsection 76(2) if it falls within a functional area listed in Schedule 4.
- 6.3 In **Stephen Segopotso Tongoane and Others v Minister for Agriculture and Land Affairs and Others CCT100/9 [2010] ZACC 10** at paragraphs 70 and 72, the Constitutional Court stated that the test for determining how a Bill is to be tagged must be broader than that for determining legislative competence. Whether a Bill is a section 76 Bill is determined in two ways. First by the explicit list of legislative matters in section 76(3), and second by whether the provisions of a Bill in substantial measure fall within a concurrent legislative competence.
- 6.4 This test compels us to consider the substance, purpose and effect of the subject matter of the proposed Bill.
- 6.5 As already pointed out, the Bill provides for legislation envisaged in Chapter 13 of the Constitution. Furthermore, the Bill includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section 76(4)(b) of the Constitution. We are therefore of the opinion that the Bill must be dealt with in accordance with the procedure envisaged by section 76(1) of the Constitution.
- 6.6 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or the customs of traditional communities.

DIVISION OF REVENUE ATTACHMENTS

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**EXPLANATORY MEMORANDUM
TO THE DIVISION OF REVENUE**

(Website “Annexure W1” to the 2019 Budget Review)

W1

Explanatory memorandum to the division of revenue

■ Background

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 257 municipalities. The division of revenue process takes into account the powers and functions assigned to each sphere, fosters transparency and is at the heart of constitutional cooperative governance.

The Intergovernmental Fiscal Relations Act (1997) prescribes the steps for determining the equitable sharing and allocation of nationally raised revenue. Sections 9 and 10(4) of the act set out the consultation process to be followed with the Financial and Fiscal Commission (FFC), including considering recommendations made regarding the division of revenue.

This explanatory memorandum to the 2019 Division of Revenue Bill fulfils the requirement set out in section 10(5) of the Intergovernmental Fiscal Relations Act that the bill be accompanied by an explanatory memorandum detailing how it takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities. This memorandum complements the discussion of the division of revenue in Chapter 6 of the *Budget Review*. It has six sections:

- Part 1 lists the factors that inform the division of resources between national, provincial and local government.
- Part 2 describes the 2019 division of revenue.
- Part 3 sets out how the FFC's recommendations on the 2019 division of revenue have been taken into account.
- Part 4 explains the formula and criteria for the division of the provincial equitable share and conditional grants among provinces.
- Part 5 sets out the formula and criteria for the division of the local government equitable share and conditional grants among municipalities.
- Part 6 summarises issues that will form part of subsequent reviews of provincial and local government fiscal frameworks.

The Division of Revenue Bill and its underlying allocations are the result of extensive consultation between national, provincial and local government. The Budget Council deliberated on the matters discussed in this memorandum at several meetings during the year. The approach to local government allocations was discussed with organised local government at technical meetings with the South African Local Government Association (SALGA), culminating in meetings of the Budget Forum (the Budget Council and SALGA). An extended Cabinet meeting involving ministers, provincial premiers and the SALGA chairperson was held in October 2018. The division of revenue, and the government priorities that underpin it, was agreed for the next three years.

Part 1: Constitutional considerations

Section 214 of the Constitution requires that the annual Division of Revenue Act be enacted after factors in sub-sections (2)(a) to (j) of the Constitution are taken into account. The constitutional principles considered in the division of revenue are briefly noted below.

National interest and the division of resources

The national interest is captured in governance goals that benefit the nation as a whole. The National Development Plan sets out a long-term vision for the country's development. This is complemented by the strategic integrated projects overseen by the Presidential Infrastructure Coordinating Council and the 14 priority outcomes adopted by Cabinet in 2014 for the 2014–2019 medium-term strategic framework. Government is expected to adopt a new medium-term strategic framework following the 2019 elections, which will inform allocations in future years. In the 2018 *Medium Term Budget Policy Statement*, the Minister of Finance outlined how the resources available to government over the 2019 medium-term expenditure framework (MTEF) would be allocated to help achieve government's goals. Cabinet's commitment to keeping South Africa's debt on a sustainable path is coupled with commitments to achieve national priorities that must be supported in the budget. Chapter 4 of the 2018 *Medium Term Budget Policy Statement* and Chapters 5 and 6 of the 2019 *Budget Review* discuss how funds have been allocated across the three spheres of government based on these priorities. The framework for each conditional grant allocated as part of the division of revenue also notes how the grant is linked to the 14 priority outcomes.

Provision for debt costs

The resources shared between national, provincial and local government include proceeds from national government borrowing used to fund public spending. National government provides for the resulting debt costs to protect the country's integrity and credit reputation. A more detailed discussion can be found in Chapter 7 of the 2019 *Budget Review*.

National government's needs and interests

The Constitution assigns exclusive and concurrent powers and functions to each sphere of government. National government is exclusively responsible for functions that serve the national interest and are best centralised. National and provincial government have concurrent responsibility for a range of functions. Provincial and local government receive equitable shares and conditional grants to enable them to provide basic services and perform their functions. Functions may shift between spheres of government to better meet the country's needs, which is then reflected in the division of revenue. Changes continue to be made to various national transfers to provincial and local government to improve their efficiency, effectiveness and alignment with national strategic objectives.

Provincial and local government basic services

Provinces and municipalities are responsible for providing education, health, social development, housing, roads, electricity and water, and municipal infrastructure services. They have the autonomy to allocate resources to meet basic needs and respond to provincial and local priorities, while giving effect to national

objectives. The division of revenue provides equitable shares to provinces and local government, together with conditional grants for basic service delivery.

Growth in allocations to provincial and local government have been safeguarded to reflect the priority placed on health, education and basic services, as well as the rising costs of these services as a result of higher wages, and bulk electricity and water costs. Transfers to local government have grown significantly in recent years, providing municipalities with greater resources to deliver basic services. This is in addition to local government's substantial own revenue-raising powers.

The 2019 division of revenue prioritises the sustained delivery of free basic services in municipalities and adds funds for the expansion of key social welfare programmes in provinces.

Fiscal capacity and efficiency

National government has primary revenue-raising powers. Provinces have limited revenue-raising capacity and the resources required to deliver provincial functions do not lend themselves to self-funding or cost recovery. Due to their limited revenue-raising potential, and their responsibility to implement government priorities, provinces receive a larger share of nationally raised revenue than local government. Municipalities finance most of their expenditure through property rates, user charges and fees. But their ability to raise revenue varies – rural municipalities raise significantly less revenue than large urban and metropolitan municipalities.

Local government's share of nationally raised revenue has increased from 3 per cent in 2000/01 to 9.1 per cent over the 2019 MTEF period. The local government equitable share formula incorporates a revenue adjustment factor that considers the fiscal capacity of the recipient municipality (full details of the formula are provided in part 5 of this annexure).

The mechanisms for allocating funds to provinces and municipalities are continuously reviewed to improve their efficiency. As such, government's approach to funding provincial infrastructure aims to promote better planning and implementation, and improve efficiency in the delivery of health and education infrastructure. To maximise the effect of allocations, many provincial and local government conditional grants use criteria that consider the recipient's efficiency in using allocations in the past.

Developmental needs

Developmental needs are accounted for at two levels. First, in the determination of the division of revenue, which continues to grow the provincial and local government shares of nationally raised revenue faster than inflation, and second, in the formulas used to divide national transfers among municipalities and provinces. Developmental needs are built into the equitable share formulas for provincial and local government and in specific conditional grants, such as the *municipal infrastructure grant*, which allocates funds according to the number of households in a municipality without access to basic services. Various infrastructure grants and the capital budgets of provinces and municipalities aim to boost economic and social development.

Economic disparities

The equitable share and infrastructure grant formulas are redistributive towards poorer provinces and municipalities. Through the division of revenue, government continues to invest in economic infrastructure (such as roads) and social infrastructure (such as schools, hospitals and clinics) to stimulate economic development, create jobs, and address economic and social disparities.

Obligations in terms of national legislation

The Constitution gives provincial governments and municipalities the power to determine priorities and allocate budgets. National government is responsible for developing policy, fulfilling national mandates, setting national norms and standards for provincial and municipal functions, and monitoring the implementation of concurrent functions.

The 2019 MTEF, through the division of revenue, continues to fund the delivery of provincial, municipal and concurrent functions through a combination of conditional and unconditional grants.

Predictability and stability

Provincial and local government equitable share allocations are based on estimates of nationally raised revenue. If this revenue falls short of estimates within a given year, the equitable shares of provinces and local government will not be adjusted downwards. Allocations are assured (voted, legislated and guaranteed) for the first year and are transferred according to a payment schedule. To contribute to longer-term predictability and stability, estimates for a further two years are published with the annual proposal for appropriations. Adjusted estimates as a result of changes to data underpinning the equitable share formulas and revisions to the formulas themselves are phased in to ensure minimal disruption.

Flexibility in responding to emergencies

Government has a contingency reserve for emergencies and unforeseeable events. In addition, four conditional grants for disasters and housing emergencies allow for the swift allocation and transfer of funds to affected provinces and municipalities in the immediate aftermath of a disaster. Sections 16 and 25 of the Public Finance Management Act (1999) make specific provision for the allocation of funds to deal with emergency situations. Section 30(2) deals with adjustment allocations for unforeseeable and unavoidable expenditure. Section 29 of the Municipal Finance Management Act (2003) allows a municipal mayor to authorise unforeseeable and unavoidable expenditure in an emergency.

Part 2: The 2019 division of revenue

The central fiscal objectives over the MTEF period are to stabilise the growth of debt as a share of GDP and to strictly adhere to the planned expenditure ceiling (see Chapter 3 of the 2019 *Budget Review*). However, the most important public spending programmes that help poor South Africans, contribute to growth and generate employment have been protected from major reductions. The 2019 division of revenue reprioritises existing funds to ensure these objectives are met. Parts 4 and 5 of this annexure set out in more detail how the changes to the baseline affect provincial and local government transfers.

Excluding debt-service costs and the contingency reserve, allocated expenditure shared across government amounts to R1.44 trillion, R1.54 trillion and R1.65 trillion over each of the MTEF years. These allocations take into account government's spending priorities, each sphere's revenue-raising capacity and responsibilities, and input from various intergovernmental forums and the FFC. The provincial and local equitable share formulas are designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

Government's policy priorities for the 2019 MTEF period

To remain within the revised expenditure ceiling set out in Chapter 3 of the 2019 *Budget Review*, existing budgets need to be reprioritised to meet government's policy goals. Priorities over the 2019 MTEF period that are funded through reprioritisations in the division of revenue include:

- Improving the implementation of the Upgrading Informal Settlements Programme by ring-fencing funds within conditional grants.
- Eradicating pit latrines in schools.
- Supporting the roll-out of free sanitary products to learners from low-income households.

These reprioritisations complement baselines that provide R1.97 trillion to provinces and R414.7 billion to local government in transfers over the 2019 MTEF period. These transfers fund basic education, health, social development, roads, housing and municipal services.

The fiscal framework

Table W1.1 presents the medium-term macroeconomic forecasts for the 2019 Budget. It sets out the growth assumptions and fiscal policy targets on which the fiscal framework is based.

Table W1.1 Medium-term macroeconomic assumptions

R billion/percentage of GDP	2018/19		2019/20		2020/21		2021/22
	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Gross domestic product	5 025.4	5 059.1	5 390.1	5 413.8	5 808.3	5 812.4	6 249.1
Real GDP growth	1.5%	0.7%	1.9%	1.5%	2.1%	1.9%	2.1%
GDP inflation	5.4%	6.4%	5.3%	5.4%	5.5%	5.4%	5.3%
National budget framework							
Revenue	1 321.1	1 285.4	1 427.8	1 403.5	1 542.7	1 505.1	1 632.9
Percentage of GDP	26.3%	25.4%	26.5%	25.9%	26.6%	25.9%	26.1%
Expenditure	1 512.2	1 509.9	1 632.6	1 658.7	1 757.5	1 769.6	1 900.5
Percentage of GDP	30.1%	29.8%	30.3%	30.6%	30.3%	30.4%	30.4%
Main budget balance¹	-191.1	-224.5	-204.8	-255.2	-214.8	-264.4	-267.6
Percentage of GDP	-3.8%	-4.4%	-3.8%	-4.7%	-3.7%	-4.5%	-4.3%

1. A positive number reflects a surplus and a negative number a deficit

Source: National Treasury

Table W1.2 sets out the division of revenue for the 2019 MTEF period after accounting for new policy priorities.

Table W1.2 Division of nationally raised revenue

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2012/22
	Outcome			Revised estimate	Medium-term estimates		
Division of available funds							
National departments	546 065	555 739	592 686	638 170	684 735	733 128	777 674
of which:							
Indirect transfers to provinces	3 458	3 636	3 813	4 730	4 561	4 980	5 675
Indirect transfers to local government	10 370	8 112	7 803	7 887	7 208	7 109	8 167
Provinces	471 424	500 384	538 553	572 212	612 266	657 115	701 000
Equitable share	386 500	410 699	441 331	470 287	505 554	542 909	578 645
Conditional grants	84 924	89 685	97 222	101 925	106 712	114 206	122 355
Local government	98 338	102 867	111 103	117 258	127 289	137 881	149 498
Equitable share	49 367	50 709	55 614	60 518	68 973	75 683	82 162
Conditional grants	38 313	40 934	43 704	44 271	45 149	48 171	52 154
General fuel levy sharing with metros	10 659	11 224	11 785	12 469	13 167	14 027	15 182
Provisional allocation not assigned to votes	–	–	–	–	19 210	11 376	18 904
Non-interest allocations	1 115 827	1 158 990	1 242 341	1 327 640	1 443 500	1 539 500	1 647 077
Percentage increase	9.7%	3.9%	7.2%	6.9%	8.7%	6.7%	7.0%
Debt-service costs	128 796	146 497	162 645	182 218	202 208	224 066	247 408
Contingency reserves	–	–	–	–	13 000	6 000	6 000
Main budget expenditure	1 244 623	1 305 486	1 404 986	1 509 858	1 658 707	1 769 566	1 900 485
Percentage increase	10.0%	4.9%	7.6%	7.5%	9.9%	6.7%	7.4%
Percentage shares							
National departments	48.9%	48.0%	47.7%	48.1%	48.1%	48.0%	47.8%
Provinces	42.2%	43.2%	43.3%	43.1%	43.0%	43.0%	43.1%
Local government	8.8%	8.9%	8.9%	8.8%	8.9%	9.0%	9.2%

Source: National Treasury

Table W1.3 shows how changes to the baseline are spread across government. The new focus areas and baseline reductions are accommodated by shifting savings towards priorities.

Table W1.3 Changes over baseline

R million	2019/20	2020/21
National departments	-1 193	-3 423
Provinces	508	-340
Local government	375	419
Allocated expenditure	-310	-3 344

Source: National Treasury

Table W1.4 sets out schedule 1 of the Division of Revenue Bill, which reflects the legal division of revenue between national, provincial and local government. In this division, the national share includes all conditional grants to provinces and local government in line with section 214(1) of the Constitution, and the allocations for each sphere reflect equitable shares only.

Table W1.4 Schedule 1 of the Division of Revenue Bill

R million	2019/20	2020/21	2021/22
	Allocation	Forward estimates	
National ¹	1 084 180	1 150 974	1 239 678
Provincial	505 554	542 909	578 645
Local	68 973	75 683	82 162
Total	1 658 707	1 769 566	1 900 485

1. National share includes conditional grants to provinces and local government, general fuel levy sharing with metropolitan municipalities, debt-service costs, the contingency reserve and provisional allocations

Source: National Treasury

The 2019 *Budget Review* sets out in detail how constitutional considerations and government's priorities are taken into account in the division of revenue. It describes economic and fiscal policy considerations, revenue issues, debt and financing considerations, and expenditure plans. Chapter 6 focuses on provincial and local government financing.

Part 3: Response to the FFC's recommendations

Section 9 of the Intergovernmental Fiscal Relations Act requires the FFC to make recommendations regarding:

- a) "An equitable division of revenue raised nationally, among the national, provincial and local spheres of government;
- b) "the determination of each province's equitable share in the provincial share of that revenue; and
- c) "any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations should be made."

The act requires that the FFC table these recommendations at least 10 months before the start of each financial year. The FFC tabled its *Submission for the Division of Revenue 2019/20* to Parliament in May 2018. This submission focuses on the difficulties of sustaining equitable economic growth and development in South Africa in the face of fiscal constraints.

Section 214 of the Constitution requires that the FFC's recommendations be considered before tabling the division of revenue. Section 10 of the Intergovernmental Fiscal Relations Act requires that the Minister of Finance table a Division of Revenue Bill with the annual budget in the National Assembly. The bill must be accompanied by an explanatory memorandum setting out how government has taken into account the FFC's

recommendations when determining the division of revenue. This part of the explanatory memorandum complies with this requirement.

The FFC's recommendations can be divided into three categories:

- Recommendations that apply directly to the division of revenue
- Recommendations that indirectly apply to issues related to the division of revenue
- Recommendations that do not relate to the division of revenue

Government's responses to the first and second categories are provided below. The relevant national departments are considering the recommendations that do not relate to the division of revenue, and they will respond directly to the FFC.

Recommendations that apply directly and indirectly to the division of revenue

Chapter 2: Re-engineering the Intergovernmental Fiscal Relations System

Recentralisation – implications for service delivery and intergovernmental fiscal relations

The FFC recommends, "Developing and strengthening control measures other than earmarked conditional grant funding to improve service delivery and attainment of specific priority outcomes. The control measures should be underpinned by tighter monitoring and reporting of sub-national governments on the use of grant funding and associated outcomes of such spending. National Treasury should ensure that decisive action such as withholding of funds is taken by national sector departments as soon as cases where grant funding is inefficiently and/or ineffectively spent have been detected."

Government response

Government recognises the need for appropriate control measures to ensure that conditional grants achieve their intended service delivery and priority objectives. In line with the recommendation, government is focused on monitoring outcomes and outputs, rather than inputs and activities. This reflects a shift towards monitoring the outcomes achieved through the programmes funded by grants, rather than project-by-project monitoring.

Nonetheless, the conditional grant system includes a range of grants for different objectives. It cannot be characterised as a "one-size-fits-all" system. While some grants are tightly monitored and reported, others permit greater flexibility in how grants are used (in line with the FFC's concern about the "recentralisation" of control, expressed elsewhere in this chapter of the recommendations). For example, the review of local government infrastructure grants led by the National Treasury together with the Department of Cooperative Governance, SALGA and the FFC recommended increasing differentiation in local government funding because of the differing municipal contexts. The *integrated urban development grant* introduced in 2019/20 will extend some of the fiscal reforms implemented in metropolitan municipalities to non-metropolitan cities. This grant allows municipalities discretion in allocating infrastructure investment and ensures that they are accountable for the outcomes achieved.

In terms of the annual Division of Revenue Act, the transferring officer of the grant (the department administering a conditional grant) is responsible for monitoring performance and withholding funds where necessary. However, the National Treasury is also empowered by section 216(2) of the Constitution to stop the transfer of funds to any organ of state that commits a serious or persistent breach of the measures prescribed to promote transparency, accountability and the effective financial management of the economy, debt and the public sector. A legislative framework and related policies, including guidelines and circulars, already exists to assist with early detection of issues that warrant withholding funds (by transferring officers or the National Treasury). Chapter 6 of the *Budget Review* describes complementary efforts to build municipal capacity.

Chapter 3: Provincial Fiscal Adjustment Mechanisms in Times of Protracted Fiscal Constraints – Case of the Health Sector

Accommodating maintenance in health infrastructure grants

The FFC recommends that, “The Minister of Finance, through the National Treasury, should ensure that the framework for health infrastructure conditional grants (*health facility revitalisation grant* and *National Health Insurance (non-personnel component)*) accommodate flexibility during periods of protracted fiscal constraint so that provinces can re-orientate their available capital allocations towards maintenance.”

Government response

Government acknowledges that failing to maintain an asset significantly reduces its useful life, bringing forward the rehabilitation of assets. Both the *health facility revitalisation grant* and the *national health insurance indirect grant* include funds to maintain healthcare facilities. Provincial governments own and operate health facilities, therefore they are responsible for managing these assets. It is appropriate that provinces prioritise maintenance from their own revenues (including the provincial equitable share) and do not rely on transfers from national government to fund this function.

Chapter 4: The Incentive Effects of Intergovernmental Grants – Evidence from Municipalities

Greater flexibility in the use of grants

The FFC recommends that, “The Minister of Finance, through National Treasury, gives municipalities (particularly those in small towns and mostly rural municipalities (categories B3 and B4)) greater flexibility in the use of grants to encourage innovative approaches to resolving local problems.”

Government response

Government agrees on the principle of applying local solutions to local problems. However, not all municipalities can take advantage of increased flexibility to innovate. As a result, government has reformed the local government fiscal framework to increase flexibility for more capable municipalities and support less capacitated municipalities to perform their basic functions. The review mentioned above concluded that expenditure should be more strictly supervised in less capacitated municipalities (including those in small towns and rural areas) and they should be provided with more support. This will minimise wastage and improve efficiency.

National and provincial departments continuously evaluate their supervision methods to strengthen them. In addition, the same review recommends improving management of the grant system as one of its key reforms and this FFC recommendation will inform that work.

Fiscal capacity

The FFC recommends that, “A fiscal capacity component be introduced to the equitable share formula to make it more efficient and incentivising. The component should incorporate two aspects:

- Recognising the revenue-raising effort of municipalities, and
- Capturing the redistributive element of addressing horizontal imbalances.”

Government response

Government addressed this recommendation when the FFC, SALGA and the Department of Cooperative Governance reviewed the equitable share formula during 2012. The Constitution does not allow national government to reduce transfers to a municipality based on their success in collecting their own revenues. The formula does, however, acknowledge that there are objective differences in how much revenue different

municipalities are able to raise. The local government equitable share formula addresses redistribution through the community and institutional components. These components allocate larger amounts (per household) to municipalities with a low revenue base to fund basic administrative and governance capacity, and core municipal functions.

Chapter 5: Assessing the Efficiency of Provincial Infrastructure Programmes – The Cases of Education, Health and Public Transport

Developing clear performance evaluation frameworks

The FFC recommends that, “The national sector departments of education, health and public transport develop clear performance evaluation frameworks for the provincial infrastructure grants under their control.”

Government response

Government welcomes this recommendation and will explore establishing this type of framework for these infrastructure grants. The Division of Revenue Act requires national departments administering schedule 4 to 7 grants to evaluate performance and submit reports to the National Treasury after the end of the financial year. In the past, the National Treasury has provided guidance on these reports, but government has not yet developed a framework for the evaluations. The proposed framework should use information from monitoring systems already implemented through the Infrastructure Reporting Model. The framework can complement performance and expenditure reviews conducted by the National Treasury and the Department of Planning, Monitoring and Evaluation.

The National Treasury and the Department of Planning, Monitoring and Evaluation will consult the relevant departments on developing this framework for implementation in the 2020 Budget.

Publishing criteria infrastructure grants reductions

The FFC recommends that, “The Minister of Finance, through National Treasury, set and publish the criteria to be measured in monitoring and evaluating infrastructure grants. The assessment criteria regarding infrastructure cuts should also be published.”

Government response

There are grant-specific frameworks that detail the required outputs and conditions. Each grant administrator monitors and evaluates performance against the relevant framework.

The criteria used to reduce each infrastructure grant in the 2018 MTEF period were published in parts 4 and 5 of the Explanatory Memorandum to the 2018 Division of Revenue. There are fewer reductions in the 2019 MTEF period, but again the details are set out in parts 4 and 5 of the Explanatory Memorandum to the 2019 Division of Revenue. These reductions are necessary to consolidate the fiscus and would not otherwise be effected.

Chapter 6: Assessing the Effectiveness of Intergovernmental Fiscal Relations Instruments in Addressing Water Challenges

Review of norms and standards

The FFC recommends that, “A review of basic norms and standards for water services and the associated Local Government Equitable Share (LGES) be undertaken by the Department of Water and Sanitation (DWS).”

Government response

Government acknowledges this recommendation. Section 27(1)(b) of the Constitution states that, “Everyone has the right to have access to sufficient food and water.” The Water Services Act (1997) defines this right in terms of quantity, quality and assurance of supply. The basic services subsidy in the local government equitable share includes funding to provide free basic water (six kilolitres per poor household per month). This is the prescribed minimum water supply services necessary for households, including households in informal settlements.

The amount per household is in line with the World Health Organization standard, which stipulates 25 litres per person per day for a household of eight people. In 2009 the Constitutional Court ruled that the six kilolitres provided by the City of Johannesburg is constitutional.

The Department of Cooperative Governance intends to review the national Indigence Policy Framework, including the provision of free basic water.

Clearer statements of grant objectives

The FFC recommends that, “Clearer statements of grant objectives to achieve defined basic service levels or sustainability of services are established by the DWS.”

Government response

Conditional grants to local government fund the eradication of backlogs and provision of services in line with government policy. These grants do not prescribe service levels. Grants can only fund existing government policy. The Department of Water and Sanitation’s National Water Policy Review commits the department to the “development, in collaboration with the South African Local Government Association and Cooperative Governance and Traditional Affairs, of clear definitions, norms, standards and criteria for provision of basic water supply facilities to households across a range of settlement types and spatial settings”.

The framework for the *municipal infrastructure grant* specifies that the grant includes providing poor households with basic water and sanitation services. In addition, the framework for the *water services infrastructure grant* specifies that the grant funds outputs including reticulated water supply, on-site sanitation, water and health, and hygiene awareness and end-user education.

Qualified staff and grant allocation

The FFC recommends that, “The allocation of conditional grants be made conditional on the employment of appropriately qualified staff with commensurate mandates.”

Government response

Government agrees that appointing qualified personnel must be prioritised for municipalities to function effectively and efficiently.

Individual conditional grants can include employment provisions for municipalities before funds are transferred. The departments responsible for administering individual conditional grants can explore minimum standards for the sector funded through that grant. For example, the *integrated urban development grant* requires a low vacancy rate among section 57 managers for municipalities to be eligible to join the grant. However, these types of conditions should not compromise equity and service delivery. National and provincial governments are constitutionally required to help municipalities build capacity.

Stronger grant conditions

The FFC recommends that, “Stronger conditions be attached to financial transfers to ensure compliance and that funds allocated are properly spent for the purposes indicated. Grant funding should be withheld from

municipalities that do not have the necessary measures to monitor and control water consumption, or which do not meet criteria or have valid abstraction licences. Similar procedures must be applied for water-borne sanitation projects.”

Government response

Government agrees that it is important to ensure funds are spent on their intended purpose. Withholding funds is one tool to ensure compliance. The Division of Revenue Act requires that the National Treasury and the transferring officer of a grant must follow certain processes before withholding funds. Government allows provinces and municipalities to present their remedies to prevent reoccurrence and avoid the need for withholding. As a result, conditional grants are only withheld after extensive consultation with all related parties.

Low water consumption and valid abstraction licences are not currently required in grant frameworks, therefore they are not grounds for withholding transfers. Government’s priority is to confirm appropriate plans for infrastructure delivery before grant funds are transferred. However, the National Treasury will engage the Department of Water and Sanitation on the possibility of including the recommended conditions in future as the grant system moves towards incentivising improved operations and maintenance. Government will also remain cognisant of the FFC’s caution against using conditional grants to limit scope for innovation by municipalities.

Resumption of Blue Drop reporting

The FFC recommends that, “Roles be clarified and support provided in the following ways:

“a) By the DWS providing support to achieve safe water. The resumption of Blue Drop reporting by DWS and associated monitoring and support to municipalities is critical. Conditional grants should only be available to municipalities that can show that there is a feasible programme to achieve compliance with standards.”

Government response

Government welcomes this recommendation and the Department of Water and Sanitation has committed to resume publishing the Blue Drop report in its Master Plan.

Enhancing the quality of municipal reporting

“b) By COGTA and NT continuing efforts with sector departments such as DWS to enhance the quality of municipal reporting, with an emphasis on coordinating reporting requirements so that they become an integral part of overall administrative processes. Conditional grant funding should be subject to compliance with this reporting since its absence is a primary indicator that grants are not likely to be effectively and efficiently used.”

Government response

Government welcomes this recommendation and is looking forward to working with the FFC to improve the quality of municipal reporting. The publication of new municipal reporting requirements for metropolitan municipalities in Municipal Finance Management Act Circular 88 marks a significant step towards coordinated reporting. These requirements, which will be rolled out to non-metropolitan municipalities in future, are informed by a performance reporting reform initiative by the National Treasury; the Department of Cooperative Governance; the Department of Planning, Monitoring and Evaluation; and Statistics South Africa to consolidate municipal reporting requirements. The Auditor-General of South Africa and others were also consulted. The reform process included more than two years of engagement to address fragmentation and duplication across the country, and resulted in a consolidated set of indicators for metropolitan planning and reporting. The Division of Revenue Act requires compliance with reporting requirements and some grant frameworks require specific reports before the transfer of funds can occur.

Part 4: Provincial allocations

Sections 214 and 227 of the Constitution require that an equitable share of nationally raised revenue be allocated to provincial government to enable it to provide basic services and perform its allocated functions.

National transfers to provinces increase from R572.2 billion in 2018/19 to R612.3 billion in 2019/20. Over the MTEF period, provincial transfers will grow at an average annual rate of 7 per cent to R701 billion. Table W1.5 sets out the transfers to provinces for 2019/20; a total of R505.6 billion is allocated to the provincial equitable share and R106.7 billion to conditional grants, which includes an unallocated R408 million for the *provincial disaster relief grant* and the *provincial emergency housing grant*.

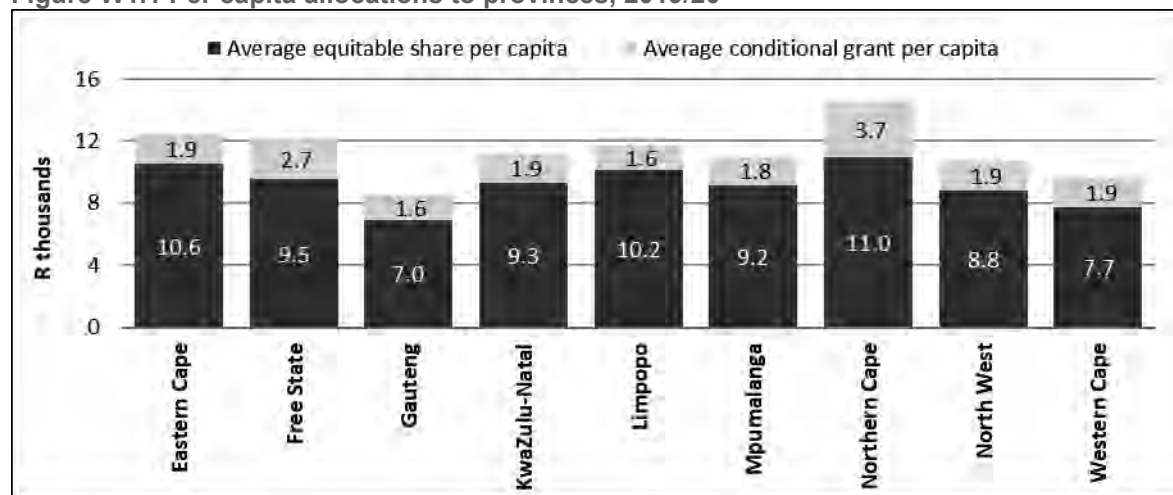
Table W1.5 Total transfers to provinces, 2019/20

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	68 824	12 079	80 903
Free State	28 187	7 863	36 049
Gauteng	102 448	23 077	125 525
KwaZulu-Natal	106 014	21 137	127 151
Limpopo	58 965	9 061	68 026
Mpumalanga	41 428	8 245	49 673
Northern Cape	13 424	4 483	17 907
North West	34 973	7 551	42 524
Western Cape	51 291	12 809	64 099
Unallocated	–	408	408
Total	505 554	106 712	612 266

Source: National Treasury

The provincial fiscal framework takes account of the different pressures facing each province and allocates larger per capita allocations to poorer provinces, and provinces with smaller populations.

Figure W1.1 Per capita allocations to provinces, 2019/20



Source: National Treasury

Changes to provincial allocations

The budget has been reprioritised in response to the weaker than expected economic and fiscal environment. To protect basic services funded by the provincial equitable share, the bulk of the reduction to provincial transfers (R3 billion) comes from a conditional grant, the *human settlements development grant*, which has a history of poor performance. This should minimise the impact on service delivery. The remaining R132.8 million of this reduction is from the equitable share as a result of the salary freeze on provincial political office bearers. The provincial equitable share is also increased by R78 million in 2019/20 for the

Sanitary Dignity Project (in addition to the R79 million added for this purpose at the time of the *Medium Term Budget Policy Statement*). The net changes to the provincial equitable share are an increase of R35.9 million in 2019/20 and decreases of R44.9 million in 2020/21 and R45.8 million in 2021/22. The provincial equitable share grows at an average annual rate of 7.2 per cent over the MTEF period, while conditional grant allocations grow by 6.3 per cent per year.

In addition to these baseline reductions, there were also several other reprioritisations and technical changes to direct conditional grants announced in the 2018 *Medium Term Budget Policy Statement* that will be implemented over the 2019 MTEF period. This includes a reprioritisation of R100 million over the MTEF period from the *comprehensive agricultural support grant* to the Agricultural Research Council for the construction of the foot and mouth disease vaccine production facility. Amounts of R30 million in 2020/21 and R30 million in 2021/22 are reprioritised from the *HIV, TB, malaria and community outreach grant* to support malaria control projects in southern Mozambique. The *education infrastructure grant*, *human settlements development grant*, *provincial roads maintenance grant* and *expanded public works programme (EPWP) integrated grant for provinces* have been reduced by R600 million, R400 million, R119.5 million and R41.8 million respectively over the 2019 MTEF period. These reductions have been made to assist with fiscal consolidation and to fund other government priorities.

The *school infrastructure backlogs grant*, which was due to merge with the *education infrastructure grant* in 2018/19, was extended and will continue over the 2019 MTEF period. Although the grant's performance has been sluggish, an assessment of its projects, both current and in the pipeline, revealed that merging the two grants will derail the progress made to date.

Accounting for all additions, reprioritisations and fiscal consolidation efforts, the net revisions to the provincial direct conditional grants since the 2018 *Medium Term Budget Policy Statement* amount to a reduction of R721 million in 2019/20, R1.4 billion in 2020/21 and R3 billion in 2021/22. This includes the impact of some shifts of funds to indirect grants.

The provincial equitable share

The equitable share is the main source of revenue through which provinces are able to meet their expenditure responsibilities. To ensure that allocations are fair, the equitable share is allocated through a formula using objective data to reflect the demand for services across all nine provinces. For each year of the 2019 MTEF, the following amounts are allocated to the provincial equitable share respectively: R505.6 billion, R542.9 billion and R578.6 billion.

The equitable share formula

For the 2019 MTEF, the formula has been updated with data from Statistics South Africa's 2018 mid-year population estimates on age cohorts and the 2018 preliminary data published by the Department of Basic Education on school enrolment from the LURITS database. Data from the health sector and the 2017 General Household Survey for medical aid coverage and from the Risk Equalisation Fund for the risk-adjusted capitation index have also been updated. Allocation changes tend to mirror shifts in population across provinces, which result in changes in the relative demand for public services across these areas. The impact of these data updates on the provincial equitable shares will be phased in over three years (2019/20 – 2021/22).

The provincial equitable share formula continues to be reviewed. Further details of this review are discussed in Part 6.

Allocations calculated outside the equitable share formula

Over the 2019 MTEF period, some of the additional allocations are not in line with the weighted shares the formula produces and are therefore calculated outside of the provincial equitable share formula. These include additions that are in line with reforms in the social development sector, which see the incorporation of the conditional *social worker employment* and *substance abuse treatment* grants into the provincial

equitable share. The *social worker employment grant*, which was created to help reduce the backlog in the number of unemployed social worker graduates, totals R678.9 million (R212.7 million in 2019/20, R226.9 million in 2020/21 and R239.4 million in 2021/22). The *substance abuse treatment grant*, which was created to build treatment facilities, amounts to R237 million (R74.8 million in 2019/20, R78.9 million in 2020/21 and R83.2 million in 2021/22). This change will enable provinces to fulfil the mandates of the respective grants through the equitable share. In addition, from 2020/21 the national Department of Social Development has agreed to cede the contracts it has with nine provincial food distribution centres and 84 community nutrition development centres to the nine provincial departments of social development. This will add R137.96 million (R66.8 million in 2020/21 and R71.2 million in 2021/22) to the provincial equitable share to allow provincial departments to manage these contracts.

To address the skills gap in technical capacity in the infrastructure environment, the Infrastructure Delivery Improvement Programme was introduced to assist provincial treasuries to improve the delivery of infrastructure across the country. As part of the final phase of the programme, the National Treasury provided provincial treasuries with technical assistance to oversee the implementation of the Infrastructure Delivery Management System in provinces. But the need for support will continue over the 2019 MTEF period, which is why a co-funding model has been developed to support the further capacitation of provincial treasuries. As a result, R135 million (R45 million in each of the respective years of the MTEF period) is added to the provincial equitable share. This allocation will be split equally per province.

To scale up the Sanitary Dignity Project, R157 million has been added to the equitable share in 2019/20. Of this, R79 million will be split equally among provinces, with the remainder allocated proportionally based on the number of girl learners in Grades 4 to 12 in the poorest schools (quintiles 1–3) in each province.

Over the 2019 MTEF period, R268.8 million (R86.8 million in 2019/20, R89 million in 2020/21 and R93 million in 2021/22) has been allocated to augment the capacity of provincial treasuries to support and intervene in municipalities facing financial crises. This allocation will be split equally among provinces.

Full impact of data updates on the provincial equitable share

Table W1.6 shows the full impact of the data updates on the provincial equitable share per province. It compares the target shares for the 2018 and 2019 MTEF periods. The size of each province's share reflects the relative demand for provincial public services in each province, and the changes in shares from 2018 to 2019 respond to changes in that demand. The details of how the data updates affect each component of the formula are described in detail in the sub-sections below.

Table W1.6 Full impact of data updates on the equitable share

	2018 MTEF weighted average	2019 MTEF weighted average	Difference
Eastern Cape	13.7%	13.2%	-0.5%
Free State	5.6%	5.6%	0.0%
Gauteng	20.1%	20.9%	0.8%
KwaZulu-Natal	21.0%	20.8%	-0.2%
Limpopo	11.7%	11.5%	-0.2%
Mpumalanga	8.2%	8.2%	-0.0%
Northern Cape	2.7%	2.6%	-0.0%
North West	6.9%	7.0%	0.1%
Western Cape	10.1%	10.2%	0.1%
Total	100.0%	100.0%	0.0%

Source: National Treasury

Phasing in the formula

Official data used annually to update the provincial equitable share formula invariably affects each province's share of the available funds. However, it is important that provinces have some stability in their revenue stream to allow for sound planning. As such, calculated new shares informed by recent data are phased in over the three-year MTEF period.

The equitable share formula data is updated every year and a new target share for each province is calculated, as shown in Table W1.7. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF period. It takes the difference between the target weighted share for each province at the end of the MTEF period and the indicative allocation for 2019/20 published in the 2018 MTEF, and closes the gap between these shares by a third in each year of the 2019 MTEF period. As a result, one-third of the impact of the data updates is implemented in 2019/20, two-thirds in the indicative allocations for 2020/21, and the updates are fully implemented in the indicative allocations for 2021/22.

Table W1.7 Implementation of the equitable share weights

	2019/20 Indicative weighted shares from 2018 MTEF	2019 MTEF weighted shares 3-year phasing		
Percentage		2019/20	2020/21	2021/22
Eastern Cape	13.8%	13.6%	13.4%	13.2%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	20.0%	20.3%	20.6%	20.9%
KwaZulu-Natal	21.1%	21.0%	20.9%	20.8%
Limpopo	11.7%	11.7%	11.6%	11.5%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.6%	2.6%	2.6%
North West	6.9%	6.9%	6.9%	7.0%
Western Cape	10.1%	10.1%	10.2%	10.2%
Total	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Provincial equitable share allocations

The final equitable share allocations per province for the 2019 MTEF are detailed in Table W1.8. These allocations include the full impact of the data updates, phased in over three years.

Table W1.8 Provincial equitable share

R million	2019/20	2020/21	2021/22
Eastern Cape	68 824	72 744	76 293
Free State	28 187	30 338	32 411
Gauteng	102 448	111 636	120 700
KwaZulu-Natal	106 014	113 370	120 324
Limpopo	58 965	62 986	66 779
Mpumalanga	41 428	44 475	47 389
Northern Cape	13 424	14 388	15 309
North West	34 973	37 694	40 325
Western Cape	51 291	55 278	59 115
Total	505 554	542 909	578 645

Source: National Treasury

Summary of the formula's structure

The formula, shown in Table W1.9, consists of six components that capture the relative demand for services across provinces and take into account specific provincial circumstances. The formula's components are neither indicative budgets nor guidelines as to how much should be spent on functions. Rather, the education and health components are weighted broadly in line with historical expenditure patterns to indicate relative need. Provincial executive councils determine the departmental allocations for each function, taking into account the priorities that underpin the division of revenue.

For the 2019 Budget, the formula components are set out as follows:

- An *education component* (48 per cent), based on the size of the school-age population (ages 5 to 17) and the number of learners (Grades R to 12) enrolled in public ordinary schools.
- A *health component* (27 per cent), based on each province's risk profile and health system caseload.
- A *basic component* (16 per cent), derived from each province's share of the national population.
- An *institutional component* (5 per cent), divided equally between the provinces.
- A *poverty component* (3 per cent), based on income data. This component reinforces the redistributive bias of the formula.
- An *economic activity component* (1 per cent), based on regional gross domestic product (GDP-R, measured by Statistics South Africa).

Table W1.9 Distributing the equitable shares by province, 2019 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48.0%	27.0%	16.0%	3.0%	1.0%	5.0%	100.0%
Eastern Cape	14.5%	12.3%	11.3%	14.7%	7.6%	11.1%	13.2%
Free State	5.3%	5.4%	5.1%	5.3%	5.0%	11.1%	5.6%
Gauteng	18.7%	23.6%	25.5%	18.4%	34.6%	11.1%	20.9%
KwaZulu-Natal	22.0%	21.0%	19.7%	22.4%	15.9%	11.1%	20.8%
Limpopo	12.9%	10.1%	10.0%	13.3%	7.2%	11.1%	11.5%
Mpumalanga	8.4%	7.4%	7.8%	9.3%	7.4%	11.1%	8.2%
Northern Cape	2.3%	2.1%	2.1%	2.2%	2.1%	11.1%	2.6%
North West	6.6%	6.7%	6.9%	8.3%	6.4%	11.1%	7.0%
Western Cape	9.2%	11.4%	11.5%	6.3%	13.7%	11.1%	10.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Education component (48 per cent)

The education component has two sub-components, the school-age population (5 to 17 years) and enrolment data. Each of these elements is assigned a weight of 50 per cent.

The methodology used to collect school enrolment numbers changed in 2017. Previously, learner enrolment numbers were based on annual surveys of schools. To ensure the formula remains equitable and fair, and reflects the most recent and officially endorsed data, it has used figures from the Department of Basic Education's data collection system, LURITS, since 2018/19. The system allows data to be verified and learners' progress to be tracked throughout their school careers. It also allows for duplicates and repetitions to be detected, improving the integrity of the numbers that are reported.

The changes are being phased in over three years to ensure provinces' allocations are stable and fair. Based on a review of the provincial equitable share formula, it was decided that the 2011 Census numbers used to capture the 5–17 age cohort should be replaced with Statistics South Africa's annual mid-year population estimates. These numbers are more up to date, which will help mitigate the shocks of updating the sub-

component after a lag between Census updates. These changes will also be phased in over the 2019 MTEF period to ensure stability.

Table W1.10 shows the effect of updating the education component with new enrolment and age cohort data on the education component shares.

Table W1.10 Impact of changes in school enrolment on the education component share

	Age cohort 5 – 17	School enrolment		Changes in enrolment	Weighted average		Difference in weighted average
		2017	2018		2018 MTEF	2019 MTEF	
Eastern Cape	1 859 255	1 902 213	1 881 735	-20 478	14.9%	14.5%	-0.38%
Free State	679 935	691 295	696 021	4 725	5.3%	5.3%	0.04%
Gauteng	2 458 767	2 342 025	2 360 207	18 182	18.1%	18.7%	0.60%
KwaZulu-Natal	2 825 362	2 868 598	2 851 861	-16 737	22.3%	22.0%	-0.27%
Limpopo	1 566 223	1 768 125	1 753 297	-14 829	13.1%	12.9%	-0.22%
Mpumalanga	1 087 924	1 080 084	1 068 624	-11 461	8.4%	8.4%	-0.03%
Northern Cape	294 073	291 760	292 800	1 040	2.3%	2.3%	-0.02%
North West	880 695	827 628	831 886	4 258	6.5%	6.6%	0.15%
Western Cape	1 251 254	1 117 468	1 125 331	7 863	9.1%	9.2%	0.12%
Total	12 903 488	12 889 196	12 861 760	-27 436	100.0%	100.0%	-

Source: National Treasury

Health component (27 per cent)

The health component uses a risk-adjusted capitation index and output data from public hospitals to estimate each province's share of the health component. These methods work together to balance needs (risk-adjusted capitation) and demands (output component).

The health component is presented in three parts below. Table W1.11 shows the shares of the risk-adjusted component, which accounts for 75 per cent of the health component.

Table W1.11 Risk-adjusted sub-component shares

	Mid-year population estimates	Insured population	Risk- adjusted index	Weighted population	Risk-adjusted shares		Change
	2018	2017			2018	2019	
Thousand							
Eastern Cape	6 522 734	9.9%	96.9%	5 691 913	12.8%	11.9%	-0.93%
Free State	2 954 348	14.9%	103.3%	2 595 869	5.3%	5.4%	0.10%
Gauteng	14 717 040	25.0%	105.4%	11 636 144	22.8%	24.2%	1.40%
KwaZulu-Natal	11 384 722	12.6%	98.9%	9 841 064	20.8%	20.5%	-0.29%
Limpopo	5 797 275	8.3%	91.6%	4 871 682	10.4%	10.1%	-0.26%
Mpumalanga	4 523 874	13.9%	95.7%	3 727 704	7.7%	7.8%	0.01%
Northern Cape	1 225 555	16.3%	100.7%	1 032 677	2.2%	2.2%	-0.06%
North West	3 978 955	15.5%	102.2%	3 437 395	7.1%	7.2%	0.04%
Western Cape	6 621 103	24.8%	104.0%	5 179 916	10.8%	10.8%	-0.01%
Total	57 725 606			48 014 364	100.0%	100.0%	-

Source: National Treasury

The risk-adjusted sub-component estimates a weighted population in each province using the risk-adjusted capitation index, which is calculated using data from the Council for Medical Schemes' Risk Equalisation Fund. The percentage of the population with medical insurance, based on the 2017 General Household Survey, is deducted from the 2018 mid-year population estimates to estimate the uninsured population per province. The risk-adjusted index, which is an index of each province's health risk profile, is applied to the uninsured population to estimate the weighted population. Each province's share of this weighted population is used to estimate their share of the risk-adjusted sub-component. The column on the right in Table W1.11 shows the change in this sub-component between 2018 and 2019.

Table W1.12 Output sub-component shares¹

Thousand	Primary healthcare visits				Hospital workload patient-day equivalents			
	2016/17	2017/18	Average	Share	2016/17	2017/18	Average	Share
Eastern Cape	18 116	16 418	17 267	14.1%	5 531	4 328	4 930	13.7%
Free State	6 170	5 462	5 816	4.7%	1 925	1 976	1 950	5.4%
Gauteng	22 037	21 132	21 584	17.6%	8 931	7 315	8 123	22.6%
KwaZulu-Natal	29 211	28 403	28 807	23.5%	9 117	7 055	8 086	22.5%
Limpopo	15 269	14 858	15 064	12.3%	3 644	3 014	3 329	9.2%
Mpumalanga	9 449	9 160	9 305	7.6%	2 491	1 992	2 242	6.2%
Northern Cape	2 989	2 689	2 839	2.3%	761	563	662	1.8%
North West	8 010	7 455	7 732	6.3%	2 037	1 573	1 805	5.0%
Western Cape	14 413	14 140	14 277	11.6%	5 431	4 344	4 888	13.6%
Total	125 664	119 717	122 691	100.0%	39 868	32 161	36 014	100.0%

1. Some provincial numbers for patient-days and healthcare visits for 2016/17 have been restated, resulting in small variances from numbers published in 2016/17

Source: National Treasury

The output sub-component (shown in Table W1.12) uses patient load data from the District Health Information Services. The average number of visits at primary healthcare clinics in 2016/17 and 2017/18 is calculated to estimate each province's share of this part of the output component, which makes up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2016/17 and 2017/18 is used to estimate their share of this part of the output sub-component, making up 20 per cent of the health component. In total, the output component is 25 per cent of the health component.

Table W1.13 shows the updated health component shares for the 2019 MTEF period.

Table W1.13 Health component weighted shares

Weight	Risk-adjusted	Primary healthcare	Hospital component	Weighted shares		Change
	75.0%	5.0%	20.0%	2018	2019	
Eastern Cape	11.9%	14.1%	13.7%	13.1%	12.3%	-0.80%
Free State	5.4%	4.7%	5.4%	5.2%	5.4%	0.15%
Gauteng	24.2%	17.6%	22.6%	22.4%	23.6%	1.19%
KwaZulu-Natal	20.5%	23.5%	22.5%	21.5%	21.0%	-0.42%
Limpopo	10.1%	12.3%	9.2%	10.2%	10.1%	-0.13%
Mpumalanga	7.8%	7.6%	6.2%	7.4%	7.4%	0.02%
Northern Cape	2.2%	2.3%	1.8%	2.1%	2.1%	-0.01%
North West	7.2%	6.3%	5.0%	6.7%	6.7%	0.03%
Western Cape	10.8%	11.6%	13.6%	11.4%	11.4%	-0.02%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: National Treasury

Basic component (16 per cent)

The basic component is derived from the proportion of each province's share of the national population. This component constitutes 16 per cent of the total equitable share. For the 2019 MTEF, population data is drawn from the 2018 mid-year population estimates produced by Statistics South Africa. Table W1.14 shows how population changes have affected the basic component's revised weighted shares.

Table W1.14 Impact of the changes in population on the basic component shares

Thousand	Mid-year population estimates	Mid-year population estimates	Population change	% population change	Basic component shares		Change
	2017	2018			2018 MTEF	2019 MTEF	
Eastern Cape	6 780	6 523	-257	-3.8%	12.1%	11.3%	-0.76%
Free State	2 864	2 954	90	3.1%	5.1%	5.1%	0.02%
Gauteng	13 888	14 717	829	6.0%	24.7%	25.5%	0.79%
KwaZulu-Natal	11 077	11 385	307	2.8%	19.7%	19.7%	0.02%
Limpopo	5 791	5 797	6	0.1%	10.3%	10.0%	-0.26%
Mpumalanga	4 386	4 524	138	3.1%	7.8%	7.8%	0.03%
Northern Cape	1 203	1 226	23	1.9%	2.1%	2.1%	-0.02%
North West	3 823	3 979	156	4.1%	6.8%	6.9%	0.09%
Western Cape	6 402	6 621	219	3.4%	11.4%	11.5%	0.08%
Total	56 215	57 726	1 510		100.0%	100.0%	-

Source: National Treasury

Institutional component (5 per cent)

The institutional component recognises that some costs associated with running a provincial government and providing services are not directly related to the size of a province's population or factors included in other components. It is therefore distributed equally between provinces, constituting 5 per cent of the total equitable share, of which each province receives 11.1 per cent. This component benefits provinces with smaller populations, especially the Northern Cape, the Free State and the North West, because the allocation per person for these provinces is much higher in this component.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The poor population includes people who fall in the lowest 40 per cent of household incomes in the 2010/11 Income and Expenditure Survey. The estimated size of the poor population in each province is calculated by multiplying the proportion of people in that province that fall into the poorest 40 per cent of South African households by the province's population figure from the 2018 mid-year population estimates. Table W1.15 shows the proportion of the poor in each province from the Income and Expenditure Survey, the 2018 mid-year population estimates and the weighted share of the poverty component per province.

Table W1.15 Comparison of current and new poverty component weighted shares

Thousand	Income and Expenditure Survey 2010/11	Current (2018 MTEF)			New (2019 MTEF)			Difference in weighted shares
		Mid-year population estimates 2017	Poor population	Weighted shares	Mid-year population estimates 2018	Poor population	Weighted shares	
Eastern Cape	52.0%	6 780	3 528	15.6%	6 523	3 394	14.7%	-0.9%
Free State	41.4%	2 864	1 186	5.2%	2 954	1 223	5.3%	0.1%
Gauteng	28.9%	13 888	4 010	17.7%	14 717	4 249	18.4%	0.7%
KwaZulu-Natal	45.3%	11 077	5 019	22.2%	11 385	5 158	22.4%	0.1%
Limpopo	52.9%	5 791	3 061	13.5%	5 797	3 064	13.3%	-0.3%
Mpumalanga	47.3%	4 386	2 073	9.2%	4 524	2 138	9.3%	0.1%
Northern Cape	40.8%	1 203	491	2.2%	1 226	500	2.2%	-0.0%
North West	47.9%	3 823	1 831	8.1%	3 979	1 906	8.3%	0.2%
Western Cape	21.9%	6 402	1 400	6.2%	6 621	1 448	6.3%	0.1%
Total		56 215	22 597	100%	57 726	23 079	100.0%	-

Source: National Treasury

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments. Given that these assignments are a relatively small proportion of provincial budgets, the component is assigned a weight of 1 per cent. For the 2019 MTEF, 2016 GDP-R data is used. Table W1.16 shows the weighted shares of the economic activity component.

Table W1.16 Current and new economic activity component weighted shares

	Current (2018 MTEF)		New (2019 MTEF)		Difference in weighted shares
	GDP-R, 2015 (R million)	Weighted shares	GDP-R, 2016 (R million)	Weighted shares	
Eastern Cape	315 603	7.8%	331 093	7.6%	-0.2%
Free State	205 350	5.1%	217 849	5.0%	-0.1%
Gauteng	1 382 096	34.1%	1 507 082	34.6%	0.5%
KwaZulu-Natal	649 124	16.0%	692 222	15.9%	-0.1%
Limpopo	289 940	7.2%	311 686	7.2%	0.0%
Mpumalanga	305 016	7.5%	323 722	7.4%	-0.1%
Northern Cape	85 282	2.1%	90 883	2.1%	-0.0%
North West	264 616	6.5%	279 733	6.4%	-0.1%
Western Cape	552 732	13.6%	596 043	13.7%	0.1%
Total	4 049 760	100.0%	4 350 314	100.0%	0.0%

Source: National Treasury

Conditional grants to provinces

There are four types of provincial conditional grants:

- Schedule 4, part A grants supplement various programmes partly funded by provinces.
- Schedule 5, part A grants fund specific responsibilities and programmes implemented by provinces.
- Schedule 6, part A grants provide in-kind allocations through which a national department implements projects in provinces.
- Schedule 7, part A grants provide for the swift allocation and transfer of funds to a province to help it deal with a disaster or housing emergency.

Changes to conditional grants

The overall growth in direct conditional transfers to provinces averages 6.3 per cent over the medium term. Direct conditional grant baselines total R106.7 billion in 2019/20, R114.2 billion in 2020/21 and R122.4 billion in 2021/22. Indirect conditional grants amount to R4.6 billion, R5 billion and R5.7 billion respectively for each year of the same period.

Table W1.17 provides a summary of conditional grants by sector for the 2019 MTEF period. More detailed information, including the framework and allocation criteria for each grant, is provided in the 2019 Division of Revenue Bill. The frameworks provide the conditions for each grant, the outputs expected, the allocation criteria used for dividing each grant between provinces, and a summary of the grants' audited outcomes for 2017/18.

Table W1.17 Conditional grants to provinces

R million	2018/19 Adjusted budget	2019/20	2020/21	2021/22	MTEF total
Agriculture, Forestry and Fisheries	2 849	2 204	2 378	2 558	7 140
Comprehensive agricultural support programme	2 019	1 538	1 676	1 814	5 028
Ilima/Letsema projects	552	583	615	653	1 852
Land care programme: poverty relief and infrastructure development	278	82	87	92	261
Arts and Culture	1 424	1 501	1 584	1 679	4 764
Community library services	1 424	1 501	1 584	1 679	4 764
Basic Education	17 696	18 569	20 089	21 470	60 128
Education infrastructure	10 094	10 514	11 467	12 327	34 308
HIV and AIDS (life skills education)	243	257	271	286	813
Learners with profound intellectual disabilities	187	221	243	256	720
Maths, science and technology	370	391	413	436	1 241
National school nutrition programme	6 802	7 186	7 696	8 165	23 047
Cooperative Governance and Traditional Affairs	340	131	138	146	415
Provincial disaster relief	324	131	138	146	415
Provincial disaster recovery	16	–	–	–	–
Health	41 364	44 989	49 225	54 088	148 302
HIV, TB, malaria and community outreach	19 922	22 039	24 408	27 753	74 200
Health facility revitalisation	6 057	6 007	6 360	6 858	19 225
Health professions training and development	2 784	2 940	3 102	3 273	9 315
Human papillomavirus vaccine	200	211	223	235	669
Human resources capacitation	–	606	1 063	1 127	2 796
National tertiary services	12 401	13 186	14 069	14 843	42 097
Human Settlements	19 045	19 604	19 825	20 030	59 459
Human settlements development	18 267	18 780	15 937	15 397	50 114
Title deeds restoration	519	548	578	–	1 126
Provincial emergency housing	260	277	295	311	883
Informal settlements upgrading partnership	–	–	3 015	4 322	7 337
Public Works	824	868	917	968	2 753
Expanded public works programme integrated grant for provinces	416	437	462	489	1 389
Social sector expanded public works programme incentive for provinces	408	431	454	479	1 365
Social Development	777	518	553	583	1 655
Early childhood development	491	518	553	583	1 655
Social worker employment	197	–	–	–	–
Substance abuse treatment	89	–	–	–	–
Sport and Recreation South Africa	587	620	654	690	1 964
Mass participation and sport development	587	620	654	690	1 964
Transport	17 026	17 707	18 843	20 142	56 692
Provincial roads maintenance	11 036	11 382	12 093	13 021	36 496
Public transport operations	5 990	6 326	6 750	7 121	20 196
Total direct conditional allocations	101 932	106 712	114 206	122 355	343 274
Indirect transfers	4 730	4 561	4 980	5 675	15 216
Basic Education	2 272	2 027	1 769	2 339	6 135
School infrastructure backlogs	2 272	2 027	1 769	2 339	6 135
Health	2 458	2 534	3 211	3 336	9 081
National health insurance indirect	2 458	2 534	3 211	3 336	9 081

Source: National Treasury

Agriculture grants

The *comprehensive agricultural support programme grant* aims to support newly established and emerging farmers, particularly subsistence, smallholder and previously disadvantaged farmers. The grant funds a range of projects including providing training, developing agro-processing infrastructure and directly supporting targeted farmers.

Over the medium term, R5 billion is allocated to this grant. This excludes previously unallocated amounts (R271.5 million in 2019/20, R295.8 million in 2020/21 and R320.1 million 2021/22) that have since been reprioritised out of the grant for the implementation of a new blended finance mechanism developed by the Department of Agriculture, Forestry and Fisheries and the Land Bank to leverage both government and private funds to extend more affordable credit to black farmers. This initiative seeks to create 450 black commercial farmers over the MTEF period.

The *land care programme grant: poverty relief and infrastructure development* aims to improve productivity and the sustainable use of natural resources. Provinces are also encouraged to use this grant to create jobs through the EPWP. Over the medium term, R261 million is allocated to this grant.

The *Ilima/Letsema projects grant* aims to boost food production by helping previously disadvantaged farming communities. The grant's baseline is R583 million allocated for 2019/20, and a total of R1.9 billion over the MTEF period.

Arts and culture grant

The *community library services grant*, administered by the Department of Arts and Culture, aims to help South Africans access information to improve their socio-economic situation. The grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial departments of basic education, the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to enable the shift of the libraries function between provinces and municipalities. The grant is allocated R4.8 billion over the next three years.

Basic education grants

The *education infrastructure grant* provides supplementary funding for ongoing infrastructure programmes in provinces. This includes the maintenance of existing infrastructure and the construction of new infrastructure to ensure school buildings meet the required norms and standards. The *education infrastructure grant's* total allocation for this period is R34.3 billion; R10.5 billion in 2019/20, R11.5 billion in 2020/21 and R12.3 billion in 2021/22. An additional R200.3 million in 2019/20 has also been earmarked in KwaZulu-Natal and the Western Cape for the reconstruction and rehabilitation of school infrastructure affected by natural disasters.

Provincial education departments have to go through a two-year planning process to be eligible to receive incentive allocations for infrastructure projects. To receive the 2019/20 incentive, the departments had to meet certain prerequisites in 2017/18 and have their infrastructure plans approved in 2018/19. The national Department of Basic Education and the National Treasury assessed the provinces' infrastructure plans. The national departments, provincial treasuries and provincial departments of basic education undertook a moderation process to agree on the final scores. Provinces needed to obtain a minimum score of 60 per cent to qualify for the incentive. Table W1.18 shows the final score and incentive allocation for each province.

Table W1.18 Education infrastructure grant allocations

R thousand	Planning assessment results from 2018	2019/20			Final allocation for 2019/20
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	73%	1 397 462	188 071	–	1 585 532
Free State	65%	645 415	188 071	–	833 485
Gauteng	70%	1 286 645	188 071	–	1 474 715
KwaZulu-Natal	72%	1 798 773	188 071	200 319	2 187 162
Limpopo	58%	1 050 160	–	–	1 050 160
Mpumalanga	58%	731 792	–	–	731 792
Northern Cape	72%	451 747	188 071	–	639 817
North West	53%	902 484	–	–	902 484
Western Cape	83%	921 261	188 071	–	1 109 331
Total		9 185 736	1 128 423	200 319	10 514 478

Source: National Treasury

The national Department of Basic Education uses the indirect *school infrastructure backlogs grant* to replace unsafe and inappropriate school structures and to provide water, sanitation and electricity on behalf of provinces. This grant is allocated R6.1 billion over the medium term in the Planning, Information and Assessment programme, including an additional R2.8 billion to provide safe and appropriate sanitation at schools. An allocation of R2 billion in 2019/20 will be used to replace 59 inappropriate and unsafe schools with newly built schools, provide clean water to 227 schools and provide appropriate sanitation to 717 schools.

The *national school nutrition programme grant* seeks to improve the nutrition of poor school children, enhance their capacity to learn and increase their attendance at school. The programme provides a free daily meal to learners in the poorest schools (quintiles 1 to 3). To provide meals to more children, while still providing quality food, growth in the grant's allocations over the MTEF period averages 6.3 per cent, with a total allocation of R23 billion.

The *maths, science and technology grant* resulted from the merging of the *Dinaledi schools grant* and the *technical secondary schools recapitalisation grant*. This grant, in its fourth year, appears to be gaining some traction. It has increased the provision of ICT, workshop equipment and machinery apparatus to schools around the country, which should lead to better outcomes in maths and science in the long term. The grant's total allocation is R1.2 billion over the medium term.

The *HIV and AIDS (life skills education) programme grant* provides for life skills training, and sexuality and HIV/AIDS education in primary and secondary schools. It is fully integrated into the school system, with learner and teacher support materials provided for Grades 1 to 9. The grant's total allocation is R813 million over the medium term.

The *learners with profound intellectual disabilities grant* is in its second year of implementation and aims to expand access to education for learners with profound intellectual disabilities. Over the MTEF period, the grant will provide access to quality, publicly funded education to more than 10 000 such learners by recruiting 230 outreach team members and nine provincial grant coordinators. After starting with an allocation of R72 million in 2017/18, this grant has been allocated R719.9 million over the MTEF period.

Cooperative governance grant

The *provincial disaster relief grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance. It is unallocated at the start of the financial year. The grant allows the National Disaster Management Centre to immediately release funds (in-year) after a disaster is declared, without the need for the transfers to be gazetted first. The reconstruction of infrastructure damaged by disasters is funded separately through ring-fenced allocations in sector grants. Mitigation strategies against the ongoing drought have, in part, been funded by this grant.

To ensure that sufficient funds are available in the event of a disaster, section 21 of the 2019 Division of Revenue Bill allows for funds allocated to the *municipal disaster relief grant* to be transferred to provinces if funds in the *provincial disaster relief grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters so that an initial payment for emergency aid can be made before a full assessment of damages and costs has been completed. Over the 2019 MTEF period, a total of R415 million has been allocated to the *provincial disaster relief grant*.

Health grants

The *national tertiary services grant* provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. The grant operates in 29 tertiary hospitals across the nine provinces. Patient referral pathways often cross provincial borders and, as a result, many patients receive care in neighbouring provinces if the required services are not available in their home province. The urban areas of Gauteng and the Western Cape receive the largest shares of the grant because they provide the largest proportion of high-level, sophisticated services. The grant is allocated R42.1 billion over the medium term: R13.2 billion in 2019/20, R14.1 billion in 2020/21 and R14.8 billion in 2021/22 and will be used to fund medical specialists, equipment, and advanced medical investigation and treatment according to approved service specifications. The national Department of Health has reviewed the allocation criteria under this grant to ensure continued fairness in allocations to provinces and will be embarking on a consultation process with provinces on the new allocation model. It is anticipated that the new model will be implemented in the 2020 MTEF period.

The *health facility revitalisation grant* funds the construction and maintenance of health infrastructure, including large projects to modernise hospital infrastructure and equipment, general maintenance and infrastructure projects at smaller hospitals, and the refurbishment and upgrading of nursing colleges and schools. Over the 2019 MTEF period, a total of R19.2 billion has been allocated to this grant. The health facility revitalisation component of the *national health insurance indirect grant* is allocated R4.3 billion over the medium term. Cabinet has approved additional allocations to this component to fund the planning and construction of the planned new academic hospital in Polokwane, in response to the need to strengthen tertiary healthcare services in Limpopo and expand the platform for training new health professionals.

Like the *education infrastructure grant* discussed previously, a two-year planning process is also required for provinces to access this grant. The national Department of Health and the National Treasury conducted an assessment of the provinces' infrastructure plans, followed by a moderation process between the national departments, provincial treasuries and provincial departments of health to agree on the final scores. Provinces had to obtain a minimum score of 60 per cent to qualify for the incentive. Funds for the incentive component in the outer years are shown as unallocated. Table W1.19 sets out the final score and the incentive allocation per province.

Table W1.19 Health facility revitalisation grant allocations

R thousand	Planning assessment results from 2018	2019/20			Final allocation for 2019/20
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	70%	576 912	208 076	-	784 988
Free State	55%	498 713	-	-	498 713
Gauteng	56%	859 028	-	-	859 028
Kw aZulu-Natal	63%	1 145 421	208 076	-	1 353 497
Limpopo	50%	457 951	-	-	457 951
Mpumalanga	50%	344 915	-	-	344 915
Northern Cape	49%	386 706	-	-	386 706
North West	53%	508 549	-	-	508 549
Western Cape	74%	604 550	208 076	-	812 626
Total		5 382 745	624 228	-	6 006 973

Source: National Treasury

The *health professions training and development grant* funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The baseline for this grant is protected over the MTEF period, with an allocation of R9.3 billion over the medium term.

The *HIV, TB, malaria and community outreach grant* supports HIV/AIDS prevention programmes and specific interventions, including voluntary counselling and testing, prevention of mother-to-child transmission, post-exposure prophylaxis, antiretroviral treatment and home-based care. In the 2016 MTEF, the grant's scope was extended to include tuberculosis. In the 2018 Budget, a sub-component for community outreach services was introduced, so that funds used to support community health workers can be explicitly earmarked. This will help ensure that this cadre of workers is better integrated into national health services. This year, two new components are added to the grant. The first aims to strengthen the continued fight against malaria in three provinces. The second component enables the Department of Health to monitor the activities and outcomes of the TB portion of the grant. The grant's total baseline amounts to R74.2 billion over the medium term.

The *national health insurance indirect grant* continues to fund all preparatory work for universal health coverage, as announced in 2017/18. Over the 2019 MTEF period, this will be done through three components: health facilities revitalisation and two integrated components (personal services and non-personal services). The personal services component funds priority services for national health insurance, which include:

- Expanding access to school health services, focusing on optometry and audiology.
- Contracting general practitioners based on a set annual amount per patient instead of fees per service provided.
- Providing community mental health services, maternal care for high-risk pregnancies, screening and treatment for breast and cervical cancer, hip and knee arthroplasty, cataract surgeries and wheelchairs.

However, due to slow spending in the personal services component in 2018/19, R2.8 billion has been reprioritised from this component towards the new *human resources capacitation grant* over the MTEF period. This leaves the personal services component with allocations of R2.3 billion over the MTEF.

Non-personal services will test, and scale up when ready, the technology platforms and information systems needed to ensure a successful transition to national health insurance. The non-personal services component is allocated R2.4 billion over the medium term to continue to fund initiatives to strengthen health information systems, clinics, and centralised chronic medicines dispensing and distribution.

The new *human resources capacitation grant*, previously a component within the *national health insurance indirect grant* announced in the 2018 *Medium Term Budget Policy Statement*, will now be transferred as a direct grant. It will enable provincial departments of health to fill critical posts in health facilities. These posts have been jointly prioritised between the respective provincial departments and the national department. A total of R2.8 billion has been allocated to this grant over the MTEF period.

In 2018/19, the human papillomavirus vaccine component of the *national health insurance indirect grant* became a standalone direct grant to provinces. Over the course of 2017, the national Department of Health worked to ensure that provincial departments were ready to take over the provision of this service and preserve the high coverage ratios that were achieved under this component. Over the 2019 MTEF period, a total of R669 million has been allocated to the *human papillomavirus vaccine grant*.

Human settlements grants

The *human settlements development grant* seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The grant's baseline is reduced by R3 billion over the MTEF period – R1 billion in 2020/21 and R2 billion in 2021/22 – in order to stabilise the growth of national debt. Over the 2019 MTEF period, a total of R50.1 billion has been allocated to this grant.

This grant is allocated using a formula with three components:

- The first component shares 70 per cent of the total allocation between provinces in proportion to their share of the total number of households living in inadequate housing. Data from the 2011 Census is used for the number of households in each province living in informal settlements, shacks in backyards and traditional dwellings. Not all traditional dwellings are inadequate, which is why information on the proportion of traditional dwellings per province with damaged roofs and walls from the 2010 General Household Survey is used to adjust these totals so that only traditional dwellings that provide inadequate shelter are counted in the formula.
- The second component determines 20 per cent of the total allocation based on the share of poor households in each province. The number of households with an income of less than R1 500 per month is used to determine 80 per cent of the component and the share of households with an income of between R1 500 and R3 500 per month is used to determine the remaining 20 per cent. Data used in this component comes from the 2011 Census.
- The third component, which determines 10 per cent of the total allocation, is shared in proportion to the number of people in each province, as measured in the 2011 Census.

Table W1.20 shows how the *human settlements development grant* formula calculates the shares for each province and the metropolitan municipalities within the provinces. Section 12(6) of the Division of Revenue Act requires that provinces must gazette how much they will spend within each accredited municipality (including the amounts transferred to that municipality and the amounts spent by the province in that municipal area). Funds for mining towns and disaster recovery are allocated separately from the formula.

Table W1.20 Human settlements development grant formula calculation

Components	Housing needs component	Poverty component	Population component	Grant formula shares
Description	Weighted share of inadequate housing	Share of poverty	Share of population	Weighted share of grant formula
Component weight	70.0%	20.0%	10.0%	
Eastern Cape	10.1%	13.7%	12.7%	11.1%
Nelson Mandela Bay	1.6%	2.1%	2.2%	1.8%
Buffalo City	2.2%	1.6%	1.5%	2.0%
Other Eastern Cape municipalities	6.3%	10.0%	9.0%	7.3%
Free State	5.9%	6.2%	5.3%	5.9%
Mangaung	1.4%	1.5%	1.4%	1.5%
Other Free State municipalities	4.4%	4.6%	3.9%	4.4%
Gauteng	30.9%	22.6%	23.7%	28.5%
Ekurhuleni	9.1%	6.2%	6.1%	8.2%
City of Johannesburg	10.5%	8.1%	8.6%	9.8%
City of Tshwane	6.8%	4.8%	5.6%	6.3%
Other Gauteng municipalities	4.5%	3.5%	3.4%	4.2%
KwaZulu-Natal	18.0%	18.9%	19.8%	18.3%
eThekweni	7.0%	6.2%	6.6%	6.8%
Other KwaZulu-Natal municipalities	11.0%	12.7%	13.2%	11.6%
Limpopo	4.4%	11.8%	10.4%	6.5%
Mpumalanga	6.2%	7.9%	7.8%	6.7%
Northern Cape	1.9%	2.1%	2.2%	2.0%
North West	10.0%	7.8%	6.8%	9.2%
Western Cape	12.7%	9.0%	11.2%	11.8%
City of Cape Town	9.3%	5.6%	7.2%	8.3%
Other Western Cape municipalities	3.4%	3.4%	4.0%	3.5%
Total	100%	100%	100%	100%

Source: 2011 Census and General Household Survey

Government is committed to intensifying its efforts to upgrade informal settlements in partnership with communities. To promote this objective, a new window with specific conditions relating to informal settlement upgrading will be introduced in the *human settlements development grant* in 2019/20. This window amounts to 15 per cent of the formula-based grant allocation to each province. The funds ring-fenced for each province will be a minimum expenditure requirement, allowing them to invest more if necessary. This new window will require provinces to work with municipalities to identify and prioritise informal settlements for upgrading in 2019/20 and to submit a plan for each settlement to be upgraded, prepared in terms of the National Upgrading Support Programme's methodology. The window also requires the use of a partnership approach that promotes community ownership and participation in the upgrades.

This window serves as a planning and preparatory platform for the introduction of a new informal settlements upgrading grant in 2020/21. The new grant will be created by reprioritising funds from the *human settlements development grant*. Initial amounts of R3 billion in 2020/21 and R4.3 billion in 2021/22 have been set aside for this new grant in the outer years of the MTEF period. Further details on the new grant are discussed in Part 6. A similar approach is being taken in the *urban settlements development grant*, discussed in Part 5, with the creation of an informal settlements upgrading window in 2019/20 and the intention to introduce a separate grant for metropolitan municipalities in the outer years of the MTEF period.

In addition to the allocations determined through the formula, a total of R2.5 billion is ring-fenced within the *human settlements development grant* over the MTEF period to upgrade human settlements in mining towns in six provinces. These allocations respond to areas with significant informal settlement challenges, with a high proportion of economic activity based on the natural resources sector.

The *human settlements development grant* previously had funds ring-fenced for the eradication of the pre-2014 title deeds registration backlog. Given the slow progress to date, along with the impairment it had

on the functioning on the property market, the *title deeds restoration grant* has been introduced to accelerate the backlog eradication process. The grant was introduced in 2018/19 and has a baseline of R1.1 billion over the first two years of the 2019 MTEF period. The grant comes to an end in 2020/21 and an indicative allocation of R609.6 million in 2021/22 will be phased back into the *human settlements development grant*.

A *provincial emergency housing grant* was also introduced in 2018/19 to enable the department to rapidly respond to emergencies by providing temporary housing in line with the Emergency Housing Programme. However, the grant is limited to funding emergency housing following the immediate aftermath of a disaster, and not the other emergency situations listed in the Emergency Housing Programme. In 2019/20, the grant's purpose has been expanded to fund the repair of houses damaged in disasters, if those repairs are cheaper than the cost of relocating households to temporary shelter that would have been funded through the grant. Over the 2019 MTEF period, a total of R882.9 million has been allocated to this grant.

Public works grants

The *EPWP integrated grant for provinces* incentivises provincial departments to use labour-intensive methods in infrastructure, environmental and other projects. Grant allocations are determined upfront based on the performance of provincial departments in meeting job targets in the preceding financial year. The grant is allocated R1.4 billion over the MTEF period.

The *social sector EPWP incentive grant for provinces* rewards provinces for creating jobs in the preceding financial year in the areas of home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. The grant's allocation model incentivises provincial departments to participate in the EPWP and measures the performance of each province relative to its peers, providing additional incentives to those that perform well. The grant is allocated R1.4 billion over the MTEF period.

Social development grants

The *early childhood development grant* is now in its third year. It plays a part in government's prioritisation of early childhood development, as envisioned in the National Development Plan. The grant has two distinct objectives: improve poor children's access to early childhood programmes and ensure that early childhood centres have adequate infrastructure. The grant baseline totals R1.7 billion over the MTEF period.

The *social worker employment grant* and the *substance abuse treatment grant* have been phased out, with funding incorporated into the provincial equitable share over the 2019 MTEF period. This will allow provinces to use their equitable share to start operating facilities built through the *substance abuse treatment grant*, and employ social workers previously funded through the *social worker employment grant*.

Sport and recreation grant

The *mass participation and sport development grant* aims to increase and sustain mass participation in sport and recreational activities in the provinces, with greater emphasis on provincial and district academies. The grant is allocated R2 billion over the MTEF period.

Transport grants

The *public transport operations grant* subsidises commuter bus services. It helps ensure that provinces meet their contractual obligations and provide services efficiently. The public transport contracting and regulatory functions may be assigned to certain metropolitan municipalities during 2019/20. If this takes place, funds for this grant will be transferred directly to the assigned municipality. The grant is allocated R20.2 billion over the MTEF period.

The *provincial roads maintenance grant* has three components. The largest component enables provinces to expand their maintenance activities, while the other two allow provinces to repair roads damaged by floods and rehabilitate roads that are heavily used in support of electricity production. The component for heavily

used roads comes to an end in 2019/20. From 2020/21, the allocation will be part of the grant's incentive baseline. Grant allocations are determined using a formula based on provincial road networks, road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province. The grant requires provinces to follow best practices for planning, and to use and regularly update road asset management systems.

The performance indicators for the incentive portion of the grant, based on traffic loads, safety engineering and visual condition indicators, came into effect in 2017/18. The total allocation for the MTEF period is R36.5 billion.

Part 5: Local government fiscal framework and allocations

This section outlines the transfers made to local government and how these funds are distributed between municipalities. Funds raised by national government are transferred to municipalities through conditional and unconditional grants. National transfers to municipalities are published to enable them to plan fully for their 2019/20 budgets, and to promote better accountability and transparency by ensuring that all national allocations are included in municipal budgets.

Over the 2019 MTEF period, R414.7 billion will be transferred directly to local government and a further R22.5 billion has been allocated to indirect grants. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.4 per cent of national non-interest expenditure.

Table W1.21 Transfers to local government

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Outcome			Adjusted budget	Medium-term estimates		
Direct transfers	98 338	102 867	111 103	119 971	127 289	137 881	149 498
Equitable share and related	49 367	50 709	55 614	62 732	68 973	75 683	82 162
Equitable share formula ¹	44 211	45 259	49 928	56 722	62 648	69 017	75 136
RSC levy replacement	4 337	4 567	4 795	5 073	5 357	5 652	5 963
Support for councillor remuneration and ward committees	819	883	891	937	969	1 015	1 064
General fuel levy sharing with metros	10 659	11 224	11 785	12 469	13 167	14 027	15 182
Conditional grants	38 313	40 934	43 704	44 771	45 149	48 171	52 154
Infrastructure	37 044	39 259	41 888	42 919	43 252	46 167	50 039
Capacity building and other	1 268	1 675	1 815	1 851	1 897	2 004	2 115
Indirect transfers	10 370	8 112	7 803	7 887	7 208	7 109	8 167
Infrastructure	10 119	8 093	7 699	7 795	7 087	6 981	8 032
Capacity building and other	251	19	103	92	122	128	135
Total	108 708	110 979	118 905	127 858	134 497	144 990	157 666

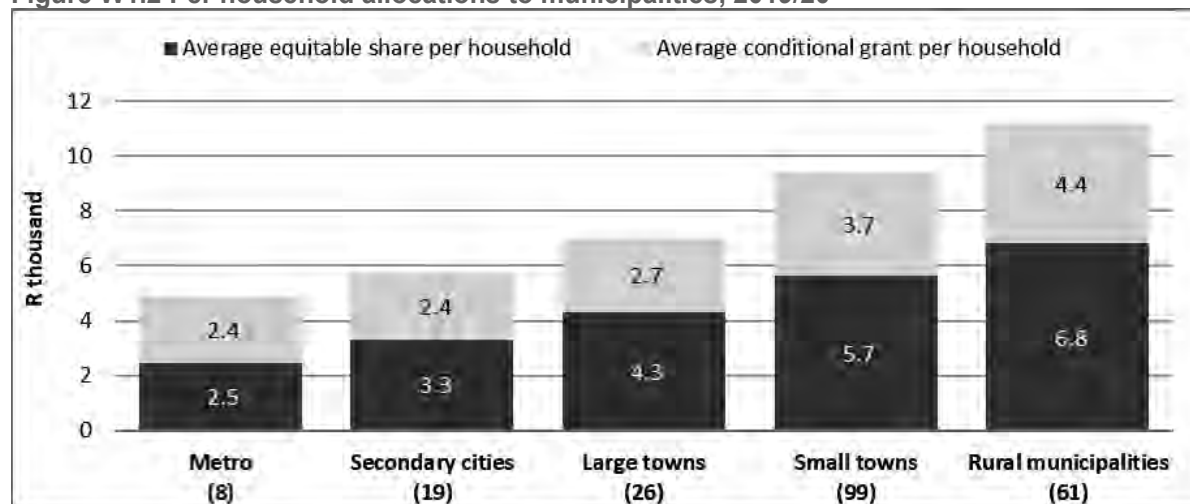
1. Outcome figures for the equitable share reflect amounts transferred after funds have been withheld to offset underspending by municipalities on conditional grants. Roll-over funds are reflected in the year in which they were transferred

Source: National Treasury

The local government fiscal framework responds to the constitutional assignment of powers and functions to this sphere of government. The framework refers to all resources available to municipalities to meet their expenditure responsibilities. National transfers account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their substantial revenue-raising powers. However, the proportion of revenue from transfers and own revenues varies dramatically across municipalities, with poor rural municipalities receiving most of their revenue from transfers, while urban municipalities raise the majority of their own

revenues. This differentiation in the way municipalities are funded will continue in the period ahead. As a result, transfers per household to the most rural municipalities are more than twice as large as those to metropolitan municipalities.

Figure W1.2 Per household allocations to municipalities, 2019/20*



*Reflects funds allocated through Division of Revenue Bill. Allocations to district municipalities are reassigned to local municipalities where possible.

Source: National Treasury

Changes to local government allocations

Over the next three years there is strong growth in allocations to the local government equitable share, while growth in conditional grants recovers following significant reductions made in the 2018 MTEF. As a result, total direct allocations to local government grow at an annual average rate of 7.6 per cent over the MTEF period. The changes to each local government allocation are summarised in Table W1.22.

Table W1.22 Revisions to direct and indirect transfers to local government

R million	2019/20	2020/21	2021/22	2019 MTEF Total revisions
Technical adjustments	-6	-5	4	-7
Direct transfers	-	-	-	-
Municipal infrastructure	-918	-939	-1 013	-2 870
Integrated urban development	918	939	1 013	2 870
Urban settlements development	265	-2 718	-4 102	-6 555
Informal settlements upgrading partnership	-	2 985	4 384	7 369
Integrated national electrification programme	-265	-268	-282	-815
Indirect transfers	-6	-5	4	-7
Integrated national electrification programme	-8	-9	-	-17
Regional bulk infrastructure	0	2	3	5
Water services infrastructure	2	1	1	4
Additions to baselines	548	1 045	1 433	3 026
Direct transfers	548	1 045	1 433	3 026
Public transport network	354	1 045	1 433	2 832
Municipal disaster recovery	194	-	-	194
Reductions to baseline	-223	-662	-12	-896
Direct transfers	-173	-112	-12	-296
Urban settlements development	-100	-100	-	-200
Integrated urban development	-61	-	-	-61
Expanded public works programme integrated	-12	-12	-12	-35
Indirect transfers	-50	-550	-	-600
Integrated national electrification programme	-50	-550	-	-600
Total change to local government allocations				
Change to direct transfers	375	933	1 421	2 730
Change to indirect transfers	-56	-555	4	-607
Net change to local government allocations	319	378	1 425	2 123

1. Excludes provisional allocation of R514 million in 2020/21 that was provisionally assigned to local government in the 2018 MTEF but has subsequently been reallocated

Source: National Treasury

In the process of determining the baseline for the outer year (2021/22) of the 2019 MTEF period, the local government equitable share allocation has grown by 8.6 per cent, well above the standard 5.5 per cent baseline increase. This difference is equivalent to an amount of R2.3 billion in that year. This will cover the anticipated increase in the costs of providing free basic services to a growing number of households, and takes account of likely above-inflation increases in the costs of bulk water and electricity. It will also allow for above-inflation increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

A total of R295.9 million has been cut from direct local government conditional grant allocations for the MTEF period ahead to fund other government priorities. Indirect grants to local government have been reduced by an additional R600 million.

An amount of R60.7 million is shifted from the incentive component of the *integrated urban development grant* in 2019/20 and added to the *municipal disaster recovery grant* to fund the repair of roads damaged by floods in Joe Gqabi District Municipality in the Eastern Cape.

A total of R2.8 billion is added to the *public transport network grant* for the construction of a new public transport corridor on the MyCiti bus network in Cape Town. This corridor, connecting Mitchells Plain and Khayelitsha to the city, was approved through the Budget Facility for Infrastructure and will be implemented over a nine-year period.

Technical adjustments to grants include the shifting of:

- R2.9 billion over the MTEF period from the *municipal infrastructure grant* to a new *integrated urban development grant*.
- R814.5 million over the MTEF period from the *integrated national electrification programme (municipal) grant* to the *urban settlements development grant*, as electrification projects in municipal licenced areas in metropolitan municipalities will now be funded as part of this integrated grant.
- R3 billion in 2020/21 and R4.4 billion in 2021/22 from the *urban settlements development grant* to create a new *informal settlements upgrading partnership grant: municipal*.

The local government equitable share

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

Over the 2019 MTEF period, the local government equitable share, including the *RSC/JSB levies replacement grant* and *special support for councillor remuneration and ward committees*, amounts to R226.8 billion (R69 billion in 2019/20, R75.7 billion in 2020/21 and R82.2 billion in 2021/22). Due to previous increases, as well as the revised baseline for 2021/22, the local government equitable share grows at an average annual rate of 9.4 per cent over the MTEF period.

Updating the estimated cost of services and household numbers

Rising household numbers and the rapid growth in the cost of bulk services are the main drivers of above-inflation cost increases in the local government equitable share. The National Energy Regulator of South Africa (NERSA) will only approve new bulk electricity tariffs for 2019/20 after the Division of Revenue Bill has been tabled, but Eskom has applied for tariff increases significantly above inflation. In the absence of approved tariff increases for the period ahead, the equitable share formula uses the previously approved Multi Year Price Determination of an 8 per cent annual bulk price increase for electricity in its calculations.

If higher bulk electricity price increases are approved, these will be offset, at least partially, by slower growth in household numbers. Statistics South Africa has revised and improved its demographic projections. The 2017 General Household Survey (published in June 2018) includes restated figures for household numbers in previous years. These revised figures show population growth that is somewhat slower than previous estimates. Previous editions had estimated annual household growth at between 3.2 per cent and 3.3 per cent between 2012 and 2016, and these estimates had been used in the local government equitable share formula. The revised estimates for the same period estimate annual household growth of between 2.6 per cent and 2.8 per cent, with household growth in 2017 increasing slightly to 2.9 per cent.

In recent years, municipalities have benefited from equitable share funding that has grown faster than actual increases in electricity costs (in 2017/18 the formula calculation used a bulk electricity price increase of 8 per cent, but NERSA only approved a bulk price increase of 0.3 per cent for the municipal financial year, and in 2018/19 a bulk increase of 8 per cent was used in the formula, but the actual increase was only 7.3 per cent). Municipalities have also benefited from increased allocations that were provided to cover household growth projections that were higher than the revised estimates in the 2017 General Household Survey. If the increase in the bulk price of electricity for 2019/20 is higher than the 8 per cent used in the formula calculation, then municipalities will be expected to offset this against the benefit they have derived from previous above-cost increases in equitable share allocations. To provide for the possibility of larger cost increases in future, amounts of R1 billion in 2020/21 and R1.1 billion in 2021/22 remain unallocated.

Formula for allocating the local government equitable share

The portion of national revenue allocated to local government through the equitable share is determined in the national budget process and endorsed by Cabinet (the vertical division). Local government's equitable share is divided among the country's 257 municipalities, using a formula (the horizontal division) to ensure objectivity.

Following a review of the previous formula by the National Treasury, the Department of Cooperative Governance and SALGA, in partnership with the FFC and Statistics South Africa, the current formula for the local government equitable share was introduced in 2013/14. The formula's principles and objectives were set out in detail in the Explanatory Memorandum to the 2013 Division of Revenue.

Structure of the local government equitable share formula

The formula uses demographic and other data to determine each municipality's portion of the local government equitable share. It has three parts, made up of five components:

- The first part of the formula consists of the *basic services component*, which provides for the cost of free basic services for poor households.
- The second part enables municipalities with limited resources to afford basic administrative and governance capacity, and perform core municipal functions. It does this through three components:
 - The *institutional component* provides a subsidy for basic municipal administrative costs.
 - The *community services component* provides funds for other core municipal services not included under basic services.
 - The *revenue adjustment factor* ensures that funds from this part of the formula are only provided to municipalities with limited potential to raise their own revenue. Municipalities that are least able to fund these costs from their own revenues should receive the most funding.
- The third part of the formula provides predictability and stability through the *correction and stabilisation factor*, which ensures that all of the formula's guarantees can be met.

Each of these components is described in detail in the sub-sections that follow.

Structure of the local government equitable share formula

$$LGES = BS + (I + CS) \times RA \pm C$$

where

LGES is the local government equitable share

BS is the basic services component

I is the institutional component

CS is the community services component

RA is the revenue adjustment factor

C is the correction and stabilisation factor

The basic services component

This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold. Following municipal consultation, the formula's affordability measure (used to determine how many households need free basic services) is based on the level of two state old age pensions. When the 2011 Census was conducted, the state old age pension was worth R1 140 per month, which means that two pensions were worth R2 280 per month. A monthly household income of R2 300 per month (in 2011) has therefore been used to define the formula's affordability threshold. Statistics South Africa has calculated that 59 per cent of all households in South Africa fall below this income threshold. However, the proportion in each municipality varies widely. If this

monthly household income is to be shown in 2019 terms, this is equivalent to about R3 530 per month. This threshold is not an official poverty line or a required level to be used by municipalities in their own indigence policies – if municipalities choose to provide fewer households with free basic services than they are funded for through the local government equitable share, then their budget documentation should clearly set out why they have made this choice and how they have consulted with their community during the budget process.

The number of households per municipality, and the number below the poverty threshold, is updated annually.

From 2019/20, the number of households per municipality used to calculate indicative allocations for the outer years of the MTEF is updated based on the growth experienced between the 2001 Census and the 2016 Community Survey. Provincial growth rates are then rebalanced to match the average annual provincial growth reported between 2002 and 2017 in the annual General Household Survey. Statistics South Africa has advised the National Treasury that, in the absence of official municipal household estimates, this is a credible method of estimating the household numbers per municipality needed for the formula. Statistics South Africa is researching methods for producing municipal-level data estimates, which may be used to inform equitable share allocations in future.

The proportion of households below the affordability threshold in each municipality is still based on 2011 Census data. This is because the 2016 Community Survey did not publish data on household incomes. Although the total number of households in each municipality is adjusted every year to account for growth, the share of those households that are subsidised for free basic services through the formula remains constant (but the number of households subsidised increases annually in line with estimated household growth). In 2019/20, a total of 10.1 million households are funded through the basic services subsidy.

The basic services component provides a subsidy of R408.61 per month in 2019/20 for the cost of providing basic services to each of these households. The subsidy includes funding for the provision of free basic water (six kilolitres per poor household per month), energy (50 kilowatt-hours per month) and sanitation and refuse removal (based on service levels defined by national policy). The monthly amount provided for each service is detailed in Table W1.23 and includes an allocation of 10 per cent for service maintenance costs.

Table W1.23 Amounts per basic service allocated through the local government equitable share, 2019/20

	Allocation per household below affordability threshold (R per month)			Total allocation per service (R million)
	Operations	Maintenance	Total	
Energy	78.73	8.75	87.48	10 612
Water	121.39	13.49	134.87	16 362
Sanitation	91.19	10.13	101.32	12 292
Refuse removal	76.44	8.49	84.94	10 304
Total basic services	367.75	40.86	408.61	49 571

Source: National Treasury

The formula uses the fairest estimates of the average costs of providing each service that could be derived from available information. More details of how the costs were estimated can be found in the discussion paper on the proposed structure of the new local government equitable share formula, available on the National Treasury website. The per-household allocation for each of the basic services in Table W1.23 is updated annually based on the following:

- The electricity cost estimate is made up of bulk and other costs. Bulk costs are updated based on the bulk price determination approved by the National Energy Regulator of South Africa. As the bulk price increase for municipalities for 2019/20 will only be announced after the 2019 Budget is tabled, the 8 per cent annual increase approved for the previous multi-year price determination period has been used

to calculate equitable share allocations. Other electricity costs are updated based on the National Treasury's inflation projections in the 2018 *Medium Term Budget Policy Statement*.

- The water cost estimate is also made up of bulk and other costs. Bulk costs are updated based on the average increase in bulk tariffs charged by water boards (although not all municipalities purchase bulk water from water boards, their price increases serve as a proxy for the cost increases for all municipalities). The approved average tariff increase for bulk water from water boards in 2018/19 was 9.9 per cent. Other costs are updated based on the National Treasury's inflation projections in the 2018 *Medium Term Budget Policy Statement*.
- The costs for sanitation and refuse removal are updated based on the National Treasury's inflation projections in the 2018 *Medium Term Budget Policy Statement*.

The basic services component allocation to each municipality is calculated by multiplying the monthly subsidy per household by the updated number of households below the affordability threshold in each municipal area.

The basic services component

$$BS = \text{basic services subsidy} \times \text{number of poor households}$$

Funding for each basic service is allocated to the municipality (metro, district or local) that is authorised to provide that service. If another municipality provides a service on behalf of the authorised municipality, it must transfer funds to the provider in terms of section 29 of the Division of Revenue Act. The basic services component is worth R49.6 billion in 2019/20 and accounts for 79.1 per cent of the value of the local government equitable share.

The institutional component

To provide basic services to households, municipalities need to be able to run a basic administration. Most municipalities should be able to fund the majority of their administration costs with their own revenue. But, because poor households are not able to contribute in full, the equitable share includes an institutional support component to help meet some of these costs. To ensure that this component supports municipalities with limited revenue-raising abilities, a revenue adjustment factor is applied so that municipalities with less potential to raise their own revenue receive a larger proportion of the allocation. The revenue adjustment factor is described in more detail later in this annexure.

This component consists of a base allocation of R7 million, which goes to every municipality, and an additional amount that is based on the number of council seats in each municipality. This reflects the relative size of a municipality's administration and is not intended to fund the costs of councillors only (the Minister of Cooperative Governance and Traditional Affairs determines the number of seats recognised for the formula). The base allocation acknowledges that there are some fixed costs that all municipalities face.

The institutional component

$$I = \text{base allocation} + [\text{allocation per councillor} \times \text{number of council seats}]$$

The institutional component accounts for 8.3 per cent of the equitable share formula and is worth R5.2 billion in 2019/20. This component is also complemented by special support for councillor remuneration in poor municipalities, which is not part of the equitable share formula.

The community services component

This component funds services that benefit communities rather than individual households (which are provided for in the basic services component). It includes funding for municipal health services, fire services,

municipal roads, cemeteries, planning, storm water management, street lighting and parks. To ensure this component assists municipalities with limited revenue-raising abilities, a revenue adjustment factor is applied so that these municipalities receive a larger proportion of the allocation.

The allocation for this component is split between district and local municipalities, which both provide community services. In 2019/20, the allocation to district and metropolitan municipalities for municipal health and related services is R9.85 per household per month. The component's remaining funds are allocated to local and metropolitan municipalities based on the number of households in each municipality.

The community services component

$$CS = [\text{municipal health and related services allocation} \times \text{number of households}] + [\text{other services allocation} \times \text{number of households}]$$

The community services component accounts for 12.5 per cent of the equitable share formula and is worth R7.8 billion in 2019/20.

The revenue adjustment factor

The Constitution gives local government substantial revenue-raising powers (particularly through property rates and surcharges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. Given the varied levels of poverty across South Africa, the formula does not expect all municipalities to be able to generate similar amounts of own revenue. A revenue adjustment factor is applied to the institutional and community services components of the formula to ensure that these funds assist municipalities that are least likely to be able to fund these functions from their own revenue.

To account for the varying fiscal capacities of municipalities, this component is based on a per capita index using the following factors from the 2011 Census:

- Total income of all individuals/households in a municipality (as a measure of economic activity and earning)
- Reported property values
- Number of households on traditional land
- Unemployment rate
- Proportion of poor households as a percentage of the total number of households in the municipality.

Based on this index, municipalities were ranked according to their per capita revenue-raising potential. The top 10 per cent of municipalities have a revenue adjustment factor of zero, which means that they do not receive an allocation from the institutional and community services components. The 25 per cent of municipalities with the lowest scores have a revenue adjustment factor of 100 per cent, which means that they receive their full allocation from the institutional and community services components. Municipalities between the bottom 25 per cent and top 10 per cent have a revenue adjustment factor applied on a sliding scale, so that those with higher per capita revenue-raising potential receive a lower revenue adjustment factor and those with less potential have a larger revenue adjustment factor.

The revenue adjustment factor is not based on the actual revenues municipalities collect, which ensures that this component does not create a perverse incentive for municipalities to under-collect potential own revenues to receive a higher equitable share.

Because district municipalities do not collect own revenues from property rates, the revenue adjustment factor applied to these municipalities is based on the *RSC/JSB levies replacement grant* allocations. This grant replaces a source of own revenue previously collected by district municipalities and it is still treated as an own revenue source in many respects. Similar to the revenue adjustment factor for local and metropolitan municipalities, the factor applied to district municipalities is based on their per capita *RSC/JSB levies*

replacement grant allocations. District municipalities are given revenue adjustment factors on a sliding scale – those with a higher per capita *RSC/JSB levies replacement grant* allocation receive a lower revenue adjustment factor, while those with lower allocations have a higher revenue adjustment factor.

Correction and stabilisation factor

Providing municipalities with predictable and stable equitable share allocations is one of the principles of the equitable share formula. Indicative allocations are published for the second and third years of the MTEF period to ensure predictability. To provide stability for municipal planning, while giving national government flexibility to account for overall budget constraints and amend the formula, municipalities are guaranteed to receive at least 90 per cent of the indicative allocation for the middle year of the MTEF period.

Ensuring the formula balances

The formula is structured so that all of the available funds are allocated. The basic services component is determined by the number of poor households per municipality and the estimated cost of free basic services, so it cannot be manipulated. This means that balancing the formula to the available resources must take place in the second part of the formula, which includes the institutional and community services components. The formula automatically determines the value of the allocation per council seat in the institutional component and the allocation per household for other services in the community services component to ensure that it balances. Increases in the cost of providing basic services can result in lower institutional and community services allocations.

Details of new allocations

In addition to the three-year formula allocations published in the Division of Revenue Bill, a copy of the formula, including the data used for each municipality and each component, is published online (http://mfma.treasury.gov.za/Media_Releases/LGESDiscussions/Pages/default.aspx).

Other unconditional allocations

RSC/JSB levies replacement grant

Before 2006, district municipalities raised levies on local businesses through a Regional Services Council (RSC) or Joint Services Board (JSB) levy. This source of revenue was replaced in 2006/07 with the *RSC/JSB levies replacement grant*, which was allocated to all district and metropolitan municipalities based on the amounts they had previously collected through the levies. The *RSC/JSB levies replacement grant* for metropolitan municipalities has since been replaced by the sharing of the general fuel levy. The *RSC/JSB levies replacement grant*'s value increases every year.

In 2019/20 this grant increases by 8.4 per cent for district municipalities authorised for water and sanitation and 2.8 per cent for unauthorised district municipalities. The different rates recognise the various service-delivery responsibilities of these district municipalities and the fact that the allocations to unauthorised municipalities have an average growth rate below inflation. To reduce the inequities in this grant's allocations, which result from it being based on previous own revenue collections, the 2017 Explanatory Memorandum to the Division of Revenue announced adjustments to redistribute funds to the 13 district municipalities with the smallest allocations from this grant. These adjustments were implemented over a two-year period, from 2017/18 to 2018/19.

Special support for councillor remuneration and ward committees

Councillors' salaries are subsidised in poor municipalities. The total value of the support provided in 2019/20 is R969 million, calculated separately to the local government equitable share and in addition to the funding for governance costs provided in the institutional component. The level of support for each municipality is allocated based on a system gazetted by the Minister of Cooperative Governance and Traditional Affairs,

which classifies municipal councils into six grades based on their total income and population size. Special support is provided to the lowest three grades of municipal councils (the smallest and poorest municipalities).

A subsidy of 90 per cent of the gazetted maximum remuneration for a part-time councillor is provided for every councillor in grade 1 municipalities, 80 per cent for grade 2 municipalities and 70 per cent for grade 3 municipalities. In addition to this support for councillor remuneration, each local municipality in grades 1 to 3 receives an allocation to provide stipends of R500 per month to 10 members of each ward committee in their municipality. Each municipality's allocation for this special support is published in the Division of Revenue Bill appendices.

As a result of the below-inflation increase in councillor salaries of 4 per cent per year in 2018/19, there is a small surplus on the previously budgeted amounts for councillor remuneration. Amounts of R14 million in 2019/20 and R15 million in 2020/21 are therefore shifted back into the local government equitable share formula to distribute.

Conditional grants to local government

National government allocates funds to local government through a variety of conditional grants. These grants fall into two main groups: infrastructure and capacity building. The total value of conditional grants directly transferred to local government increases from R45.1 billion in 2019/20 to R48.2 billion in 2020/21 and R52.2 billion in 2021/22.

There are four types of local government conditional grants:

- Schedule 4, part B sets out general grants that supplement various programmes partly funded by municipalities.
- Schedule 5, part B grants fund specific responsibilities and programmes implemented by municipalities.
- Schedule 6, part B grants provide in-kind allocations through which a national department implements projects in municipalities.
- Schedule 7, part B grants provide for the swift allocation and transfer of funds to a municipality to help it deal with a disaster or housing emergency.

Infrastructure conditional grants to local government

National transfers for infrastructure, including indirect or in-kind allocations to entities executing specific projects in municipalities, amount to R161.6 billion over the 2019 MTEF period.

Table W1.24 Infrastructure grants to local government

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Outcome			Adjusted budget	Medium-term estimates		
Direct transfers	37 044	39 259	41 888	42 919	43 252	46 167	50 039
Municipal infrastructure	14 956	14 914	15 891	15 288	14 816	15 660	16 831
Integrated urban development	–	–	–	–	857	939	1 013
Urban settlements development	10 554	10 839	11 382	11 306	12 045	9 717	9 373
Informal settlements upgrading partnership	–	–	–	–	–	2 985	4 384
Integrated city development	251	267	292	294	310	327	352
Public transport network	5 953	5 593	6 107	6 287	6 468	7 495	8 367
Neighbourhood development partnership	584	592	658	602	621	655	704
Integrated national electrification programme	1 980	1 946	2 087	1 904	1 863	1 977	2 131
Rural roads asset management systems	97	102	107	108	114	120	127
Regional bulk infrastructure	–	1 850	1 829	1 957	2 066	2 180	2 344
Water services infrastructure	2 305	2 831	3 305	3 769	3 669	3 871	4 161
Municipal disaster recovery	186	140	26	1 190	194	–	–
Energy efficiency and demand-side management	178	186	203	215	227	240	253
Indirect transfers	10 119	8 093	7 699	7 795	7 087	6 981	8 032
Integrated national electrification programme	3 613	3 526	3 846	3 262	3 374	3 063	3 821
Neighbourhood development	13	15	28	29	31	33	35
Water services infrastructure	659	298	852	1 616	644	679	730
Regional bulk infrastructure	4 858	3 422	2 974	2 887	3 038	3 207	3 447
Bucket eradication	975	831	–	–	–	–	–
Total	47 163	47 352	49 588	50 714	50 338	53 148	58 072

Source: National Treasury

Municipal infrastructure grant

The largest infrastructure transfer to municipalities is made through the *municipal infrastructure grant*, which supports government's aim to expand service delivery and alleviate poverty. The grant funds the provision of infrastructure for basic services, roads and social infrastructure for poor households in all non-metropolitan municipalities. Although the grant's baseline is reduced by R917.6 million in 2019/20, R939.2 million in 2020/21 and R1 billion in 2021/22 to allow for the creation of the *integrated urban development grant*, the total allocations for this conditional grant still amount to R47.3 billion over the 2019 MTEF period and grow at an average annual rate of 3.3 per cent.

The *municipal infrastructure grant* is allocated through a formula with a vertical and horizontal division. The vertical division allocates resources between sectors and the horizontal division takes account of poverty, backlogs and municipal powers and functions in allocating funds to municipalities. The five main components of the formula are described in the box below.

Municipal infrastructure grant = C + B + P + E + N

C Constant to ensure a minimum allocation for small municipalities (this allocation is made to all municipalities)

B Basic residential infrastructure (proportional allocations for water supply and sanitation, roads and other services such as street lighting and solid waste removal)

P Public municipal service infrastructure (including sport infrastructure)

E Allocation for social institutions and micro-enterprise infrastructure

N Allocation to the 27 priority districts identified by government

Allocations for the water and sanitation sub-components of the basic services component are based on the proportion of the national backlog for that service in each municipality. Other components are based on the proportion of the country's poor households located in each municipality. The formula considers poor households without access to services that meet sector standards to be a backlog.

Data used in the municipal infrastructure grant formula

Component	Indicator used in the formula	Data used (all data is from the 2011 Census)
B	Number of water backlogs	Number of poor households ¹ that do not have adequate access to water (adequate access defined as piped water either inside their dwelling, in the yard or within 200 meters of their dwelling)
	Number of sanitation backlogs	Number of poor households that do not have adequate access to sanitation (adequate access defined as having a flush toilet, chemical toilet, pit toilet with ventilation or ecological toilet)
	Number of roads backlogs	Number of poor households
	Number of other backlogs	Number of poor households that do not have access to refuse disposal at Reconstruction and Development Programme levels of service
P	Number of poor households	Number of poor households
E	Number of poor households	Number of poor households
N	Number of households in nodal areas	Allocated to the 27 priority districts identified by Cabinet as having large backlogs. Allocation is based on total households (not poor households)

1. Poor household defined as a monthly household income of less than R2 300 per month in 2011 Census data

Table W1.25 sets out the proportion of the grant accounted for by each component of the formula.

The constant component provides a R5 million base to all municipalities receiving *municipal infrastructure grant* allocations.

Table W1.25 Municipal infrastructure grant allocations per sector

Municipal infrastructure grant (formula)	Component weights	Value of component 2019/20 (R million)	Proportion of municipal infrastructure grant per sector
B-component	75.0%	10 065	67.9%
Water and sanitation	72.0%	7 247	48.9%
Roads	23.0%	2 315	15.6%
Other	5.0%	503	3.4%
P-component	15.0%	2 013	13.6%
Sports	33.0%	664	4.5%
E-component	5.0%	671	4.5%
N-component	5.0%	671	4.5%
Constant		1 130	7.6%
Ring-fenced funding for sport infrastructure		266	1.8%
Total		14 816	100.0%

Source: National Treasury

The *municipal infrastructure grant* includes an amount allocated outside of the grant formula and earmarked for specific sport infrastructure projects identified by Sport and Recreation South Africa. These earmarked funds amount to R798.5 million over the MTEF period (R266.2 million in 2019/20, R266.2 million in 2020/21 and R266.2 million in 2021/22). In addition, municipalities are required to spend a third of the P-component (equivalent to 4.5 per cent of the grant) on sport and recreation infrastructure identified in their own integrated development plans. Municipalities are also encouraged to increase their investment in other community infrastructure, including cemeteries, community centres, taxi ranks and marketplaces.

Integrated urban development grant

In 2019/20, a new *integrated urban development grant* for urban local municipalities is created to support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces. The grant will be administered by the Department of Cooperative Governance and extends some of the fiscal reforms already implemented in metropolitan municipalities to non-metropolitan cities. The *integrated urban development grant* recognises that municipalities differ in terms of their context and introduces a differentiated approach to encourage integrated development in cities. The grant aims to enable and incentivise municipalities to invest more non-grant funding in infrastructure projects in intermediate cities.

The conditions for this grant were piloted in two cities through a window in the *municipal infrastructure grant* framework in 2018/19. In 2019/20, it becomes a separate grant, with seven cities receiving allocations from this grant instead of the *municipal infrastructure grant*. Under the *integrated urban development grant*, municipalities will no longer require approval for individual projects to be funded through the grant. Instead, their capital investments must be aligned to a three-year capital programme that is aligned with a 10-year capital expenditure framework.

This is a new type of grant in that municipalities must meet certain qualification criteria in order to participate. Municipalities can apply to join the grant in terms of a process set out in section 27(5) of the Division of Revenue Act. The qualification criteria cover the following areas:

- Management stability (low vacancy rates among senior management)
- Audit findings
- Unauthorised, irregular, fruitless and wasteful expenditure
- Capital expenditure
- Reporting in terms of the Municipal Finance Management Act.

In addition to the two pilot municipalities (Polokwane and uMhlathuze), five local municipalities qualified to participate in the grant from 2019/20: Mogale City, Ray Nkonyeni, Sol Plaatje, Stellenbosch and Drakenstein. Other cities may apply to join the grant in future years. To remain in the grant, cities must continue to meet or exceed the entry criteria. If they do not do so, they will be placed on a performance improvement plan. If they still do not meet the criteria in the subsequent year they will be shifted back to receiving grant transfers through the *municipal infrastructure grant*, which comes with closer oversight and support from national and provincial departments. The base allocations a municipality receives through the *municipal infrastructure grant* and the *integrated urban development grant* will be the same and are determined in terms of the *municipal infrastructure grant* formula described above.

In addition to the basic formula-based allocation, municipalities participating in the *integrated urban development grant* are also eligible to receive a performance-based incentive component, which is based on performance against the weighted indicators set out below.

Performance-based component weighted indicators for integrated urban development grant

Indicator	Discussion	Weight	Scores
1. Non-grant capital as a percentage of total capital expenditure	Encourages cities to increase their capital investment funded through own revenue and borrowing	40%	1 if 70% or higher 0 if 30% or lower Linear scale in between
2. Repairs and maintenance expenditure as percentage of operating expenditure	Rewards cities that take good care of their existing asset base	30%	1 if 8% or higher
3. Asset management plan	Must have a plan in place, has been approved by municipal council and updated in the last three years	30%	1 if yes for all three 0 if no for any of the three
4. Land-use applications in priority areas 5. Building plan applications in priority areas	Due to the lack of available data, these indicators, which are intended to reward spatial targeting of investment, remain dormant in 2019/20	0%	1 if 50% or higher 0 if 10% or lower Linear scale in between

The total allocations for the *integrated urban development grant* are R856.9 million in 2019/20, R939.2 million in 2020/21 and R1 billion in 2021/22.

Table W1.26 Formula for integrated urban development grant incentive component

	Once-off planning allocation (R 000)	Performance incentive						Total for incentive and planning (R 000)
		Non-grant capital as percentage of total capital spend	Maintenance spend	Asset management plan	Land use and building plans in priority areas	Weighted score	Total incentive (R 000)	
uMhlathuze	3 205	72%	10%	No	-	70%	29 957	33 162
Drakenstein	1 054	82%	6%	Yes	-	91%	12 854	13 908
Mogale City	3 513	19%	0%	No	-	0%	-	3 513
Polokwane ¹	10 144	41%	0%	Yes	-	41%	-	10 144
Ray Nkonyeni	1 847	22%	0%	Yes	-	30%	7 398	9 244
Sol Plaatje	1 494	22%	0%	No	-	0%	-	1 494
Stellenbosch	1 073	81%	0%	Yes	-	70%	10 034	11 107
Total	22 330						60 242	82 572

1. Polokwane does not qualify for an incentive allocation as it did not meet all of the qualification criteria for the grant. It remains part of the grant as it was a pilot municipality in 2018/19, but the city must implement a performance improvement plan

Source: Department of Cooperative Governance

Urban settlements development grant

The *urban settlements development grant* is an integrated source of funding for infrastructure for municipal services and upgrades to urban informal settlements in the eight metropolitan municipalities. It is allocated as a supplementary grant to cities (schedule 4, part B of the Division of Revenue Act), which means that municipalities are expected to use a combination of grant funds and their own revenue to develop urban infrastructure and integrated human settlements. Cities report their progress on these projects against the targets set in their service-delivery and budget implementation plans. From 2019/20, cities will be required to report in line with the requirements of the Municipal Finance Management Act Circular 88. This is the result of a process led by the National Treasury to rationalise and streamline built environment reporting for the eight metropolitan municipalities. Cities will report on one agreed set of indicators that will be used by multiple stakeholders to monitor progress on the integrated and functional outcomes, rather than reporting separately to each department. These reforms will progressively be extended to non-metropolitan municipalities over the medium term.

As discussed under the *human settlements development grant* in Part 4, a new window is being introduced for the upgrading of informal settlements. In 2019/20, this new window amounts to 20 per cent of the *urban settlements development grant*. The window sets a minimum amount each city must spend on informal settlement upgrades and requires cities to work in partnership with communities. The introduction of this window serves as a planning and preparatory platform for a new informal settlements upgrading grant, planned for 2020/21. Provided the new window is a success, the new grant will be created through the reprioritisation of funds from the *urban settlements development grant*. Initial amounts of R3 billion in 2020/21 and R4.4 billion in 2021/22 have been set aside for this new grant in the outer years of the MTEF period. Further details on the new grant are discussed in Part 6.

Electrification in municipalities, including in the eight metropolitan municipalities, has been funded through the *integrated national electrification programme (municipal) grant*. However, cities have also been implementing electrification projects in informal settlements using the *urban settlements development grant*, despite funds not having originally been allocated to the grant for this purpose. To align funding with municipalities' needs, the *integrated national electrification programme (municipal) grant* allocations to metropolitan municipalities will be incorporated into the *urban settlements development grant* from 2019/20. This will allow these funds to also be used for informal settlement upgrades, making use of the skills and experience of the municipalities that implement these projects. In 2019/20, the cities will be allocated their

indicative *integrated national electrification programme (municipal) grant* allocations, as was gazetted in the terms of the 2018 Division of Revenue Act. This will ensure cities are adequately funded for any planned commitments for 2019/20. From 2020/21 the funds inherited from the *integrated national electrification programme (municipal) grant* will be allocated through the *urban settlements development grant* formula.

The *urban settlements development grant* is allocated R31.1 billion over the medium term. The allocation per municipality is based on the *municipal infrastructure grant* formula. Up to 3 per cent of the grant may be used to fund municipal capacity in the built environment in line with the capacity-building guideline published by the Department of Human Settlements. Because this grant was reduced by a smaller proportion than the *municipal infrastructure grant* in the 2018 MTEF period, the *urban settlements development grant* is reduced by R100 million in 2019/20 and R100 million in 2020/21 in order to fund other government priorities.

Integrated city development grant

The grant provides a financial incentive for metropolitan municipalities to use their infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. The grant's incentive allocations are based on performance measures of good governance and administration, as well as an assessment of a city's built environment performance plan. Cities are required to adopt performance plans that provide a strategic overview of their plans for the built environment, and how their infrastructure programmes and projects within their functional mandate and approved integration zones will transform spatial development patterns over time. Including a peer-reviewed assessment score in the allocation criteria for this grant provides a tangible reward for cities that improve the quality of their plans. Total allocations over the 2019 MTEF period amount to R989.2 million and grow at an average annual rate of 6.2 per cent.

Public transport network grant

The *public transport network grant*, administered by the Department of Transport, helps cities create or improve public transport systems in line with the National Land Transport Act (2009) and the Public Transport Strategy. This includes all integrated public transport network infrastructure, such as bus rapid transit systems, conventional bus services, and pedestrian and cycling infrastructure. The grant also subsidises the operation of these services. The grant is allocated R22.3 billion over the medium term.

A formula-based grant allocation has been implemented since 2016/17. This increases certainty about the extent of national funding that municipalities can expect when planning their public transport networks, and encourages cities to make more sustainable public transport investments.

The allocations for this grant are determined through a formula, used to determine 95 per cent of the allocations, and a performance-based incentive component introduced in 2019/20, which accounts for the remaining 5 per cent.

A base component accounts for 20 per cent of total allocations and is divided equally among all participating cities – this ensures that smaller cities in particular have a significant base allocation to run their transport system regardless of their size. The bulk of the formula (75 per cent) is allocated based on three demand-driven factors, which account for the number of people in a city, the number of public transport users in a city (the weighting of train commuters is reduced as trains are subsidised separately through the Passenger Rail Authority of South Africa) and the size of a city's economy.

To qualify for an allocation from the performance incentive, a city must have an operational municipal public transport system approved by the national Department of Transport and they must have spent more than 80 per cent of their grant allocation in the previous financial year. Incentive allocations are then calculated based on the coverage of costs from fares, passenger trips and the city's own financial commitment to the system. Cities must exceed the minimum threshold in at least one of these three indicators. The calculation of the performance incentive allocations for 2019/20 is set out in Table W1.27 below. The raw scores for the cities are weighted using the sum of the base and formula components to account for the size of the city.

Table W1.27 Public transport network grant

	Oper- ational public transport system	Grant spent in 2017/18	Eligible for incentive	Coverage of direct costs from farebox	Average weekday passenger trips (% of population)	City's contri- bution (% of property rates)	Raw scores for incentive	Incentive allocation for 2019/20 (R 000)
Minimum threshold	Yes	80%		35.0%	1%	2%		
Buffalo City	No	26%	No	0.0%	0.00%	0.0%	-	-
Cape Town	Yes	100%	Yes	41.1%	1.48%	5.2%	0.287	160 487
City of Johannesburg	Yes	98%	Yes	38.5%	0.95%	3.4%	0.130	99 394
City of Tshwane	Yes	93%	Yes	21.5%	0.24%	1.3%	-	-
Ekurhuleni	Yes	66%	No	16.8%	0.13%	2.7%	-	-
eThekwini	No	67%	No	0.0%	0.00%	0.0%	-	-
George	Yes	100%	Yes	41.8%	5.61%	4.8%	0.555	45 831
Mangaung	No	63%	No	0.0%	0.00%	0.0%	-	-
Mbombela	No	70%	No	0.0%	0.00%	0.0%	-	-
Msunduzi	No	83%	No	0.0%	0.00%	0.0%	-	-
Nelson Mandela Bay	Yes	90%	Yes	11.4%	0.03%	0.7%	-	-
Polokwane	No	82%	No	0.0%	0.00%	0.0%	-	-
Rustenburg	No	88%	No	0.0%	0.00%	0.0%	-	-
Total							1.000	305 712

Source: National Treasury

Table W1.28 sets out how the final allocation for each municipality is determined, taking account of both the formula and incentive components.

Table W1.28 Formula for the public transport network grant

	Base 20%	Demand-driven factors 75%			Subtotal: base and demand driven factors	Performance 5%	100%
	Equally shared	Population component shares	Regional gross value added component shares	Public transport users component shares		Incentive component (R 000)	Grant allocations ¹ (R 000)
Buffalo City	7.7%	3.3%	2.8%	3.1%	3.8%	-	234 465
Cape Town	7.7%	16.3%	15.8%	13.9%	13.0%	160 487	957 645
City of Johannesburg	7.7%	19.3%	25.2%	20.5%	17.8%	99 394	1 187 518
City of Tshwane	7.7%	12.7%	15.0%	14.0%	12.0%	-	731 751
Ekurhuleni	7.7%	13.8%	9.5%	14.9%	11.1%	-	679 153
eThekwini	7.7%	15.0%	15.8%	18.0%	13.7%	-	840 549
George	7.7%	0.8%	0.5%	0.2%	1.9%	45 831	163 499
Mangaung	7.7%	3.3%	2.4%	3.2%	3.8%	-	229 596
Mbombela	7.7%	2.6%	1.9%	2.4%	3.3%	-	198 919
Msunduzi	7.7%	2.7%	1.5%	2.4%	3.2%	-	194 665
Nelson Mandela Bay	7.7%	5.0%	4.7%	3.6%	4.9%	-	298 143
Polokwane	7.7%	2.7%	1.5%	1.3%	2.9%	-	179 433
Rustenburg	7.7%	2.4%	3.5%	2.3%	3.6%	-	218 911
Total	100.0%	100.0%	100.0%	100.0%	95.0%	305 712	6 114 248

1. Excludes additional funds for Cape Town allocated through the Budget Facility for Infrastructure

Source: National Treasury

In addition to the formula and performance incentive, R2.8 billion is added to the *public transport network grant* over the medium term. This addition is for the City of Cape Town's new phase of the MyCiti public transport network approved through the Budget Facility for Infrastructure. The facility seeks to support

quality public investments through robust project appraisal, effective project development and execution, and sustainable financing arrangements. The process includes engaging with relevant stakeholders, the National Treasury and the Presidential Infrastructure Coordinating Commission. This additional amount will fund a new public transport corridor for the MyCiti network, linking the underserved areas of Khayelitsha and Mitchells Plain to the city centre.

Neighbourhood development partnership grant

The *neighbourhood development partnership grant* supports municipalities in developing and implementing urban network plans. The grant funds the upgrading of identified precincts, with the aim of creating a platform to stimulate third-party public and private investment. In metropolitan municipalities, the focus is on upgrading urban hubs in townships. The National Treasury has led a process, in collaboration with other stakeholders including the Department of Rural Development and Land Reform and the Department of Cooperative Governance, to identify a cohort of non-metropolitan municipalities to implement new projects as part of this grant. The National Treasury will be partnering with these municipalities to identify, plan and implement infrastructure upgrades in targeted urban hub precincts. The allocations for this grant in the 2019 MTEF period amount to R2.1 billion, made up of R2 billion for the direct capital component and R98 million for the indirect technical assistance component.

Water services infrastructure grant

This grant, administered by the Department of Water and Sanitation, aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. It provides funding for various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant.

A total of R4.4 million will be shifted from the department's accelerated community infrastructure programme, which is being phased out, into the indirect component of this grant over the medium term. This shift will strengthen project management and grant administration.

The grant has a total allocation of R13.8 billion over the medium term, comprising R11.7 billion and R2.1 billion for the direct and indirect components respectively.

Regional bulk infrastructure grant

This grant supplements the financing of the social component of regional bulk water and sanitation infrastructure. It targets projects that cut across several municipalities or large bulk projects within one municipality. The grant funds the bulk infrastructure needed to provide reticulated water and sanitation services to individual households. It may also be used to appoint service providers to carry out feasibility studies, related planning or management studies for infrastructure projects. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. A parallel programme, funded by the Department of Water and Sanitation, also funds water boards for the construction of bulk infrastructure. Though not part of the division of revenue, these projects still form part of the Department of Water and Sanitation's larger programme of subsidising the construction of regional bulk infrastructure for water and sanitation.

The Department of Water and Sanitation has put a moratorium on new projects funded through this grant so it can prioritise existing projects, particularly those that have been in construction for a long time. A total of R5.3 million is shifted from the department's accelerated community infrastructure programme into the indirect component of this grant over the medium term to strengthen project management and grant

administration. In 2019/20, R318.5 million of the indirect portion of the grant will be ring-fenced for the bulk infrastructure needed to complete the eradication of all bucket sanitation systems in formal residential areas that were in existence in 2014.

The grant has a total allocation of R16.3 billion over the medium term, consisting of R6.6 billion and R9.7 billion for the direct and indirect components respectively.

Integrated national electrification programme grants

These grants aim to provide capital subsidies to municipalities to electrify poor households and fund bulk infrastructure to ensure the constant supply of electricity. Allocations are based on the backlog of un-electrified households and administered by the Department of Energy. The grant only funds bulk infrastructure that serves poor households. The national electrification programme has helped provide 91 per cent of all poor households with access to electricity, as reported in the 2016 Community Survey (up from the 85 per cent reported in the 2011 Census). To sustain this progress, government will spend R16.2 billion on the programme over the next three years. A total of R6 billion is allocated to the *integrated national electrification programme (municipal) grant* over the 2019 MTEF period, after the shift of funds for metropolitan municipalities to the *urban settlements development grant* (described above). The *integrated national electrification programme (Eskom) grant* is allocated R10.3 billion over the medium term. It is reduced by R50 million in 2019/20 and R550 million in 2021/22 to fund other government priorities and manage the growth of the national deficit. The reduction was effected on this grant because it has a higher baseline than the *integrated national electrification programme (municipal) grant*.

Energy efficiency and demand-side management grant

The *energy efficiency and demand-side management grant* funds selected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure. From 2019/20, provision is made for municipalities to use funding from the *energy efficiency and demand-side management grant* for planning and preparing for the Energy Efficiency in Public Infrastructure and Building programme. This programme aims to create a market for private companies to invest in the large-scale retrofitting of municipal infrastructure, and then be paid back through the savings on energy costs achieved. This has the potential to unlock energy and cost savings on a much larger scale. Municipalities can use 15 per cent of their *energy efficiency and demand-side management grant* funding to develop a project pipeline and thereby strengthen the market for energy service companies that offer this service. This scaling up of energy-efficiency retrofits is a key part of meeting the goals in the National Climate Change Response Strategy and the United Nations Framework Convention on Climate Change (COP21).

This new approach will also allow municipalities to benefit from donor financing. A Guarantee Fund from the Nationally Appropriated Mitigation Action Facility has been jointly established with funding from the German and United Kingdom governments to help private energy service companies obtain loans to implement the Energy Efficiency in Public Infrastructure and Building programme. The programme will have significant long-term effects on energy savings, carbon emissions and the market for energy-efficient technologies. The grant is allocated R719.3 million over the 2019 MTEF period.

Rural roads asset management systems grant

The Department of Transport administers the *rural roads asset management systems grant* to improve rural road infrastructure. The grant funds the collection of data on the condition and usage of rural roads in line with the Road Infrastructure Strategic Framework for South Africa. This information guides investments to maintain and improve these roads. District municipalities collect data on all the municipal roads in their area, ensuring that infrastructure spending (from the *municipal infrastructure grant* and elsewhere) can be properly planned to maximise impact. As data becomes available, incentives will be introduced to ensure that municipalities use this information to plan road maintenance appropriately. The *municipal infrastructure grant* stipulates that municipalities must use data from roads asset management systems to prioritise investment in roads projects.

The Department of Transport will continue to work with the *municipal infrastructure grant* administrators to ensure that municipal roads projects are chosen, prioritised and approved using roads asset management systems data wherever possible. The grant is allocated R113.9 million in 2019/20, R120.5 million in 2020/21 and R127.1 million in 2021/22.

Municipal disaster recovery grant

After the initial response to a disaster has been addressed, including through funding from the *municipal disaster relief grant* discussed below, the repair of damaged municipal infrastructure is funded through the *municipal disaster recovery grant*. In 2019/20, this grant is allocated R194 million for the repair of damage to municipal infrastructure caused by floods in KwaZulu-Natal and the Eastern Cape. If further disasters occur that require recovery projects to be funded through this grant, additional allocations may be made to it in future.

Capacity-building grants and other current transfers

Capacity-building grants help to develop municipalities' management, planning, technical, budgeting and financial management skills. Other current transfers include the *EPWP integrated grant for municipalities*, which promotes increased labour intensity in municipalities, and the *municipal disaster relief grant*. A total of R6.4 billion is allocated to capacity-building grants and other current transfers to local government over the medium term.

Table W1.29 Capacity building and other current grants to local government

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	Outcome			Adjusted budget	Medium-term estimates		
R million							
Direct transfers	1 268	1 675	1 815	1 851	1 897	2 004	2 115
Municipal disaster relief	–	118	341	349	335	354	373
Municipal demarcation transition	4	297	140	–	–	–	–
Municipal systems improvement	–	–	–	23	–	–	–
Municipal human settlements capacity	100	–	–	–	–	–	–
Municipal emergency housing	–	–	–	140	149	159	168
Infrastructure skills development	124	130	141	141	149	158	167
Local government financial	452	465	502	505	533	562	593
Expanded public works programme integrated grant for municipalities	588	664	691	693	730	771	814
Indirect transfers	251	19	103	92	122	128	135
Municipal systems improvement	251	19	103	92	122	128	135
Total	1 520	1 695	1 919	1 943	2 018	2 132	2 250

Source: National Treasury

Local government financial management grant

The *local government financial management grant*, managed by the National Treasury, funds the placement of financial management interns in municipalities and the modernisation of financial management systems. This includes building in-house municipal capacity to implement multi-year budgeting, linking integrated development plans to budgets, and producing quality and timely in-year and annual reports. The grant supports municipalities in the implementation of the Municipal Finance Management Act and provides funds for the implementation of the municipal standard chart of accounts.

Total allocations amount to R1.7 billion over the MTEF period and grow at an average annual rate of 5.5 per cent.

Infrastructure skills development grant

The *infrastructure skills development grant* develops capacity within municipalities by creating a sustainable pool of young professionals with technical skills related to municipal services, such as water, electricity and town planning. The grant places interns in municipalities so they can complete the requirements of the relevant statutory council within their respective built environment fields. The interns can be hired by any municipality at the end of their internship.

The grant's total allocations amount to R474 million over the 2019 MTEF period and grow at an average annual rate of 5.6 per cent.

Municipal systems improvement grant

The *municipal systems improvement grant* funds a range of projects in municipalities in support of the Back to Basics strategy, including helping municipalities set up adequate record management systems, drawing up organograms for municipalities and reviewing their appropriateness relative to their assigned functions, implementing the Integrated Urban Development Framework and assisting municipalities with revenue collection plans. From 2019/20, the grant also supports the implementation of the municipal standard chart of accounts. The Department of Cooperative Governance implements the indirect grant. Grant allocations amount to R121.6 million in 2019/20, R128.2 million in 2020/21 and R135.3 million in 2021/22, and R73 million and R80 million is unallocated for 2020/21 and 2021/22.

EPWP integrated grant for municipalities

This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. To determine eligibility for funding, municipalities must have reported performance on the EPWP, including performance in the infrastructure, social and environment and culture sectors and on the full-time equivalent jobs created in these sectors in the last 18 months. A formula then determines allocations on the basis of this performance as well as the labour intensity of the work opportunities created. The number of bands in which labour intensity are recorded in the formula have been expanded from seven to eight, providing an incentive for labour-intense projects to further increase their intensity. The formula is weighted to give larger allocations to rural municipalities. The grant's baseline is reduced by R11.9 million in 2019/20, R11.7 million in 2020/21 and R11.6 million in 2021/22 in order to fund other government priorities. The impact of these reductions will be spread across municipalities in line with the grant's formula. The grant is allocated R2.3 billion over the MTEF period.

Municipal disaster relief grant

The *municipal disaster relief grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance as an unallocated grant to local government. The centre is able to disburse disaster-response funds immediately, without the need for the transfers to be gazetted first. The grant supplements the resources local government would have already used in responding to disasters. To ensure that sufficient funds are available in the event of disasters, section 21 of the Division of Revenue Bill allows for funds allocated to the *provincial disaster relief grant* to be transferred to municipalities if funds in the municipal grant have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters, so that initial emergency aid can be provided before a full assessment of damages and costs is conducted. Over the MTEF period, R1 billion is available for disbursement through this grant. To ensure that sufficient funds are available for disaster relief, clause 20(6) of the Division of Revenue Bill allows funds from other conditional grants to be reallocated for this purpose, subject to the National Treasury's approval.

Municipal emergency housing grant

When introduced in 2018/19, the *municipal emergency housing grant* was intended to enable the Department of Human Settlements to rapidly respond to emergencies by providing temporary housing in line with the Emergency Housing Programme. From 2019/20, the purpose of the grant will be extended to repair damage

to permanent structures following the immediate aftermath of a disaster, in instances where the repairs would be cheaper than the cost of relocation and provision of temporary shelter. The approval of funding for repairs will be subject to an assessment report. The grant remains limited to funding emergency housing and repairs following the immediate aftermath of a disaster, and not the other emergency situations listed in the Emergency Housing Programme. This grant is allocated R149.1 million in 2019/20, R158.8 million in 2020/21 and R167.5 million in 2021/22.

■ Part 6: Future work on provincial and municipal fiscal frameworks

The fiscal frameworks for provincial and local government encompass all their revenue sources and expenditure responsibilities. As underlying social and economic trends evolve and the assignment of intergovernmental functions change, so must the fiscal frameworks. The National Treasury, together with relevant stakeholders, conducts reviews to ensure that provinces and municipalities have an appropriate balance of available revenues and expenditure responsibilities, while taking account of the resources available and the principles of predictability and stability.

This part of the annexure describes the main areas of work to be undertaken during 2019/20 as part of the ongoing review and refinement of the intergovernmental fiscal framework. Provinces and municipalities will be consulted on all proposed changes.

Review of the provincial equitable share formula

The Constitution stipulates that provinces are entitled to a share of nationally raised revenue to deliver on their mandates. Provincial funds are allocated using a formula that considers the spread of the burden of service delivery across provinces. The provincial equitable share formula contains weighted elements that reflect government priorities and incorporates elements to redress inequality and poverty across provinces. The periodic review of the formula to assess its continued appropriateness and equity continues in 2019. The Technical Committee on Finance and the Budget Council are consulted as part of this work.

Over the course of the year, work on the review of the equitable share will continue. Now that the new data-collection methodology for education is part of the formula, the next step is to interrogate the component's alignment with government's education policy vision. Work on the disparity in costs in the delivery of services across the country will also continue, led by the FFC. The National Treasury will work with the national Department of Health and Statistics South Africa to fully understand the available health information data and the dynamics of delivering services in the health sector. Over the course of 2019, the provincial equitable share review task team, with representatives from the National Treasury, Statistics South Africa, provincial treasuries and the FFC, will further explore the poverty component and look into deprivation as a possible measure. This will be coupled with technical changes to the formula to ensure stability.

National health insurance policy work

South Africa aims to make significant strides towards universal health coverage through the progressive implementation of national health insurance, as outlined in the National Health Insurance White Paper, which government adopted in 2017. Subsequently, the draft bill was released for public comment and government is working on finalising it for tabling to Parliament following Cabinet approval. The bill, when promulgated, will provide the legal foundation for establishing the National Health Insurance Fund. This is likely to have significant implications for provincial finances, which are being discussed through consultative structures like the Technical Committee on Finance. Parallel to the legislative foundation, efforts to strengthen the health system in preparation for national health insurance will continue through developing and piloting provider payment mechanisms, expanding the national insurance beneficiary registry, addressing human resource capacity in public health facilities, and purchasing and providing a prioritised set of health services.

The role of provinces in promoting economic development

Provinces and municipalities play a crucial role in advancing the economic development of their respective precincts. Fully functional, well-equipped schools produce a vibrant and employable workforce. Smarter health systems develop and maintain the health of the workforce. Provincial agriculture departments' support to farmers can stimulate rural development. The provision of provincial and municipal roads and public transport services ensures mobility for goods and workers, while basic municipal services such as water, electricity and refuse removal, as well as business licencing and environmental health functions, enable businesses to operate and grow. Well-managed procurement can maximise developmental impact without compromising efficiencies.

All three spheres of government must work with businesses and other relevant stakeholders to provide an enabling environment for faster and more inclusive economic growth. In 2018, the Budget Council Lekgotla and the Technical Committee on Finance agreed on a strategy for provinces in special economic and industrial development zones. Provinces agreed to assist the special economic zones in strengthening their tenant base so that they can raise more revenue and be less reliant on transfers. In 2019, there may be a need to revise legislation regarding the zones' scheduling as entities in terms of the Public Finance Management Act so that they can receive more support from government in their early stages and later become self-financing entities.

Improving intergovernmental coordination on infrastructure investment

Public infrastructure investments can play a major role in transforming South Africa's spatial development patterns. This requires a significant improvement in intergovernmental coordination in planning and budgeting for infrastructure. The National Treasury is working with provinces to ensure that their investments in schools, roads, health facilities and housing are made in locations that align with the spatial development plans of municipalities.

Municipalities must be consulted and agree on the location and bulk services requirements of all provincial infrastructure projects. During 2018, the National Treasury provided support to all provinces with metropolitan municipalities to have joint planning sessions and share plans and information. This process has revealed that there are still a lot of gaps in the alignment of the spatial development frameworks between provincial and municipal government. Work to improve coordination and address these gaps will continue in 2019/20.

The National Treasury is also exploring how the budget process can be used to address spatial planning issues. A paper on options to improve the coordination of infrastructure funding with spatial development objectives will be presented to the National Treasury's intergovernmental structures during 2019.

Scholar transport

Government conducted a study on the delivery of scholar transport services during 2018. A steering committee with members from the Department of Basic Education; the Department of Transport; the Department of Planning, Monitoring and Evaluation; and the National Treasury has been established to take this work forward. The report revealed several data gaps and inconsistencies in the way services are delivered and reported on in different provinces, making it difficult to establish a common national approach to improving the service. Two work streams will be established during 2019. The first will deal with the data gaps and attempt to determine whether the function should be led by the transport or basic education sector. The second work stream will deal with the costing of the service and will provide input during the 2020 Budget process.

New informal settlements upgrading grants for provinces and municipalities

Informal settlement upgrades will intensify over the medium term. This is an inclusive process through which informal residential areas are incrementally improved, formalised and incorporated into the city or neighbourhood by extending land tenure security, infrastructure and services to residents of informal

settlements. Following the introduction of dedicated windows to fund informal settlement upgrades in the provincial *human settlements development grant* and the municipal *urban settlements development grant* in 2019/20, the Department of Human Settlements is leading the design of two new informal settlements upgrading grants for provinces and municipalities that will be introduced in the 2020 MTEF period.

The design of the new grants will draw on the lessons learnt from implementing the grant windows in 2019/20. Provinces, municipalities and other interested stakeholders will also provide feedback on the new grant structures. Indicative baselines have been set aside for the new grant in the outer years of the 2019 MTEF period. These baselines grow from informal settlements upgrading programme windows in the *human settlements development grant* and *urban settlements development grant* worth 15 per cent and 20 per cent of each grant respectively in 2019/20, to separate grants equivalent to 30 per cent and 50 per cent of the previous grants by 2021/22. The new grants will fund the progressive upgrading of informal settlements from areas of plight and deprivation into liveable, integrated, functional, inclusive and sustainable human settlements.

Local government transfers

The system of transfers to local government is continuously being reviewed and refined to improve spending efficiency and the impact achieved through these transfers. Over the period ahead, the National Treasury will continue to examine the funding of, and budgeting by, rural municipalities and how the transfers they rely on can be structured to improve their sustainability and performance. At the same time, urban municipalities will be encouraged to further increase their reliance on own revenue sources to fund their budgets (including borrowing to fund infrastructure investments).

Potential future refinements to the local government equitable share formula

Government continues to work with stakeholders to improve the local government equitable share formula. Areas of work in the period ahead include:

- Refining the methodology used to update household growth estimates, taking account of updated data from Statistics South Africa, and possibly using district-level data.
- Improving the responsiveness of the formula to the different functions assigned to district and local municipalities. This work depends on the availability of credible official records of the functions assigned to each sphere of government. Policy and administrative work under way in the National Disaster Management Centre could help improve the targeting of funding for fire services.

Review of local government infrastructure grants

As part of the ongoing review of local government infrastructure grants, the National Treasury, the Department of Cooperative Governance, SALGA and the FFC will work closely to implement the reform agenda agreed to through the review, including:

- Improving the administration of conditional grants by national department.
- Further consolidating conditional grants.
- Increasing differentiation in the grant system, so that grants are more aligned to the different circumstances found across the country's 257 municipalities.
- Identifying ways to incorporate incentives for improved asset management into the grant system.

Review of municipal capacity support system

Government invests more than R2.5 billion per year in various forms of capacity-building support to local government. Despite this, an increasing number of municipalities are in some form of distress, financial crisis, state of mismanagement or have been placed under an intervention. This indicates that the current

system of capacity support is not producing the intended results. The intention to review this system was announced in the 2018 *Medium Term Budget Policy Statement*.

The review will be conducted during 2019/20 and will examine all aspects of the local government capacity building and support system and how the system operates as a whole. It will identify overlaps, duplications and gaps in the system and propose how these should be rectified. The review is expected to result in proposed changes to the configuration of funding for capacity building as well as the activities funded. Parliament will be updated on the review's progress in the 2019 *Medium Term Budget Policy Statement*.

Reforms to local government own revenue sources

Municipalities play a critical role in boosting economic growth and providing an enabling environment for job creation by providing well-maintained and functioning infrastructure services. However, municipalities are finding it increasingly difficult to build the infrastructure required for growth and meet the demands of rapid urbanisation. The National Treasury continues to explore how cities and other municipalities with a significant own revenue base can use a broader package of infrastructure financing sources to meet their developmental mandate. The National Treasury is implementing the reforms discussed below.

Development charges

Despite their potential as an alternative option for financing infrastructure, municipalities have not fully used development charges due to uncertainty surrounding the regulatory frameworks. Development charges are once-off infrastructure access fees imposed on a land owner as a condition of approving a land development that will substantially increase the use of or need for municipal infrastructure engineering services. They are based on the concept that urban growth and expanded land use creates the need for additional infrastructure services, therefore the developer should pay the incidence costs. To deal with the regulatory framework's challenges, the National Treasury is amending the Municipal Fiscal Powers and Functions Act (2007) to incorporate the regulation of development charges. The draft amendment bill will be submitted to Cabinet shortly and is expected to be published for public comment during the second quarter of 2019.

Municipal borrowing

The original municipal borrowing policy of 1999 has been through an extensive process of review and consultation with various stakeholders. The final draft revised policy will be submitted to Cabinet shortly and is expected to be published in 2019. Among others, the policy framework makes specific recommendations on the role of development finance institutions in financing creditworthy municipalities. It proposes that these finance institutions should play a complementary and supportive role to transactions rather than competing directly with private financiers on price. The framework suggests that development finance institutions should establish clear and measurable development impact indicators for their municipal operations in general, and for specific transactions.

The National Treasury continues to publish the Municipal Borrowing Bulletin on a quarterly basis. Copies can be obtained from www.mfma.treasury.gov.za

ANNEXURE W2:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO PROVINCES

Annexure W2: Frameworks for Conditional Grants to Provinces

Detailed frameworks on Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A grants to provinces

Introduction

This annexure provides a brief description of the framework for the grants set out in Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A of the 2019 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2019 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2020/21

The attached frameworks are not part of the Division of Revenue Bill, 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. Once the 2019 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2019/20 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

AGRICULTURE, FORESTRY AND FISHERIES GRANTS

Comprehensive Agricultural Support Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence and smallholder farmers within strategically identified grain, livestock and horticulture production areas
Grant purpose	<ul style="list-style-type: none"> • To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export • To revitalise agricultural colleges into centres of excellence
Outcome statements	<ul style="list-style-type: none"> • Broadened access to agricultural support for black subsistence and smallholder farmers • Increased number of sustainable and profitable black producers in horticulture, grains, livestock, and aquaculture value chains • Improved farming efficiency of beneficiaries of Comprehensive Agriculture Support Programme (CASP) • Improved systems required for the maintenance of a Foot and Mouth Disease (FMD) free status as prescribed by the World Organisation for Animal Health • Increased wealth creation and sustainable employment in rural areas • Increased access to markets by beneficiaries of CASP • Improved household and national food security • <u>Reliable and accurate agricultural information available for management decision making</u>
Outputs	<ul style="list-style-type: none"> • Farmers supported per category (subsistence, smallholder and commercial) and per commodity • Beneficiaries of CASP South African Good Agricultural Practice certified • Number of jobs created • Youth, women and farmers with disabilities supported through CASP • Unemployed graduates placed on commercial farms • On and off farm infrastructure provided and repaired, including agro-processing infrastructure • Hectares of land under agricultural production (crop and livestock) • Yields per unit area • Beneficiaries of CASP trained on farming methods or opportunities along the value chain • Beneficiaries of CASP accessing markets • Animal identification and movement tracking system for cattle in the FMD controlled areas of Limpopo, Mpumalanga and KwaZulu-Natal (KZN) provided and maintained • Physical boundary between the free zone and the protection zone, especially in Limpopo and KZN provided and maintained • Food and Veterinary Laboratory infrastructure including Quality Systems accreditation revitalised in eight provinces (excludes Gauteng) • Number of animals vaccinated for FMD in Limpopo and Mpumalanga • Extension personnel recruited and maintained in the system • Extension officers deployed to commodity organisations • Agriculture Information Management System (AIMS) implemented in all nine provinces
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 5: A skilled and capable work force to support an inclusive growth path • Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> • The funding for this grant can be spent using the following prescription in support of Operation Phakisa on Agriculture, Land Reform and Rural Development: <ul style="list-style-type: none"> ○ at most 20 per cent of project allocation to support Fetsa Tlala initiatives in partnership with the development arm of commodity organisations (planting and/or acquisition of superior breeding animals) ○ at most 50 per cent of project allocation to support grain, livestock and horticultural production areas in partnership with the relevant commodity organisation • Livestock development should be focused only on Kaonafatso ya Dikgomo in partnership with the Agricultural Research Council • Farmers supported must be linked to but not limited to commodity organisations. The province should have formal partnership agreements with these commodity organisations in supporting farmers (joint support, joint funding and joint implementation as necessary)

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> • In cases where farmers requiring the support are outside a commodity organization agreement, their proposals must be approved by established committees and authorities • All assisted farmers should be listed or registered in the provincial and national farmer registers • At least 10 per cent of project allocation on market access and development • At least 6 per cent of project allocation on training and capacity building of farmers, and 4 per cent can be used for mentorship programme • At least 1 000 unemployed agricultural graduates should be placed in commercial farms nationally as follows: <ul style="list-style-type: none"> ○ Gauteng and Northern Cape must place at least 80 graduates ○ the remainder of the provinces must place at least 120 graduates ○ all graduates must be employed at a rate of R87 000 per annum • The Department of Agriculture, Forestry and Fisheries (DAFF), will reprioritise the allocated funds on the following basis: <ul style="list-style-type: none"> ○ in the event of poor-spending on the part of a province where reasons for poor spending is as a result of poor planning or failure by service provider to meet these contractual obligations ○ in the event of a disaster that affects the implementation of approved plans • Provinces must adhere to the CASP standard operating procedure framework when implementing projects • The provincial departments are to confirm human resources capacity to implement CASP business plan by 29 March 2019 • All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2019 Division of Revenue Act (DoRA) when executing projects as well as for reporting purposes • Funds will be transferred as per the disbursement schedule approved by National Treasury • Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer of DAFF within seven days of such change, and such changes must be approved by the transferring officer before they are implemented • Signed business plans for CASP must be submitted to DAFF for approval • The provincial business plans must be signed off by the Head of Department (HoD) of the provincial agriculture department in collaboration with the Chief Financial Officer (CFO) or their representative, and co-signed by the Head of provincial treasuries • Allocation for Agricultural Colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan
Allocation criteria	<ul style="list-style-type: none"> • The formula used to allocate funds is a weighted average of the following variables: agricultural land area, households involved in agriculture (General Household Survey 2017 report), previous CASP performance and current benchmarks on production and national policy imperatives
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve aspirations of the National Development Plan • The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing departments
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1.6 billion to provinces, of which R1.5 billion (87.8 per cent) was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 3 223 subsistence farmers supported • 11 669 smallholder farmers supported • 1 136 black commercial farmers supported • 22 906 beneficiaries were supported from 456 projects implemented, with 305 projects completed at the end of the financial year • 49 per cent beneficiaries supported were women, 14 per cent youth and 0.4 per cent people with disabilities • 19 agro-processing infrastructure projects supported • 11 155 jobs created • 48 projects benefitted from South African Good Agricultural Practice certification programme • 64 per cent of smallholder farmers supported had access to formal markets • 23 480 farmers were trained in targeted training programmes • A total of 87 extension officers were recruited nationally, and 885 maintained in the system • 10 agricultural colleges infrastructure upgrades are ongoing • 498 farmers benefitted from repair of agricultural infrastructure damaged by floods • 628 jobs created through implementation of flood disaster repair schemes
Projected life	<ul style="list-style-type: none"> • Grant continues until 2021/2022, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R1.5 billion; 2020/21: R1.7 billion and 2021/22: R1.8 billion
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 18 April 2019, 23 August 2019, 25 October 2019 and 24 January 2020

Comprehensive Agricultural Support Programme Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2019/20 • Provide the guidelines and criteria for the development, approval and implementation of business plans • Provide template for project registration and reporting • Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly • Submit monthly financial reports to National Treasury 20 days after the end of the month • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year • Oversee and monitor implementation of the grant during Ministerial Technical Committee on Agriculture and Quarterly Review Meetings <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces to adhere to the conditions of this framework and DoRA • Provinces to submit detailed project list and project profiles as per the Department of Agriculture, Forestry and Fisheries' Revitalisation of the Agriculture and Agro-Processing Value Chain project list template • Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme • Provinces to implement the CASP business plans as approved • All receiving departments must abide by the PFMA, Treasury Regulations and the DoRA when executing projects as well as for reporting purposes • Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented • Assign and delegate officials to manage and monitor the implementation of the programme before April 2019 • Keep record of projects supported and a farmer register • Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving CASP goals • Submit quarterly performance reports on disaster allocations to the Provincial Disaster Management Centres and DAFF, within 20 days after the end of each quarter • Submit quarterly project performance reports to DAFF • Provinces to adhere to the approved CASP standard operating procedure framework
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2019 • Submission of provincial CASP business plans by provinces on 30 September 2019 • Engagement with provinces (pre-national assessment panel) on submitted business plans during October/November 2019 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2019 and February 2020 • DAFF to send funding agreements to provinces by February/March 2020 to be signed by HoDs, CFOs, and CASP coordinators • Approval of business plans by the transferring officer before 31 March 2020 • Inform provinces of approval of the business plans in March or April 2020 • Approval by the transferring officer regarding 2020/21 business planning process compliance during April 2020, and send to National Treasury by end April 2020

Ilima/Letsema Grant	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce poverty through increased food production initiatives
Grant purpose	<ul style="list-style-type: none"> • To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas
Outcome statements	<ul style="list-style-type: none"> • Increased agricultural production of grains, livestock, horticulture and aquaculture at both household and national level • Improved household and national food security • Improved farm income • Maximised job opportunities • Reduced poverty • Rehabilitated and expanded irrigation schemes
Outputs	<ul style="list-style-type: none"> • Vulnerability Assessments surveys conducted in nine provinces • Land under agricultural production (grains, horticulture and livestock) • Yields per unit area • Superior breeding animals acquired and distributed to farmers • Jobs created • Beneficiaries/farmers supported by the grant per category • Hectares of rehabilitated and expanded irrigation schemes
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> • Ilima/Letsema grant should be allocated to support food production (crop and livestock production) in support of the Fetsa Tlala initiatives, prioritising vulnerable households, communal areas and areas under traditional leadership, targeting subsistence and smallholder producers supported with inputs and mechanisation • Partnerships with black commodity organisations should be prioritised for joint support, joint funding and joint implementation • At most 30 per cent of Ilima/Letsema to be used for rehabilitation of irrigation schemes in Eastern Cape, Free State, Northern Cape, North West and KwaZulu-Natal provinces • At least 8 per cent made available for the South African Vulnerability Assessments (SAVAC) to be paid to Human Science Research Council by 31 May 2019 as follows: <ul style="list-style-type: none"> ○ Eastern Cape: R8.6 million ○ Free State: R3.5 million ○ Gauteng: R1.7 million ○ KwaZulu-Natal: R3.5 million ○ Limpopo: R6.2 million ○ Mpumalanga: R5.3 million ○ Northern Cape: R2.8 million ○ North West: R4.6 million ○ Western Cape: R9.3 million • Provincial departments to confirm human resources capacity to implement Ilima/Letsema business plans on or before 29 March 2019 • All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the Division of Revenue Act (DoRA) when executing projects as well as for reporting purposes • All assisted farmers should be listed in the provincial and national farm registers • Provinces to inform the transferring officer of any changes from plans and allocations approved by the Department Agriculture, Forestry and Fisheries (DAFF), within 7 days of such change and such changes must be approved by the transferring officer before they are implemented • The provincial business plans must be signed off by the Head of Department (HoD) of the provincial agriculture department in collaboration with the Chief Financial Officer (CFO) or their representative, and co-signed by the head of provincial treasuries • The signed business plans must be submitted to the DAFF for approval

Ilima/Letsema Grant	
Allocation criteria	<ul style="list-style-type: none"> The formula used to allocate funds is a weighted average of the following variables: agricultural land available, previous homeland areas, households involved in agriculture (General Household Survey 2017), food insecure areas and national priority areas targeted for increased food production; previous Ilima/Letsema performance
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The funding originated with the special poverty allocations made by national government for a specific purpose and requires tight conditionality to achieve the national goal Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve aspirations of the National Development Plan The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing departments
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R522 million, of which R488 million (93.4 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> 63 723 subsistence farmers supported 11 760 smallholder farmers supported 152 black commercial farmers supported 25 650 jobs were created 52 883 households were supported with starter packs and production inputs 272 schools were assisted to establish food gardens 2 438 community food gardens were established 187 740 beneficiaries were supported by the programme (50 per cent women, 26 per cent youth and 0.5 per cent people with disabilities) 80 656.7 hectares of land cultivated Between 3-7 tons per hectare of maize achieved Vaalharts and Makhathini irrigation schemes were revitalised
Projected life	<ul style="list-style-type: none"> Grant continues until 2021/2022, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R583 million; 2020/21: R615 million and 2021/22: R653 million
Payment schedule	<ul style="list-style-type: none"> Four instalments: 26 April 2019, 30 August 2019, 25 October 2019 and 30 January 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Agree on outputs and targets with provincial departments in line with grant objectives for 2019/20 Provide the guidelines and criteria for the development and approval of business plans Provide template for project registration and reporting Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly Submit monthly financial reports to National Treasury 20 days after the end of the month Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year Oversee and monitor implementation of the grant during Ministerial Technical Committee on Agriculture and Quarterly Review Meetings <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Provinces to adhere to the conditions of this framework and DoRA Provinces to submit detailed project list as per the DAFF project list template Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme Provinces to implement the Ilima/Letsema business plans as approved All receiving departments must abide by the PFMA, Treasury Regulations and the DoRA when executing projects as well as for reporting purposes Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented Assign and delegate officials to manage and monitor the implementation of the programme before April 2019 Keep records of projects supported and a farmer register Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving Ilima/Letsema goals

Ilima/Letsema Grant	
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2019 • Submission of provincial Ilima/Letsema business plans by provinces on 27 September 2019 • Engagement with provinces (pre-national assessment panel) on submitted business plans during October/November 2019 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2019 and February 2020 • DAFF to send funding agreements to provinces by February/March 2020 to be signed by HoDs, CFOs, and Ilima/Letsema coordinators • Approval of business plans by the transferring officer before 31 March 2020 • Inform provinces of approval of the business plans in March or April 2020 • Approval by the transferring officer regarding 2020/21 business planning process compliance during April 2020, and send to National Treasury by end April 2020

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To optimise productivity and sustainability of natural resources leading to greater productivity, food security, job creation and better quality of life for all
Grant purpose	<ul style="list-style-type: none"> • To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Outcome statements	<ul style="list-style-type: none"> • Improved veld grazing capacity and livestock productivity • Improved production potential of arable land leading to increased yield • Improved quantity and quality of South Africa's water resources through Water Care and Land Care • Improved youth participation in the agricultural sector and intergenerational skills transfer to develop the capacity of youth • Improved custodianship and stewardship of natural agricultural resources through community-based initiatives by all land users • Improved livelihoods of rural communities within the ambit of the green economy • Improved partnerships with private, public and community sectors • Improved knowledge and skills base of participants and land users • Enhanced ecosystem services for current and future generations
Outputs	<ul style="list-style-type: none"> • Hectares of rangeland protected and rehabilitated • Hectares of arable land protected and rehabilitated • Hectares of land under conservation agriculture • Number of youths successfully attending organised Junior Land Care initiatives • Number of hectares of land where water resources are protected and rehabilitated • Number of capacity building initiatives conducted for land carers • Number of people who benefited from capacity building initiatives • Number of awareness campaigns conducted and attended by land carers • Number of people more aware of sustainable use of natural resources • Hectares of land where weeds and invader plants are under control • Number of kilometres of fence erected • Number of green jobs created expressed as Full-Time Equivalents (FTEs) • Number of Land Care committees established
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive economic growth • Outcome 7: Comprehensive rural development and land reform • Outcome 10: Protect and enhance our environmental assets and natural resources
Details contained in the business plan	<ul style="list-style-type: none"> • Grant profile • Activity and resources schedule • Monitoring and reporting • Training options • Assumptions and risks • Funding • Executive summary • Consolidated financial status
Conditions	<ul style="list-style-type: none"> • Provinces must confirm capacity to implement projects and equitable operational funding before funds can be transferred • Provincial departments' annual evaluations must be submitted using an approved Land Care template that clearly indicates progress on achieving measurable objectives and performance targets and clear theory of change • The impact (before and after) of the Land Care programme should also be quantified during initiation, implementation and handing-over phases of the projects • Provinces should report signed financial performance per project on the 15th of every month in compliance with the 2019 Division of Revenue Act (DoRA) • Provinces should report on the number of jobs created 15 days after the end of each month. The report should, amongst other requirements, indicate for each participant their name, surname, identity number, gender, project name, wage and duration of employment. The number of jobs created should further be reported on the Expanded Public Works Programme (EPWP) reporting system • Projects should adhere to the reporting dates as stipulated in the 2019 DoRA and furthermore adhere to the agreed dates as approved by the natural resource management working group (NRMWG) • Provinces should submit their portfolio of evidence (acknowledgement letters, project maps etc.) that is in line with their quarterly and monthly reports. The evidence should be submitted together with the quarterly reports • Provinces should periodically undertake skill audit of beneficiaries, provide training and submit reports to Department of Agriculture, Forestry and Fisheries (DAFF)
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an index comprising of nodes, land capability, poverty, degradation and land size derived from the following sources: <ul style="list-style-type: none"> ○ nodes of the most deprived wards in comprehensive rural development programme ○ land capability: total hectares class I, II and III (spatial analysis - land capability data) ○ size: hectares (new boundaries from the Municipal Demarcations Board) ○ poverty: poverty gap based on food poverty line (Statistics South Africa Living Conditions Survey 2018)

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
	<ul style="list-style-type: none"> ○ degradation: hectares (Land degradation report 2018) ○ policy imperatives and development for sustainable land management
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government for a specific purpose
Past performance	<p>2017/2018 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R74 million and transferred R74 million to provinces, of which provinces spent R73 million (99.3 per cent) by the end of the financial year <p>2017/2018 service delivery performance</p> <ul style="list-style-type: none"> • 4 368 hectares of rangeland protected and rehabilitated • 598.5 hectares of arable land protected and rehabilitated • 2 377 hectares of land under conservation agriculture • 23 502 youths successfully attending organised Junior Land Care initiatives • 69 household and school food gardens established through Junior Land Care • 113 Hectares of land where water resources are protected and rehabilitated • 275 capacity building initiatives conducted for Land Carers • 10 587 people with improved capacity and skill levels benefiting from capacity building initiatives • 277 awareness campaigns conducted and attended by Land Carers • 28 952 people more aware of sustainable use of natural resources • 8 022.3 hectares of land where weeds and invader plants are under control • 8 576.3 hectares of land where bush encroachment is controlled • 239 kilometres of fencing erected • 935 green jobs created expressed as FTEs • 33 LandCare committees established
Projected life	<ul style="list-style-type: none"> • This grant will be reviewed when and if the need arises to align it with changes in the EPWP, outcome approach, national planning report and policy developments within government
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R82 million; 2020/21: R87 million and 2021/22: R92 million
Payment schedule	<ul style="list-style-type: none"> • Allocation to provinces will be disbursed on a quarterly basis (23 April 2019, 20 August 2019, 18 October 2019 and 22 January 2020) • Percentage allocation per province will depend on the approved provincial business plan budget
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2019/20 • Review guidelines and standards for the implementation of the grant during financial year • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation through project site visits, reports, natural resource management working group (NRMWG) quarterly meetings and provide support to provinces • Submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter • Submit evaluation reports to the National Treasury within four months after the end of the financial year <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments to ensure that procurement processes and procedures have been adhered to and appointed service providers are in place for the implementation of Land Care projects to commence on 1 April 2019 • Ensure that programme two organisational structure as prescribed by treasury is established to manage Land Care and ensure adequate capacity exists in the province and in the local municipality to implement the Land Care projects • Provincial departments to submit signed monthly financial report on the 15th day of every month • Provinces should further report jobs created to the DAFF using the prescribed Department of Public Works reporting template/format within 15 days after the end of each month • Provincial departments to report quarterly (non-financial) 30 days after the end of each quarter on the progress of the projects as prescribed by 2019 DoRA. Provinces should further adhere to agreements approved by the natural resource management working group (NRMWG) on performance reporting and any other matter related to natural resource management • Provincial departments to report monthly on jobs created as part of the EPWP. These reports should be submitted to the Department of Public Works using the approved reporting system • Provincial departments to submit portfolio of evidence as agreed upon with DAFF, 30 days after the end of each quarter • Provincial departments to implement projects according to the approved business plans. Any deviation should first be communicated to transferring officer in writing and approved by transferring officer before implementation • Provinces must hold provincial assessment panels that are inclusive of relevant partners before submission of provincially approved preliminary individual and provincial business plans to DAFF by 30 September 2019 • Provincial departments should monitor project implementation and evaluate the impacts of projects in achieving Land Care goals • Provinces to submit evaluation reports to DAFF two months after the end of the financial year

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • DAFF must provide provincial departments with business plan formats, guidelines, criteria and outputs as prescribed by National Treasury and DAFF by June 2019 • Engagement by DAFF with provinces on business plans submitted before provincial assessment panel and prior to the national assessment panel • Submission of signed preliminary provincial and individual Land Care business plans by provinces on or before 9 October 2019 • Evaluation and recommendation of business plans by national assessment panel (NAP) before the end of February 2020 • Interactions with provinces on NAP comments and final submission of signed individual and provincial business plans by the provinces prior to approval by the DAFF Accounting Officer. Approval of business plans by the DAFF Accounting Officer before first transfer in 2020 • Notify provinces of the approval of business plans before first quarter transfer • Facilitate funding agreements to provinces before transfer of first quarter 2020/21, to be signed by the head of department

ARTS AND CULTURE GRANT

Community Library Services Grant	
Transferring department	<ul style="list-style-type: none"> Arts and Culture (Vote 37)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To enable the South African society to gain access to knowledge and updated information that will improve their socio-economic status
Grant purpose	<ul style="list-style-type: none"> To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Outcome statements	<ul style="list-style-type: none"> Improved coordination and collaboration between national, provincial and local government on library services Equitable access to transformed library and information services delivered to all rural and urban communities Improved library infrastructure and services that meet the specific needs of the communities they serve Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs Improved culture of reading and literacy development
Outputs	<ul style="list-style-type: none"> 430 000 items of library materials (books, periodicals, toys etc.) purchased Library information and communication technology infrastructure and systems software installed and maintained in all provinces New services established for the visually impaired at 30 identified community libraries in all provinces 32 new library structures completed 10 new library services established for dual-purpose libraries 25 upgraded library structures 20 maintained library structures 1 924 existing contract library staff maintained in all provinces 25 new contract staff to be appointed for dual-purpose libraries 50 new contract staff to be appointed at public libraries to support the shifting of the function to provinces Capacity building programmes for public librarians
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 1: Quality basic education Outcome 14: Nation building and social cohesion
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 Provincial departments may only request (in writing, to the transferring officer) to amend the business plan by the end of October 2019 Provinces should notify the transferring officer should there be variation orders exceeding 10 per cent within 30 days Provinces may not exceed the 20 per cent threshold provided for variation orders on infrastructure projects without the approval of the transferring officer To qualify for allocations from the grant in 2020/21 provinces must submit progress reports that detail a phased approach towards the full funding of the function, either by assignment to municipalities, or preparation of provinces to take over the function, or a combination of both. This must be done by the end of the 2019 Medium Term Expenditure Framework (MTEF). Grant funding must not be used to replace funding that provinces have previously allocated to community libraries Provinces may use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial management of the grant at the provincial department The details of how these funds will be used must be included in the respective business plans Provinces will include in their business plans, the scope of work for upgrades, including the budget to be committed to the upgrading of existing libraries Provinces must include in their business plans the budget for maintenance of projects Funds earmarked to support Schedule 5 function shift in category B municipalities and to establish dual purpose service points may only be used for that purpose. Provinces may use up to 80 per cent of their earmarked allocations in the 2019/20 financial year to address the Schedule 5 function shift imperative in category B municipalities. At least 20 per cent of the earmarked allocations must be used to establish dual purpose service points in collaboration with provincial departments of basic education. The detail of how these funds will be used by provinces must be included in their respective business plans. The total earmarked allocations per province are as follows: <ul style="list-style-type: none"> Eastern Cape: R68.3 million Free State: R86.5 million Gauteng: R93.4 million KwaZulu-Natal: R83.6 million Limpopo: R28.6 million

Community Library Services Grant	
	<ul style="list-style-type: none"> ○ Mpumalanga: R65.4 million ○ Northern Cape: R58.1 million ○ North West: R70.9 million ○ Western Cape: R83.5 million • Service level agreements (SLAs) determining reporting protocols must be signed with receiving municipalities within 2 months after the 2019 Division of Revenue Act (DoRA) takes effect • The SLAs must include financial commitments over the MTEF in addition to the payment schedules to municipalities and reporting protocols which outline measurable performance targets for each municipality
Allocation criteria	<ul style="list-style-type: none"> • The allocation criteria are based on an evaluation report for 2017/18 conducted by the national Department of Arts and Culture (DAC) which identified community library needs and priorities
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This funding is intended to address backlogs and disparities in the provision and maintenance of community library services across provinces, and enable the DAC to provide strategic guidance and alignment with national priorities
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1.4 billion to provinces inclusive of provincial roll-overs, of which R1.3 billion (93.3 per cent) was spent by provinces by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Out of a target of 26 new libraries, 27 were completed • 10 new library services established for dual-purpose • 17 of the 20 libraries upgraded • 24 of the 25 library structures maintained • 74 new staff appointed • 460 615 library materials procured (books, periodicals, toys etc.)
Projected life	<ul style="list-style-type: none"> • The projected life will be informed by evaluation reports and should become part of the provincial equitable share in 2021/22 if provinces have completed the function shift and completed a process that leads to the full funding of the service
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R1.5 billion; 2020/21: R1.6 billion and 2021/22: R1.7 billion
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 18 April 2019, 19 July 2019, 18 October 2019 and 24 January 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise a framework for planning the allocation of library funding at the provincial level by 10 February 2020 that must prescribe minimum norms and standards for the provision of public libraries • Convene an intergovernmental forum with provinces at least twice a year to discuss issues related to the provision of community library services • Participate in at least one intergovernmental forum meeting per province between provinces and municipalities per year • Identify challenges and risks and prepare mitigation strategies • Monitor and evaluate implementation • Evaluate annual performance of the grant for the previous financial year, for submission to National Treasury within four months after the end of the financial year • Submit monthly financial and quarterly performance reports to the National Treasury • Determine outputs and targets for 2020/21 with provincial departments <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must convene intergovernmental forums with municipalities within their province that are funded through this grant, at least three times a year to discuss issues related to the provision of community library services • Provincial departments must establish capacity to monitor and evaluate SLAs with municipalities • Provinces must maintain the number of staff appointed using this conditional grant • Submit evaluation reports to the DAC within two months after the end of the financial year • Submit signed monthly financial reports of provinces to DAC within 15 days after the end of every month • Submit quarterly performance reports to the DAC within 30 days after the end of the quarter • Provinces must complete the conversion of contract staff to permanent staff by end of June 2019
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Provinces must submit a draft function shift progress report for comment to DAC by 2 August 2019. A final report must be submitted by 4 October 2019 • Progress reports must detail at least the following: <ul style="list-style-type: none"> ○ criteria that will be used to evaluate the capacity of municipalities to administer the function on behalf of the province ○ a policy framework for funding municipalities that administer the service ○ this framework must provide for funding the service over a three year time horizon • Provinces to submit draft business plans to DAC by 6 September 2019. Business plans must be aligned to their strategies for full funding of the function • DAC to evaluate provincial business plans and provide feedback to provinces by 25 October 2019 • Provinces to submit final provincial business plans to DAC by 10 January 2020 • DAC approves business plans and submits them to National Treasury by 26 March 2020

BASIC EDUCATION GRANTS

Education Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To supplement provinces to fund the provision of education infrastructure in line with the regulations relating to minimum uniform norms and standards for public school infrastructure
Grant purpose	<ul style="list-style-type: none"> • To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation • To enhance capacity to deliver infrastructure in education • To address damages to infrastructure • To address achievement of the targets set out in the minimum norms and standards for school infrastructure
Outcome statements	<ul style="list-style-type: none"> • Improved quality of education service delivery by provincial departments as a result of an improved and increased stock of school infrastructure • Aligned and coordinated approach to infrastructure development at the provincial sphere • Improved education infrastructure expenditure patterns • Improved response to the rehabilitation of school infrastructure • Improved rates of employment and skills development in the delivery of infrastructure
Outputs	<ul style="list-style-type: none"> • Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided • Number of existing schools' infrastructure upgraded and rehabilitated • Number of new and existing schools maintained • Number of work opportunities created • Number of new special schools provided and existing special and full service schools upgraded and maintained
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Documents to be assessed as per the Performance Based Approach System guidelines	<ul style="list-style-type: none"> • This grant uses an infrastructure plan that includes: <ul style="list-style-type: none"> ○ the infrastructure programme management plan (IPMP) ○ the procurement strategy ○ the capacitation strategy ○ the infrastructure reporting model (IRM) ○ the year-end evaluation report
Conditions	<ul style="list-style-type: none"> • Provinces may use a maximum of R47.5 million of this grant in 2019/20 for the appointment of public servants to their infrastructure units in line with the human resource capacitation circular published by National Treasury • The flow of the first instalment of the grant depends upon receipt by the national Department of Basic Education (DBE) and provincial treasuries of: <ul style="list-style-type: none"> ○ approved and signed-off infrastructure plan with tabled prioritised project lists for the 2018 medium term expenditure framework (MTEF) by no later than 29 March 2019. The infrastructure plan must where applicable also include the implementation plans for schools affected by natural disasters ○ preventative and corrective maintenance plan for all maintenance programmes over the MTEF period accompanied by a project list no later than 29 March 2019 • The flow of the second instalment depends upon receipt by DBE and provincial treasuries of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in a format determined by the National Treasury and DBE ○ national education infrastructure management system (NEIMS) assessment forms for the fourth quarter of the 2018/19 financial year no later than 26 April 2019 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the fourth quarter of the 2018/19 financial year within 22 days after the end of the fourth quarter • The flow of the third instalment is dependent upon receipt by DBE, the relevant provincial treasuries and the National Treasury, on a date and in a format determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ infrastructure plans for all infrastructure programmes for a period of 10 years (including the initial list of prioritised projects) on a date specified in the performance based approach guidelines ○ the 2019/20 project list must be drawn from the prioritised project list for the MTEF tabled in 2018/19 ○ preventative and corrective maintenance plans for all maintenance programmes over the MTEF period accompanied by a project list on a date specified in the performance based approach guidelines

Education Infrastructure Grant	
	<ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the first quarter of 2019/20 by 26 July 2019 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the first quarter of the 2019/20 financial year within 22 days after the end of the first quarter ○ the conditional grant year-end evaluation report on financial and non-financial performance no later than 31 May 2019 ● The flow of the fourth instalment is conditional upon receipt by the DBE and relevant provincial treasury of the approved and signed off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the second quarter of 2019/20 by 25 October 2019 ○ IPMPs for infrastructure programmes envisaged to commence within the period for the medium term expenditure framework on a date specified in the performance based approach guidelines ○ procurement strategy for infrastructure programmes envisaged to commence within the period of the medium term expenditure framework on a date specified in the performance based approach guidelines ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the second quarter of the 2019/20 financial year within 22 days after the end of the second quarter ● The flow of the fifth instalment is conditional upon receipt by the DBE and the relevant provincial treasuries, on a date determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the third quarter of 2019/20 to DBE not later than 23 January 2020 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the third quarter of the 2019/20 financial year within 22 days after the end of the third quarter ● Provincial Education Departments (PEDs) must ensure that a programme and project management system is in place for planning, management and monitoring of infrastructure delivery ● PEDs must provide school governing bodies with maintenance guidelines to conduct minor maintenance. This should be in accordance with the sector maintenance strategy ● PEDs should allocate no less than 20 per cent of the Education Infrastructure Grant (EIG) allocation to address preventative and corrective maintenance at schools ● Included in the baseline for the 2019 MTEF is an amount of R1.5 billion earmarked for maintenance of schools (R350 million in 2019/20 and R800 million in the 2020/21 financial year) ● In schools without section 21 responsibilities, PEDs should put in place the necessary measures to ensure that planned maintenance at these schools occurs as per the scheduled maintenance plan for such schools ● PEDs must provide all the necessary equipment and furniture in the spaces provided when constructing new projects ● PEDs to submit their plans for the procurement of mobile classrooms to the DBE and that any deviation from these plans should be approved in writing by the DBE and National Treasury ● PEDs must adhere to the prescripts of the National Treasury instruction number 2 of 2015/16, on the implementation of the school cost norms ● Compliance with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2019 Division of Revenue Act (DoRA) ● Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers ● Funds have been earmarked within this grant for the reconstruction and rehabilitation of the infrastructure damaged by natural disasters which have been assessed and declared in the Government Gazette by the National Disaster Management Centre (NDMC). The amounts are as follows: <ul style="list-style-type: none"> ○ KwaZulu-Natal: R200.3 million ● Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports submitted to the NDMC ● Disaster reconstruction and rehabilitation funds may only be utilised for approved projects as listed in the post disaster verification assessment reports and approved business plans ● Quarterly performance reports on disaster allocations must be submitted to the NDMC and DBE

Education Infrastructure Grant	
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2019/20 are based on historical allocations for this grant • Allocations also include incentive based allocations as described in part 4 to Annexure W1 of the 2019 DoRA
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure in a coordinated and efficient manner, and consistent with national norms and standards for school buildings
Past performance	2017/18 audited financial outcomes <ul style="list-style-type: none"> • Of the R10.5 billion allocated, R10.5 billion (100 per cent) was transferred to provinces of which R10.6 billion (99 per cent) was spent by the end of the national financial year
	2017/18 service delivery performance <ul style="list-style-type: none"> • 3 068 teaching spaces, 201 administrative spaces, 1 513 maintenance projects, 277 upgrading projects, 538 water, 731 sanitation, 293 electricity and 124 fencing infrastructure projects, 40 schools converted to full service schools and 47 sports facilities were provided • The sector has provided a total of 65 new and replacement schools in respective provinces
Projected life	<ul style="list-style-type: none"> • Grant continues until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R10.5 billion; 2020/21: R11.5 billion and 2020/21: R12.3 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> • Visit selected infrastructure sites in provinces • DBE and National Treasury to support provinces to improve infrastructure delivery capacity and systems • Provide guidance to provinces in planning and prioritisation • Issue guidelines on the capacitation process of infrastructure units as well as the conditions attached to the utilisation of the funding • DBE and National Treasury to jointly evaluate progress with the capacitation of provincial infrastructure units and provide feedback to all provinces in terms of the guidelines • DBE and National Treasury must jointly evaluate and provide feedback to all provinces on the assessment of all documents as outlined on the performance based approach system guidelines • Assess the reports submitted by PEDs and provide feedback before transferring the instalment • Submit reports to the National Treasury in terms of quarterly achievements by PEDs • Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2019 DoRA
	Responsibilities of provincial departments <ul style="list-style-type: none"> • Approve monthly provincial infrastructure reports on infrastructure programmes within 15 days after the end of each month to the relevant provincial treasury and DBE • Submit a signed-off monthly provincial infrastructure report on infrastructure programmes within 22 days after the end of each month to the relevant provincial treasury and DBE • Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes in 2019 DoRA • Submit quarterly capacitation reports within 22 days after the end of each quarter • Ensure that section 42 transfers as per the Public Finance Management Act are effected
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • The process for approval for the 2020 MTEF allocations will be in line with the performance based incentive approach guidelines published by National Treasury

HIV and AIDS (Life Skills Education) Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • Addressing social and structural drivers on HIV, sexually transmitted infections (STIs) and Tuberculosis (TB) prevention, care and impact • Contribute to preventing new HIV, STIs and TB infections • To increase access to sexual and reproductive health services including HIV as well as TB services for learners and educators, with a specific focus on schools that are located in high priority areas
Grant purpose	<ul style="list-style-type: none"> • To support South Africa's HIV prevention strategy by: <ul style="list-style-type: none"> ○ providing comprehensive sexuality education and access to sexual and reproductive health services to learners ○ supporting the provision of employee health and wellness programmes for educators • To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators • To reduce the vulnerability of children to HIV, TB and STIs, with a particular focus on orphaned children and girls
Outcome statements	<ul style="list-style-type: none"> • Increased HIV, STI and TB knowledge and skills amongst learners, educators and officials • Decrease in risky sexual behaviour among learners, educators and officials • Decreased barriers to retention in schools, in particular for vulnerable learners (girls and boys)
Outputs	<ul style="list-style-type: none"> • 20 150 educators trained to implement comprehensive sexuality education (CSE) and TB prevention programmes for learners to be able to protect themselves from HIV and TB, and the associated key drivers including alcohol and drug use, leading to unsafe sex, learner pregnancy and HIV infection, prioritising schools located in areas with a high burden of HIV and TB infections • 9 000 school management teams and governing bodies trained to develop policy implementation plans focusing on keeping girls in school, ensuring that CSE and TB education is implemented for all learners in schools, access to comprehensive sexual and reproductive health (SRH) and TB services. A component of training will also address multiple sexual partnerships among boys and learner pregnancy prevention • Co-curricular activities on provision of CSE, access to SRH and TB services implemented in secondary schools including a focus on prevention of alcohol and drug use and learner pregnancy, targeting 224 715 learners. Priority will be in schools located in high priority areas. Co-curricular activities in primary schools will focus raising awareness on social issues and vulnerabilities such as abuse, how to report and support affected learners • Care and support programmes implemented to reach 189 900 learners and 15 100 educators. Expand the appointment of Learner Support Agents to 3 200 to support vulnerable learners prioritising primary schools, using the care and support for teaching and learning framework • 422 264 copies of curriculum and assessment policy statement compliant material, including material for learners with barriers to learning, printed and distributed to schools. Printing of the school policy pack will be prioritised over learner teacher support material (LTSM) to ensure that all schools have a copy of the Department of Basic Education's (DBE) National Policy on HIV, STIs and TB for learners, educators, support staff and officials in all primary and secondary schools in the basic education sector. First Aid Kits, condoms and sanitary towels shall not be procured from the conditional grant • Advocacy and social mobilisation events hosted with 422 000 learners, educators and school community members on the new DBE National Policy on HIV, STIs and TB to review and change societal norms and values on the provision of CSE and access to SRH and TB services, including a focus on key risk behaviours such as alcohol and drug use, learner pregnancy, inter-generational and transactional sex amongst girls, multiple concurrent sexual partnerships, power relations, respect for girls and other issues that compel negative behaviour amongst boys, as well as to advocate for the integrated school health programmes including provision of SRH services such as contraception, STIs, pregnancy and HIV testing, condom distribution and information on safe circumcision in secondary schools
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 2: A long and healthy life for all South Africans
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"> • Provincial education departments (PEDs) must distribute the grant allocation in accordance with the following weights for the key performance areas: <ul style="list-style-type: none"> ○ training and development (10 per cent) ○ co-curricular activities (20 per cent) ○ care and support (25 per cent) ○ learning and teaching support material (10 per cent) ○ advocacy and social mobilisation (20 per cent) ○ monitoring and support (8 per cent) ○ management and administration (7 per cent) • PEDs must report on implementation and expenditure according to the above seven key performance areas per quarter • Instalments are dependent on the DBE receiving these reports, adherence to approved business plans and attendance at the biannual inter-provincial meetings

HIV and AIDS (Life Skills Education) Grant	
	<ul style="list-style-type: none"> • The above percentages are guidelines and may be deviated from in accordance with provincial needs with the approval of the national transferring officer. However, provinces must prioritise areas with high rates of HIV, TB and learner pregnancy • These deviations should be informed and motivated by achievements and/or critical challenges relating to the trends in the epidemic as relevant to respective PEDs • PEDs must ensure that they have the necessary capacity and skills to manage the implementation of the grant
Allocation criteria	<ul style="list-style-type: none"> • The education component of the provincial equitable share formula, as explained in Part 4 of Annexure W1 of the 2019 Division of Revenue Act, is used to allocate the grant amongst provinces
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • To enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with: <ul style="list-style-type: none"> ○ National Strategic Plan for HIV, TB and STIs (2017–2022) ○ DBE National Policy on HIV, STIs and TB for Learners, Educators, School Support Staff in all Primary and Secondary Schools in the Basic Education Sector • This enables DBE to exercise an oversight role in the implementation of the HIV and AIDS Life Skills Education programme in schools
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R245 million allocated to provinces, R245 million (100 per cent) was transferred to provinces, of which R238 million (97.1 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 19 738 Life Orientation educators and 9 159 educators were trained in the integration of life skills in the curriculum • 93 258 functional peer education programmes were undertaken, 93 368 learners trained on the learner retention and learner pregnancy programme, 66 078 learners trained in the substance use programme • 18 218 school based support teams established, 2 363 learner support agents in schools, 17 068 school management teams trained to develop policy implementation plans, and 221 172 vulnerable learners identified and referred for services • 312 250 sets of learning and teaching support material delivered to 20 097 schools and 18 700 first aid kits distributed to 13 365 schools • Advocacy reached 264 088 learners and educators as well as 263 416 members of the school communities on the new DBE National Policy on HIV, STIs and TB to review and change societal norms and values on the provision of CSE and access to SRH and TB services and reaching 39 066 learners through advocacy activities focusing on the prevention of TB • 6 113 schools reached through monitoring and support visits
Projected life	<ul style="list-style-type: none"> • The grant will be reviewed on an ongoing basis to respond to the nature and trends in the HIV and TB epidemics
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R257 million; 2020/21: R271 million and 2021/22: R286 million
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 12 April 2019; 26 July 2019; 25 October 2019 and 24 January 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • To provide evidence-based guidance towards the development of a standardised annual conditional grant framework and nine provincial specific annual business plans for the HIV and AIDS Life Skills Education Programme • Identify risks and challenges impacting on provincial implementation • Develop risk management strategies to address these risks • Ensure synergy with national strategies and processes aimed at reducing HIV and the related chronic illnesses, such as TB infection in the country together with the associated risk factors such as alcohol and drug use • Agree on outputs and targets with PEDs in line with grant objectives and national imperatives for 2020/21 by 27 September 2019 • Monitor implementation of the programme and provide support to provinces • Develop partnerships with key stakeholders • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Ensure synergy with national strategies and processes aimed at reducing HIV and TB infections and all other related issues including the associated risk factors such as alcohol and drug use • Identify risks and challenges impacting on implementation • Develop risk management strategies and implementation plans to address these risks • Submit monthly reports, quarterly and annual performance reports to the DBE in line with the 2019 Division of Revenue Act and Public Finance Management Act • Agree with the DBE on outputs and targets to ensure effective implementation of the programme • Monitor implementation of the programme and provide support to districts and schools • PEDs to implement the projects according to the approved business plans • Any deviation should first be communicated to and approved by the DBE before implementation • Evaluate and submit a provincial evaluation report on the performance of the conditional grant to the DBE by 31 May 2019

HIV and AIDS (Life Skills Education) Grant	
Process for approval of 2020/21 business plans	<ul style="list-style-type: none">• Communication and meeting with provinces to inform targets for the next financial year by 31 October 2019• PEDs submit draft business plans to DBE for evaluation by 29 November 2019• DBE evaluates provincial business plans from 6 December 2019• Comments sent to PEDs to amend the plans by 8 January 2020• PEDs submit amended and signed plans to DBE by 28 February 2020• DBE approves provincial business plans by 30 March 2020

Learners with Profound Intellectual Disabilities Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure that learners with severe to profound intellectual disabilities access quality publicly funded education and support
Grant purpose	<ul style="list-style-type: none"> • To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities
Outcome statements	<ul style="list-style-type: none"> • Improved access to quality basic education for children with severe to profound intellectual disabilities in conditions that ensure dignity, promote self-reliance and facilitate active participation in the community
Outputs	<ul style="list-style-type: none"> • Human resources specific to inclusive education through the provision of key additional staff on a permanent basis, such as: <ul style="list-style-type: none"> ○ nine deputy chief education specialists as provincial grant managers ○ 230 transversal itinerant outreach team members, to provide curriculum delivery and therapeutic support in special care centres and targeted schools • Database of selected schools and care centres: <ul style="list-style-type: none"> ○ information of 500 special care centres that support children with severe to profound intellectual disabilities ○ disaggregated data on care giving staff in care centres ○ disaggregated data of children with severe to profound intellectual disabilities enrolled in targeted special care centres and schools that are using the learning programme for children with severe to profound intellectual disabilities ○ disaggregated data on children with severe to profound intellectual disabilities from special care centres who have been placed in schools • Transversal itinerant outreach team members, caregivers, teachers, in-service therapists and officials trained on the learning programme for children with severe to profound intellectual disabilities, and other programmes that supports delivery of the learning programme. This will entail training of: <ul style="list-style-type: none"> ○ 230 transversal itinerant outreach team members ○ 1 500 caregivers ○ 919 special school teachers ○ 160 in-service therapists ○ 585 other officials • Outreach services provided, will include: <ul style="list-style-type: none"> ○ facilitating the use of the learning programme by 8 000 children/learners with severe to profound intellectual disabilities in 500 care centres and 104 schools ○ provision of psycho-social and other therapeutic services ○ providing learning and teaching support materials to 500 care centres and 104 schools ○ providing assistive devices to children with severe to profound intellectual disabilities when required
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating centres and schools list (separate annexure) • Organogram for multi-disciplinary itinerant teams
Conditions	<p>Grant structure and allocation</p> <ul style="list-style-type: none"> • The grant is utilised on an intervention basis and is not a general roll-out for all special care centres and schools • The focus of the grant is children with severe to profound intellectual disabilities who are currently not accessing public-funded education • A nationally approved learning programme for learners with severe to profound intellectual disabilities should be offered at special care centres and schools that are targeted by the grant • Allocations must consider the number of special care centres and schools to ensure equitable funding • The grant will support a total of 500 special care centres and 104 targeted schools across all provinces • The allocation of funds per province should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ 5 per cent for training of teachers, therapists, officials, caregivers and outreach teams ○ 15 per cent for learning and teaching support materials, classroom furniture and equipment for special care centres and designated schools ○ 65 per cent for compensation of itinerant teams and provincial co-ordinators ○ 15 per cent for administration including travel, vehicles, accommodation and subsistence • Provinces may deviate from the prescribed guidelines only after obtaining the relevant approval from the transferring officer

Learners with Profound Intellectual Disabilities Grant	
	<p>Business planning process</p> <ul style="list-style-type: none"> • The transferring and receiving departments must appoint or identify qualified and experienced person/s to administer, manage and coordinate the activities of the grant in accordance with the provisions of the framework and business plan • The receiving department must appoint outreach teams made up of one senior education specialist (learning support at post level three) one chief education occupational therapist, one chief education speech therapist, one chief education physiotherapist and one psycho-social support specialist • Outreach teams will be appointed and compensated in accordance with post levels as agreed upon with DBE. They will be appointed at district level as members of the district-based support team and could be based at the district, circuit or school level from where they will be responsible for supporting curriculum delivery and therapeutic support in special care centres and targeted schools • The support provided by the itinerant teams will focus on the implementation of the learning programme, which shall include: assessing children; developing of individual support plans (ISP) and using individual support plans to develop integrated programmes; facilitating the implementation of integrated learning programmes; working with care-givers and school based support team coordinator in managing the implementation of the learning programme for children with severe to profound intellectual disabilities; facilitating the placement of children in schools; providing therapeutic and psycho-social support to children/learners and to families and training and mentoring of caregivers and teachers. The support provided should include children and families in the community as and when needed • A learning programme for children with severe to profound intellectual disabilities shall be offered at centres and schools that are targeted by the grant • Training of outreach team members will be conducted by the Department of Basic Education (DBE) • Training of caregivers, teachers, in-service therapists and officials will be done by Provincial Education Departments (PEDs) and will focus on the learning programme for children with severe to profound intellectual disabilities, and other programmes that supports curriculum delivery. It will be monitored by PEDs and the DBE • PEDs should generate and submit training reports including attendance registers to the transferring department • Provinces may contract specialist training providers to offer training to enhance the implementation of the learning programme for children with severe to profound intellectual disabilities • Items such as learning and teaching support materials classroom furniture and equipment shall be procured as per the minimum specifications as defined by the DBE and in line with the learning programme for learners with severe to profound intellectual disabilities. In addition, depending on the children's specific needs, determined after the relevant assessment, PEDs must procure additional learning and teaching support materials assistive devices and other equipment to enable teaching and learning • Procurement should include training of caregivers, teachers and end-users in the utilisation of all resources provided • Before equipment and learning and teaching support materials can be transferred to schools/special care centres, there should be a Memorandum of Understanding (MoU) between special care centres and PEDs. In addition, PEDs should ensure that learning and teaching support materials management and administrative systems are in place and staff have the capacity to manage and maintain the learning and teaching support materials and equipment • Administrative support will include purchasing or leasing of appropriate vehicles (one car per team), purchasing of tools of trade (in line with the DBE guidelines), travel, and subsistence and accommodation costs when visiting special care centres and schools with travel distance of more than 200 km <p>Procurement</p> <ul style="list-style-type: none"> • PEDs must procure using their own procurement systems • The grant funds and implementation (procurement, delivery and payment) shall be managed at provincial level. PEDs should follow procurement process as outlined in the PFMA
Allocation criteria	<ul style="list-style-type: none"> • The allocation of the grant is in accordance with the number of schools and special care centres that will be participating in the programme
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • In order to address the needs of this marginalised population of children with disabilities, of whom the majority are not in school and not accessing educational subsidies through the educational norms applied at schools, the funding is ring-fenced in the form of a conditional grant. This enables the DBE to provide overall guidance and to ensure congruency and coherence
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R72 million allocated to provinces, R66 million (92 per cent) was transferred to provinces, of which R48 million (68.4 per cent) was spent by the end of the financial year
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Nine provincial grant managers and 105 transversal itinerant outreach team members were appointed • A total of 202 of the targeted 320 special care centres were audited • 134 transversal itinerant outreach team members and officials were trained on Module one of the learners with profound intellectual disabilities (LSPID) policy and implementation of the learning programme and 117 of transversal itinerant outreach team members and officials were trained on Module two of the implementation of the Learning Programme

Learners with Profound Intellectual Disabilities Grant	
	<ul style="list-style-type: none"> • Outreach team members began providing outreach services to targeted special care centres
Projected life	<ul style="list-style-type: none"> • The grant framework will be reviewed on an ongoing basis to respond to the nature and trends in the education of learners with severe to profound intellectual disabilities
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R221 million; 2020/21: R243 million and 2021/22: R256 million
Payment schedule	<ul style="list-style-type: none"> • Transfer payments shall be affected in April 2019; August 2019 and December 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Promulgate policy and learning programme for children with severe to profound intellectual disabilities • Develop training programme and train provincial grant managers and transversal itinerant outreach team members • Evaluate, approve and submit provincial business plans to National Treasury • Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) • Monitor implementation at provincial, district and school/centre level on quarterly basis or as and when required • Refine monitoring and evaluation guidelines and/or templates • Ensure compliance with reporting requirements in line with the provisions of the 2019 Division of Revenue Act (DoRA) • Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2019 DoRA • Collaborate with other government departments and ensure the provision of integrated services to children with severe to profound intellectual disabilities • Ensure that children with severe to profound intellectual disabilities enrolled in care centres are incrementally enrolled in schools on an annual basis
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Develop and submit approved business plans to the DBE • Manage and implementation of the plan in line with the 2019 DoRA and the Public Finance Management Act to ensure that expenditure is on track and there is no withholding of transfers by transferring officer • Ensure systems, capacity and controls are in place to ensure the successful implementation of the grant • Ensure grant activities are implemented as approved in the business plans. Any deviation should first be communicated to the DBE in writing and approved by the transferring officer before implementation • Monitor implementation at care centres and school levels on a monthly and quarterly basis or as and when required • Evaluate the performance of the grant in line with 2019 DoRA requirements • Ensure compliance with reporting requirements by providing consolidated quarterly reports 30 days after the end of the quarter • Collaborate with key government departments in the delivery of services to children with severe to profound intellectual disabilities. This will entail the establishment of inter-departmental structures that will ensure integrated service delivery of services to children with severe to profound intellectual disabilities • Submit an organogram that will include appointment of outreach team members and grant managers on permanent basis to the transferring officer by 30 September 2019 • Collect, update and submit to the DBE, data of targeted special care centres and schools, special care centre staff data; as well as disaggregated data on children with severe to profound intellectual disabilities using the learning programme in targeted special care centers and schools
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Communicate and meet with provinces to inform them of targets for the next financial year by 30 August 2019 • PEDs submit draft business plans to DBE for evaluation by 31 October 2019 • DBE evaluates provincial business plans by 15 November 2019 • Comments sent to PEDs to amend the plans by 13 December 2019 • PEDs submit amended and signed-off plans to DBE by 31 January 2020 • DBE approves provincial business plans by 20 March 2020

Maths, Science and Technology Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the implementation of the National Development Plan and the Action Plan 2019 by increasing the number of learners taking Mathematics, Science and Technology (MST) subjects, improving the success rates in the subjects and improving teachers' capabilities
Grant purpose	<ul style="list-style-type: none"> • To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements (CAPS) for the improvement of MST teaching and learning at selected public schools
Outcome statements	<ul style="list-style-type: none"> • Improved learner participation and success in MST subjects in the country
Outputs	<ul style="list-style-type: none"> • School support • Information, communication and technology (ICT) subject specific resources: <ul style="list-style-type: none"> ○ 300 schools supplied, with subject specific computer hardware in accordance with the minimum specifications prescribed by CAPS ○ 300 schools supplied with subject related software in accordance with the minimum specifications • Workshop equipment, consumables, tools and machinery: <ul style="list-style-type: none"> ○ 200 technical schools' workshop equipment and consumables for technology subjects repaired, maintained and/or replaced in accordance with the minimum specifications ○ 200 technical schools' workshop machinery and tools for technology subjects repaired, maintained and replaced in accordance with the minimum specifications • Laboratories equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ 1 000 schools supplied with Mathematics and Science kits ○ 1 000 laboratories supplied with apparatus for Mathematics and Science subjects in accordance with the minimum specifications ○ 500 laboratories and workshops supplied with consumables for Mathematics, Science and Technology subjects in accordance with the minimum specifications • Learner Support <ul style="list-style-type: none"> ○ 50 000 learners registered for participation in Mathematics, Science and Technology olympiads/fairs/expos and other events based on a structured annual calendar including support through learner camps and additional learning, teaching and support material such as study guides • Teacher Support <ul style="list-style-type: none"> ○ 1 500 participants attending specific structured training and orientation for teachers and subject advisors in subject content and teaching methodologies on CAPS for electrical, civil and mechanical technology, technical mathematics, and technical sciences ○ 1 000 teachers and subject advisors attending targeted and structured training in teaching methodologies and subject content either for Mathematics, Physical, Life, Natural and Agricultural Sciences, Technology, Computer Applications Technology, Information Technology, Agricultural Management and Technology subjects
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating schools list (separate annexure)
Conditions	<p>Grant structure and allocations</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general grant for all schools • Schools' needs and allocation of funds must be identified through criteria indicated in the framework in partnership with provinces and districts in the preceding financial period • The grant will support a total of 1 000 schools across all provinces covering all MST subjects from grades R-12 <p>The provincial funds allocation should be divided in accordance with the following guideline:</p> <ul style="list-style-type: none"> • 5 per cent for ICT resources including training of ICT integration for educators for all provinces • 40 per cent for repair/replacement and maintenance of workshop machinery, equipment, consumables and tools <ul style="list-style-type: none"> ○ no less than 36 per cent for repair/replacement and maintenance of workshop machinery, equipment, consumables and tools for Limpopo, Gauteng, KwaZulu-Natal and Eastern Cape • 40 per cent for laboratory apparatus and consumables • 9 per cent for learner support <ul style="list-style-type: none"> ○ no more than 4 per cent for funding of focused support for programme implementation for Limpopo, Gauteng, KwaZulu-Natal and Eastern Cape • 5 per cent for Mathematics, Science and Technology teachers' subject content training

Maths, Science and Technology Grant	
	<ul style="list-style-type: none"> • 1 per cent for grant administration, monitoring and evaluation • Provinces may deviate from the prescribed guidelines provided the transferring officer approves all deviations <p>Priorities</p> <ul style="list-style-type: none"> • All the grant outputs are prioritised in accordance with the allocation percentages unless the province has requested a deviation <p>Outputs</p> <ul style="list-style-type: none"> • ICT resource items should be procured as per the minimum specifications defined by the Department of Basic Education (DBE) and in line with CAPS. Subject specific ICT resources refer to hardware and software, which are compulsory and required by the curriculum. The grant also supports the training of all end-users in the utilisation of all ICT resources provided to a school • Workshop equipment and machinery items should be repaired, maintained and/or replaced where appropriate in order to meet the minimum specifications defined by the DBE and in line with CAPS • Laboratories and workshop equipment, apparatus and consumables should be procured as per the minimum specifications as defined by the DBE and in line with CAPS. This should be prioritised in line with the budget allocated to this item. These resources are provided to improve practical teaching and learning in all MST subjects with special attention to mathematics • Learner support is provided to all identified learners in line with provincial needs in support of curriculum delivery based on a structured annual calendar. This includes competition participation expenses, learner coaching, printing, delivery and mediation of study materials. This support includes study camps for identified learners as per the provincial programme including a focus on girl learners • Teacher support is provided to all identified teachers in line with provincial needs in support of curriculum delivery. Teacher training or development should be based on a structured programme, which must be submitted to the transferring department as and when required. No ad-hoc training will be supported by the grant <p>Grant administration, monitoring and evaluation</p> <ul style="list-style-type: none"> • All provincial grant managers are supported to manage, administer, monitor and evaluate the implementation of the grant in line with the business plan. The support includes payment for expenses such as travelling, accommodation, stationery, flight fares, subsistence and other incidental costs, excluding compensation of employees <p>Procurement</p> <ul style="list-style-type: none"> • The transferring officer shall develop centralised procurement processes and all provinces shall participate in such processes. Provinces must participate in DBE's transversal contract, but should request permission for exemption if they can demonstrate gains from such exemption. In the absence of a DBE transversal tender, provinces must continue to procure on their own • The grant funds and implementation (procurement, delivery and payment) must be managed at provincial level unless a transversal tender has been issued or the school has demonstrated capacity, systems and controls to efficiently manage the processes of the grant • Before funds can be transferred to schools, there should be assurance that systems, controls and capacity to manage the funds, implementation and delivery processes of the grant are in place
Allocation criteria	<ul style="list-style-type: none"> • Participating schools should be identified according to the following criteria: <ul style="list-style-type: none"> ○ the schools must be classified in quintiles 1-3 ○ provinces may include schools in quintile 4 and 5 subject to the approval of the transferring officer ○ the average learner performance in all subjects including MST at a level below 60 per cent in Grade 8-12 ○ primary schools will be supported as feeder schools to secondary schools participating in the grant based on the provincial needs analysis in line with the outputs of the grant ○ at least 30 learners are enrolled for each grade in mathematics and sciences subjects at a general education and training, and further education and training band, and 15 learners are enrolled for technology subjects in further education and training band ○ 50 per cent of all learners in the school must be enrolled for mathematics or technical mathematics in technical schools
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The grant is a targeted systemic capacity improvement programme. It should therefore be noted that the number of schools requiring support is not proportionally distributed across the provinces. The level of support required by schools differs across provinces
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R365 million allocated to provinces, R365 million (100 per cent) was transferred to provinces, of which R323 million (88.7 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • ICT: <ul style="list-style-type: none"> ○ 704 schools (28: Eastern Cape, 23: Free State, 207: Gauteng, 20: KwaZulu-Natal, 24: Limpopo, 136: Mpumalanga, 136: Northern Cape, 100: North West and 30: Western Cape) • Workshop equipment, machinery and tools: <ul style="list-style-type: none"> ○ 236 workshops (43: Eastern Cape, 18: Free State, 42: Gauteng, 32: KwaZulu-Natal, 24: Limpopo, 22: Mpumalanga, 13: Northern Cape, 19: North West and 23: Western Cape) • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ 1 020 laboratories (100: Eastern Cape, 77: Free State, 165: Gauteng, 139: KwaZulu-Natal, 107: Limpopo, 136: Mpumalanga, 66: Northern Cape, 100: North West and 130: Western Cape)

Maths, Science and Technology Grant	
	<ul style="list-style-type: none"> • Learner support: <ul style="list-style-type: none"> ○ 94 563 learners (2 400: Eastern Cape, 14 580: Free State, 50 706: Gauteng, 1 359: KwaZulu-Natal, 12 461: Limpopo, 3 515: Mpumalanga, 8 130: Northern Cape, 52: North West, 1 360: Western Cape) • Teacher support: <ul style="list-style-type: none"> ○ 19 735 Teachers (797: Eastern Cape, 1 110: Free State, 1 406: Gauteng, 7 518: KwaZulu-Natal, 193: Limpopo, 7 218: Mpumalanga, 400: Northern Cape, 287: North West, 806: Western Cape)
Projected life	<ul style="list-style-type: none"> • Grant continues until 2021/22 subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R391 million; 2020/21: R413 million and 2021/22: R436 million
Payment schedule	<ul style="list-style-type: none"> • 10 May 2019, 16 August 2019, 15 November 2019 and 7 February 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Evaluate, approve and submit provincial business plans to National Treasury • Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) • Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school resources • Ensure compliance with reporting requirements in line with the provisions of the 2019 Division of Revenue Act (DoRA) • Monitor implementation at provincial, district and school level on a quarterly basis or as and when required, in line with the grant framework • Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2019 DoRA
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Develop and submit approved business plans to DBE • Provinces shall submit lists of schools to DBE as per the timeframes set by the grant framework • Develop and submit an approved procurement plan in line with the business plan targets by the end of the financial year • Ensure compliance with reporting requirements by providing consolidated monthly expenditure reports 15 days after the end of the month, and quarterly reports 30 days after the end of the quarter including other monitoring or diagnostic reports and reviews as required from time to time • Manage and implement the programme in line with the 2019 DoRA and the Public Finance Management Act • Where applicable, participate in transversal tenders issued by the DBE or other provinces in order to procure goods and services related to the outputs of the grant • Monitor and provide support to districts/regions, circuits and schools on a monthly and quarterly basis or as and when required • Provide human resource capacity at all relevant levels including the appointment or identification of a qualified and experienced person/s to administer, manage and co-ordinate the activities of the grant in accordance with the provisions of the framework and compliance certificates • Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial year • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated, in writing, and approved by DBE before implementation • Submit school business plans to DBE if funds being transferred to schools by the end of June every year
	<p>Responsibilities of schools</p> <ul style="list-style-type: none"> • Submit school's needs on MST to the districts as required by the province • Submit school's business plans to provinces before funds can be transferred to schools • Submit quarterly MST activity reports on equipment, machinery, consumables, maintenance, learner and teaching support material and training support • Submit learner performance data for all grades in MST subjects to the district and grant manager • Ensure that capacity, systems and controls are in place to implement the grant, to receive funds where a transfer to a school has been agreed upon • Receive funds from provincial departments of education and manage the procurement, delivery and payment processes where necessary • Participate in relevant structures that have been put in place to support implementation of the grant such as annual principals' meetings • Monitor and ensure quality of work of the service providers and sign-off on the completeness of the service delivery processes

Maths, Science and Technology Grant	
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • The first draft of the consolidated provincial business plans and revised school lists to be submitted to DBE for appraisal by 31 October 2019 • The DBE team will meet to evaluate the consolidated business plans by 15 November 2019 • The comments on the business plans will be sent to provinces for amendments by 13 December 2019 • Provinces will be required to submit approved deviations before submitting amended business plans on 31 January 2020 • Provinces will be required to submit the provincially approved amended business plans to DBE by 31 January 2020 • DBE will approve the final business plans by 9 March 2020 • DBE's transferring officer approves business plans to be submitted to the National Treasury by 20 March 2020

National School Nutrition Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enhance learning capacity and improve access to education
Grant purpose	<ul style="list-style-type: none"> • To provide nutritious meals to targeted schools
Outcome statements	<ul style="list-style-type: none"> • Enhanced learning capacity and improved access to education
Outputs	<ul style="list-style-type: none"> • 20 000 schools that prepare nutritious meals for learners
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
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"> • Spending must be in line with national and provincial business plans • The budget allocation must be distributed in terms of the following weightings for both secondary and primary schools: <ul style="list-style-type: none"> ○ school feeding: minimum of 96 per cent ○ kitchen facilities, equipment and utensils: minimum of 0.6 per cent and not exceeding R10 million ○ administration: maximum of 3 per cent ○ nutrition education (including de-worming and hygiene practices): maximum of 0.4 per cent • Minimum feeding requirements: <ul style="list-style-type: none"> ○ provide nutritious meals to all learners in quintile 1 - 3 primary and secondary schools, as well as identified special schools on all school days ○ annual meal costs per learner will increase at a minimum of 4 per cent in all benefiting primary schools and 2 per cent for all secondary schools. Far-flung/ low enrolment farm and rural schools that are receiving funds directly should be allocated a higher meal cost to cover higher transport costs ○ pay honorarium of a minimum of R1 271 per person plus R12.84 to the Unemployment Insurance Fund based on a food handler to learner ratio of 1:200. Food handlers must be allocated in line with approved sliding scales submitted with provincial business plans ○ comply with approved food specifications and menu specifications consisting of meals containing: starch, protein and fresh vegetable/fruit ○ fresh vegetables/fruits must be served daily and vary between green, yellow and red ○ a variety of protein-rich foods must be served in line with approved menu options. Raw sugar beans must be packed separately from samp, not mixed in one packet ○ soya mince should be served once a week and must meet approved specifications ○ canned pilchards/ mackerel/ sardines/ sardinella must be served at least once a week. High quality protein products can replace pilchards in areas where these are not socially acceptable ○ Ultra-high temperature (UHT) treated full cream milk or pasteurised maas must be served once a week. Milk must be approved in line with dairy standards set by Milk South Africa • Provinces must support and promote sustainable food production and nutrition education in schools • Provinces must promote local economic empowerment, including procurement of fresh produce from smallholder farmers. The farmers should be registered with the Department of Agriculture, Forestry and Fisheries and adhere to good agricultural practices • Provinces that are transferring funds for meals to schools (Eastern Cape, Free State, Limpopo, Northern Cape and North West) are required to reconcile expenditure by schools against budget transfers on a quarterly basis • Provincial business plans will be approved in line with the above minimum requirements and available resources. The following variations may be approved by the transferring officer based on achievements and/or critical challenges in each province: <ul style="list-style-type: none"> ○ feeding days reduced to a minimum of 197 days ○ feeding cost below the minimum requirements, provided the quality of meals is not compromised ○ reduction in the number of learners due to learner verification ○ number of learners that exceed the gazetted quintiles ○ serving of processed vegetables or fruit in remote areas ○ targeting of learners in quintile 4 and 5 schools ○ quintile 1-3 schools that do not feed all learners (Gauteng and Western Cape) need to submit approved letters from schools requesting a deviation from whole school feeding. These must be provided to the provincial office and kept on record • Provinces must update and submit databases on kitchen facilities, equipment and utensils • The flow of the first instalment of the grant depends upon receipt by the Department of Basic Education (DBE) of: <ul style="list-style-type: none"> ○ the approved transfer schedules for the 2019/20 financial year by provinces that are transferring funds to schools

National School Nutrition Programme Grant	
	<ul style="list-style-type: none"> ○ quarterly performance (narrative and indicators) and financial reports ● The flow of the 23 May 2019 instalment of the grant depends upon receipt by the DBE of: <ul style="list-style-type: none"> ○ quarterly performance (narrative and indicators) and financial reports ● The flow of the 6 December 2019 and the 30 January 2020 instalments of the grant depend upon receipt by the DBE of: <ul style="list-style-type: none"> ○ evidence (copies of orders, invoices, etc.) of procured kitchen facilities, equipment and utensils including beneficiary schools ○ evidence of procurement of resources to district offices in line with approved business plans ○ quarterly performance (narrative and indicators) and financial reports ● Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers
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 Basic Education on 17 October 2008 ● Unallocated amounts will be distributed based on needs assessment reports submitted by provinces
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The National School Nutrition Programme (NSNP) is a government programme for poverty alleviation, specifically initiated to uphold the rights of children to basic food and education ● The conditional grant framework enables the DBE to play an oversight role in the implementation of all NSNP activities in schools
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of the R6.4 billion allocated to provinces, R6.4 billion (100 per cent) was transferred to provinces, of which R6.3 billion (96.1 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> ● 9.6 million learners were provided with meals in 19 841 primary, secondary and special schools. Primary school learners were also de-wormed to maximize absorption of nutrients ● 58 984 volunteer food handlers prepared meals for learners ● 3 705 small and medium enterprises and local cooperatives were contracted to supply food to learners
Projected life	<ul style="list-style-type: none"> ● It is envisaged that, given the levels of poverty in the country and the impact of various health conditions such as HIV and Aids, diabetes and debilitating chronic conditions, the need for such a grant will persist for at least another 10 years. The programme ensures learners from the poorest communities have decent opportunities to learn
MTEF allocations	<ul style="list-style-type: none"> ● 2019/20: R7.2 billion; 2020/21: R7.7 billion and 2021/22: R8.2 billion
Payment schedule	<ul style="list-style-type: none"> ● The payment schedule will be in line with respective provincial procurement models as follows: <ul style="list-style-type: none"> ○ provinces that transfer funds directly to all schools (Eastern Cape, Free State, North West and Northern Cape) receive five instalments as follows: 10 April 2019, 23 May 2019, 18 June 2019, 09 September 2019 and 6 December 2019 ○ provinces that procure from service providers on behalf of schools receive five instalments as follows: 10 April 2019, 23 May 2019, 18 July 2019, 17 October 2019 and 30 January 2020 ○ the 23 May 2019 budget transfer is for kitchen facilities, equipment and utensils as per equipment specifications provided by the DBE
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Develop and submit approved national business plans to the National Treasury ● Evaluate, approve and submit provincial business plans to the National Treasury ● Manage, monitor and support programme implementation in provinces and districts ● Ensure compliance with reporting requirements and NSNP guidelines ● Transfer funds to provinces in line with the approved payment schedule ● Consolidate and submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter ● Evaluate performance of the conditional grant and submit an evaluation report to the National Treasury four months after the end of the financial year <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Develop and submit approved business plans to the DBE. The business plans should include databases reflecting distribution of volunteer food handlers and cooking fuel per school ● Monitor and provide support to districts/regions/area project officers and schools ● Manage and implement the programme in line with the 2019 Division of Revenue Act and the Public Finance Management Act ● Ensure that districts are resourced in line with provincial business plans to conduct effective monitoring and support to schools in line with Goal 27 of the Action Plan to 2019, towards the Realisation of Schooling 2030 ● Consult districts on the development and implementation of provincial business plans ● Implement monitoring and evaluation plans ● Provide human resource capacity at all relevant levels ● Evaluate the performance of the conditional grant annually and submit evaluation reports to the DBE two months after the end of the financial year ● Submit quarterly financial and performance reports including consolidated monitoring, reporting and response system (MRR) reports to DBE after the end of each quarter

National School Nutrition Programme Grant	
	<ul style="list-style-type: none"> • Provinces that are transferring funds to schools are required to: <ul style="list-style-type: none"> ○ develop and submit approved 2019/20 transfer schedules reflecting actual dates on which funds will be transferred to schools by 10 April 2019 ○ reconcile expenditure on a quarterly basis. Reports for June 2019 and December 2019 on actual expenditure by schools should be submitted six weeks after the end the quarter
	<p>Responsibilities of districts</p> <ul style="list-style-type: none"> • Monitor and support schools • Submit monthly and quarterly reports (narrative and expenditure reports to the provincial department, as well as reports on expenditure by schools, where applicable). This should include consolidated monitoring, reporting and response system (MRR) reports, where applicable • Coordinate all NSNP activities in the district <p>Responsibilities of schools</p> <ul style="list-style-type: none"> • Implement the programme in line with the conditions of the NSNP framework • Submit reports to districts as per the provincial reporting requirements, i.e. performance and expenditure reports • Safeguarding of programme resources, i.e. cooking facilities, equipment and utensils
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • First inter-provincial meeting by 20 May 2019 • Consultation with district officials, provincial treasuries, provincial finance sections and the National Treasury on business plans in June 2019 • Provinces submit first draft business plans to the DBE by 15 July 2019 • DBE to evaluate first draft business plans and send comments to provinces by 15 August 2019 • Second inter-provincial meeting to be held in September 2019 • Provinces submit final draft business plans and requisite attachments to DBE by 29 November 2019 • The transferring officer to approve national and provincial business plans by 31 March 2020

School Infrastructure Backlogs Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • The eradication of inappropriate education structures and backlogs in basic services
Grant purpose	<ul style="list-style-type: none"> • Eradication of all inappropriate school infrastructure • Provision of water, sanitation and electricity to schools
Outcome statements	<ul style="list-style-type: none"> • Improved access to enabling learning and teaching environments • Build the capacity of provinces benefiting from an indirect grant allocation to carry out this function in the future
Outputs	<ul style="list-style-type: none"> • Eradication and replacement of 58 inappropriate schools and provision of related school furniture • 177 schools provided with water • 195 schools provided with sanitation
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses an infrastructure programme management plan (IPMP) that includes the following: <ul style="list-style-type: none"> ○ institutional framework ○ procurement and contract management plan ○ scope management plan ○ time management plan ○ cost management plan ○ risk management plan ○ quality management plan ○ monitoring and reporting details ○ budgeting and programme accounting details ○ performance management plan ○ communication management plan
Conditions	<ul style="list-style-type: none"> • This is an in-kind grant administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant (EIG) if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects • DBE must submit an IPMP • Programme governance will be conducted by the following committees established to ensure that various processes are initiated within the programme: <ul style="list-style-type: none"> ○ national steering committee ○ technical committee ○ project steering committee ○ infrastructure bid specification and evaluation committee ○ infrastructure bid adjudication committee • The provincial planning and monitoring teams (PPMTs) or equivalent in each province should meet monthly to ensure: <ul style="list-style-type: none"> ○ information flows between the stakeholders ○ processes are unhindered ○ progress is monitored ○ cooperation is enhanced • DBE must submit monthly project reports with cash flow to National Treasury 15 days after the end of each month, that shows how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow • Assets will be transferred to custodians in the respective provinces at final completion. The provincial Departments of Education (PEDs) must report in their annual report and describe how the schools have been considered in their future maintenance plans • The DBE must agree in writing with the provinces on projects that they will administer on behalf of each province • The department and/or implementing agents must ensure skills transfer takes place as part of the implementation of projects
Allocation criteria	<ul style="list-style-type: none"> • The grant allocation is based on the distribution of inappropriate structures and schools without access to water, sanitation and electricity across provinces • Final allocations will be based on the finalised IPMP of the DBE as approved by the transferring officer
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant to eradicate the basic safety norms backlogs in schools without water, sanitation and electricity, and to replace those schools constructed from inappropriate material, including mud schools, to contribute towards improved learning and teaching. The grant will be administered by the DBE to achieve maximum impact in the shortest time possible
Past performance	<p>2017/18 audited financial performance</p> <ul style="list-style-type: none"> • Allocated and transferred R1.8 billion of which R1.8 billion (101.6 per cent) was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 202 new schools built, 685 schools provided with water, 470 schools provided with sanitation and 372 schools provided with electricity

School Infrastructure Backlogs Grant	
Projected life	<ul style="list-style-type: none"> The grant will be reviewed on an ongoing basis to respond to the nature of the infrastructure projects and the ability of provinces to take over
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R2 billion; 2020/21: R1.8 billion and 2021/22: R2.3 billion
Payment schedule	<ul style="list-style-type: none"> Payments will be made according to verified invoices from service providers or advance payments in line with approved memoranda of agreements, implementation plans and reviewed monthly cash flow projections from implementing agents
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Undertake planning of processes, activities, and Accelerated School Infrastructure Delivery Initiative (ASIDI) programme policies required to realise the outputs and identify required resources Undertake the necessary procurement measures to secure the services of implementing agents, professional service providers, contractors and secondary procurement objectives to respond to the scope of work identified in the IPMP Monitor and evaluate performance of the programme support unit, implementing agents, conduct project site inspections at selected sites to verify progress and quality of the works to secure programme outputs and deliverables Harness the opportunities offered through the programme to contribute towards skills development The DBE must submit a draft skills transfer and capacity building plan for Schedule 6, Part A allocations to National Treasury by 28 June 2019 and a final plan must be submitted to National Treasury by 30 August 2019. The skills transfer and capacity building plan must set out how the capacity of benefiting provinces will be developed so that they can continue to perform the function after the Schedule 6, Part A funded project ends. The plan must set measurable targets that will be achieved over the 2019 medium-term expenditure framework. The plan must set out how existing and new capacity building initiatives will be used to achieve these targets The DBE must submit an annual assessment of progress against its skills transfer and capacity building plan to National Treasury two months after the end of the national financial year DBE will convene and chair meetings of the national steering committee which will: <ul style="list-style-type: none"> provide strategic direction to the ASIDI programme provide general oversight on the programme ensure that the management of the programme brings together those players responsible for different elements of project success and ensure a holistic approach in support of the programme ensure that standards are in line with different prescriptions e.g. norms and standards for school infrastructure are adhered to facilitate the establishment of sub-programme management structures, their membership, reporting modalities and their interaction with the steering committee establish the modalities linking the targeted PEDs with DBE supervise the programme and ensure appropriate coordination and cooperation between different agencies and departments involved facilitate the linkages between national stakeholders such as the National Treasury (infrastructure delivery improvement plan), Construction Industry Development Board, and the national Department of Human Settlements, Water and Sanitation, Energy, and Public Works ensure ASIDI strategies and targets are in line with national goals and targets monitor progress in terms of national goals and targets assist the management of the programme in solving particular issues that may arise and that may require the intervention of the committee report to the Minister of Basic Education, the Council for Education Ministers, the Heads of Education Departments Committee, and senior management Develop a sector procurement strategy and procurement strategy for this grant in terms of the practice guide prescribed by the infrastructure delivery management toolkit The DBE will develop a procurement strategy for this grant that will lead to the quickest possible achievement of the grant objectives which may require the clustering of projects across provincial boundaries Submit an approved IPMP including projects list to the National Treasury Ensure compliance with reporting requirements and adherence to projected cash flow schedules Consolidate and submit quarterly reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter Conduct site visits to selected projects to assess performance Create the necessary organisational structures and build capacity within the department to oversee and monitor the implementation of the grant The DBE must ensure that the heads of education departments committee meets at least once a month and is provided with sufficiently detailed reports to assess project implementation and projected cash flow schedules reconciled at the end of the month preceding the monthly meetings Provide an operations and maintenance manual to the PEDs

School Infrastructure Backlogs Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provide the list of schools to be included in the ASIDI programme • Ensure that the list of schools identified includes all the schools that were not constructed of appropriate materials in their entirety • Ensure that the list of schools identified includes all the schools that never had basic sanitation, water and electricity • Ensure that, where schools are identified for rationalisation and mergers, DBE is made aware on time, in writing, and that all necessary supporting documents are provided • Establish PPMTs that will provide support to the DBE when implementing projects funded by this grant • Convene the PPMTs and report to the national steering committee • Generate a maintenance plan from the operations and maintenance manual provided
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission to National Treasury by DBE of the IPMP for 2020/21 projects by 14 February 2020

COOPERATIVE GOVERNANCE GRANT

Provincial Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part A
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> repair of critical infrastructure provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 12: An efficient, effective and development oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> copy of the classification letter in terms of the Disaster Management Act copy of the declaration of a state of disaster in terms of the Disaster Management Act number of people affected and the extent of damages and losses sectors affected total funds required for disaster response resources (both financial and in-kind) allocated by the province to respond and mitigate the effects of the disaster resources (both financially and in-kind) allocated by other role players, including municipalities, national departments and non-government organisations the affected provincial sector department must indicate funds spent or contributed towards dealing with the disaster support received from non-government organisations and businesses or any other stakeholder copy of the applicable contingency plan and emergency procedures in use by the province (Section 35(1)(d) of the Disaster Management Act) cost-benefit analysis of the projects to be implemented Implementation plan with the following: <ul style="list-style-type: none"> details of the projects to be repaired including GPS coordinates costs of the project consolidated projects cash flow over a six months period as an annexure to the implementation plan An initial funding application from the Provincial Disaster Relief Grant may be based on the initial disaster assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> Copies of the declaration notice and classification letter in terms of the Disaster Management Act must be submitted to the NDMC This grant may only be used to fund expenditure in the event that the responsible line function organ of state is unable to deal with the effects of the disaster utilising own legislation/ guidelines and resources Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the province A provincial department may request the NDMC through their Provincial Disaster Management Centre (PDMC) to apply to the National Treasury to approve that an allocation be utilised more than six calendar months after the date of transfer in terms of section 26(3)(d) of the Division of Revenue Act The emergency procurement system as provided for in the Public Finance Management Act should be invoked to ensure assistance to the affected communities Funds may only be used in line with the approved implementation plan. Any amendments to the implementation plan must be approved by the NDMC and copies of the approved amendments shared with National Treasury
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated for declared and classified disasters based on reports from assessments conducted by the NDMC and the relevant PDMC and affected sectors for immediate disaster relief needs. Additionally it must be established that there are immediate disaster relief needs that cannot be met by the province through the contingency arrangements already in place. The Accounting Officer for the relevant organ of state must indicate in their application that the total funds required from the grant for disaster response exceed the available resources and or resources already allocated for disaster relief. Funding may however be released in tranches, with the first tranche based on an initial assessment, verification of the immediate disaster relief needs and the submitted cash flow projection
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for response and relief from unforeseen and unavoidable disasters
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> Of R123.4 million allocated, R82.3 million was transferred as follows by the end of the national financial year to the following provincial sectors: <ul style="list-style-type: none"> R40 million to Western Cape Department of Agriculture R42.3 million to the Northern Cape Department of Agriculture

Provincial Disaster Relief Grant	
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 2 111 farmers affected by drought and fires benefitted from the provision and transportation of livestock feed by the Western Cape Department of Agriculture • 2 380 farmers affected by drought benefitted from the provision and transportation of livestock feed by the Western Cape Department of Agriculture
Projected life	<ul style="list-style-type: none"> • This grant is expected to continue over the 2019 medium term expenditure framework period, but will be subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R131 million; 2020/21: R138 million and 2021/22: R146 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made subject to approval by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre</p> <ul style="list-style-type: none"> • Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days of receiving a written funding request or a submission that meets the conditions • Confirm support to be provided by relevant national sector departments to prevent duplication of support and resources • Seek approval from National Treasury for the disbursement of funds to provincial sector departments within 35 days of receipt of the written funding request and submission of the preliminary report from the PDMC • Notify the relevant PDMC and provincial treasury of a transfer at least 2 days before transfer. Funds must be transferred no later than five days after notification • Provide National Treasury with written notification of the transfer within 14 days of a transfer of the grant • Submit financial and non-financial reports to National Treasury within 20 days of the end of each month • Provide a performance report, within 45 days of the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury • Together with the PDMC monitor the implementation of disaster funded projects
	<p>Responsibilities of Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> • Together with the affected provincial departments, conduct initial assessments of disaster impacts to verify the applications for initial funding within 14 days following the occurrence of a reported incident that meets the conditions • Conduct assessments of disaster impacts together with NDMC and the affected provincial departments, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the Disaster Management Act • Confirm support to be provided by relevant provincial sector departments to prevent duplication of support and resources • Submit requests for disaster funding, monitor projects and provide reports to the NDMC, and provincial treasury • Provide financial reports to NDMC within 15 days of the end of each month • Provide a performance report which includes evidence on progress implementation of the projects to the NDMC within 35 days of the end of the quarter in which funds are spent • Provide a performance report, within 30 days of the end of the quarter in which the funds were spent, to NDMC using the relevant disaster grant allocation-reporting template • Monitor the implementation of funded disaster project by sectors • Establish provincial project steering committees
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Cooperate with the NDMC and PDMC to conduct damage assessment and cost verification • Sector departments to submit the relevant contingency plans • Submit initial funding request within 14 days following the declaration of a disaster • Consult with the relevant national sector departments and provincial treasury for support on existing resources to address the disasters • Consult with relevant national sector department on funding request before submission to the PDMC • Notify provincial treasury of all submitted requests for funding • Invoke emergency procurement processes to implement the immediate disaster projects • Report and monitor implementation of projects • Provide a financial and non-financial report to the PDMC and relevant national sector department within 10 days of the end of each month. Include evidence (invoices and pictures of the projects) as annexures • Provide a performance report which includes evidence, and progress on implementation of the projects, to the PDMC and relevant national sector department within 20 days of the end of the quarter in which funds are spent
	<p>Responsibilities of national sector departments</p> <ul style="list-style-type: none"> • Provide support and guidance to provincial sector departments and NDMC regarding line function related matters on assessments and costing verifications • Sector departments to submit the relevant contingency plans • Provide support and guidance to provincial sector and NDMC in the preparation of funding requests • Provide support and guidance to provincial sector departments in the preparation of reports and ensure compliance to the guidelines • Monitor and evaluate implementation of projects by provincial sectors
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Not applicable

HEALTH GRANTS

HIV, TB, Malaria and Community Outreach Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of the National Strategic Plan on the HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022 and implementation of the National Strategic Plan on Malaria Elimination 2019 – 2023 • To improve access to community based primary care services through Ward Based Primary Health Care Outreach Teams (WBPHCOTs) • There are four components to this grant that allow for the achievement of the stated strategic goal: <ul style="list-style-type: none"> ○ HIV and AIDS component (with a separate framework) ○ TB component (with a separate framework) ○ Community Outreach Services Component (with a separate framework) ○ Malaria Elimination component (with a separate framework)
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to HIV and AIDS • To enable the health sector to develop and implement an effective response to TB • To ensure provision of quality community outreach services through WBPHCOTs • To improve efficiencies of the WBPHCOT programme by harmonising and standardising services and strengthening performance monitoring • Prevention and protection of health workers from exposure to hazards in the work place • To enable the health sector to develop and implement an effective response to support the effective implementation of the National Strategic Plan on Malaria Elimination 2019 - 2023
Outcome statements	<ul style="list-style-type: none"> • As specified in the four component frameworks
Outputs	<ul style="list-style-type: none"> • As specified in the four component frameworks
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • As specified in the four component frameworks
Conditions	<ul style="list-style-type: none"> • As specified in the four component frameworks
Allocation criteria	<ul style="list-style-type: none"> • As specified in the four component frameworks
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • As specified in the four component frameworks
Past performance	<p>2017/18 audited financial performance</p> <ul style="list-style-type: none"> • As specified in the four component frameworks <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • As specified in the four component frameworks
Projected life	<ul style="list-style-type: none"> • As specified in the four component frameworks
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R20 billion; 2020/21: R24.4 billion and 2021/22: R27.8 billion of which the four components are: <ul style="list-style-type: none"> ○ HIV and AIDS Component: 2019/20: R19.9 billion; 2020/21: R22.2 billion and 2021/22: R24.5 billion ○ TB Component: 2019/20: R485 million; 2020/21: R512 million; and 2021/22: R540 million ○ Community Outreach Services Component: 2019/20: R1.5 billion; 2020/21: R1.6 billion and 2021/22: R2.6 billion ○ Malaria Elimination Component: 2019/20: R90 million; 2020/21: R117 million and 2021/22: R111 million
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • As specified in the four component frameworks <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • As specified in the four component frameworks
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • As specified in the four component frameworks

HIV, TB, Malaria and Community Outreach Grant: Community Outreach Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To improve access to community based primary care services through Ward Based Primary Health Care Outreach Teams (WBPHCOTs) • To improve the quality of primary care services in the community
Grant purpose	<ul style="list-style-type: none"> • To ensure provision of quality community outreach services through WBPHCOTs • To improve efficiencies of the WBPHCOT programme by harmonising and standardising services and strengthening performance monitoring
Outcome statements	<ul style="list-style-type: none"> • Improved access to and quality of primary care services at community level • Improved monitoring and evaluation of WBPHCOTs • Improved functionality of WBPHCOTs
Outputs	<ul style="list-style-type: none"> • Number of community health workers receiving a stipend • Number of Community Health Workers (CHW) trained according to CHW training framework (pre-service and in-service) • Number of outreach team leaders trained • Number of children under five years (headcount) • Number of children five years and above (headcount)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Input • Output indicators • Milestones with projected dates when this will be achieved • Description of how the project will be managed including roles and responsibilities of national and provincial departments • Key activities and resource schedule • Cash flow projections
Conditions	<ul style="list-style-type: none"> • The grant must be used for the implementation of the WBPHCOTs Policy Framework and Strategy • Completion of a business plan signed by the receiving officer and submitted to the transferring officer by 28 February 2019 and signed by the transferring officer and submitted to the National Treasury by 29 March 2019 • All contracted non-governmental organisations receiving funding from this grant must have a service level agreement with the relevant provincial department of health including performance indicators • Provinces that have contracted non-governmental organisations for the programme should make transfer payments as per the stipulations of section 8.4 of the Treasury Regulations and section 38(1)(j) of the Public Finance Management Act
Allocation criteria	<ul style="list-style-type: none"> • Allocation is based on the number of required CHWs to service the population in the wards in need of community outreach services in all provinces
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Community outreach services are a national priority that require systematic, focused and monitored implementation in order to achieve the desired outputs and outcomes across the country and to have the desired impact of improving quality health care services
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> • New grant component <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • Subject to policy developments that will be finalised as part of the implementation of National Health Insurance
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R1.5 billion; 2020/21: R1.6 billion and 2021/22: R2.6 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Manage, monitor and support community outreach services planning and implementation • Visit provinces twice a year to monitor implementation and provide support • Report to the National Treasury on an additional set of indicators agreed upon between the two departments • Meet with National Treasury to review grant performance on a quarterly basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Completion of the business plan, in the prescribed format, signed by each receiving officer (provincial department) by 28 February 2019

HIV, TB, Malaria and Community Outreach Grant: Community Outreach Services Component	
	<ul style="list-style-type: none"> • Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national Department of Health. Submit an electronic version, which will be followed by a hard copy signed by the provincial grant receiving manager • Clearly indicate measurable objectives and performance targets as agreed to between the national department and provincial departments, in the provincial departmental business plan for 2019/20 and over the medium term expenditure framework • Provide a list of contracted non-governmental organisations that will provide services • Provincial departments must provide the National Department of Health with full and unrestricted access to all records and data related to the programme and must facilitate the achievement of grant outputs • Include the output indicators in the provincial annual performance plans and ensure compliance with the 2019 Division of Revenue Act • Ensure that all National Indicator Data Set indicators related to CHWs are entered into the District Health Information System and that there is accordance between the metrics in the District Health Information System and the 2019 Division of Revenue Act reporting for Community Outreach Services • Each province must assign an official to manage the Community Outreach Services Component to ensure accountability and reporting on financial and non-financial output indicators
Process for approval for 2020/21 business plans	<ul style="list-style-type: none"> • Submission of draft business plans to national Department of Health by 31 October 2019 • Submission of final business plans to national Department of Health by 28 February 2020 • Submission of final business plans to National Treasury by 27 March 2020

HIV, TB, Malaria and Community Outreach Grant: HIV and AIDS Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of the National Strategic Plan on the HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to HIV and AIDS • Prevention and protection of health workers from exposure to hazards in the work place
Outcome statements	<ul style="list-style-type: none"> • Improved coordination and collaboration in the implementation of HIV and AIDS grant component between national and provincial government • Improved quality of HIV and AIDS response including access to: <ul style="list-style-type: none"> ○ HIV counselling and testing ○ Antiretroviral Treatment (ART) ○ adherence monitoring and support ○ prevention of mother-to-child-transmission ○ medical male circumcision
Outputs	<ul style="list-style-type: none"> • Number of new patients started on ART • Total number of patients on ART remaining in care • Number of male condoms distributed • Number of female condoms distributed • Number of exposed infants HIV positive at 10 weeks Polymerase Chain Reaction (PCR) test • Number of clients tested for HIV (including antenatal) • Number of medical male circumcisions performed • Number of patients on ART initiated on Isoniazid Preventative Therapy • Number of adherence clubs • Number of patients participating in adherence clubs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
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 following priority areas must be supported through the grant: <ul style="list-style-type: none"> ○ ART related interventions ○ care and support ○ condom distribution and high transmission area interventions ○ post exposure prophylaxis ○ prevention of mother to child transmission ○ programme management strengthening (PMS) ○ regional training centres ○ HIV counselling and testing ○ medical male circumcision
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on antenatal HIV prevalence, estimated share of AIDS cases and population numbers post-demarcation
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • HIV, AIDS and TB are key national priorities and require a coordinated response for the country as a whole and this is effectively achieved through a conditional grant
Past performance	<p>2017/18 audited financial performance</p> <ul style="list-style-type: none"> • Allocated and transferred R17.6 billion to provinces of which R17.7 billion (100 per cent) was spent by provinces by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 728 156 new patients that started on ART • 4.1 million patients on ART remaining in care • 685.8 million male condoms distributed • 25.3 million female condoms distributed • 179 040 exposed infants HIV positive at 10 weeks PCR test • 13.7 million clients tested for HIV (including antenatal) • 540 327 Medical Male Circumcision performed • 121 731 antenatal clients initiated on ART • 58 Per cent of new patients on ART initiated on isoniazid preventative therapy (IPT) • 9 124 patients on bedaquiline
Projected life	<ul style="list-style-type: none"> • Ongoing in line with National Strategic Plan on the HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R20 billion; 2020/21: R22.2 billion and 2021/22: R24.5 billion

HIV, TB, Malaria and Community Outreach Grant: HIV and AIDS Component	
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Visit provinces twice a year to monitor implementation and provide support • Report to the National Treasury on an additional set of indicators agreed upon between the two departments • Meet with National Treasury to review grant performance on a quarterly basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Submit an electronic version to be followed by a hard copy signed by the provincial grant receiving manager • Clearly indicate measurable objectives and performance targets as agreed with the national department in provincial departmental business plans for 2019/20 and over the medium term expenditure framework
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of draft business plans to national Department of Health by 31 October 2019 • Submission of final business plans to national Department of Health by 31 January 2020 • Submission of final business plans to National Treasury by 31 March 2020

HIV, TB, Malaria and Community Outreach Grant: Malaria Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of National Strategic Plan on Malaria Elimination 2019 - 2023
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to support the effective implementation of the National Strategic Plan on Malaria Elimination 2019 - 2023
Outcome statements	<ul style="list-style-type: none"> • Improved implementation of malaria strategies in support of the malaria elimination efforts
Outputs	<ul style="list-style-type: none"> • Number of malaria-endemic municipalities with >95 per cent indoor residual spray (IRS) coverage • Percentage confirmed cases notified within 24 hours of diagnosis • Percentage of confirmed cases investigated and classified within 72 hours • Percentage of confirmed cases receiving recommended treatment • Percentage of identified health workers trained on malaria elimination • Percentage of population reached through malaria information education and communication (IEC) on malaria prevention and early health-seeking behaviour interventions • Percentage of vacant funded malaria positions filled
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
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 the business plan by provincial departments, in a prescribed format, to the national Department of Health (DoH) and signed by the provincial HoD by 28 February 2019 and submission by national DoH to National Treasury by 29 March 2019 <p>The following priority areas must be supported through the grant:</p> <ul style="list-style-type: none"> • Malaria surveillance, prevention, treatment <ul style="list-style-type: none"> ◦ mobile active testing units ◦ testing and treating through active testing in the community • Malaria vector control <ul style="list-style-type: none"> ◦ indoor residual spraying ◦ integrated vector management activities • Programme management strengthening for malaria elimination <ul style="list-style-type: none"> ◦ hiring of approved malaria posts • Provinces must maintain existing allocations under the provincial equitable share • Utilise the grant to strengthen programme and administrative human resources capacity
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on malaria incidence and provincial equitable share allocations in endemic provinces
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Malaria is a key national priority, and a seasonal disease, and requires a coordinated response during defined periods for all endemic provinces which is most effectively achieved through a conditional grant
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant component <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • Ongoing in-line with National Strategic Plan on Malaria Elimination
MTEF allocations	<ul style="list-style-type: none"> • Malaria: 2019/2020: R90 million; 2020/2021: R117 million and 2021/2022: R111 million
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Visit provinces twice a year to monitor implementation and provide support • Report to the National Treasury on an additional set of indicators agreed upon between the two departments • Meet with National Treasury to review grant performance on a quarterly basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Quarterly financial and performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Reports must include budgets and expenditure under both provincial equitable share and conditional grant. Submit an electronic version to be followed by a hard copy signed by the provincial grant receiving manager • Indicate measurable objectives and performance targets as agreed with the national department in provincial departmental business plans for 2019/20 and over the medium term expenditure framework
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of final business plans to the national Department of Health by 28 February 2020 • Submission of final business plans to National Treasury by 31 March 2020

HIV, TB, Malaria and Community Outreach Grant: TB Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of the National Strategic Plan on the HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to TB
Outcome statements	<ul style="list-style-type: none"> • Improved coordination and collaboration in the TB response between national and provincial governments • Improved quality of TB (including drug resistant-TB) services including access to prevention, screening, testing, treatment and adherence monitoring and support
Outputs	<ul style="list-style-type: none"> • Number of clients initiated on new drug resistant-TB drugs • Number of TB infected children receiving paediatric formulations • Number of clients screened for symptoms in health facilities • Percentage of TB clients started on treatment • Percentage of confirmed TB Rifampicin Resistant patients started on treatment • Number of newly diagnosed HIV positive patients tested for TB • Number of HIV positive pregnant women tested for TB • Number of TB index patients whose contacts are traced and screened for TB • Number of eligible HIV positive patients tested for TB using urine lipoarabinomannan assay • Number of hospitals which correctly screen, test and manage TB, as determined by the “Finding TB cases Actively, Separately safely, and Treating effectively” (FAST) methodology
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Risks and assumptions (to the success of the programme)
Conditions	<ul style="list-style-type: none"> • Submission of the business plan by provincial departments, in a prescribed format, to the national Department of Health (DoH) and signed by the provincial HoD by 20 March 2019 and submission by national DoH to National Treasury by 29 March 2019
Allocation criteria	<ul style="list-style-type: none"> • Allocation is based on TB workload cases and population numbers post-demarcation
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • TB, multi-drug resistant, and extremely drug resistant strains, are key national priorities and require a countrywide coordinated response which is best achieved through a conditional grant
Past performance	2017/18 audited financial performance
	<ul style="list-style-type: none"> • New component
Projected life	2017/18 service delivery performance (of target set in business plans)
	<ul style="list-style-type: none"> • New component
Projected life	<ul style="list-style-type: none"> • Ongoing in line with National Strategic Plan on the HIV, Sexually Transmitted Infections and TB 2017 – 2022
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R485 million; 2020/21: R512 million and 2021/22: R540 million
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department
	<ul style="list-style-type: none"> • Visit provinces twice a year to monitor implementation and provide support • Meet with National Treasury to review grant performance on a quarterly basis
Responsibilities of the transferring officer and receiving officer	Responsibilities of provincial departments
	<ul style="list-style-type: none"> • Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Submit an electronic version to be followed by a hard copy signed by the provincial grant receiving manager • Clearly indicate measurable objectives and performance targets as agreed with the national department in provincial departmental business plans for 2019/20 and over the medium term expenditure framework • Must assign an official to be responsible for this component
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of draft business plans to national Department of Health by 31 October 2019 • Submission of final business plans to national Department of Health by 31 January 2020 • Submission of final business plans to National Treasury by 31 March 2020

Health Facility Revitalisation Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enable provinces to plan, manage, and transform health infrastructure in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance • To enhance capacity to deliver health infrastructure • To accelerate the fulfilment of the requirements of occupational health and safety
Outcome statements	<ul style="list-style-type: none"> • Improved service delivery by provincial departments as a result of an enhanced and better quality of health services • Improved quality and quantity of well-maintained health infrastructure (backlog and preventative maintenance) • Improved rates of employment and skills development in the delivery of infrastructure • Value for money and cost effective design of facilities in line with the Standard for Infrastructure Procurement and Delivery Management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number of new facilities completed • Number of facilities maintained • Number of facilities upgraded and renovated • Number of facilities commissioned in terms of health technology
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The business plan for this grant consists of the following: <ul style="list-style-type: none"> ○ the User-asset Management Plan (U-AMP) for at least 10 years ○ Infrastructure Programme Management Plan (IPMP) over the 2019 medium term expenditure framework (MTEF) including a list of projects ○ annual implementation plan (AIP)
Conditions	<ul style="list-style-type: none"> • Projects should be initiated in terms of the control framework of the SIPDM stage 0 which requires an initiation report. Pre-feasibility and feasibility reports are required for all projects • With the exception of funding for costs incurred on stages 0, 1 and 2 of SIPDM, projects (business case, project brief and design) must be approved by the national transferring officer before funds can be released for such projects • The management and procurement of all projects funded through this grant must follow the prescripts of the Infrastructure Delivery Management System and SIPDM • Provinces may utilise a portion of grant funding for the appointment of public servants on a permanent basis to their infrastructure units in line with human resource capacitation circular published by National Treasury • In instances where the capacity of the provincial departments of public works is deemed insufficient, the provincial department of health will be entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for appointment of service providers are followed • Provincial departments of health must enter into a service delivery agreement with their implementing agents • Appropriately qualified built environment representatives from the provincial departments' infrastructure units must assist in the procurement of professional service providers and contractors by its implementing agent, through representation as a member on the specification, evaluation and adjudication committees of the implementing agent • Continuing in the 2019/20 financial year, new facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial health department will have to be acquired as part of the approval
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2019/20 are project and performance based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through a conditional grant enables the national department to ensure the delivery, rehabilitation, maintenance and upgrading of health infrastructure in a coordinated and efficient manner and ensure consistency with national norms, standards and guidelines for health facilities
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R5.7 billion made available R5.7 billion (inclusive of a R30 million roll-over) was transferred to provinces (100 per cent), of which R5.6 billion was spent (94.1 per cent) by provinces <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Number of facilities: <ul style="list-style-type: none"> ○ Planned 33 ○ Equipped 33 ○ Constructed 12 ○ Maintained 31

Health Facility Revitalisation Grant	
Projected life	<ul style="list-style-type: none"> Health is a key government priority and given the need to continually maintain health infrastructure to ensure that norms and standards are maintained, the grant will remain in place until at least the end of the 2019/20 MTEF
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R6 billion; 2020/21: R6.4 billion and 2021/22: R6.9 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made on a quarterly basis in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Coordinate and facilitate site visits Attend quarterly provincial infrastructure progress review meetings with National Treasury Provide guidance to provinces on planning, prioritisation and evaluating of U-AMP, IPMP, AIP, project proposals and concept reports that provinces develop and submit Review if provinces comply with the SIPDM Issue guidelines on the capacitation process of infrastructure units, as well as the conditions attached to the utilisation of funds National Department of Health (DoH) and National Treasury must jointly evaluate progress with capacitation of provincial infrastructure units and provide feedback to all provinces DoH must submit quarterly infrastructure reports to National Treasury, according to the template agreed between National Treasury and DoH, within 45 days after the end of each quarter
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Provincial departments must hold progress review meetings with the relevant implementing agents Annual implementation plans signed-off by the Head of Department, sent to the DoH for approval by 6 March 2019 The 2019 MTEF project list as captured in the AIP for both current and capital budgets should cover: <ul style="list-style-type: none"> maintenance of infrastructure renovations, upgrading and additions of infrastructure new and replacement of infrastructure health technology provision organisational development and quality assurance interventions linked to infrastructure projects Provinces must submit to national DoH quarterly reports for all projects funded in the 2019/20 financial year in this grant to the Infrastructure Reporting Model (IRM) through the project management information system (PMIS) Provincial departments of health must align infrastructure plans (U-AMP and IPMP) with their respective Strategic Plans and Annual Performance Plans Provinces will include or transfer to Department of Public Works the list of completed projects to be part of their asset register Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant
Process for approval of 2020/21 Implementation Plans	<ul style="list-style-type: none"> The process for approval for the 2020 MTEF will be in line with the performance based incentive approach guidelines published by National Treasury and national DoH Submission of the U-AMP for 2020/21 by DoH to National Treasury and DoH by 28 June 2019 Submission of the IPMP for 2020/21 by DoH to National Treasury and DoH by 30 August 2019 Submission of the final 2020/21 project list aligned with the MTEF Allocations and AIP by 6 March 2020

Health Professions Training and Development Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To contribute to the implementation of the national human resource plan for health through the clinical training and supervision of health science trainees in designated public health facilities in South Africa
Grant purpose	<ul style="list-style-type: none"> • Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform
Outcome statements	<ul style="list-style-type: none"> • Progressive realisation of the national human resource plan for health • Clinical training and supervision capacity established in designated developmental provinces (Northern Cape, North West, Limpopo, Mpumalanga and Eastern Cape)
Outputs	<ul style="list-style-type: none"> • To report on the number of clinical supervisors associated with clinical training and supervision of students, funded on the public health service delivery platform: <ul style="list-style-type: none"> ○ number of specialists ○ number of registrars ○ number of medical officers ○ number of clinical associates ○ number of postgraduates ○ number of clinical supervisors/trainers per category in nursing, emergency medical services (EMS) and allied health and pharmacy ○ number of grant administration staff
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Non-financial business plan – the number of specialists, registrars, medical officers, clinical supervisors/tutors per category in nursing, emergency medical services, allied health, pharmacy and grant administration staff funded from the grant • Financial business plan – allocation by economic classification to each category of clinical trainer/supervisor
Conditions	<ul style="list-style-type: none"> • Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national Department of Health by 28 February 2019, and the National Treasury by 29 March 2019 • Cost of administration of the grant must not exceed 1 per cent of the total grant allocation
Allocation criteria	<ul style="list-style-type: none"> • Based on historical allocations and spending patterns
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Provinces give effect to the national human resource strategy by the clinical training and supervision of health science trainees on the public health service platform • National coordination needed for health science training
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R2.6 billion to provinces, of which R2.5 billion (96.2 per cent) was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 536 specialists • 1 672 registrars • 310 medical officers • 1 333 clinical supervisors/trainers per category in nursing, EMS and allied health and pharmacy • 13 grant administration staff
Projected life	<ul style="list-style-type: none"> • The grant is subject to review at the end of the 2019 MTEF. Its projected life will be guided by the need for health science trainees to be trained and supervised on the public health service platform
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R2.9 billion; 2020/21: R3.1 billion and 2021/22: R3.3 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Convene at least one annual meeting of national, provincial and facility programme managers • Monitor the number of health science trainers/clinical supervisors that are responsible for health science training on the public health service delivery platform • Conduct a minimum of one site visits to provinces and site visits to selected facilities on a rotational basis

Health Professions Training and Development Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must provide the allocated amounts for individual facilities to the relevant provincial treasury for gazetting as per the number of agreed-upon business plans per province and be facility/cluster specific, by 26 April 2019 • Provinces must maintain a separate budget for each benefiting facility/cluster • The receiving officer must supply each benefiting facility/cluster budget letter to the facility head by 26 April 2019 • Provinces to monitor the following categories of health science trainers/ clinical supervisors on the public health service delivery platform by category: <ul style="list-style-type: none"> ○ number of specialists ○ number of registrars ○ number of medical officers ○ number of clinical associates ○ number of postgraduates ○ number of clinical supervisors/trainers per category in nursing, EMS and allied health and pharmacy ○ number of grant administration staff • Submission of updated specialist details funded by the grant at facility level by 29 November 2019 • Submission of updated specialist details funded on the equitable share by 29 November 2019 • Report quarterly (by economic classification) on financial and non-financial performance in the approved expenditure areas • Conduct a minimum of two site visits to each budgeted facility/complex per annum and submit reports of these site visits to the national Department of Health
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Draft business plans for 2020/21 must be submitted in the approved format by 31 October 2019 • Completion of an approved business plan, in the prescribed format, signed by each receiving officer by 31 January 2020 and the transferring officer by 31 March 2020

Human Papillomavirus Vaccine Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce the incidence of cancer of the cervix through the provision of the Human Papillomavirus (HPV) vaccination to grade four school girls in all public schools and special schools
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to prevent cervical cancer by making available HPV vaccination for grade four school girls in all public and special schools
Outcome statements	<ul style="list-style-type: none"> • Increased access to HPV vaccines by grade four school girls in all public and special schools
Outputs	<ul style="list-style-type: none"> • 80 per cent of grade four schoolgirls aged 9 and above vaccinated for HPV • 80 per cent of schools with grade four girls reached by the HPV vaccination team
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The grant uses a business plan and should contain the following: <ul style="list-style-type: none"> ○ agreed upon services ○ output indicators ○ inputs ○ key activities and allocation ○ risk management plans ○ cash flow management
Conditions	<ul style="list-style-type: none"> • Completion of the business plan in the prescribed format determined by the national Department of Health (DoH), signed and submitted by each receiving officer to the transferring officer by 28 February 2019 and submitted to National Treasury by 29 March 2019 • Ensure provinces include HPV vaccination indicators in provincial annual performance plans • Grant funding must also be used to strengthen capacity in provinces to manage the programme • Social mobilisation to promote the uptake of HPV vaccination to prevent cervical cancer should be done as part of this programme • In the 2020/21 financial year, the target group for vaccination will be grade five girls
Allocation criteria	<ul style="list-style-type: none"> • Allocations based on the number of grade four girls and schools with grade four from the education management information system in each province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Cervical cancer is a high national priority and requires uniform implementation to achieve the minimum coverage of 80 per cent and have the desired impact of significantly reducing incidences of cervical cancer • To develop provincial capacity for provinces to assume the responsibility of the programme from 2019/20
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> • Allocated and transferred R200 million of which R200 million (100 per cent) was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 71.5 per cent of eligible grade four school girls received the HPV vaccination • 61.4 per cent of schools with grade four girls reached by the HPV vaccination team
Projected life	<ul style="list-style-type: none"> • Grant will continue until 2021/22, thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R211 million; 2020/21: R223 million and 2021/22: R235 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Manage the contracts for vaccine and supporting information systems • Monitor and support provincial planning and implementation and meet the province twice a year to review performance • Meet with National Treasury to review the performance of the grant on a quarterly basis • Strengthen the capacity of provinces to deliver the HPV vaccination programme <p>Responsibilities of provincial department</p> <ul style="list-style-type: none"> • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme • Assign a dedicated official the responsibility of managing the HPV vaccination programme • Where possible, utilise existing human resource and transport capacity at all relevant levels and augment capacity where needed on a contractual basis
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Draft business plans for 2020/21 must be submitted in an approved format by 31 October 2019 • Final business plans signed by each receiving officer must be submitted to the transferring officer by 31 January 2020 and submitted to the National Treasury by 30 March 2020

Human Resources Capacitation Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • Effective implementation of human resources for health strategy, health workforce capacity development for sustainable service delivery
Grant purpose	<ul style="list-style-type: none"> • To expand healthcare service benefits through the strategic purchasing of services from healthcare providers
Outcome statements	<ul style="list-style-type: none"> • Implementation of strategic purchasing platform to contract providers. • Enhanced access to healthcare services, by addressing critical skills shortages in underserved communities through contracting
Outputs	<ul style="list-style-type: none"> • Number of health professionals appointed (total, by district, category and by discipline) • Percentage reduction in vacancy rate on categories of funded and non-funded posts
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A Long and healthy life for all South Africans
Details contained in the business plan	<p>This grant uses an implementation framework approved by the National Health Council, which contains the following:</p> <ul style="list-style-type: none"> • Inputs • Number of health professional currently in the system, according to their staff category • Description of the process for prioritising the critical posts to be filled through the grant • Number of health professionals to be hired, including: <ul style="list-style-type: none"> ○ performance monitoring requirements; and ○ processes for the management and reimbursement of health professionals • Output indicators, including: <ul style="list-style-type: none"> ○ target population ○ number of patients to access care ○ elimination of backlogs ○ key milestones with projected dates when this will be achieved • Key activities and resource schedule • Monitoring and evaluation plan • Risk management plans • Cash flow projections • The project will be managed by the national Department of Health (DoH) and will report to the National Health Council, via the National Health Council Technical Advisory Committee
Conditions	<ul style="list-style-type: none"> • A completed and signed-off business plan must be submitted by the receiving officer to the national DoH by 28 February 2019 and submitted by the national transferring officer to National Treasury by 29 March 2019 • Number of critical health professionals on the establishment of provincial DoH may not fall below the baselines established as at November 2018 • Funds may only be used for the payment of compensation of new critical health professionals and not those already funded either through the equitable share or other conditional grants • Funding from this grant may only be used for the filling of statutory posts (i.e. intern and community service posts) until the following have been provided to the National Treasury and approval has been given by National Treasury: <ul style="list-style-type: none"> ○ demonstration that the carry-through costs of all posts to be filled under this grant have been funded throughout the medium term expenditure framework (MTEF) period ○ information requested by the National Treasury is satisfactorily provided, including: <ul style="list-style-type: none"> ○ the number of posts filled already during 2018/19, broken down by type of post, province and the estimated cost of these posts over the 2019 MTEF ○ a detailed list of the posts to be filled, broken down by type of post, province, and the estimated cost of these posts over the 2019 MTEF • A detailed description of the methodology used to determine which posts have been and are planned to be filled
Allocation criteria	<ul style="list-style-type: none"> • As identified in the business plan, allocations will be based on the following criteria <ul style="list-style-type: none"> ○ provinces with greatest needs will be prioritised ○ number of health professionals ○ defined reduction in specified backlogs ○ future projections on professional production versus need

Human Resources Capacitation Grant	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> To ensure that the additional human resources funded through this component address unmet health need as opposed to perpetuating historical allocation patterns
Past performance	2017/18 audited financial outcomes <ul style="list-style-type: none"> Not applicable – new grant
	2017/18 service delivery performance <ul style="list-style-type: none"> Not applicable – new grant
Projected life	<ul style="list-style-type: none"> Remain in place over the 2019 MTEF period and subject to the phased implementation of National Health Insurance
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R605 million; 2020/21: R1.1 billion and 2021/22: R1.1 billion
Payment schedule	<ul style="list-style-type: none"> Payments will be made according to the approved payment schedule
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Monitor the number of critical health professionals on the establishment of provincial Departments of Health to ensure that it does not fall below established November 2018 baselines Ensure that contractual commitments with implications for the MTEF period do not exceed the MTEF allocations Ensure that provincial departments are consulted in the prioritisation of posts to be filled and included in the recruitment process of health professionals Submit quarterly financial and non-financial performance reports to the National Health Council and the National Treasury Meet with National Treasury to review the performance of the grant
	Responsibilities of provincial departments <ul style="list-style-type: none"> Support the achievement of grant outputs Ensure that the provision and funding of existing programmes and services continues and is not substituted by the implementation of this grant Provinces must report their current compensation of employees both under equitable share and other conditional grants On a quarterly basis, provinces must report on the number of critical health professionals in the establishment funded from equitable share, other conditional grants, and this grant Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Draft business plans for 2020/21 must be submitted in the approved format by 31 October 2019 Final business plans signed by each receiving officer must be submitted to the transferring officer by 31 January 2020 and submitted to the National Treasury by 30 March 2020

National Health Insurance Indirect Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the public healthcare system in preparation for National Health Insurance (NHI), design of NHI through innovative testing of new reforms and to improve quality of services at primary health care facilities • To achieve universal health access through the phased implementation of NHI and to improve access to quality healthcare services • To ensure appropriate health infrastructure that is in line with national and provincial policy objectives • This grant has three components: <ul style="list-style-type: none"> ○ Non-Personal Services Component ○ Personal Services Component ○ Health Facility Revitalisation Component
Grant purpose	<ul style="list-style-type: none"> • To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance (NHI) • To enhance capacity and capability to deliver infrastructure for NHI • To accelerate the fulfilment of the requirements of occupational health and safety • Expand the alternative models for the dispensing and distribution of chronic medication • Develop and roll-out new health information systems in preparation for NHI • Enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results through the implementation of the Ideal Clinic programme • To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers
Outcome statements	<ul style="list-style-type: none"> • As specified in the three component frameworks
Outputs	<ul style="list-style-type: none"> • As specified in the three component frameworks
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • As specified in the three component frameworks
Conditions	<ul style="list-style-type: none"> • As specified in the three component frameworks
Allocation criteria	<ul style="list-style-type: none"> • As specified in the three component frameworks
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • As specified in the three component frameworks
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> • As specified in the three component frameworks <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • As specified in the three component frameworks
Projected life	<ul style="list-style-type: none"> • Subject to policy developments that will be finalised as part of the implementation of NHI
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R2.5 billion; 2020/21: R3.2 billion and 2021/22: R3.3 billion of which the three components are; <ul style="list-style-type: none"> ○ Non-Personal Services Component: 2019/20: R758 million; 2020/21: R832 million and 2021/22: R859 million ○ Personal Services Component: 2019/20: R639 million; 2020/21: R783 million and 2021/22: R915 million ○ Health Facility Revitalisation Component: 2019/20: R1.1 billion; 2020/21: R1.6 billion and 2021/22: R1.6 billion, of which the following amounts are earmarked for the Limpopo Academic Hospital project: 2019/20: R247 million; 2020/21: R653 million and 2021/22: R488 million
Payment schedule	<ul style="list-style-type: none"> • As specified in the three component frameworks
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • As specified in the three component frameworks <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • As specified in the three component frameworks
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • As specified in the three component frameworks

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure appropriate health infrastructure that is in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance (NHI) • To enhance capacity and capability to deliver infrastructure for NHI • To accelerate the fulfilment of the requirements of occupational health and safety
Outcome statements	<ul style="list-style-type: none"> • Appropriate procurement of service providers for infrastructure delivery for NHI • Improved spending, performance, monitoring and evaluation of infrastructure projects for NHI • Improved employment and skills development in the delivery of infrastructure for NHI • Value for money and cost-effectively designed facilities in line with the Standard for Infrastructure Procurement and Delivery Management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number of new facilities completed • Number of facilities upgraded • Number of additions • Number of facilities refurbished • Number of facilities commissioned in terms of health technology
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The infrastructure programme management plan (IPMP) for the 2019 medium term expenditure framework (MTEF) aligned to the infrastructure delivery management system and SIPDM will be submitted on 28 May 2019 and will include the following: <ul style="list-style-type: none"> ○ costed project lists with annual cash flow projections per project for the full duration of the projects on the programme ○ projected milestones per project for SIPDM control framework stages indicating current stage of the project
Conditions	<ul style="list-style-type: none"> • The national Department of Health (DoH) must, in consultation with the provinces, have in place an intergovernmental protocol framework covering the 2019 MTEF and outlining how the grant will operate as well as the responsibility and functions of each sphere. Project sheets will form part of the agreement • Should there be an amendment to an existing protocol agreement, the amended agreement should be submitted to the National Treasury by 28 June 2019 • Prior to submitting the IPMP, each provincial department must have signed-off a project sheet for all projects funded from the grant which lists scope of work, current stage and anticipated target dates for achieving stages of the control framework, operational budgets (i.e. personnel, equipment, etc.) and maintenance budgets • With all new projects, DoH must comply with SIPDM processes • For projects with a total project cost exceeding R500 million, DoH must notify National Treasury when the SIPDM stage 3 is reached • The grant component must only be spent on projects included in the business plan and project lists signed by provinces. Projects can only be added to the business plan as part of the adjustment budget process, subject to National Treasury approval • Appropriately qualified built environment representatives from the national department must assist in the procurement of professional service providers and contractors by its implementing agent • DoH may utilise a portion of grant funding for the appointment of public servants on 36 month contracts to their infrastructure units. The amount that can be used for this is determined in terms of the conditions set by the 2019 Appropriation Act • All completed projects must have a close-out report with a documented maintenance plan • New facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial department must be acquired as part of the approval • The amounts earmarked for Limpopo Academic Hospital may only be used for this project and are subject to the conditions set out in Annexure B of the 2019 MTEF allocation letter of the Department of Health
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2019/20 are project based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through an indirect conditional grant enables the national department to ensure the delivery and maintenance of health infrastructure in a coordinated and efficient manner that is consistent with national norms, standards and guidelines for health facilities

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R719 million of which R657 million (91.4 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Initial Phase and Planning Phase: 53 • Tender: 5 • Construction: 135 • Retention: 138 • Total projects: 338
Projected life	<ul style="list-style-type: none"> • NHI is a key government priority and given the need to continually maintain health infrastructure and ensure that norms and standards are maintained, the grant will continue over the 2019 MTEF, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R1.1 billion; 2020/21: R1.6 billion and 2021/22: R1.6 billion, of which the following amounts are earmarked for the Limpopo Academic Hospital project: <ul style="list-style-type: none"> ○ 2019/20: R247 million; 2020/21: R653 million and 2021/22: R488 million
Payment schedule	<ul style="list-style-type: none"> • Monthly payments made according to verified and approved invoices from the services providers
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Build and demonstrate the capacity necessary to manage this grant • Ensure alignment between the IPMP and the annual performance plan • Undertake the infrastructure development cycle to the extent agreed with the provinces in the implementation protocol agreements • Convene progress review committees with appropriate reporting and invite National Treasury and Provinces • DoH must maintain an up-to-date database (project management information system), infrastructure reporting model (IRM) with all contracts that are fully or partially funded by this grant and provide the IRM report on a monthly basis • Meet with National Treasury to review grant performance on a quarterly basis • Collaboration and coordination with provincial departments of health for the full development cycle of infrastructure development in respect of projects funded by this grant • In instances where the capacity of the DoH and the provincial department are deemed insufficient, DoH is entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for the appointment of service providers are followed. In those cases, service level agreements between DoH and the implementing agent must be in place • DoH must convene quarterly progress review committee meetings with all project managers, implementing agents and National Treasury for monitoring and oversight of the performance of all funded projects • Provide provincial departments of health with progress of the projects under this grant for inclusion in provincial annual reports • DoH must submit quarterly infrastructure reports to National Treasury, according to the agreed template between National Treasury and DoH, within 45 days after the end of each quarter <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must ensure that the completed projects are included in the asset registers of the provincial departments of public works • Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant by the DoH • All immovable asset management and maintenance responsibilities of the completed projects under this grant as prescribed by the Government Immovable Asset Management Act of 2007 rests with the provinces • Provinces should report on progress of the projects under this grant in their annual reports and describe how these facilities have been considered in their future planning and budgeting. The projects must be included in the provincial user-asset management plans
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of a draft IPMP to National Treasury by 30 August 2019 • Submission of the final IPMP to National Treasury by 31 March 2020 • Submission of signed implementation protocol by 26 June 2020

National Health Insurance Indirect Grant: Non-Personal Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the public healthcare system in preparation for National Health Insurance (NHI) • To strengthen the design of NHI through innovative testing of new reforms • To improve the quality of services at primary health care facilities
Grant purpose	<ul style="list-style-type: none"> • To expand the alternative models for the dispensing and distribution of chronic medication • To develop and roll out new health information systems in preparation for NHI • To enable the health sector to address the deficiencies in primary health care facilities systematically and to yield fast results through the implementation of the Ideal Clinic programme
Outcome statements	<ul style="list-style-type: none"> • Improved access to and quality of healthcare through: <ul style="list-style-type: none"> ○ expansion of the alternative dispensing and distribution model for chronic medication ○ improved quality health services in all primary health care facilities through the Ideal Clinic programme ○ building and implementation of the enterprise architecture design for national health insurance patient information systems ○ development and implementation of systems for medicines stock management and procurement
Outputs	<ul style="list-style-type: none"> • Alternative chronic medicine dispensing and distribution model implemented • Number of new and number of total patients registered in the programme, broken down by the following: <ul style="list-style-type: none"> ○ antiretroviral treatment ○ antiretroviral with co-morbidities ○ non-communicable diseases ○ number of pickup points (state and non-state) • Number and percentage of primary healthcare facilities peer reviewed against the Ideal Clinic standards • Number and percentage of primary healthcare facilities achieving an ideal status • Number of public health facilities implementing the health patient registration system • Number and percentage of the population registered on the health patient registration system • National data centre hosting environment for NHI information systems established • Number of primary healthcare facilities implementing an electronic stock monitoring system • Number of hospitals implementing an electronic stock management system • Number of fixed health establishments reporting medicines availability to the national surveillance centre
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Input • Output indicators • Outcome indicators • Milestones with projected dates when this will be achieved • Description of how the project will be managed including the roles and responsibilities of national and provincial departments • Key activities and resource schedule • Monitoring and evaluation plan • Risk management plans • Cash flow projections
Conditions	<ul style="list-style-type: none"> • Completion of a business plan by the national Department of Health (DoH) signed by the transferring officer by 29 March 2019 and submitted to the National Treasury by 29 March 2019 • All information systems developed and implemented under this grant component must comply with the interoperability norms and standards as approved by the National Health Council • No more than 3 per cent of this grant component may be used for grant administration
Allocation criteria	<ul style="list-style-type: none"> • The alternative chronic care medication dispensing and distribution model allocations will be based on the volume of patients per province • Ideal clinic sub-component allocation is based on the number of identified facilities and their needs in each province • Information systems sub-component is not allocated per province and will be utilised towards the development and making sure that implementation is standardised across provinces, districts and public health facilities, and towards the establishment of unified health information and management of health commodities for the country
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The importance of central coordination in the development of models and the establishment of NHI to inform ongoing NHI designs • Ideal Clinic is a key national priority and requires a systematic implementation to achieve quality health care services • In line with the National Health Act sections 74(1) and 74(2), the national department has to develop and coordinate all Health Information Systems in the country. This is a complex programme with many facets that requires an iterative process of testing and implementation in a phased manner. This situation calls for dedicated funding which will allow for institutionalisation over time

National Health Insurance Indirect Grant: Non-Personal Services Component	
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Grant component introduced in 2018/19 <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Grant component introduced in 2018/19
Projected life	<ul style="list-style-type: none"> • Subject to policy developments that will be finalised as part of the implementation of NHI
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R758 million; 2020/21: R832 million and 2021/22: R859 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans from the service providers • Monthly instalments which may be altered at the discretion of National Treasury based on invoices paid
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • To establish contracts with service providers for the delivery of goods and services as necessary in the four sub-components outlined above • Establish the necessary organisational structures and build capacity within the DoH to implement, oversee and monitor the execution of all approved projects using the 3 per cent administrative costs provision • Manage, monitor and support provincial programme planning and implementation • Meet with the National Treasury to review the performance of the grant on a quarterly basis • Strengthen the capacity of provinces to realise and maintain Ideal Clinic status • Maintain the Ideal Clinic software <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Facilitate the achievement of grant outputs • Delegate a person responsible for managing the Ideal Clinic programme, health patient registration system programme, medicines information systems and Central Chronic Medicine Dispensing and Distribution (CCMDD), respectively • Provinces are responsible for ensuring medicines availability to service providers for the CCMDD programme aligned to the medicines formulary • Ensure compliance with all reporting requirements and adherence to the provisions of service level agreements • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems (storage space for filing cabinets etc.) • Include performance indicators related the four sub-components in the provincial annual performance plans • Provinces must develop draft implementation plans to assume responsibility for the centralised chronic medicines dispensing and distribution, Ideal Clinic and information systems • Submit quarterly performance reports to national DoH
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of the business plan signed by the transferring officer on 31 March 2020 to National Treasury

National Health Insurance Indirect Grant: Personal Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To achieve universal health access through the phased implementation of National Health Insurance (NHI) and to improve access to quality healthcare services
Grant purpose	<ul style="list-style-type: none"> • To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers
Outcome statements	<ul style="list-style-type: none"> • Implementation of strategic purchasing platform for healthcare providers • Screen learners and deliver primary care services where appropriate • Finalisation of a risk-adjusted capitation model for the reimbursement of primary healthcare (PHC) services • Implement community-based mental healthcare services • Enhance access to healthcare services for obstetric and cancer patients
Outputs	<ul style="list-style-type: none"> • Number of health professionals contracted (total and by discipline) • Number of health professionals contracted through capitation arrangements • Improved identification and management of high-risk pregnancies • Improved care of women during labour with the management of complications • Number of patients screened and treated for mental health problems • Percentage reduction in the backlog of forensic mental observations • Number of learners who have been referred by school health services for further assessment and management to audiologists, optometrists, speech therapists and others • Number of learners equipped with required assistive devices through school health services • Percentage reduction in radiation oncology backlog
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Number of health professionals to be contracted, including: <ul style="list-style-type: none"> ○ process of accreditation of providers ○ performance monitoring requirements ○ processes for the management and reimbursement of health professionals • Output indicators, including: <ul style="list-style-type: none"> ○ target population ○ number of patients to access care ○ elimination of backlogs ○ key milestones with projected dates when these will be achieved • Key activities and resource schedule • Monitoring and evaluation plan • Risk management plans • Cash flow projections • The project will be managed by the national department and will report to the National Health Council, via the National Health Council's technical advisory committee
Conditions	<ul style="list-style-type: none"> • The funding will be used for the following services: <ul style="list-style-type: none"> ○ with respect to addressing oncology backlogs: provincial health departments to supply verified data on oncology backlogs and all costs of drugs, consumables and laboratory tests to be covered by the provincial health department ○ with respect to obstetric care: specialist and general practitioners time to support identified high-risk obstetric case management including support to do elective and emergency caesarean sections ○ with respect to school health services: to address the backlog of learners who have been screened to date but have not yet received the required healthcare and to provide assistive devices for learners ○ contracting of the national health laboratory services for pathology related services including supply of test kits • Submission of completed and signed-off business plan and implementation framework by the national transferring authority by 29 March 2019 to the National Treasury
Allocation criteria	<ul style="list-style-type: none"> • As identified in the business plan, allocations will be based on the following criteria: <ul style="list-style-type: none"> ○ prevalence of identified conditions ○ provinces with greatest needs will be prioritised ○ number of health professionals contracted ○ defined reduction in specified backlogs ○ defined follow-up treatment of school health learners and provision of assistive devices
Reasons not incorporated in	<ul style="list-style-type: none"> • The principle of a single fund is articulated in the Cabinet approved White Paper on National Health

National Health Insurance Indirect Grant: Personal Services Component	
equitable share	Insurance. This situation calls for dedicated funding which will allow for institutionalisation over time as a single NHI Fund
Past performance	2017/18 audited financial outcomes
	<ul style="list-style-type: none"> • Grant component introduced in 2018/19
Projected life	2017/18 service delivery performance
	<ul style="list-style-type: none"> • Grant component introduced in 2018/19
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R489 million; 2020/21: R583 million and 2021/22: R704 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans with the service providers
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department
	<ul style="list-style-type: none"> • The national Department of Health (DoH) will be responsible for the creation of the interim structures until the NHI Fund is fully established • A committee comprising of national DoH and National Treasury officials has been established, with specific terms of reference to set up the NHI Fund • Establishment of a steering committee comprising of the national DoH and the National Treasury to oversee the implementation and progress of the NHI Fund • Submission of quarterly financial and non-financial performance reports to the National Health Council and the National Treasury
	Responsibilities for the interim structures prior to the establishment of the NHI Fund
	<ul style="list-style-type: none"> • The interim structures, prior to the establishment of the NHI Fund will be responsible for feasibility testing of contracting and strategic purchasing of personal health services from appropriately accredited health care providers on behalf of the covered population • The interim structure will be responsible for the following functions: <ul style="list-style-type: none"> ○ develop mechanisms for purchasing of services funded by NHI ○ develop mechanisms for procuring of goods including drugs, medical equipment and technology on behalf of providers that will be contracted for NHI ○ develop payment strategies for contracted providers at various levels of care ○ process utilisation transactions received from contracted service providers ○ collate utilisation data, and implement information management systems ○ develop contracting and payment policies ○ supervise the actual contracting with hospitals at provincial and central levels • Submission of quarterly financial and non-financial performance reports to the national DoH
Process for approval of 2020/21 business plans	Responsibilities of provincial departments
	<ul style="list-style-type: none"> • Facilitate the achievement of grant outputs • Ensure that the provision and funding of existing programmes and services continues and is not substituted by the implementation of this grant • Submission of quarterly financial and non-financial performance reports to the national DoH with respect to the continuation of provision and funding of existing programmes and services • Provincial health departments must provide the national DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems
	<ul style="list-style-type: none"> • Submission of signed business plan by the transferring officer to the National Treasury by 29 March 2019

National Tertiary Services Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform
Grant purpose	<ul style="list-style-type: none"> • Ensure the provision of tertiary health services in South Africa • To compensate tertiary facilities for the additional costs associated with the provision of these services
Outcome statements	<ul style="list-style-type: none"> • Modernised and transformed tertiary services that allow for improved access and equity to address the burden of disease • Accelerated modernisation of tertiary services in developmental provinces (Eastern Cape, Limpopo, Mpumalanga, Northern Cape and North West)
Outputs	<ul style="list-style-type: none"> • Number of inpatient separations • Number of day patient separations • Number of outpatients first attendances • Number of outpatient follow-up attendances • Number of inpatient days • Average length of stay by facility (tertiary) • Bed utilisation rate by facility (all levels of care)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses business plans which are signed between the national Department of Health (DoH) and each province and contain the following: <ul style="list-style-type: none"> ○ provincial and institutional allocations ○ tertiary services specifications (approved YES list) funded by the grant, by facility by province ○ annual targets for inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits per facility per province per year ○ monitoring and reporting responsibilities ○ validation and revision of data ○ deviations or changes to tertiary services ○ referral responsibilities ○ approved business plan ○ approved specialists funded from the grant (approved specialist detail list) ○ national guidelines on definitions of tertiary services that may be funded by the grant
Conditions	<ul style="list-style-type: none"> • Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national DoH by 28 February 2019, and the National Treasury by 29 March 2019 • The grant allocation to each central/provincial tertiary facility must not exceed a maximum of 65 per cent of the total facility budget • To facilitate the acceleration of modernisation of tertiary services in developmental provinces, up to 10 per cent of the provincial grant allocation should be used for the development of tertiary services currently not provided in the province, where an existing service requires the appointment of an Health Professionals Council of South Africa registered specialist and in accordance with nationally approved business plans • Cost of administration of the grant must not exceed one per cent of the total grant allocation • The following amounts in the allocation to Gauteng are earmarked to fund the operations of the Nelson Mandela Children's Hospital: <ul style="list-style-type: none"> ○ R300 million in 2019/20 ○ R317 million in 2020/21 ○ R334 million in 2021/22 • Total remuneration packages for the staff at the Nelson Mandela Children's Hospital, paid from this grant and any other sources, may not exceed Department of Public Service and Administration approved remuneration rates; total remuneration packages must be captured and submitted to both the provincial, and the national Department of Health • The services offered by the Nelson Mandela Children's Hospital should be integrated into the service delivery platform in collaboration with relevant provinces, particularly Gauteng
Allocation criteria	<ul style="list-style-type: none"> • Based on historical allocations and spending patterns
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • There are significant cross-boundary flows associated with tertiary services that are not affected by provincial boundaries due to their specialised nature
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R11.7 billion to provinces, of which R11.4 billion (97.4 per cent) was spent by the end of the national financial year

National Tertiary Services Grant	
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 217 252 inpatient separations • 1.3 million inpatient days • 392 291 outpatient first attendances • 964 035 outpatient follow up attendances • 119 773 day patient separations
Projected life	<ul style="list-style-type: none"> • Support for tertiary services will continue because of the need to sustain and modernise tertiary services
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R13.2 billion; 2020/21: R14.1 billion and 2021/22: R14.8 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the payment schedule approved by National Treasury except for the Nelson Mandela Children's Hospital where the first payment of R100 million will be made in April 2019. Payments of an additional R100 million each will be made in July and October 2019 based on evidence of satisfactory performance
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Convene at least one annual meeting of national, provincial and facility programme managers • Monitor expenditure by economic classification, and patient activity and provide on-site support to facilities/complexes and provinces • Conduct a minimum of two site visits to provinces and a minimum of one site visit to facilities/complexes. Provincial visits to include facilities • Identify the national need for service delivery and facilitate the development of those services through business plan planning processes
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Completion of a provincial service level agreement/memorandum of understanding signed by the receiving officer and the benefiting institution by 29 March 2019 and submission to the national DoH by 26 April 2019 (due date for Nelson Mandela Children's Hospital is 29 March 2019) • Provinces must provide the allocated amounts for individual funded facilities/clusters to the relevant provincial treasury for gazetting as per the number of agreed-upon business plans per province and facility/cluster by 26 April 2019 • Provinces must maintain a separate budget for each benefiting facility • The receiving officer must supply the head of each benefiting facility/complex with a budget letter which includes the equitable share allocation by 30 April 2019 • Conduct a minimum of two sites visit to each budgeted facility/complex per annum and submit reports of these site visits to the national DoH • Submission of updated specialist details funded by the equitable share at facility level by 29 November 2019 • Submission of updated specialist details funded by the grant at facility level by 29 November 2019 • Submission of service specifications funded at each facility (new YES list) by 29 November 2019 • Submission of quarterly reports in the approved expenditure areas in the prescribed format • Provide patient utilisation data (inpatient separations, inpatient days, day case separations, outpatient first visits, outpatient follow up visits and patient-day equivalents) average length of stay (tertiary) and bed utilisation rates (all levels of care) as per the prescribed format • Provide the number of inpatient separations for intensive care units (ICU) and neonatal ICU quarterly • Provide the number of inpatient days for ICU and neonatal ICU quarterly • Provinces intending on developing a new service area need to submit a separate business plan outlining the investment case to the national DoH for approval • Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted no later than 15 October 2019. This will be the only time that provinces can request amendments to their approved business plan. Revised plans will be approved by 31 October 2019
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of draft business plans (provincial and facility) by 31 October 2019 • Completion of a business plan, in the prescribed format, signed by each receiving officer by 31 January 2020 and the transferring officer by 31 March 2020

HUMAN SETTLEMENTS GRANTS

Human Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> The creation of sustainable and integrated human settlements that enable improved quality of household life
Grant purpose	<ul style="list-style-type: none"> To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements
Outcome statements	<ul style="list-style-type: none"> The facilitation and provision of adequate housing opportunities and improved quality living environments A functionally equitable and integrated residential property market Enhanced institutional capabilities for effective coordination of spatial investment decisions <p>Upgrading Informal Settlements Programme (UISP) window</p> <ul style="list-style-type: none"> The Human Settlements Development Grant (HSDG) includes a new window from 2019/20. This window is also intended to serve as a planning and preparation platform towards the introduction of a new informal settlements upgrading grant. In 2019/20 this window will promote the following outcomes for communities living in informal settlements: <ul style="list-style-type: none"> tenure security: to provide tenure rights to households living in informal settlements health and security: to ensure the provision of healthy and secure living environments for households living in informal settlements empowerment: facilitate community partnership and participation in the development of settlements
Outputs	<ul style="list-style-type: none"> Number of housing opportunities created may include the following: <ul style="list-style-type: none"> number of residential units delivered in relevant housing programmes number of serviced sites delivered in relevant housing programmes Number of households in informal settlements provided with access to basic services Number of informal settlements upgraded in situ and/or relocated Number of title deeds registered to a beneficiary post 31 March 2014 Hectares of well-located land acquired for development of housing opportunities Hectares of well-located land acquired (zoned) and number of housing opportunities created Number of socio-economic amenities delivered in human settlements Number of integrated residential development projects planned, approved, funded and implemented <p>UISP window</p> <ul style="list-style-type: none"> Programmatic province-wide informal settlements upgrading strategy Number of approved individual informal settlements upgrading plans prepared utilising the National Upgrading Support Programme (NUSP) Number of social compacts concluded with communities and/or community resource organisations outlining their role in the upgrading process Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework (SDF) and Spatial Planning and Land Use Management Act and municipal by-laws enacted in this regard Number of approved upgrading plans implemented Number of households provided with secure tenure Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity (grid and non-grid)) Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, stormwater, refuse removal and bulk connections for water, sanitation and electricity)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Medium-term strategic framework targets, outputs and outcomes Project planning and facilitation Outputs and targets Cash flow projections (payment schedule) Quarterly reporting Project information Project readiness matrix Title deeds project pipeline matrix Planned projects and spending per priority mining town Infrastructure reporting model Professional fees and pre-planning

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Number of job opportunities to be created <p>UISP window</p> <ul style="list-style-type: none"> • This window requires that provinces prioritise informal settlements for upgrading in 2019/20 using the human settlements chapters of the Integrated Development Plans of the relevant municipalities • Provinces must submit an Informal Settlement Upgrading Plan for each settlement to be upgraded, prepared in terms of NUSP, which includes: <ul style="list-style-type: none"> ○ project description ○ settlement name and GIS coordinates ○ project institutional arrangements ○ sustainable livelihood implementation plan ○ outputs and targets for services to be delivered ○ cash flow projections (payment schedule) ○ details of the support plan ○ risk management plan
Conditions	<ul style="list-style-type: none"> • Funds for this grant should be utilised for the priorities as set out in the 2014-2019 Medium Term Strategic Framework for human settlements • The transfer of the first tranche of funds is conditional upon national Department of Human Settlements (DHS) approving provincial business plans consistent with the provisions of the Housing Act, 2019 Division of Revenue Act (DoRA) and in compliance with the National Housing Code • The transfer of subsequent tranches is conditional on provinces capturing the targets and budget, delivery statistics, and expenditure monthly on the Housing Subsidy System (HSS) and the Basic Accounting System at a sub-sub-programme level and project level, and submitting monthly reconciliations within the required time frames • Provinces must ensure reconciliation and alignment of financial and non-financial outputs between the HSS and Basic Accounting System on a monthly basis • All projects in the approved business plan must be aligned with the Integrated Development Plan (IDP) and the Spatial Development Framework of municipalities as well as the Built Environment Performance Plan (BEPP) for metropolitan municipalities • Draft and final business plans must be aligned to provincial annual performance plans • Provincial Heads of Departments (HoDs) must sign-off and confirm that projects captured in their business plans are assessed and approved for implementation in the 2019/20 financial year • Provinces may utilise up to a maximum of 5 per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects contained in the business plan • Provinces must indicate budget allocations consistent with provincial and related municipal backlogs for adequate housing • Provinces must gazette planned expenditure for three years for the accredited municipalities in terms of the 2019 DoRA by no later than 31 May 2019. This should also specify the amount of operational funding to be transferred to accredited municipalities • Where municipalities have been accredited for the housing function, the provincial business plans must reflect relevant allocations, targets and outputs as agreed and approved with the respective municipalities • Provinces may utilise a maximum of 2 per cent of the Human Settlements Development Grant (HSDG) for the provision of bulk infrastructure projects for basic services in non-metropolitan municipalities to unlock human settlement projects on condition that the funding is complementary with commitments by municipalities in their Integrated Development Plan and municipal budget for provision of such bulk and infrastructure with Municipal Infrastructure Grant funding. Prior approval of the transferring officer is required for this spending • Provinces may request in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted between 15 August and 15 October 2019. This will be the only time that provinces can request an amendment to the approved business plan. Revised plans will be approved by 30 October 2019 • The payment schedules should be derived from the cash flows contained in the approved business plan • The following funds are earmarked to support the upgrading of informal settlements in municipalities with distressed mining communities. The following funds are ring-fenced within provincial allocations and may only be utilised to fund projects and related infrastructure (including bulk in terms of the Housing Code) for housing and integrated human settlements developments within prioritised mining towns, as approved in the provincial business plan: <ul style="list-style-type: none"> ○ Free State: R59.6 million ○ Gauteng: R136.3 million ○ Limpopo: R148.7 million ○ Mpumalanga: R120.9 million ○ Northern Cape: R122 million ○ North West: R311.9 million

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Provinces must include the nationally approved human settlements catalytic projects in their business plans as per the catalytic programme requirements. In addition, provinces must allocate a reasonable percentage of their grant allocation to the approved national priority catalytic projects in line with their project readiness status • At least 2 per cent of the HSDG grant should be allocated to programmes and projects for the implementation of innovative building technologies in the human settlements implementation delivery chain • Provinces should ensure that the allocation for land acquisition and related purposes is included in the business plans • Provinces must agree with municipalities on a plan for the provision of basic services to all households served in new housing developments • R247 million is earmarked within this grant for the reconstruction and rehabilitation of infrastructure damaged by natural disasters in KwaZulu-Natal. These funds must be used for the repair of infrastructure damaged by natural disasters declared in the Government Gazette and as assessed by the National Disaster Management Centre (NDMC) • Business plans for the allocated disaster funds must be in line with the post-disaster verification assessment reports submitted to the NDMC • Disaster reconstruction and rehabilitation funds may only be utilised for approved projects as listed in the post-disaster verification assessment reports and approved business plans • Quarterly performance reports on disaster allocations must be submitted to the national Department of Human Settlements and the NDMC <p>UISP window</p> <ul style="list-style-type: none"> • New conditions and ring-fenced funding for upgrading informal settlements are included in the HSDG in 2019/20. R2.7 billion is ring-fenced in a UISP window. The following ring-fenced funds per province may only be used for projects contained in the approved informal settlement upgrading plans of each province and subject to the conditions and requirements specified for this window: <ul style="list-style-type: none"> ○ Eastern Cape: R309 million ○ Free State: R163 million ○ Gauteng: R793 million ○ KwaZulu-Natal: R511 million ○ Limpopo: R182 million ○ Mpumalanga: R185 million ○ Northern Cape: R55 million ○ North West: R256 million ○ Western Cape: R327 million • The ring-fenced amounts for this window are minimum amounts and provinces may choose to spend a larger portion of their HSDG allocation in compliance with the requirements of this window • A social compact must be concluded as part of each informal settlement upgrading plan. A maximum of 3 per cent of the project cost may be used for community/social facilitation • The transfer of the first tranche of funds is conditional upon approval by the national Department of Human Settlements (DHS) of provincial business plans which are consistent with the provisions of the Housing Act, DoRA and in compliance with the National Housing Code • Provinces must report quarterly on projects funded through this window using the template prescribed by DHS. Reporting must include financial and non-financial performance on progress against UISP plans
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated through the HSDG allocation formula approved by the Human Settlements MINMEC and Budget Council. The formula is based primarily on the share of inadequate housing in each province but also accounts for population size and extent of poverty in each province • The allocation of the Upgrading of Informal Settlements Partnership ring-fenced within the HSDG is 15 per cent of the allocation. These funds are also allocated the HSDG allocation formula approved by Human Settlements MINMEC and National Treasury
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • A conditional grant enables the national department to provide effective oversight and ensure compliance with the National Housing Code
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R20.3 billion made available, R19.9 billion (98 per cent) was transferred, of which R20.1 billion was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 86 048 housing units completed • 49 935 serviced sites completed
Projected life	<ul style="list-style-type: none"> • This is a long term grant as government must assist the poor with the provision of human settlements in terms of the Constitution • The UISP window is intended to become a separate conditional grant in 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R18.8 billion; 2020/21: R15.9 billion and 2021/22: R15.4 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the payment schedule approved by National Treasury

Human Settlements Development Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise and ensure the approval of the applicable subsidy quantum per programme and the allocation formula for the delivery of sustainable and integrated human settlements • Approve the final national and provincial business plans and issue national compliance certificates • Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein • Ensure that provinces align financial and non-financial information in terms of reporting in Basic Accounting System, HSS, provincial business plans and provincial quarterly reports • Monitor provincial financial and non-financial grant performance and control systems related to the HSDG • Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input • Provide support to provinces and accredited municipalities with regard to human settlements delivery as may be required • Undertake structured and other visits to provinces and metropolitan municipalities as is necessary • Facilitate regular interaction between DHS and provincial departments of human settlements and accredited municipalities • Submit an annual evaluation report for 2018/19 on the financial and non-financial performance of the grant to National Treasury by 26 July 2019 • Evaluate the audited provincial annual reports for submission to National Treasury by 13 December 2019 • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Provide systems including HSS that support the administration of the human settlements delivery process • Comply with the responsibilities of the transferring officer outlined in the 2019 DoRA • Ensure provinces only implement programmes that are contained in the approved business plans <p>UISP window</p> <ul style="list-style-type: none"> • Receive, assess and approve the business plans of provinces • Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein • Maintain the policy and programme, and assist with interpretation • Develop a reporting template for provinces on UISP outputs and publish it by 31 May 2019 • Monitor and evaluate provincial financial and non-financial grant performance and control systems including quarterly summary reports on performance related to the UISPG • Provide implementation assistance support to provinces as may be required • Undertake structured and other visits to projects as is necessary • Facilitate regular interaction between DHS and provinces • Submit a report on the status of informal settlements and their categorisation (in terms of the National Upgrading Support Programme's methodology) to National Treasury by 31 July 2019 • Identify lessons from the preparation and implementation of this window and use these to inform the design of the proposed new grant for informal settlement upgrading <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must conclude implementation protocols with the Housing Development Agency (HDA) for the preparation and programme management of catalytic projects • Submit 2018/19 annual evaluation reports to DHS by 30 May 2019 • Submit 2018/19 audited annual reports to the DHS by 27 September 2019 • Prioritise funds in order to build houses to meet the quota set for the military veterans • Support accredited municipalities in carrying out delegated functions as per the accreditation framework • Provinces must utilise the HSS for the administration and related performance reporting of all the human settlement delivery programmes and processes • Projects to be funded and included in the business plan must be registered on the HSS and the HSS project number included in the business plan • Any malicious use of, or non-compliance to the HSS will result in funds being withheld or stopped in terms of the 2019 DoRA • Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, approved provincial business plans, and provincial quarterly reports • Ensure effective and efficient utilisation of and access to the HSS by municipalities • Comply with the Housing Act, 2019 DoRA, Housing Code and the national delivery agreements that have been concluded • The monthly expenditure report, as contemplated in section 12(3) of the 2019 DoRA and section 40(4)(c) of the Public Finance Management Act, must be submitted by the 15th of every month for the preceding month with work in progress inclusive of expenditure, monthly BAS and HSS reconciliation as stipulated on the Practice Note dated 24 April 2015

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Monthly expenditure and quarterly reports must be signed by both the human settlements HoD and the relevant provincial treasury HoD • Submit the reports on the outputs as mentioned above by the 15th of every month for the preceding month • There should be an alignment of the business plan with the gazetted allocations to accredited municipalities • Provinces should ensure that they only implement the programmes in the approved business plans • Provinces are allowed to implement Finance Linked Individual Subsidy Programme within the Integrated Residential Reporting Programme • Provinces should within their funding prioritise revitalisation of the distressed mining towns programme • Consult with municipalities on the programme and projects submitted for approval in terms of the HSDG business plan • Ensure all projects to be implemented are contained in the municipal IDP and Spatial Development Frameworks of municipalities • Ensure that the relevant amounts to be applied and transferred to municipalities are gazetted by no later than 31 May 2019 • Provinces to align their business plan with provincial annual performance plans • On completion of units for military veterans, provincial departments should forward the claims to Department of Military Veterans for the top-up as agreed in terms of the memorandum of understanding between national Department of Military Veterans and DHS <p>UISP window</p> <ul style="list-style-type: none"> • Initiate, plan and formulate applications for projects relating to the upgrading of informal settlements, which in the case of municipalities that are not accredited, must be in collaboration with the relevant provincial department • Request assistance from the relevant provincial department on any of the matters concerned if the municipality lacks the capacity, resources or expertise • Submit informal settlement upgrading plans by 1 April 2019 • Implement approved projects in accordance with UISP plans approved by the national department • Work with municipalities to fast track the planning approval processes for informal settlements upgrading projects • Agree with municipalities on how settlement areas developed under this programme will be managed, operated and maintained • Coordinate with municipalities and facilitate the provision of bulk and connector engineering services • Submit a report on the status of informal settlements in their provincial area and their categorisation (in terms of the National Upgrading Support Programme's methodology) to the national Department of Human Settlements by 1 April 2019 • Identify lessons from the implementation of this window and share these with the national Department of Human Settlements
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Draft provincial business plans for 2020/21 financial year and project readiness matrix to be submitted to the national department by 30 August 2019 • Submit final provincial business plans, project readiness matrix, including cash flow projections and compliance certificates for 2020/21 financial year to the DHS by 7 February 2020 • Specific approval from transferring officer should be sought for rectification (pre and post-1994), IDP chapters, blocked projects, community residential units (upgraded), project linked, consolidation subsidies (blocked projects) and their allocation must appear in the draft and final business plans • Programmes that require ministerial approval (in terms of ministerial directives) must be submitted in the first draft of the business plan <p>UISP window/new grant</p> <ul style="list-style-type: none"> • Provinces must prepare a Provincial Informal Settlement Upgrading Strategy that is aligned to municipal SDFs and sets out the province's approach to informal settlement upgrading and management and how settlements are categorised and will be prioritised for upgrading. A draft of this plan must be submitted to DHS by 31 October 2019. DHS will provide comments by 29 November 2019. A final plan must be submitted by 31 January 2020 • Draft Informal Settlement Upgrading Plans for each settlement to be upgraded in 2020/21 must be submitted to the National Department by 13 December 2019. The DHS will provide comments by 30 January 2020 • Final business plans must be submitted by not later than 28 February 2020

Provincial Emergency Housing Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part A
Strategic goal	<ul style="list-style-type: none"> To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act, 2002)
Grant purpose	<ul style="list-style-type: none"> To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency To provide funding to provinces to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter
Outcome statements	<ul style="list-style-type: none"> Households accommodated in adequate temporary shelter following a disaster
Outputs	<ul style="list-style-type: none"> Emergency and short term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> provision of temporary shelter temporary relocation of households to safer accommodation and/or shelter repairs to damaged houses following a disaster
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the Emergency Housing Grant application form which includes the following: <ul style="list-style-type: none"> details of the disaster, the impact thereof and number of temporary shelters required and the number of households affected total funds required for disaster response implementation plan summary of the projects consolidated project cash flow over a two months period as an annexure to the implementation plan a copy of the province's emergency procurement policy
Conditions	<ul style="list-style-type: none"> Provinces must submit an application to the national Department of Human Settlements (DHS) within 14 days of the agreement by the Member of the Executive Council responsible for Human Settlements that a housing emergency exists in terms of section 2.3.1 (a) and (b) of the Emergency Housing Programme The relevant Provincial Disaster Management Centre must be informed of the application in writing by the provincial department for human settlements Provincial Heads of Departments (HoDs) must sign-off and confirm the information captured in the application Shelter solutions funded from the grant must comply with the National Housing Code The approval of funding to repairs and damages caused by disasters must be subjected to the assessment report The transfer of the first tranche of funds is conditional on approval by the national DHS of the submitted assessment/application by the province Funds may only be spent on items and activities included in the application approved by the transferring officer of the national DHS Provincial officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national DHS until the funds are fully utilised The emergency procurement system as guided by the Public Finance Management Act (PFMA) and Treasury Regulations should be invoked to ensure immediate assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> This grant funding is intended to address the housing needs of households who for reasons beyond their control, find themselves in an emergency housing need such as: <ul style="list-style-type: none"> existing shelter destroyed or damaged by a disaster displaced following a disaster relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster The grant is allocated to provinces on application and approval thereof by the Accounting Officer of the national DHS
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> A conditional grant enables the national department to respond to disasters as they arise
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> This grant was introduced in 2018/19 <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> This grant was introduced in 2018/19
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R277 million; 2020/21: R295 million and 2021/22: R311 million

Provincial Emergency Housing Grant	
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Advise and guide provinces about the existence of the Provincial Emergency Housing Grant and how it can be accessed • Develop and publish the Provincial Emergency Housing Grant application form template, in consultation with National Treasury and the National Disaster Management Centre (NDMC) • Monitor programme implementation including establishing and maintaining a register or database of human settlements disasters • Support provinces and municipalities to plan for potential disasters. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required • Facilitate a coordinated housing assistance intervention response in circumstances where disasters affect more than one province • Coordinate assistance with the NDMC to ensure there is no duplication of funding with the provincial and municipal disaster relief grants • Request National Treasury's approval for the disbursement of funds to provinces and municipalities within 10 days of receipt of an application for funding from this grant • Notify the relevant provinces and provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after notification • Transfer funds to the provincial administration with a clear stipulation of the purpose of the funds • Provide National Treasury with written notification of the transfer within 10 days of a transfer of the grant • Submit financial and non-financial reports to National Treasury within 20 days after the end of each month • Provide a performance report, within 45 days after the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury • Together with the provinces monitor the implementation of funded projects <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces are responsible for providing the first response in the immediate aftermath of a housing emergency • Conduct initial assessments of disaster impacts to verify the applications for funding within five days following the occurrence of a reported incident that meets the conditions • Ensure contingency plans are in place to facilitate the provision of emergency shelter in the immediate aftermath of a housing emergency. These plans could include having standby contracts in place that allow for the rapid deployment of emergency shelter and/or identifying safe sites for temporary shelter • Prepare and submit complete application(s) for funding in the event of disasters occurring within their jurisdiction • Upon approval of the application and receipt of funding, implement the intended relief measure (emergency housing solutions) in respect of the affected households and communities • Ensure that emergency procurement policies in line with the Public Finance Management Act (PFMA) and Treasury Regulations are in place • Conduct assessments of disaster impacts together with the affected municipalities, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the emergency housing programme • Provide financial and non-financial reports to national DHS within 15 days after the end of each month • Provide a performance report which includes evidence on progress with implementation of the projects to the national DHS within 30 days after the end of the quarter in which funds are spent • Identify communities and/or households for temporary relocation due to an imminent disaster event • Ensure that the shelter solutions comply with the Housing Code • Monitor the implementation of funded disaster projects by sectors • Maintain a register of the beneficiaries
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Not applicable

Title Deeds Restoration Grant	
Transferring department	<ul style="list-style-type: none"> • Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The creation of security of tenure and well-functioning equitable residential property market
Grant purpose	<ul style="list-style-type: none"> • To provide funding for the eradication of the pre-2014 title deeds registration backlog
Outcome statements	<ul style="list-style-type: none"> • Tenure security for all recipients of government-subsidised houses • Improved functioning of the secondary property market • Improved quality of life
Outputs	<ul style="list-style-type: none"> • Number of title deeds registered in favour of beneficiaries of government subsidised housing (pre-1994 and post-1994) for projects completed by 31 March 2014 • Number of title deeds issued to beneficiaries of government subsidised housing (pre-1994 and post-1994) for projects completed by 31 March 2014 • Number of townships proclaimed, and registers opened • Number of beneficiaries confirmed as legitimate occupiers • Percentage of ownership disputes resolved • Enhanced institutional capacity of municipalities and provinces in respect of property registration
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> • Medium-term strategic framework, medium-term expenditure framework targets, outputs and outcomes • Implementation agreement between national, provincial and local government • Proof of joint planning with municipalities • Title deeds project pipeline matrix • Annual and quarterly outputs and targets • Project social facilitation plan • Cash flow projections (payment schedule) • Quarterly reporting • Procurement plan, confirming the appointment of requisite service providers
Conditions	<ul style="list-style-type: none"> • These funds cannot be used to fund title deeds for housing for projects completed after 31 March 2014 • Provinces must submit implementation business plans approved by the transferring officer by 8 February 2019 • The transfer of the first tranche of funds to be paid at the beginning of the financial year is conditional on approval by the national Department of Human Settlements (DHS) of provincial business plans • The transfer of subsequent tranches is conditional on provinces submitting a detailed report on the delivery and expenditure on the previous transfer. The said report is to include: <ul style="list-style-type: none"> ○ agreed deliverables supported by evidence ○ actual expenditure against the planned cash flows for the same period ○ compliance with the housing subsidy system and the title restoration project dashboard ○ cash flows for the remainder of the year • Provinces must capture the targets and budget and delivery statistics and expenditure monthly on the housing subsidy system (HSS), the basic accounting system, and the Project Readiness Matrix • Provincial Heads of Departments (HoDs) for Human Settlements must sign-off and confirm that projects captured in the implementation plans are assessed and approved for implementation in the 2019/20 financial year • Provinces may only spend funds in line with the approved business plans • Provinces must submit monthly and quarterly financial and non-financial reports to the national DHS • Provinces which do not spend 60 per cent of their transferred funds by the end of each quarter, may have subsequent transfers stopped and reallocated in terms of sections 18 and 19 of the 2019 Division of Revenue Act • Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted between 15 August and 15 October 2019. Revised plans will be approved by 30 October 2019
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated per province on the basis of a comprehensive business plan informed by the confirmed title deed backlog per province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funds were previously ring-fenced under the Human Settlements Development Grant
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • Two years, ending in 2020/21

Title Deeds Restoration Grant	
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R548 million and 2020/21: R578 million
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Assess and make recommendations on the credibility of the provincial implementation business plans and the readiness of projects therein • Ensure that provinces align financial and non-financial information in terms of reporting in Basic Accounting System (BAS), Housing Subsidy System (HSS), provincial business plans and provincial quarterly reports • Monitor provincial financial and non-financial grant performance as well as control systems related to the grant • Draft an institutional enhancement capacity plan and submit to the National Treasury by 30 September 2019 • Provide technical and advisory support • Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input • Undertake structured and other visits to provinces and metropolitan municipalities as is necessary • Submit quarterly performance reports to National Treasury • Verify the number of title deeds registrations reported by provincial departments, on a quarterly basis
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, approved provincial business plans and provincial quarterly reports • Submit the monthly expenditure report, as contemplated in section 12(3) of the 2019 Division of Revenue Act (DoRA) and section 40(4)(c) of the Public Finance Management Act • The monthly DoRA expenditure and quarterly financial and non-financial reports must be signed by both the human settlements HoD and the relevant provincial treasury HoD • Submit the reports on the outputs as mentioned in this framework by the 15th of every month for the preceding month • Facilitate regular interaction between DHS and provincial departments of human settlements and municipalities
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Draft provincial implementation plans for the 2020/21 financial year and project readiness matrix to be submitted to the national Department of Human Settlements by the end of October 2019, and the final plans submitted before 14 February 2020 for consideration • Consideration (assessment and possible approval) of the final provincial business must be finalised before 13 March 2020 • National department to assess and inform provinces by 15 November 2019, whether provinces are allocated direct allocations in 2020/21

PUBLIC WORKS GRANTS

Expanded Public Works Programme Integrated Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To provide funding for job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines: <ul style="list-style-type: none"> road maintenance and the maintenance of buildings low traffic volume roads and rural roads other economic and social infrastructure tourism and cultural industries sustainable land based livelihoods waste management
Outcome statements	<ul style="list-style-type: none"> Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities Reduced level of poverty Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> Number of people employed and receiving income through the EPWP Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth
Details contained in the business plan	<ul style="list-style-type: none"> The programme is implemented through provinces using incentive agreements that contain project lists and targets for the creation of Full-Time Equivalents (FTEs) and work opportunities
Conditions	<ul style="list-style-type: none"> EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works (DPW) and the Ministerial Determination for EPWP workers Eligible provincial departments must sign a funding agreement with their signed EPWP project list attached, before the first planned disbursement of the grant Provincial departments must report quarterly on all projects via DPW's EPWP reporting system Reports must be loaded on the EPWP reporting system within 15 days after the end of every quarter in order for progress to be assessed The grant cannot be used for departmental personnel costs, however a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods The grant can only be utilised for EPWP purposes and for the projects approved in the EPWP Integrated Agreement signed by each eligible provincial department To receive the first planned grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> submit a signed EPWP project list by 26 April 2019 sign a grant agreement with DPW Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> reporting on EPWP performance quarterly within the required time frames reporting on all EPWP Integrated Grant funded projects implementing their approved EPWP projects on the project list as planned towards the agreed job creation targets submitting, on a quarterly basis, non-financial reports by the timelines stipulated in the clauses of the 2019 Division of Revenue Act Reporting on EPWP Integrated Grant expenditure monthly within the required time frames EPWP branding must be included as part of the project cost in line with the corporate identity manual Provincial departments must maintain beneficiary and or payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests
Allocation criteria	<ul style="list-style-type: none"> To be eligible for an EPWP grant allocation in 2019/20, a provincial department must have reported at least 26 FTEs in either the Infrastructure or Environment and Culture sector in 2017/18 financial year Newly reporting provincial departments must have reported 2018/19 EPWP performance (in either the infrastructure or environment and culture sector) by 30 October 2018 The EPWP grant allocations are based on EPWP performance in the past 18 months, number of FTEs created per million rand, and the duration of the work opportunities created
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance

Expanded Public Works Programme Integrated Grant for Provinces	
	<ul style="list-style-type: none"> The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	2017/18 audited financial outcomes <ul style="list-style-type: none"> Of the total grant allocation of R397 million, 100 per cent was transferred to provinces of which R385 million (96.9 per cent) was spent by the end of the financial year
	2017/18 service delivery performance <ul style="list-style-type: none"> 224 543 work opportunities reported and 84 725 FTEs created Average duration of the work opportunities created has increased to 87 days
Projected life	<ul style="list-style-type: none"> Grant continues until the end of 2021/22 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R437 million; 2020/21: R462 million and 2020/21: R489 million
Payment schedule	<ul style="list-style-type: none"> Three instalments per annum: 25 per cent, May 2019; 45 per cent, August 2019 and 30 per cent, November 2019
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Determine eligibility and set grant allocations and FTE targets for eligible provincial departments Publish on the EPWP website all documents relevant for provincial departments to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination for EPWP workers Support provincial departments, in the manner agreed to in the funding agreement, to identify suitable EPWP projects, develop EPWP project lists in accordance with the EPWP project selection criteria, apply the EPWP project selection criteria and EPWP guidelines to project design, report using the EPWP reporting system Monitor the performance and spending of provincial departments and assess progress towards their implementation of EPWP project lists Disburse the grant to eligible provinces Report to National Treasury progress against FTE targets and spending against the grant allocation on a quarterly basis Conduct data quality assessments on a continuous basis to support good governance and identify areas for administrative improvement Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP web-based system
	Responsibilities of provincial departments <ul style="list-style-type: none"> Develop and submit an EPWP project list to DPW by 26 April 2019 Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement by 26 April 2019 Agree on the areas requiring technical support from DPW upon signing the grant agreement Report on all EPWP projects into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Provincial departments must report on performance of EPWP projects for the 2018/19 financial year by 26 April 2019 or report on 2019/20 performance by 30 October 2019 to be eligible for a grant allocation Provincial departments must submit draft 2020/21 EPWP project lists to DPW by 28 April 2020 Eligible provincial departments must sign the standard funding agreement with an approved 2020/21 EPWP project list by 28 April 2020

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To increase job creation through the expansion of the social sector Expanded Public Works Programme (EPWP)
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial social sector departments, identified in the 2018 social sector EPWP log-frame, to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential
Outcome statements	<ul style="list-style-type: none"> Improved service delivery to communities by expanding the reach and quality of social services Contribute towards increased levels of employment Strengthened capacity of non-government delivery partners through increased access to funds for wages and administration
Outputs	<ul style="list-style-type: none"> 9 989 Full-Time Equivalents (FTEs) funded through this grant A minimum of 11 487 people employed and receiving income through the EPWP A minimum average duration of 200 person days for work opportunities created A minimum of 10 000 households to which services are provided A minimum of 150 000 beneficiaries to whom services are provided
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth
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"> Provincial departments must report EPWP expenditure on the monthly In-Year Management, Monitoring and Reporting (IYM) tool in accordance with section 32 of the Public Finance Management Act Financial and non-financial performance must be reported onto the EPWP reporting system Provincial departments must adhere to the audit requirements stipulated in the social sector EPWP incentive grant manual The incentive grant allocation must be used to expand job creation programmes in the social sector The incentive grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> to provide stipends to unpaid volunteers at a minimum of R92.31 per day and further adjustments as per the Ministerial Determination for EPWP Workers and the prescripts of the Department of Labour to expand social sector EPWP programmes as identified in the EPWP social sector log-frame for creation of additional work opportunities A minimum of 80 per cent of the total incentive allocation must be used to pay stipends or wages The balance of the overall incentive allocation must be used for administration and capacity-building at the implementation level To receive the first grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> submit a signed business plan by 29 March 2019 submit a compliant signed project list by 29 March 2019 sign a grant agreement with DPW by 29 March 2019 Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> reporting all grant funded projects in the EPWP reporting system reporting expenditure of at least 25 per cent and 50 per cent (of the transferred amount) for the second and third tranches, respectively Submit quarterly non-financial reports on a prescribed template as per the timelines stipulated in the clauses of the 2019 Division of Revenue Act EPWP branding must be included as part of the project cost as per corporate identity manual Comply to audit requirements by maintaining beneficiary and payroll records as specified in the audit requirements of the EPWP grant manual
Allocation criteria	<ul style="list-style-type: none"> To receive an incentive allocation in 2019/20, a provincial department must have reported performance in 2017/18 and first two quarters of 2018/19 into the EPWP reporting system by 15 October 2018 <ul style="list-style-type: none"> To be eligible for an incentive allocation in 2019/20, a provincial department must have reported performance of at least 50 per cent against sector plan FTE target for 2017/18 FTEs reported in the last 18 months are used to determine the allocations for the provincial departments. Allocations are divided into two parts calculated based on: <ul style="list-style-type: none"> provincial department's contribution towards the total FTEs reported in 18 months FTE achievement and compliance to sector standards (persons with disability, women, youth, training days, duration and wages) The following penalties are applied where there was non-compliance to conditions of the grant in 2017/18: <ul style="list-style-type: none"> 1 per cent for non-compliance in submission of planning documents 0.5 per cent for late submission of each quarterly non-financial report 0.5 per cent for each tranche withheld 1 per cent for less than 100 per cent expenditure reported in the assessment period 1 per cent for non-achievement of FTE target given in the assessment period

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The incentive allocation is based on the performance of programmes in a prior financial year and use of the allocation is specifically earmarked for EPWP programme expansion
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> Of the total grant allocation of R386 million, 100 per cent was transferred to all eligible provincial departments of which R382 million (99 per cent) of the allocation was reported <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> 16 917 FTEs were created 22 779 Work opportunities created Average duration of 185 person days for work opportunities created 173 532 beneficiaries received social services 11 934 households received social services
Projected life	<ul style="list-style-type: none"> Grant continues until the end of 2021/22 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R431 million; 2020/21: R454 million and 2021/22: R479 million
Payment schedule	<ul style="list-style-type: none"> Three instalments per annum: 25 per cent, 16 April 2019; 45 per cent, 26 July 2019 and 30 per cent, 31 October 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations Revise the incentive manual that will provide provincial departments with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations Develop an incentive agreement outlining the requirements of the incentive grant and ensure that each provincial department signs the agreement by 29 March 2019 Reach agreements with national sector departments on their roles in ensuring effective implementation of the incentive grant by 29 March 2019 Support provincial departments to develop plans to meet job creation targets Support the sector departments to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system Monitor the performance of provincial departments on use of the incentive grant against the conditions in the framework and report to National Treasury on a monthly and quarterly basis Evaluate the final performance of provincial departments after the end of the financial year Issue guidelines to provincial departments on how to report expenditure by 29 March 2019 Identify anomalies in reported data <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Compile and sign business plans and project lists on how to achieve the incentive grant targets by 29 March 2019 By 29 March 2019, sign the standard incentive agreement with national Department of Public Works (DPW) agreeing to comply with the conditions and obligations of the grant before receiving any incentive payment Report EPWP performance onto the EPWP reporting system and update progress monthly in accordance with the reporting requirements in the incentive agreement Submit financial and non-financial reports on the use of the incentive grant on a monthly and quarterly basis in the format and manner prescribed by National Treasury and DPW Submit annual evaluation report on the use of the incentive grant in the format and manner prescribed by National Treasury and DPW
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Provincial departments must have reported EPWP performance by 30 April 2019 to be eligible for an allocation Provincial departments participate in the planning exercise from December to January each year and submit their business plans, project lists and targets to DPW during this process in the format prescribed DPW to distribute the incentive agreements for provincial Heads of Departments endorsement by end of February every year Provincial departments sign the incentive agreement with DPW by 30 March 2020 and agree to comply with the conditions and obligations of the incentive grant

SOCIAL DEVELOPMENT GRANTS

Early Childhood Development Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To increase access to quality early childhood development (ECD) services for poor children
Grant purpose	<ul style="list-style-type: none"> • To increase the number of poor children accessing subsidised ECD services through partial care facilities • To support ECD providers delivering an ECD programme to meet basic health and safety requirements for registration • To pilot the construction of new low cost ECD centres
Outcome statements	<ul style="list-style-type: none"> • The provision of ECD services to poor children contributing towards universal access • Improving health and safety conditions in which stimulation and early learning takes place
Outputs	<ul style="list-style-type: none"> • This grant has two components with detailed outputs, conditions and responsibilities for each component specified in separate frameworks. The two components are: <ul style="list-style-type: none"> ○ infrastructure component ○ subsidy component
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components which contains the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • Conditional grant funding cannot be used to replace funding that provinces have previously allocated for ECD subsidies • Each province may use a maximum of R3.95 million of their total conditional grant allocation (subsidy plus infrastructure and compliance) for administrative management of the grant which includes capacity to manage the grant and funding for assessments of ECDs. Provinces may choose to use this amount from the allocation for either one of the components or both
Allocation criteria	<ul style="list-style-type: none"> • As specified in the two grant component frameworks
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • To allow DSD to better ring-fence expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015 ensuring that the delivery and maintenance of any capital investment is coordinated in an efficient manner that is consistent with norms, standards and guidelines • ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the total grant allocation of R318 million, 100 per cent was transferred to provinces R258 million (81.3 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • As specified in the grant framework for the two components below
Projected life	<ul style="list-style-type: none"> • Given the nature of the programme and the drive to expand provision of ECD services, the grant will be needed for the medium term expenditure framework and subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R518 million; 2020/21: R553 million and 2021/22: R583 million allocated as follows: <ul style="list-style-type: none"> ○ ECD subsidies: 2019/20: R435 million; 2020/21: R464 million and 2021/22: R490 million ○ ECD maintenance improvements: 2019/20: R83 million; 2020/21: R89 million and 2021/22: R94 million
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Review the standardised reporting framework and monitoring tool • Review the standardised format for the business plans • Assist the provincial DSDs with their planning • To assess and approve the business plans submitted by provinces • Monitoring of project progress and compliance to conditional grant framework • Provide continuous monitoring and support to provinces on quarterly basis • Submit a monthly financial report to National Treasury 20 days after the end of the reporting month

Early Childhood Development Grant	
	<ul style="list-style-type: none"> • Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Monitor the utilisation of the grant against the set outcomes and take appropriate action in cases of non-compliance with the framework • Submit an annual evaluation report four months after the end of the 2019/20 financial year • Facilitate approval of the payment schedule and approval of in-year adjustments to the payment schedule • Review and update subsidy guidelines
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Submit approved business plans signed off by the Head of Department (HoD) to the DSD by 1 March 2019 • Provinces to implement the business plan as approved by the DSD • Ensure that claims are submitted to national DSD to allow for transfer of funds by national DSD in line with the payment schedule approved by the National Treasury • Submit monthly financial reports to national DSD 15 days after the end of the reporting month • Provinces must upload all ECD maintenance projects on the Infrastructure Reporting Model and update it monthly • Submit quarterly performance reports to national DSD within 30 days after the end of each quarter • Submit an evaluation report two months after the end of the 2019/20 financial year
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Engagement with provincial departments on submission of business plans between September 2019 and February 2020 • Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by HoDs for 2020/21 financial year to national DSD by 14 February 2020 • The transferring officer must approve provincial business plans by 1 April 2020

Early Childhood Development Grant: Infrastructure Component	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To increase access to quality early childhood development (ECD) services for poor children
Grant purpose	<ul style="list-style-type: none"> • To support ECD providers delivering an ECD programme to meet basic health and safety requirements for registration • To pilot the construction of new low cost ECD centres
Outcome statements	<ul style="list-style-type: none"> • The provision of ECD services to poor children contributing towards universal access • Improving health and safety conditions in which stimulation and early learning takes place
Outputs	<ul style="list-style-type: none"> • Number of ECD centres assessed for infrastructure support • Number of ECD centres whose registration status improved as a result of the infrastructure component within 24 months of receiving the grant • Number of low cost ECD centres constructed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components which contains the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ risk assessment with mitigation plan
Conditions	<p>Maintenance and upgrading: conditional registration package</p> <ul style="list-style-type: none"> • This package is for ECD centres that are conditionally registered, to support them towards improving their registration status • Provinces must conduct assessments of conditionally registered ECD centres and cost them in order to qualify for funding in 2020/21 and submit by 27 September 2019 • A maximum amount of R180 000 per ECD centre may be spent for maintenance improvement • Prior approval for any amount exceeding R180 000 should be obtained from the Head of Department (HoD) and Chief Financial Officer • All projects must be recorded on the Infrastructure Reporting Model (IRM) <p>New centre construction</p> <ul style="list-style-type: none"> • New centre construction is for the construction of new low cost ECD centres where existing structures had to be replaced in areas where the need is the greatest • Provinces may construct new centres at R650 000 per centre. Prior approval of any amount exceeding R650 000 should be obtained from national DSD • A maximum of R2.5 million per province may be used from their allocation for the new centre construction programme • These funds may only be used for planned spending on new centre construction as contained in the approved business plans of each province <p>General conditions</p> <ul style="list-style-type: none"> • The national Department of Social Development will develop guidelines for each of the areas listed above that must be issued to the provinces by 29 March 2019 • All infrastructure projects must be recorded on the National Treasury IRM
Allocation criteria	<ul style="list-style-type: none"> • The provincial Infrastructure allocations are determined based on: <ul style="list-style-type: none"> ○ the number of ECD centres assessed in each province that meet the criteria for the maintenance/upgrading conditional registration package ○ the amount for low cost construction of ECD centres is a standardised allocation for each province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • To allow DSD to better ring-fence expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015 ensuring that the delivery and maintenance of any capital investment is coordinated in an efficient manner that is consistent with norms, standards and guidelines • ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the maintenance grant allocation of R61.1 million, 100 per cent was transferred to provinces. R34.4 million (56.3 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 459 ECD centres benefited from the grant
Projected life	<ul style="list-style-type: none"> • Given the nature of the programme and the drive to expand provision of ECD services, the grant will be needed for the medium term expenditure framework and subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R83 million; 2020/21: R89 million and 2021/22: R94 million

Early Childhood Development Grant: Infrastructure Component	
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments according to approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise and issue an ECD conditional registration framework that clearly outlines the criteria for conditional registration by September 2019 • The national Department of Social Development will develop guidelines for each of the two areas listed above that must be issued to the provinces by 29 March 2019 <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must submit a list of all conditionally registered centres that have been assessed to DSD by 27 September 2019 • Provinces must provide a procurement plan on how they will implement their projects in the 2020/21 financial year by the 29 November 2019 • The reasons for conditional registration of each ECD centres that benefit from this grant must be kept on file • Ensure that claims are submitted to DSD to allow for transfer of funds by DSD in line with the payment schedule approved by the National Treasury • Maintain a database of all ECD centres that have been assisted through the Infrastructure component of the grant • Maintain a database of all ECD centres that have improved their registration status • Provinces must record all infrastructure projects on the National Treasury infrastructure reporting model
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Engagement with provincial departments on submission of business plans between September 2019 and February 2020 • Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by HoDs for 2020/21 financial year to the DSD by 14 February 2020 • The transferring officer must approve provincial business plans by 1 April 2020

Early Childhood Development Grant: Subsidy Component	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To increase access to quality early childhood development (ECD) services for poor children
Grant purpose	<ul style="list-style-type: none"> • To increase the number of poor children accessing subsidised ECD services through partial care facilities
Outcome statements	<ul style="list-style-type: none"> • The provision of ECD services to poor children • Improving the physical health and safety conditions in which early learning takes place
Outputs	<ul style="list-style-type: none"> • Number of children eligible for the subsidy as agreed in the service level agreements (SLA) • Number of all children attending registered ECD services in fully registered centres • Number of all children attending ECD services in conditionally registered centres • Number of children that benefit from the subsidy component of the conditional grant in fully registered centres • Number of children that benefit from the subsidy component of the conditional grant in conditionally registered centres • Number of days subsidised for centre based programmes
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components which contains the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • Fully registered and conditionally registered facilities offering ECD programmes will be eligible for the subsidy • The subsidy is targeted for children from birth until six years in ECD centres • The provincial DSD and ECD centres will enter into SLAs which stipulate the purpose of the subsidy, the amount of the subsidy, conditions of the subsidy and obligations of both provincial DSD and ECD centres with regards to the payment of the subsidy and the reporting requirements • The value of the subsidy paid to each ECD centre will be calculated as follows: <ul style="list-style-type: none"> ○ R15 multiplied by the number of days (264), multiplied by the number of qualifying children attending the ECD centre as agreed to in the SLA • The full value of the subsidy will be paid in equal parts in line with the SLA and any changes to the payment schedule must be aligned to a determination of non-compliance as defined in the SLA • Once funds are transferred to ECD centres the department may not pre-approve how the funds are to be utilised other than what is stipulated in the SLA • All allocations must be aligned to the number of children as per the SLA and can only be reduced as per the process outlined in the SLA. Allocations may not be changed in-year, based on how many children attend • The subsidy must target ECD centres or qualifying children in line with the process set out below: <ul style="list-style-type: none"> ○ an ECD centre is eligible to be subsidised if it is located in a designated municipal ward that has been identified for universal targeting of subsidies ○ children attending these ECD centres will not be subject to an individual means test and all children in these centres must be taken into account when calculating the subsidy for the ECD centre ○ if the child is attending an ECD centre falling outside of those municipal wards that have been identified for universal targeting of the subsidy, the subsidy will be targeted to an individual child using the means test criteria ○ a child is eligible to be subsidised if her/his parents' income falls below the following prescribed test <p>Income based means test:</p> <ul style="list-style-type: none"> • Income of parents or caregivers may not exceed the means test values applied for the receipt of the Child Support Grant for a single parent and married parents as gazetted by national DSD in 2019. This is updated each year with the increase in the grant value • In the case of children receiving a child related social assistance grant; original, reprinted or certified copies of proof of receipt of the child related grant (Child Support Grant or the Foster Care Grant) as issued by South African Social Security Agency must be submitted • In the case of children who are not beneficiaries of a child related grant the following must be submitted: <ul style="list-style-type: none"> ○ proof of income of parents (or caregivers) ○ three months' bank statement of parents or guardians; or ○ affidavit declaring status of income
Allocation criteria	<ul style="list-style-type: none"> • The provincial subsidy allocations are determined based on the gap between: <ul style="list-style-type: none"> ○ the number of poor children that should be accessing ECD subsidy ○ the number of poor children currently accessing the ECD subsidy

Early Childhood Development Grant: Subsidy Component	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> To allow DSD to better ring-fence expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015 ensuring that the delivery and maintenance of any capital investment is coordinated in an efficient manner that is consistent with norms, standards and guidelines ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030
Past performance	2017/18 audited financial outcomes <ul style="list-style-type: none"> Of the subsidy expansion grant allocation of R240 million, 100 per cent was transferred to provinces and R213 million (88.7 per cent) was spent by the end of the financial year
	2017/18 service delivery performance <ul style="list-style-type: none"> 62 907 children benefitted from the subsidy
Projected life	<ul style="list-style-type: none"> The grant will be allocated over the 2019 medium term expenditure framework, thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R435 million; 2020/21: R464 million and 2021/22: R490 million
Payment schedule	<ul style="list-style-type: none"> Quarterly instalments according to approved payment schedule
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Review standardised SLAs to be entered into between provincial DSDs and ECD service providers
	Responsibilities of provincial departments <ul style="list-style-type: none"> Conclude SLAs with ECD centres in a format prescribed by the DSD Ensure that payments are made in line with the payment schedule as per the SLAs with ECD centres Subsidies must be made into the ECD centres designated bank accounts, which must be with a registered deposit taking institution in the Republic of South Africa Subsidies may only be reduced in cases of non-compliance as outlined in the prescribed SLA Use the information reported in the quarterly reports from ECD centres to develop and maintain a master list of all children benefitting from the ECD subsidy Maintain a database on the status of full and conditional registration of all ECD centres in the province that is inclusive of the following basic information: <ul style="list-style-type: none"> registration status capacity of the centre number of children in attendance number of children subsidised number of children with disabilities subsidised number of children with disabilities in attendance
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Engagement with provincial departments on submission of business plans between September 2019 and February 2020 Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by Heads of Departments for 2020/21 financial year to the DSD by 14 February 2020 The transferring officer must approve provincial business plans by 1 April 2020

SPORT AND RECREATION SOUTH AFRICA

Mass Participation and Sport Development Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 40)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • Increasing citizens' access to sport and recreation activities
Grant purpose	<ul style="list-style-type: none"> • To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders
Outcome statements	<ul style="list-style-type: none"> • Increased and sustained participation in sport and active recreation • Improved sector capacity to deliver sport and active recreation
Outputs	<ul style="list-style-type: none"> • School sport <ul style="list-style-type: none"> ○ learners supported to participate in the National School Sport Championships ○ learners participating in school sport tournaments at a provincial level ○ learners participating in school sport tournaments at a district level ○ people trained ○ schools provided with equipment and or attire ○ school sport coordinators remunerated ○ school sport structures supported • Community sport and active recreation: <ul style="list-style-type: none"> • Community sport <ul style="list-style-type: none"> ○ people actively participating in organised sport and active recreation events ○ active recreation events organised and implemented • Siyadlala <ul style="list-style-type: none"> ○ youth participating at the National Youth Camp ○ people trained ○ indigenous games clubs participating in Indigenous Games Tournaments ○ hubs provided with equipment and or attire • Club development <ul style="list-style-type: none"> ○ local leagues supported ○ people trained ○ community sport coordinators remunerated ○ clubs participating in the Rural Sport Development Programme ○ clubs provided with equipment and or attire • Club pilot in Limpopo and KwaZulu-Natal <ul style="list-style-type: none"> ○ clubs trained using the toolkit ○ clubs in the pilot project supported as per the service level agreement (SLA) • Sport Academies <ul style="list-style-type: none"> ○ athletes supported by the sport academies ○ sport academies supported ○ people trained to deliver the sport academy programme ○ sport focus schools supported • National training centre in Free State <ul style="list-style-type: none"> ○ construction of the national training centre • Transversal matters <ul style="list-style-type: none"> ○ sport and active recreation projects implemented by the provincial sports confederation ○ provincial programmes implemented ○ branding material procured as per specifications ○ sports bus maintained and operational • Management <ul style="list-style-type: none"> ○ administration standards met ○ staff appointed on a long-term contract
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 14: Nation building and social cohesion
Details contained in the business plan	<ul style="list-style-type: none"> • Grant purpose • Outcome indicators • Grant outputs • Output indicators • Key activities
Conditions	<ul style="list-style-type: none"> • Provincial compliance <ul style="list-style-type: none"> • Provinces must ensure that: <ul style="list-style-type: none"> ○ all structures at all levels are aligned to the 16 Sport and Recreation South Africa (SRSA) priority codes to contribute to seamless service delivery ○ 50 per cent of hubs and clubs supported must be from rural and farm areas ○ performance evidence is timeously submitted irrespective of the status of the project as per the technical indicator descriptors ○ funds from this grant are not used on projects falling outside the scope of the grant unless following a written request, approval to such effect is granted by the transferring officer

Mass Participation and Sport Development Grant

- The provincial allocation is then balanced out to 100 per cent in order for the respective provinces funding to be aligned and allocated consistently
 - The provincial allocation must be utilised as follows:
 - school sport 38 per cent
 - community sport and active recreation 35 per cent
 - sport academies 11 per cent
 - transversal matters 7 per cent
 - management 9 per cent
 - Based on their provincial dynamics, provinces may apply to the transferring officer to change the above sub-allocations
- School Sport: 38 per cent**
- Provinces must ring-fence R10 million to provide transport, attire and delivery of provincial teams to the national school sport championships. The allocation to provinces will consider funds necessary for hosting four segments of the national school sport championships (2019 autumn, winter and summer Championships as well as the Indigenous Games Festival)
 - The remaining school sport allocation must be allocated as follows:
 - 10 per cent for training of people to deliver school sport
 - 20 per cent to purchase equipment and or attire for schools below quintile 3 identified through participation in leagues
 - 40 per cent to deliver district and provincial competitions
 - 15 per cent to remunerate coordinators who coordinate, support, monitor and evaluate school sport at district and local level
 - 15 per cent to support school sport structures
- Community sport and recreation: 35 per cent**
- Siyadlala: 17 per cent**
- Youth Camps:
 - provinces must ring-fence R3 million for the national youth camp to provide transport, accommodation, meals, attire, security, public liability, medical support, stationery, and the costs associated with plenary meetings
 - The remaining Siyadlala allocation must be allocated as follows:
 - 40 per cent for organising and implementing
 - 20 per cent for tournament support, such as transport and catering
 - 20 per cent to purchase equipment and attire
 - 5 per cent for ministerial outreach programmes
 - 15 per cent for training
- Club development: 18 per cent**
- The portion of the grant ring-fenced for club development must be used as follows:
 - 25 per cent to support the clubs that are participating in the Rural Sport Development Programme
 - 10 per cent for training in sport administration, team management; coaching or technical officiating
 - 5 per cent to remunerate coordinators who coordinate, support, monitor and evaluate community sport at local level
 - 40 per cent for leagues
 - 20 per cent to purchase equipment and attire
- Sport academies: 11 per cent**
- The allocation must be used for the establishment and development of district and provincial academies in line with sport academies framework and guidelines of SRSA
 - 10 per cent for training in the following: talent identification and scouting, coaching, medical and scientific support, life skills and counselling
 - 40 per cent for resourcing in terms of equipment and remuneration of personnel of district and provincial academies
 - 35 per cent for athlete support as documented in the academy framework
 - 15 per cent for sport focus schools
 - The allocation must be used to provide support to accredited sport focus schools that meet the specified requirements outlined in the sport academies framework. Provision of support to schools includes amongst others the following:
 - upgrading sport facilities
 - resourcing them with a gymnasium
 - putting a basic medical facility/room with basic equipment
 - providing sport codes specific equipment
- Transversal matters: 7 per cent**
- Provincial Sport Confederation: 3 per cent**
- Provinces may transfer funds to the provincial sport confederation provided:
 - a transfer plan has been developed and submitted together with a signed business plan approved by SRSA
 - a service level agreement has been entered into between the provincial department and the provincial sport confederation stating clearly what is expected of the provincial sport confederation

Mass Participation and Sport Development Grant	
	<ul style="list-style-type: none"> ○ a monitoring mechanism is in place to monitor expenditure and performance by the sport confederation as per the SLA ● Provincial Programmes: 2 per cent <ul style="list-style-type: none"> ○ These are specific provincial programmes that contribute to the main purpose of the grant ● Branding: 2 per cent <ul style="list-style-type: none"> ○ the allocation must be used to provide branding for all programmes that are funded through the conditional grant. Annually there will be dedicated allocation to specified branding material ○ Operation and maintenance of the sports bus ○ the SRSA corporate identity manual must be utilised for all matters relating to programming and branding ● Management: 9 per cent <ul style="list-style-type: none"> ● Administration: 2 per cent <ul style="list-style-type: none"> ○ provinces are expected to use this portion of allocation to ensure that all their submissions are packaged properly and timeously delivered (These will vary from business plans, Project Implementation Agreements, reports (monthly, quarterly, and the annual evaluation) ● Appointment of staff: 7 per cent <ul style="list-style-type: none"> ○ provinces must appoint staff on a three year contract to implement conditional grant programmes. Provinces will be required to provide details of staff appointed and SRSA reserves the rights to provide norms and standards in the appointment of staff. The allocation is not for support staff in programmes such as finance, planning, monitoring and evaluation or research
Allocation criteria	<ul style="list-style-type: none"> ● Each province is allocated a baseline of R20 million, thereafter the equitable share formula is applied to determine the remaining amount ● The Northern Cape allocation is increased due to a need to increase participation in the rural areas, R2 million and R3 million is deducted from Gauteng and KwaZulu-Natal respectively to fund this ● 3 per cent per province is reallocated equally to Limpopo and KwaZulu-Natal for the club development pilot ● 10 per cent per province is reallocated to the Free State for the national training centre
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The conditional grant is assisting the sport sector in implementing the National Sport and Recreation Plan and National Development Plan objectives
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> ● R586 million was allocated of the total R588 million (inclusive of R2.3 million roll-over) made available, an amount of R514 million (88 per cent) was spent by provinces <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> ● 348 030 people actively participating in organised sport and active recreation events ● 79 498 learners participating in school sport tournaments at district level ● 2 880 schools, hubs and clubs provided with equipment and/or attire ● 5 296 athletes supported by the sport academy ● 39 sport academies supported
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2019/20: R620 million; 2020/21: R654 million and 2021/22: R690 million
Payment schedule	<ul style="list-style-type: none"> ● Four instalments: 31 May 2019; 30 August 2019; 29 November 2019 and 31 January 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Evaluate annual reports for the 2018/19 grants for submission to the National Treasury by 26 July 2019 ● Agree on outputs and targets with provincial departments in line with grant objective for 2020/21 by 23 August 2019 ● Provide the guidelines and criteria for the development and approval of business plans ● Monitor implementation and provide support ● Submit approved business plan for 2019/20 to the National Treasury on 30 April 2019 ● Submit quarterly performance reports to National Treasury 45 days after the end of each quarter ● Ensure that all the conditional grant practice notes issued by National Treasury are adhered to ● Desktop monitoring: monthly and quarterly reports analysis received by provinces ● Physical verification visits to the provinces to verify what has been reported in the monthly and quarterly reports ● Quarterly review sessions with all role players of the conditional grant from the provinces May implement internal mechanisms to manage the quarterly disbursements of the grant where there is non-compliance with the conditions of the grant and this may include withholding and reallocation of tranche payments <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Submit the 2018/19 annual evaluation report to SRSA by 31 May 2019 ● Submit monthly reports as per the requirements contained in the 2019 Division of Revenue Act ● Monitor progress of programmes delivered through the conditional grant ● Ensure that conditional grant managers attend all national conditional grant meetings ● Ensure that capacity exists to manage the grant and that there is a grant manager responsible for the grant framework, planning, implementation and reporting ● Ensure organisational capacity to deliver on the programmes that are implemented through the grant

Mass Participation and Sport Development Grant	
Process for approval of 2020/21 business plans	<ul style="list-style-type: none">• Provinces provide draft business plan to SRSA by 31 October 2019• SRSA evaluates draft business plans by 22 November 2019• Comments sent to provinces by 29 November 2019• Provinces submit revised business plans to SRSA by 10 February 2020• Head of Department approves business plan by 13 March 2020• SRSA submits business plans to National Treasury by 30 March 2020

TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework for South Africa in line with the S'hamba Sonke road programme and other related road infrastructure asset management programmes
Grant purpose	<ul style="list-style-type: none"> • To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance) • To ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines • To implement and maintain Road Asset Management Systems (RAMS) • To supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidents including natural disasters • To improve the state of the road network serving electricity generation infrastructure • To improve road safety with a special focus on pedestrian safety in rural areas
Outcome statements	<ul style="list-style-type: none"> • Improve the condition and lifespan of provincial roads and level of service backed by a periodic five year review of the road conditions network • Improved rates of employment and community participation through labour-intensive construction methodologies and skills development through the delivery of roads infrastructure projects
Outputs	<ul style="list-style-type: none"> • Final Road Asset Management Plan (RAMP) and tabled project list for the 2019 medium term expenditure framework (MTEF) in a Table B5 format by 29 March 2019 • Network condition assessment and determination of projects priority list from the RAMS • The following actual delivery related measures against 2019/20 targets defined in the final RAMP and annual performance plan (APP) for each province: <ul style="list-style-type: none"> ○ number of m² of surfaced roads rehabilitated (quarterly) ○ number of m² of surfaced roads resurfaced (overlay or reseal) ○ number of m² of blacktop patching (including pothole repairs) ○ number of kilometres of gravel roads re-gravelled ○ number of kilometres of gravel roads bladed ○ number of kilometres of gravel roads upgraded (funded from provincial equitable share) • The following performance based on national job creation indicators <ul style="list-style-type: none"> ○ number of jobs created ○ number of full time equivalents created ○ number of youths employed (18 – 35) ○ number of women employed ○ number of people living with disabilities employed • Reporting on the provinces' contractor development programme <ul style="list-style-type: none"> ○ number of small medium micro enterprises contracted • Updated road condition data (paved and unpaved) including instrumental/ automated road survey data, traffic data, safety audit report and bridge conditions
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses a road asset management plan (RAMP), which contains the following details: <ul style="list-style-type: none"> ○ network hierarchy ○ performance management framework ○ gap analysis ○ information and systems, lifecycle planning ○ current and future demand ○ financial plan ○ monitoring, reviewing and continual improvements
Conditions	<ul style="list-style-type: none"> • This grant funds routine, periodic and special maintenance • Provinces must show commitment by budgeting from the provincial equitable share to match or exceed grant allocations • Improvements, upgrading from gravel to surface roads and new facilities must be funded from the provincial equitable share • Provinces may use a maximum of 25 per cent of the allocation for rehabilitation activities • The framework must be read in conjunction with the practice note as agreed with National Treasury • The payment of the first instalment is dependent upon submission to the national Department of Transport (DoT) and the relevant provincial treasury of the following: <ul style="list-style-type: none"> ○ planning for the infrastructure reporting model (IRM) for 2019 MTEF by 23 April 2019 ○ final RAMP and tabled project list for the 2019 MTEF in a Table B5 format by 29 March 2019 ○ submission to DoT of the third quarter performance report for the 2018/19 financial year • Payment of subsequent instalments is dependant upon the submission of monthly IRM and quarterly performance reports

Provincial Roads Maintenance Grant	
	<ul style="list-style-type: none"> • For RISFSA Class R1, R2 and R3 data collection requirements are: <ul style="list-style-type: none"> ○ visual condition data according to TMH 9 for pavements no older than two years, and TMH 19 for bridges no older than five years ○ instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 no older than two years ○ instrumental pavement data for deflections according to TMH 13 no older than five year ○ Traffic data according to TMH 3, TMH 8 and TMH 14 no older than three years • Provinces must submit into a central repository, updated road condition data, for (paved and unpaved) including instrumental/ automated road survey data, traffic data, safety audit report and bridge conditions by 30 September 2019 <p>The PRMG allocation can be allocated to following projects as identified and prioritised through the provincial RAMS:</p> <ul style="list-style-type: none"> • Routine maintenance (Opex): includes day to day routine activities such as cleaning drains and culverts, vegetation control, line marking, guard rail repair, road sign repair, crack sealing, patching, edge repair, spot regravelling, blading • Periodic maintenance (Opex): includes periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays < 50 mm in thickness. For gravel roads it includes re-gravelling up to 100 mm thick • Special maintenance (Opex): includes the repair of selected pavement areas up to maximum of 25 per cent of project length followed by application of surface seal or functional asphalt overlay < 50mm. Also includes reinstatement of slope stability, repairs to existing structures and the repair of damage caused by floods or accidents • Rehabilitation (Capex): includes increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays > 80mm thick. For gravel roads it is gravel layer > 100mm thick. These rehabilitation activities are however limited to maximum of 25 per cent of the PRMG allocation <p>The PRMG allocation cannot be allocated to the following projects:</p> <ul style="list-style-type: none"> • Improvements (Capex): this comprises works that aim to improve the quality of service on roads with an unacceptable quality of service. These include measures of improving quality of service on existing roads such as increases the width in selected areas (i.e. addition of climbing/passing lanes), increases in the width over the total length of the project i.e. addition of paved shoulder and localised geometric and intersection improvements. These activities could in some instances include complete rehabilitation of the existing pavement structure • The upgrading of gravel roads to surface roads, the construction of new roads and new interchanges do not qualify for funding under this grant • New Facilities (Capex): this comprises works that aim to improve network capacity and includes the upgrading of earth (dirt) road to an engineered gravel road, the upgrading of a gravel road to a surfaced road and upgrading of single carriageway road to 4-lane or dual carriageway road. The construction of new gravel or surfaced road where previously no road existed (brown/green fields construction). The construction of new bridge to replace existing bridge or new interchange to replace intersection. <p>Disaster repairs</p> <ul style="list-style-type: none"> • The following amounts per province must be used in 2019/20 for the repair of infrastructure damaged by floods declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): <ul style="list-style-type: none"> ○ Eastern Cape: R66.2 million ○ KwaZulu-Natal: R38.7 million ○ Limpopo: R140 million • Should the cost of repairing the disaster affected infrastructure exceed the amounts earmarked above provinces must fund that shortfall from their provincial equitable share • Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC and DoT prior to the transfer of the allocation • All new provincial roads new infrastructure projects funded through the grant must be branded on the contract sign boards with the S'hamba Sonke logo • Provinces may participate in the S'hamba Sonke programme technical support services of the DoT through the Pulic Finance Management Act and Treasury Regulations
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the Provincial Roads Maintenance Grant formula, which takes into account the extent of the provincial road network (gravel/paved), the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors • The funding for road networks supporting electricity generation infrastructure are subject to separate allocation criteria based on the programme schedule <ul style="list-style-type: none"> ○ Mpumalanga must allocate R526.2 million in 2019/20 to coal haulage road projects • The funding for rehabilitation and repair of roads and bridges that were assessed by the NDMC is subject to separate allocation criteria • Unallocated amounts in 2020/21 and 2021/22 will be allocated as an incentive based on the level of service efficiency achieved in road project investments undertaken
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant is intended to ensure that provinces give priority to road infrastructure and promote efficiency in road investment

Provincial Roads Maintenance Grant	
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R10.8 billion allocated, R10.8 billion, (100 per cent) was spent by provinces by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 8 723 692.91 m² of roads re-sealed • 4 165 km of roads re-gravelled • 2 031 045 m² of roads patched • 437 169.7 km bladed • 4 388 843.9 km rehabilitated
Projected life	<ul style="list-style-type: none"> • The grant is ongoing, but will be subject to periodic review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R11.4 billion; 2020/21: R12.1 billion and 2021/22: R13 billion
Payment schedule	<ul style="list-style-type: none"> • Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Submit quarterly performance reports to National Treasury 45 days after the end of each quarter • Submit a grant evaluation report to National Treasury four months after the end of the financial year • Review the performance based allocation mechanism for use in determining future allocations • Confirm the correctness of submitted data by provinces by assessing a representative sample • Ensure that RAMP, project list and, IRM are aligned • Upload submitted road condition data into a central repository <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments must submit monthly infrastructure reports that comply with the IRM to DoT and the relevant provincial treasury • Provinces must align the RAMP, project list and IRM • Submit completed quarterly performance report templates 30 days after the end of each quarter • Provincial departments must implement their projects in line with the S’hamba Sonke and the Expanded Public Works Programme guidelines • Ensure that approved grant funded projects are published as part of the Estimates of Provincial Revenue and Expenditure through the provincial legislative processes • Ensure projects are selected using RAMS as the primary source of information • Design and implement projects in compliance with the S’hamba Sonke Principles and Expanded Public Works Programme guidelines • Submit updated road condition data (paved and unpaved) including instrumental/ automated road survey data, traffic data, safety audit report and bridge conditions by 30 September 2019
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Provinces must submit a draft 2020/21 RAMP with a minimum of five years of planned projects selected using RAMS as the primary source, by 27 September 2019 • RAMPs, including 2020 MTEF prioritised project lists, must be reviewed by DoT and feedback provided by 30 January 2020 • Provinces to submit final 2020/21 RAMP to DoT, relevant provincial treasury and National Treasury by 29 March 2020

Public Transport Operations Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • Subsidised road based public transport services
Grant purpose	<ul style="list-style-type: none"> • To provide supplementary funding towards public transport services provided by provincial departments of transport
Outcome statements	<ul style="list-style-type: none"> • The provision of public transport services in terms of contracts which are kilometre based and affordable to the users of the services • Improve efficiencies in public transport spending
Outputs	<ul style="list-style-type: none"> • Number of vehicles subsidised • Number of cumulative annual vehicles subsidised • Number of scheduled trips • Number of trips operated • Number of passengers • Number of kilometres • Number of employees
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • Not applicable
Conditions	<ul style="list-style-type: none"> • This conditional grant, which is supplementary, is a national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised transport services • The contracting authority must supervise, monitor and verify the correctness of the operators' claim in terms of the kilometres of service provided and provide a monthly summary report to the transferring officer • If the contracting function is devolved to any municipality before the 2019/20 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality. Where contracts are not devolved provinces must continue performing the contracting function until it is assigned to a municipality in terms of the provisions of the National Land Transport Act (NLTA) 5 of 2009 • The implementation of the devolution should be managed in terms of section 17 of the 2019 Division of Revenue Act (DoRA) • The municipality and province will have to make transitional arrangements to ensure payments to operators meet contractual commitments. Should contracts be devolved during 2019/20, a service level agreement between the province and the municipality must be signed and funds must flow in line with 2019 DoRA requirements. Provinces must take all reasonable measures to assist the transition within a framework to be prescribed by the national Department of Transport (DoT) and National Treasury • In cases where a contract, or part thereof, is transferred in terms of any applicable legislation or legal provision as part of the integrated public transport network (IPTN) of the municipality, the funds allocated to such a contract or part thereof must be ring-fenced and transferred to the municipality taking over the contract from the province • For the purpose of planning, provinces must share relevant information with municipalities, where services link to integrated public transport networks • All new contracts, including designs and operators' business plans detailing subsidised services, must be approved by the Public Transport Integration Committee (PTIC), and be in line with relevant legislation and in compliance with the public transport strategy. Where an Intermodal Planning Committee is established at municipal level, in terms of the NLTA, the functions of the two committees must be consolidated to ensure integration of planning, services and modes • Provinces must ensure that PTIC are functional and that no new contracts are paid from the grant if they are not approved by the PTIC • Arrangements for the IC52/97 (Moloto Road Bus Contract): Part of Gauteng's allocation is ring-fenced for the introduction of a new contract to replace IC52/97 (Moloto Road Bus Contract) in 2019/20 as determined by National Treasury after consultation with the national DoT Transport and the province
Allocation criteria	<ul style="list-style-type: none"> • The allocations are based on 2009 DoRA allocation baseline, weighted for the average shares of historical contributions that supplement the grant. Provinces/contracting authorities should determine individual operator's budgets and ensure that the operation stays within the allocation or provide supplementary funds from the provincial budget
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Subsidies are earmarked for the provision of public transport services

Public Transport Operations Grant	
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> Allocated and transferred R5.7 billion to provinces of which R5.5 billion was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> Number of cumulative annual vehicles subsidised 76 971 Number of vehicles subsidised 6 497 Number of kilometres subsidised 230 988 614 Subsidy per passenger R18.87 Subsidy per kilometre operated R23.82 Kilometres operated per vehicles 3 001 Passengers per vehicle 3 789 Passengers per trip operated 49 Employees per vehicle 2
Projected life	<ul style="list-style-type: none"> As provided for in the National Land Transport Act 5 of 2009
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R6.3 billion; 2020/21: R6.7 billion and 2021/22: R7.1 billion
Payment schedule	<ul style="list-style-type: none"> Monthly instalments according to a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Maintain national database with key performance indicators of public transport services as per data received from contracting authorities Advise contracting authorities regarding the design of contracted services Draft public transport operational subsidy policy by 2019 In the event that a service level agreement is signed between Gauteng province and the national department for the management of the IC52/97 contract, the service level agreement must include provision for capacity and resources needed to administer the contract <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Any contractual agreement entered into by a contracting authority in relation to this grant will be the responsibility of the contracting authority As a supplementary grant, provincial departments remain responsible for funding any shortfall on provision of this service funded through the provincial equitable share Ensure that contracted operators' certified claims are paid within 30 days from the date of receipt Certify and submit monthly performance reports to DoT within 25 days after the month following the operation, and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT Provinces must inform the transferring officer of any disputes or challenges experienced with municipalities so as to avoid service disruptions
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Not applicable

ANNEXURE W3:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO MUNICIPALITIES

Annexure W3: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B grants to municipalities

Introduction

This annexure provides a brief description for each grant in Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B of the 2019 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2019 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2020/21

The attached frameworks are not part of the Division of Revenue Bill, 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. Once the 2019 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2019/20 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

Integrated Urban Development Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and ultimately unlock growth
Grant purpose	<ul style="list-style-type: none"> To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered
Outcome statements	<ul style="list-style-type: none"> Improved access to municipal infrastructure Improved quality of municipal services through infrastructure that is in better condition Improved spatial integration
Outputs	<ul style="list-style-type: none"> Number of new water connections meeting minimum standards Number of new sewer connections meeting minimum standards Number of dwellings provided with connections to the main electricity supply by the municipality Percentage of known informal settlements receiving integrated waste handling services during the financial year Additional square meters of parks provided during the financial year Additional square meters of outdoor sports facilities provided during the financial year Additional square meters of public open space provided during the financial year Number of additional community halls provided during the financial year Number of additional libraries provided during the financial year Percentage of unsurfaced roads graded within the financial year Percentage of surfaced municipal road lanes which has been resurfaced and resealed Length of non-motorised transport paths built over the financial year Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses a three year capital programme that is aligned with a 10 year Capital Expenditure Framework The three year capital programme must demonstrate alignment with the Capital Expenditure Framework The three year capital programme must provide the following detail for each sub-programme that is partially or fully funded by the Integrated Urban Development Grant (IUDG): <ul style="list-style-type: none"> classification of sub-programme as informal settlement upgrading, other new infrastructure or renewal anticipated outputs indication of the proportion of outputs that will be delivered in priority areas as identified in the Spatial Development Framework indication of the proportion of outputs that will benefit low income households, high income households or non-residential customers The three year capital programme must demonstrate appropriate co-funding for the portion of the programme that does not benefit low income households This grant uses the Municipal Infrastructure Grant Management Information System (MIG-MIS) registration requirements
Conditions	<ul style="list-style-type: none"> IUDG funds may only be spent on: <ul style="list-style-type: none"> basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure expenditure may be on new infrastructure, upgrading existing infrastructure or renewing existing infrastructure maintenance of roads infrastructure mainly serving the poor To receive the first tranche a three year capital programme and a 10 year Capital Expenditure Framework must have been approved through processes led by the Department of Cooperative Governance (DCoG) The second transfer will only be released to municipalities that have spent at least 50 per cent of their transferred funds by the end of the second quarter A maximum of 5 per cent of a municipality's IUDG allocations may be used for programme management costs related to grant funded projects and only if a business plan for their Programme Management Unit

Integrated Urban Development Grant	
	<p>is approved by the transferring officer before the start of the municipal financial year. If these funds (5 per cent) are not planned or spent for this purpose they must revert back to capital projects in the IUDG</p> <ul style="list-style-type: none"> • Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects • IUDG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data • Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> ○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA) ○ municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation unless an exemption from this requirement is approved by SRSA ○ initial transfers of funds from the ring-fenced funds will be subject to signing of a memorandum of understanding between SRSA and the beneficiary municipalities ○ subsequent transfers funded through the ring-fenced amount will also be subject to approval by SRSA • Municipalities must report monthly on expenditure of transferred funds, signed-off by the municipal Accounting Officer or delegated official • Municipalities must submit quarterly reports in the prescribed format, signed-off by the municipal Accounting Officer or delegated official • Municipalities that are already part of the IUDG but do not continue to meet all of the qualification criteria for the grant must adopt and implement a Performance Improvement Plan (PIP) and meet the qualification criteria in the next financial year if they are to remain part of this grant. In 2019/20 Polokwane Local Municipality must adopt a PIP, which must: <ul style="list-style-type: none"> ○ be agreed with DCoG ○ set out measurable indicators to improve performance on the gaps in the municipality's performance on IUDG qualification criteria ○ address how the audit action plan will be implemented ○ be adopted by the municipal council • Municipalities implementing a PIP must submit monthly reports on its progress to DCoG
Allocation criteria	<ul style="list-style-type: none"> • Allocations are focused on municipalities whose circumstances align with the IUDG's criteria, these include higher urban population densities and high economic activity • The IUDG includes a base component, a performance-based component and a once-off planning component • 92 per cent of the total IUDG allocation is the base allocation derived from the Municipal Infrastructure Grant formula explained in part five of annexure W1 of the 2019 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data • 5 per cent of the total IUDG allocation is allocated as a performance incentive. The performance-based component is also weighted according to the allocations in 2018/19 of the Municipal Infrastructure Grant. This allocation is then adjusted based on performance against the following weighted indicators: <ul style="list-style-type: none"> ○ non-grant capital as a percentage of total capital expenditure (40 per cent) ○ repairs and maintenance expenditure (30 per cent) ○ asset management plan (30 per cent) ○ land use applications in priority areas (0 per cent - this factor is dormant in 2019/20) ○ building plan applications in priority areas (0 per cent - this factor is dormant in 2019/20) • 3 per cent of the total IUDG allocation is allocated to participating municipalities as a once-off allocation in 2019/20 to undertake specified planning activities, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> ○ a detailed three year capital programme and a 10 year Capital Expenditure Framework ○ property market empirical and diagnostic studies ○ integrated infrastructure and spatial planning for identified integration zones ○ investment pipeline development ○ asset management plan ○ priority areas ○ development of infrastructure financing strategies and instruments ○ implementation of an agreed performance improvement plan
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share

Integrated Urban Development Grant	
Past performance	<ul style="list-style-type: none"> • New grant introduced in 2019/20
Projected life	<ul style="list-style-type: none"> • The programme will continue up to 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R857 million; 2020/21: R939 million and 2021/22: R1 billion
Payment schedule	<ul style="list-style-type: none"> • Three instalments: July 2019, December 2019 and March 2020
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national departments</p> <ul style="list-style-type: none"> • DCoG administers the IUDG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> ○ monitor expenditure and non-financial performance in collaboration with provincial departments of cooperative governance ○ coordinate overall programme implementation • The Municipal Infrastructure Support Agent must support municipalities that have been identified collaboratively by DCoG and its provincial counterparts as needing assistance • In addition to the sector-specific support and advice, the Department of Water and Sanitation, Department of Environmental Affairs, Department of Transport, Department of Energy and Sport and Recreation South Africa will be expected to: <ul style="list-style-type: none"> ○ provide sector policies and plans to municipalities as informants to the preparation of Capital Expenditure Frameworks ○ participate in processes to approve the 10 year Capital Expenditure Framework and three year capital programme ○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs. National sector departments will be invited to participate in IUDG in-year monitoring meetings in order to facilitate this role
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provincial departments responsible for local government must: <ul style="list-style-type: none"> ○ coordinate technical support to municipalities ○ provide assistance to municipalities in managing municipal infrastructure projects ○ participate in processes to approve the 10 year Capital Expenditure Framework and three year capital programme ○ participate in in-year monitoring meetings ○ verify outputs and outcomes reported by municipalities on a sample of projects annually • Provincial treasuries must: <ul style="list-style-type: none"> ○ participate in processes to approve the 10 year Capital Expenditure Framework and three year capital programme ○ participate in in-year monitoring meetings
	<p>Responsibilities of the municipalities</p> <ul style="list-style-type: none"> • Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by their Integrated Development Plan, three year capital programme and the 10 year Capital Expenditure Framework • Municipalities must monitor projects during the year and use this monitoring to inform reporting to DCoG • Municipalities must report monthly, quarterly and at the end of the financial year in the prescribed format(s) and timelines • Monthly, quarterly and annual reports must be signed-off by the Accounting Officer or the delegated official and submitted directly to provincial coordinators of DCoG
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Eligibility for the IUDG and minimum conditions for qualification are outlined in Annexure W1 to the 2019 Division of Revenue Bill • If a Category B municipality wishes to apply for the IUDG for 2020/21 and is not already classified as an intermediate city municipality, it must submit an application to be classified as an intermediate city municipality by the end of April 2019. The municipality will receive notification of the outcome of its application by the end of June 2019 • Category B municipalities that have been classified as intermediate city municipalities and who wish to be considered for qualification for the IUDG must submit an application form indicating compliance with minimum conditions by 31 July 2019 • Municipalities must submit a first draft of the three year capital programme and 10 year Capital Expenditure Framework to the transferring officer by 31 January 2020 and the final versions of the three year capital programme and 10-year Capital Expenditure Framework must be approved through processes led by DCoG by 30 April 2020

Municipal Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part B
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to immediate needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the immediate release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Immediate consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> Emergency repair of critical infrastructure Emergency provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> copy of the applicable contingency plan and emergency procedures in use by the municipality (Section 49(1)(d) of the Disaster Management Act) copy of the classification letter in terms of the Disaster Management Act copy of the declaration of a state of disaster in terms of the Disaster Management Act number of people affected and the extent of damage and losses sectors affected total funds required for disaster response resources (both financial and in-kind) allocated by the municipality to respond and mitigate the effects of the disaster resources (both financial and in-kind) committed by other role players, including provinces, the private sector, national departments and non-government organisations consolidated project cash flow as an annexure intervention and mitigation strategies as per the disaster management plan cost-benefit analysis of the projects to be implemented An implementation plan with the following: <ul style="list-style-type: none"> details of the projects to be repaired including Global Positioning System (GPS) coordinates costs of the project consolidated projects cash flow over a three-month period as an annexure to the implementation plan An application for a funding contribution may be based on the rapid assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> Copies of the disaster declaration and classification letter in terms of the Disaster Management Act must be submitted to the NDMC This grant may only be used to fund expenditure in the event that the municipality responsible for the provision of the affected basic service is unable to deal with the effects of the disaster utilising own legislation/guidelines and resources Municipalities must fund a portion of the costs of the disaster response from their own budget, if unable to do so, proof must be provided Funds from this grant may be utilised to reimburse municipalities for expenditure incurred which could not be accommodated within the municipality's own budget. In cases where municipalities require reimbursement of funds spent, municipalities are to consult the NDMC through the relevant Provincial Disaster Management Centre (PDMC) for approval prior to spending the funds. Proof of expenditure in the form of invoices must be availed to the relevant PDMC and NDMC in case reimbursement is required. Items purchased must fall within the competency of municipalities Funds may only be used in line with the approved implementation plan. Any amendments to the implementation plan must be approved by the NDMC and copies of the approved amendments shared with National Treasury Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the municipality A municipality may request the NDMC through the PDMC to apply to the National Treasury to approve that an allocation be utilised more than six calendar months after the date of transfer, in terms of section 26(3)(d) of the 2019 Division of Revenue Act The emergency procurement system provided for in Treasury Regulations should be invoked to ensure immediate assistance by the affected municipalities A copy of the contingency plan for the relevant hazard is to be submitted with the funding request
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated for declared and classified disasters, based on reports from assessments conducted by the NDMC and PDMC and affected sectors of immediate disaster relief needs. Additionally, it must be established that there are immediate disaster relief needs that cannot be met by the municipality through the contingency arrangements already in place. The Accounting Officer for the relevant organ of state must indicate in their application that the total funds required from the grant for disaster response exceed the available resources and or resources already allocated for disaster relief Funding may however be released in tranches, with the first tranche being based on an initial assessment and verification of the disaster relief needs

Municipal Disaster Relief Grant	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant provides funding for responding to and providing relief for unforeseeable and unavoidable disasters
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> R300 million was allocated and R327 million was transferred to the municipalities in the Eastern Cape, Northern Cape and Western Cape for drought intervention measures in the affected municipalities. A conversion of funds from the Provincial Disaster Relief Grant to the Municipal Disaster Grant was gazetted by National Treasury to cover the shortfall <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> Funding for emergency relief was provided as follows: <ul style="list-style-type: none"> Eastern Cape Province <ul style="list-style-type: none"> Dr Beyers Naude Local Municipality – condition assessment and recommissioning of boreholes in Vondeling, Fullarton and Miller to address drought conditions Kou-kamma Local Municipality – condition assessment and recommissioning of 10 boreholes to address drought conditions in the municipality Kouga Local Municipality – condition assessment and recommissioning of four boreholes to address drought conditions in the municipality Sundays River Valley Local Municipality – investigation, drilling and equipping of seven boreholes to address drought conditions in the municipality Makana Local Municipality – condition assessment and recommissioning of six boreholes to address drought conditions in the municipality Blue Crane Route Local Municipality – condition assessment and recommissioning of four boreholes to address drought conditions in the municipality Ndlambe Local Municipality – condition assessment and recommissioning as well as equipping four boreholes to address drought conditions in the municipality Amathole District (Mbashe Local Municipality) – drill and equip three boreholes to address drought conditions in the municipality Nelson Mandela Bay Metropolitan Municipality – implementation of ground water schemes: Coega Kop Production boreholes, Uitenhage wellfields, Moregrove, Churchill wellfields and health facilities to address drought conditions in the metro Western Cape Province <ul style="list-style-type: none"> City of Cape Town Metropolitan Municipality – supported Cape Flats and Atlantis Aquifer projects to address drought conditions in the municipality Bitou Local Municipality – drilling and equipping of boreholes to address drought conditions in the municipality Cederberg Local Municipality – drilling and equipping of six boreholes to address drought conditions in the municipality Theewaterskloof Local Municipality – drilling and equipping of boreholes to address drought conditions in the municipality Matzikama Local Municipality – drilling and equipping of nine boreholes to address drought conditions in the municipality Drakenstein Local Municipality – drilling and equipping of production boreholes to address drought conditions in the municipality Northern Cape Province <ul style="list-style-type: none"> Kareeberg Local Municipality – equipping of two boreholes to address drought conditions in the municipality Richtersveld Local Municipality – groundwater verification and equipping of boreholes to address drought conditions in the municipality Namakhoi Local Municipality – Buffelsrivier Bulk Water Augmentation: rotary percussion project to address drought conditions in the municipality Hantam Local Municipality – ground water exploration and equipping of boreholes to address drought conditions in the municipality Kamiesberg Local Municipality – equipping of boreholes to address drought conditions in the municipality
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term, and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R335 million; 2020/21: R354 million and 2021/22: R373 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre</p> <ul style="list-style-type: none"> Advise and guide municipalities and PDMCs about the existence of the grant and how grant funding can be applied for and the criteria to qualify for the grant Conduct a preliminary cost verification and submit this to the National Treasury for disasters that meet criteria for funding within 14 days following receipt of the written initial funding request from the PDMC and municipalities Together with the affected municipalities and provinces, conduct assessments of disaster impacts to verify the applications for funding within 35 days following the receipt of written funding requests and as per the requirements of the Disaster Management Act

Municipal Disaster Relief Grant	
	<ul style="list-style-type: none"> • Submit funding request to National Treasury for consideration within 35 days following the receipt of the written funding request from the municipalities through the PDMCs • Confirm what support national sector departments are providing and ensure there is no duplication of support • Provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund • Notify the relevant municipality of a transfer at least one day before the transfer is made and transfer the funds no later than five days after notification • Notify the relevant PDMC together with the relevant sector departments, National Treasury and the relevant provincial treasury of a transfer and reason for transfer within five days of the transfer of funds to municipalities • Build relationships and establish the necessary communication channels with relevant national and provincial departments to ensure the country has a coordinated approach to disaster response • Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant • Provide expenditure reports to National Treasury in line with the 2019 Division of Revenue Act and the Public Finance Management Act (PFMA) within 20 days after the end of each month • Provide a performance report to National Treasury in the disaster allocation monitoring template agreed with the National Treasury within 45 days after the end of the quarter in which funds are spent, with invoices as annexures to the report • Together with the relevant PDMC monitor the implementation of disaster projects <p>Responsibilities of the Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> • Together with the affected municipalities and the relevant sector departments, conduct initial assessments to verify the impact of the disaster for applications for funding within 14 days following the occurrence of the incident • Together with the NDMC and the affected municipalities, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the occurrence of the disaster and as per the requirements of the Disaster Management Act • Confirm what support provincial sector departments are providing and ensure there is no duplication of support • Assist municipalities with requests for disaster funding, and monitor projects to ensure that the funds are used for intended purposes and provide reports to the NDMC and relevant provincial treasury • Coordinate, analyse and submit expenditure reports signed-off by the head of the PDMC on progress regarding the implementation of the projects to NDMC within 15 days after the end of each month in which funds are spent, with invoices as annexures to the reports • Coordinate, analyse and submit performance reports signed-off by the head of the PDMC, which include evidence, on progress with implementation of the projects to the NDMC within 35 days after the end of the quarter in which funds are spent • The PDMC should establish a project task team comprising of affected municipalities and sector departments • Monitor the implementation of disaster funds <p>Responsibilities of the municipalities</p> <ul style="list-style-type: none"> • Cooperate with the NDMC, relevant PDMC and provincial and national sector departments to conduct damage assessment and cost verification • Submit disaster assessment reports and funding requests signed-off by the Accounting Officer to the PDMC within 14 days following the declaration and classification of a disaster • Municipalities must invoke emergency procurement processes provided for within the Treasury Regulations when spending the funds allocated, to ensure immediate assistance to the affected areas and must provide proof that measures were put in place to mitigate the occurrence in the form of a contingency plan for the specific hazard • Municipalities must implement all projects approved and ensure that the funds allocated are spent for the intended purposes • Establish project task teams during the implementation of disaster projects • Submit expenditure reports signed-off by the Accounting Officer which include evidence (such as purchase invoices) of implementation progress on the projects to the relevant PDMC within 10 days after the end of each month in which funds are spent • Submit a performance report signed-off by the Accounting Officer which includes evidence of implementation progress on the projects to the PDMC within 30 days after the end of the quarter in which funds are spent
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Not applicable

Municipal Disaster Recovery Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To restore functionality of municipal infrastructure following a disaster
Grant purpose	<ul style="list-style-type: none"> To reconstruct and rehabilitate municipal infrastructure damaged by a disaster
Outcome statements	<ul style="list-style-type: none"> Municipal infrastructure damaged by a disaster reconstructed and rehabilitated
Outputs	<ul style="list-style-type: none"> Municipal infrastructure damaged by a disaster reconstructed and rehabilitated
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the template/framework developed by the National Disaster Management Centre (NDMC) which must include a project implementation plan, highlighting: <ul style="list-style-type: none"> list of projects to be implemented in order of priority timeframes within which the projects will be implemented estimated costs of projects disaster risk reduction measures to mitigate the recurrence of disaster related damage in the future number of households to benefit from the projects and estimated jobs to be created a copy of disaster management plan with risk reduction strategies to manage the hazard in future must be attached to the application provide proof that the disaster exceeded the available resources indicate if the current damaged infrastructure is funded by any grant funding from other programmes proof of full utilisation of funds previously transferred for this grant support received from Non-Government Organisations (NGOs) and local businesses contribution by the municipality (both financially and in-kind) implementation plan or project plan with time frames cost-benefit analysis of the projects to be implemented Copies of the classification letter and declaration of a state of disaster in terms of the Disaster Management Act must be provided when funding is requested
Conditions	<ul style="list-style-type: none"> A business plan and project implementation plan detailing the reconstruction and rehabilitation projects signed by the Accounting Officer aligned to the post-disaster verification assessment report must be submitted to the NDMC Disaster reconstruction and rehabilitation funds must only be utilised for approved projects as listed in the post-disaster verification assessment reports and approved business plans Monthly and quarterly financial and non-financial performance reports on disaster allocations must be submitted to the NDMC through the relevant Provincial Disaster Management Centre (PDMC) Municipalities must liaise and align the disaster recovery projects with the Municipal Infrastructure Grant projects to ensure proper monitoring and reporting on the progress for implementation of the projects Transfers will only be made if municipalities have submitted financial and non-financial reports required in terms of the 2019 Division of Revenue Act for this financial year and the previous financial year (if funds for disaster recovery were allocated in that year) Funds may only be used in line with the approved implementation plan. Any amendments to the implementation plan must be approved by the NDMC and copies of the approved amendments shared with National Treasury Funds may be transferred in tranches; the transfer of funds will depend on the past and current performance of the municipalities in relation to the conditions of the grant in case funds for disaster recovery were allocated in the previous year
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated based on approved post-disaster reconstruction and rehabilitation assessment reports Only post-disaster reconstruction and rehabilitation projects that have been submitted for verification assessments within six months following a disaster will be considered The Accounting Officer for the relevant organ of state must submit a report to confirm that all available resources have been exhausted The municipality must provide proof of their disaster management budget and exhaustion of such funding, and reprioritisation of available resources to address the disaster
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for recovery after unforeseen disasters
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> R26 million was allocated, and the R26 million (100 per cent of the allocation) was transferred to Merafong City Local Municipality <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> Following disasters, the grant was provided for the repair and replacement of infrastructure in the following municipalities: <ul style="list-style-type: none"> Merafong City Local Municipality to address damage caused by sinkhole conditions within the municipality
Projected life	<ul style="list-style-type: none"> The 2019 budget only allocated funds for the 2019/20 financial year. Allocations for future years will be considered through the budget process

Municipal Disaster Recovery Grant	
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R194 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre</p> <ul style="list-style-type: none"> • Advise municipalities and provinces about the existence of the grant and its conditions • Provide municipalities and provinces with a final post-disaster verification assessment report that includes a project list and projected costs for all infrastructure to be reconstructed or rehabilitated. This report must be provided through the relevant PDMC • Monitor the implementation of projects together with the affected municipalities and provinces • Make payments to municipalities in accordance with the approved payment schedule • Transfer funds only when evidence on project performance and expenditure reports are submitted <p>Responsibilities of Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> • Advise municipalities about the existence of the grant and its conditions • Assist municipalities with the rapid assessment reports to be submitted to the NDMC • Provide support to municipalities with regard to the final post-disaster verification report • Ensure that the final post-disaster verification report is signed-off by both the Accounting Officer in the municipality and the provincial department • Provide a copy of the final post-disaster verification report to municipalities • Assist municipalities with business plans incorporating the implementation plan and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damage in future • Conduct on-site visits to monitor and report on the implementation of projects and provide reports of progress to the NDMC • Provide financial and non-financial reports to the NDMC within 10 days after the end of each month. Photographs depicting the projects progress should be included as an annexure • Provide expenditure and project performance reports including evidence to the NDMC within 35 days after the end of the quarter in which funds are spent • Monitor the implementation of projects together with the NDMC, affected sectors and the municipalities • Establish project steering committees in the province • Consolidate annual performance evaluation reports on financial and non-financial performance to be submitted to the NDMC through the relevant PDMC <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Develop and submit business plans incorporating implementation plans and disaster risk reduction measures for the proposed projects to prevent and mitigate the reoccurrence of disaster related damages in future • Monitor the implementation of disaster funded projects together with the PDMC and affected sector departments • Establish project steering committees in the municipality • Conduct on-site visits to monitor and evaluate the impact of projects and provide reports which include evidence to the NDMC through the relevant PDMC • Utilise the funds in line with the approved post-disaster verification assessment report • Provide financial and non-financial reports to the PDMC within five days of the end of each month. Photographs depicting the project progress should be included as an annexure • Provide financial and non-financial performance reports signed-off by the municipal manager to the PDMC within 30 days after the end of the quarter in which funds are spent • Prepare an annual performance evaluation report on financial and non-financial performance to be submitted to the NDMC through the relevant PDMC
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Not applicable

Municipal Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> Subsidise the capital costs of providing basic services to poor households
Grant purpose	<ul style="list-style-type: none"> To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities
Outcome statements	<ul style="list-style-type: none"> Improved access to basic services infrastructure for poor communities
Outputs	<ul style="list-style-type: none"> Number of poor households impacted through the construction of new infrastructure and the upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> basic water and sanitation services central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites sport and recreation facilities street and community lighting public facilities Number of kilometres of municipal roads developed, upgraded and maintained Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the Municipal Infrastructure Grant (MIG) registration form as agreed with sector departments, which includes: <ul style="list-style-type: none"> project title sector time frames for implementation cost of the project
Conditions	<ul style="list-style-type: none"> To receive the first tranche, municipalities must have followed the process for approval of 2019/20 projects and have confirmed by 30 April 2019 with the Department of Cooperative Governance (DCoG), their programme, project planning and implementation readiness in the form of an implementation plan that includes cash flow projections Municipal allocations must be fully committed to registered projects prior to the year of implementation and be informed by the Integrated Development Plans (IDPs) and three-year capital plans MIG priorities set by municipalities (as stated in their MIG implementation plans) can only be changed in-year for other projects within the MIG project register, after municipal council approval MIG must be allocated and transferred directly to a category B or C municipality that has the powers and functions for basic services referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide basic municipal infrastructure to the poor, in line with their functions Municipalities must prioritise MIG funds for infrastructure that services eligible beneficiaries, such as: <ul style="list-style-type: none"> basic residential infrastructure for the poor for water, sanitation, roads and stormwater, waste management, street lighting and community facilities new or upgrading of municipal bulk infrastructure to support existing areas, the formalisation of informal settlements and to support economic development renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality of how on-going operations and maintenance of the renewed infrastructure will be funded and performed maintenance of roads infrastructure mainly servicing the poor Municipalities must spend at least 60 per cent of their first transfer and comply with reporting provisions before the second and subsequent transfers are made Municipalities must spend 40 per cent of their total MIG allocation by 31 December 2019 Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes Local municipalities investing in roads infrastructure must utilise data from the Rural Road Asset Management System (RRAMS) where available, to identify and prioritise their investment on roads projects MIG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA)

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> ○ municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation unless an exemption from this requirement is approved by SRSA ○ initial transfers of funds from the ring-fenced sport infrastructure allocation to identified projects will be subject to signing of a memorandum of understanding between SRSA and the beneficiary municipalities ○ subsequent transfers for projects funded through the ring-fenced amount will also be subject to approval by SRSA • Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> ○ municipalities must submit technical reports for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects • All sport infrastructure plans and technical reports must be submitted as part of the normal MIG planning process but will be reviewed and approved by SRSA to ensure they comply with norms and standards before construction can begin • Municipalities must ensure compliance to EPWP infrastructure guidelines in aligning their projects and reporting the work opportunities created on the EPWP reporting system • A municipality must consider procuring goods and services for water and sanitation projects through nationally set up framework contracts, where available, before utilising municipal procurement processes • Municipalities must submit monthly and quarterly reports in the prescribed national template and signed-off by the Municipal Manager or delegated official • Municipalities must utilise the Municipal Infrastructure Grant Management Information System (MIG-MIS) to facilitate programme and project management and reporting • A maximum of 5 per cent of a municipality's MIG allocation may be used for programme/project management costs related to all schedule 5, part B grant-funded projects and only if a business plan for their Project Management Unit is approved by 30 April 2019. If these funds (5 per cent) are not planned or spent for this purpose they must revert back for MIG capital projects • At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor • Withholding or stopping of transfers and reallocation or conversion of MIG allocations will be instituted where municipalities do not comply with the conditions above
Allocation criteria	<ul style="list-style-type: none"> • Part 5 of Annexure W1 to the 2019 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data • The funds ring-fenced for sport infrastructure are allocated based on estimated costs of projects that: <ul style="list-style-type: none"> ○ fill identified gaps and are confirmed with the provincial departments responsible for sport and the municipalities ○ align to the National Sport and Recreation Plan, National Sport Facilities Plan and transformation imperatives ○ align to priority sport codes
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • The MIG programme was allocated R15.9 billion in the 2017/18 financial year. The full amount was transferred and 92 per cent of this was spent <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> ○ 139 959 households provided with basic water and 105 761 households provided with sanitation services ○ 103 694 households provided with street and community lighting • Number of infrastructure constructed (new infrastructure and upgrading and renewal of existing infrastructure): <ul style="list-style-type: none"> ○ nine central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites developed ○ 38 sport and recreation facilities developed ○ 94 public facilities developed • 1 788 kilometres of municipal roads developed • 170 149 Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Projected life	<ul style="list-style-type: none"> • The programme will continue up to 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R14.8 billion; 2020/21: R15.7 billion and 2021/22: R16.8 billion

Municipal Infrastructure Grant	
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national departments</p> <ul style="list-style-type: none"> • DCoG administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> ○ report to sector departments on outputs ○ monitor expenditure and non-financial performance in collaboration with provincial DCoGs ○ coordinate overall programme implementation ○ provide support to municipalities in the utilisation of the MIG-MIS • The Municipal Infrastructure Support Agent (MISA) must: <ul style="list-style-type: none"> ○ provide technical support to municipalities that have been identified collaboratively with DCoG and its provincial counterparts as needing assistance ○ assist municipalities in the submission of asset management data where available, and provide the necessary training on access and use of the Municipal Infrastructure Performance Management Information System for the development of individual municipal asset registers where required • In addition to their sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> ○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal IDPs ○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ○ evaluate reports and provide final recommendations to the municipality by 30 September 2019 ○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes ○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects ○ advise which sphere (provincial or national - even if different across provinces) should sign-off MIG projects and participate in MIG workflow processes ○ sign-off on project close-out reports, thereby acknowledging the projects have been completed as intended • Department of Water and Sanitation must: <ul style="list-style-type: none"> ○ support and monitor municipalities to prepare and implement water services development plans ○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant ○ for the MIG funding stream, monitor and oversee progress on water and sanitation projects implemented through the MIG • Department of Environmental Affairs must support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector • Department of Energy must support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector • Department of Transport must support municipalities with planning and implementation of municipal roads projects in terms of the RRAMS data and monitor municipalities' performance and compliance with conditions applicable to this sector • Sport and Recreation South Africa must: <ul style="list-style-type: none"> ○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula ○ award transversal tenders for the procurement of services relating to sport infrastructure ○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector ○ approve any exemptions to transversal tenders by 31 July 2019, if there are good grounds for an exemption ○ review, approve and sign-off all MIG projects before recommendation by the provincial sports departments to the MIG appraisal committee • Department of Public Works must: <ul style="list-style-type: none"> ○ monitor compliance with the EPWP infrastructure guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches ○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP and assist municipalities in meeting their set targets ○ ensure that municipalities register their projects on the EPWP reporting system and monitor compliance with norms and standards applicable to this sector <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Coordinate technical support to municipalities • Monitor performance of municipal Programme/Project Management Units and recommend relevant sanctions for under-performance to DCoG

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> • Provide assistance to municipalities in managing municipal infrastructure projects • Provide support to municipalities in the utilisation of the MIG-MIS • Monitor and reconcile reported expenditure with proof of payment signed-off by the municipality • Monitor the accuracy of project registration forms and coordinate monthly, quarterly and annual reports from municipalities and forward them to DCoG • Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited • Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG • Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG and capture site visit reports on MIG-MIS • Monitor compliance with provincial legislation and alignment to provincial growth and development strategies through project registration
	<p>Responsibilities of provincial sector departments</p> <ul style="list-style-type: none"> • Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs • Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project • Participate in district appraisal and progress committee meetings • Evaluate and provide recommendations on sector technical reports before projects are appraised
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the IDP and three-year capital programme • Municipalities must have appropriate capacity to implement the MIG, this must be supported by the human resource plan of the municipality • Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered under the MIG-MIS • The municipality must report monthly, quarterly and annually in the prescribed formats and timelines, reports must be signed-off by the Municipal Manager or the delegated official and submitted to national government via the provincial department responsible for local government • Utilise the MIG-MIS to inform the content of the reports mentioned above
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 31 July 2019 for all projects to be implemented in 2020/21 • The responsible sector department must evaluate reports and provide final recommendations to the municipality by 30 September 2019 • When projects are registered for 2020/21, the municipality must identify how each MIG infrastructure project is aligned to and/or supports their local economic development strategy • The municipality must submit all project registration forms by 1 October 2019, for the projects to be implemented in 2020/21, to the provincial department responsible for local government • The provincial departments must provide final recommendations to municipalities by 29 November 2019 • Projects not implemented within three years of approval by the relevant appraisal committee will be deregistered • Municipalities must submit to DCoG by 31 January 2020, detailed project implementation plans for all the projects to be implemented in the 2020/21 and 2021/22 financial years • Such plans should include timelines regarding project designs, initiation of procurement, and environmental impact assessment (EIA) and/or relevant permit/license approvals in the prescribed format • Municipalities must submit updated implementation plans (as described above) by 30 April 2020, justifying any changes from the 31 January 2020 submission

Municipal Systems Improvement Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> An efficient and developmental sphere of government capable of delivering services to local communities
Grant purpose	<ul style="list-style-type: none"> To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation
Outcome statements	<ul style="list-style-type: none"> A responsive, accountable, effective and efficient local government
Outputs	<ul style="list-style-type: none"> Support municipalities through the rollout and implementation of simplified revenue plans Support municipalities through the implementation of the Integrated Urban Development Framework (IUDF) Support municipalities on municipal tariff data management and related matters Support municipalities in the preparation of an institutional recovery plan and the implementation thereof, where appropriate (including assisting municipalities to review and prepare: organograms, policies, by-laws, cost-reflective tariff structures, valuation rolls and record management systems) Design and pilot a campaign to encourage a culture of paying for municipal services Support municipalities in the rollout of staffing regulations and competency frameworks Support municipalities in institutionalisation of the local government monitoring and evaluation systems Support municipalities in the improvement of their records management and information communication technology infrastructure, including the municipal Standard Chart of Accounts Support municipalities to implement the Municipal Property Rates Act Support municipalities in the review and development of municipal by-laws Support municipalities in the implementation of the integrated property and consumer database project
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the Back to Basics support plan which identifies governance and institutional weaknesses in municipalities which are planned to be addressed through the grant allocation This grant also uses a memorandum of understanding that includes: <ul style="list-style-type: none"> outcome indicators output indicators key activities inputs details of how the systems and practices developed will be sustained over the long-term
Conditions	<ul style="list-style-type: none"> The Department of Cooperative Governance and the benefitting municipality must sign a memorandum of understanding that includes details of the activities and deliverables being funded, responsibilities of each stakeholder, protocols for engagements and feedback, budget for each activity, and timeframes for implementation Funds from this grant may be spent on building the capacity of municipalities with respect to the purpose and outputs listed for this grant Technical support to municipalities must include transfer of skills to municipal officials
Allocation criteria	<ul style="list-style-type: none"> Activities listed in the first four outputs of this grant have been funded in the initial allocations per municipality for the 2019 MTEF. Other outputs may be funded through reallocations or in future years Priority given to municipalities classified as distressed/dysfunctional in terms of Back to Basics Priority is given to municipalities with challenges/shortcomings in processes, procedures and systems to effectively implement the Municipal Systems Act and related local government legislation including municipalities with institutional challenges and municipal tariff data management challenges; and non-metropolitan municipalities with large outstanding debts owed to creditors Intermediate cities are targeted for programmes in support of the IUDF Unallocated funds in 2020/21 and 2021/22 will be allocated to projects during 2019, including to some municipalities not reached in 2019/20 Funds may be reallocated if a memorandum of understanding is not signed
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is aimed at building the capacity of targeted municipalities to implement sound institutional and governance systems required in terms of the Municipal Systems Act and related local government legislation
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> The grant had an allocation of R103 million of which R51 million (49 per cent) was spent

Municipal Systems Improvement Grant	
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 30 municipalities benefitted from the rollout and implementation of simplified revenue plans • The development phase of design principles, capabilities framework and service delivery model for category A, B and C municipalities for the prototype staff establishment project was finalised • Five municipalities benefitted from the integrated property and consumer database project
Projected life	<ul style="list-style-type: none"> • The grant continues until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R122 million; 2020/21: R128 million and 2021/22: R135 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Management, monitoring and reporting of the programme • Agree and sign a memorandum of understanding with participating municipalities • Coordinate with the National Treasury to ensure that the capacity building activities of the two departments are complimentary • Participate in the review of the municipal capacity support system during 2019
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Agree and sign a memorandum of understanding with the transferring officer • Identify municipal officials that will be recipients of skills transfer • Ensure that municipal officials participate actively in all activities funded through this grant • Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality • Municipalities to submit a detailed report upon the completion of the project with a detailed expenditure report
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Targeted municipalities must sign a memorandum of understanding in support of this Municipal Systems Improvement Grant programme

ENERGY GRANTS

Energy Efficiency and Demand Side Management Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce electricity consumption by promoting energy efficient practices
Grant purpose	<ul style="list-style-type: none"> • To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
Outcome statements	<ul style="list-style-type: none"> • Reduced demand for electricity • Increased awareness of energy saving • Skills development in energy efficiency • Energy management capability enhanced
Outputs	<ul style="list-style-type: none"> • Amount of electricity saved in kilowatt hours (KWh) • Number of energy efficient street lights installed • Number of energy efficient traffic lights installed • Number of buildings retrofitted • Number of units of water services infrastructure retrofitted
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 9: Responsive, accountable, effective and efficient developmental local government • Outcome 10: Protect and enhance our environmental assets and natural resources
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Projected energy savings • Key activities • Inputs
Conditions	<ul style="list-style-type: none"> • Funds can only be used to implement electricity saving projects in municipal infrastructure • The focus for implementation of energy efficiency interventions shall be limited to municipal buildings, streetlights, traffic lights, waste water treatment works and pump stations • Municipalities shall determine a detailed and extended electricity consumption baseline in line with South African Standards (SANS 5002 and SANS 50010) • Municipalities must respond to the request for proposals issued by the Department of Energy (DoE) in the format provided • Municipalities must commit to energy savings (in KWh) to be achieved through the retrofits to the DoE • A performance agreement with specific conditions shall be entered into between the municipality and the DoE • The municipality shall prepare a project work plan and business plan in the templates provided by the DoE • A municipality may apply to the transferring officer, by no later than 30 August 2019 to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities for the purposes of embedding the Vertically Nationally Appropriated Mitigation Action project, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> ○ investment pipeline development (excluding direct project preparation) ○ development of infrastructure financing strategies and instruments ○ utilisation of a minimum of 50 per cent capital expenditure as co-funding for the Vertically Nationally Appropriated Mitigation Action projects
Allocation criteria	<ul style="list-style-type: none"> • The following criteria are used for selecting municipalities to receive allocations from the grant: <ul style="list-style-type: none"> ○ municipalities that have responded to the request for proposals as issued by the DoE ○ municipalities with higher electricity consumption and higher electricity saving potential ○ municipalities with clearly defined objectives on energy efficiency improvements ○ proposals that use proven energy efficient technologies with low pay-back periods ○ municipalities that are participating in the Vertically Nationally Appropriated Mitigation Action Support Project of South Africa ○ municipalities that show readiness and capacity to implement EEDSM projects ○ good past performance if a municipality has previously participated in the programme ○ quality, viability and financial feasibility of proposed projects
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional transfer in support of the EEDSM programme
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • R215 million was allocated and transferred to participating municipalities <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • A verified total electricity saving of 15 GWh was reported by municipalities against the total verified electricity consumption baseline of 35 GWh
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2021/22, subject to review

Energy Efficiency and Demand Side Management Grant	
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R227 million; 2020/21: R240 million and 2021/22: R253 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitoring and evaluation of the EEDSM programme including measurement and verification of energy savings • Provide municipalities with guidance and support through capacity building workshops on best practices and pricing for EEDSM projects • Communicate to municipalities the process and requirements for obtaining EEDSM grant funds in 2020/21 • Develop a fair and open process to accredit and establish a panel of competent service providers with technical expertise and suppliers of energy efficient technology to support municipalities during the implementation of EEDSM projects • Provide technical support to municipalities participating in the Vertically Nationally Appropriated Mitigation Action Support Project of South Africa
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit proposals as per the request for proposals issued by DoE • Ensure that proposals are in the format and template provided by DoE • Implement the EEDSM programme as per the framework and contractual agreement • In the implementation of EEDSM projects, use service providers and/or energy efficient technology suppliers accredited by DoE • Submit to the DoE detailed energy consumption baseline and a business plan signed by the municipal manager before the start of the 2019/20 municipal financial year • Submit to the DoE the monthly and quarterly reports approved by the municipal manager • In a case where a municipality delegates the implementation of the programme to its entity (i.e. Johannesburg City Power, Mangaung CENTLEC, etc.) such an entity shall enter into an implementation contract with the municipality for the purposes of reporting and accountability. A copy of this implementation contract must be shared with DoE
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Allocations for 2020/21 will be based on the proposals submitted in line with the request for proposal issued by the DoE • Proposals must be submitted by 30 September 2019 and shall be evaluated against the criteria set out in this framework and the request for proposals issued by DoE

Integrated National Electrification Programme (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce electrification backlogs through funding of household connections and bulk infrastructure (substations and lines) to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, new, and existing dwellings) and the installation of relevant bulk infrastructure
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of connections to households per annum • The number of substations completed • Kilometres of bulk lines completed • Implementation of labour-intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all. • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Key activities • Inputs
Conditions	<ul style="list-style-type: none"> • Adhere to labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching and the planting of poles amongst others • Register electrification business plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Energy (DoE) regarding the central planning and co-ordination for such bulk infrastructure • Bulk infrastructure can only be funded for infrastructure serving poor households (where infrastructure serves tariff-funded areas and poor households, costs should be shared) • Use INEP funds for the refurbishment of critical infrastructure, only upon approval of a business plan submitted to the DoE • Utilise own funding if the subsidy is insufficient (top-up funding must be available) • Municipalities must spend at least 60 per cent of their previous transfer and comply with reporting provisions before the second and subsequent transfers are made • Minimum size of supply of 2.4 kVA after diversity maximum demand, standard installation of 20 Amp per household connection, in line with the Suite of Supply Policy (2018) • Municipalities may utilise up to R1.5 million of their total allocation for service fees (pre-engineering and Eskom connection fee) if approved by the DoE in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an assessment of applications from municipalities based on: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ number of planned households per project ○ past performance ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan, catalytic projects, and mining towns ○ the financial, technical and staff capabilities to distribute electricity and expand and maintain networks ○ consultation with communities in terms of the Integrated Development Plan process ○ ensuring that universal access objectives are fast tracked ○ informal settlements where service delivery has been prioritised ○ new and upgrading of bulk infrastructure projects that support future electrification needs, and for refurbishment projects, where distribution network reliability adversely impacts economic activity and cannot sustain current electrification • Metropolitan municipalities do not receive allocations from this grant, as electrification in these cities is funded as part of the Urban Settlements Development Grant
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • R2.1 billion was allocated and transferred to municipalities <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 60 311 households were connected including connections funded from roll-overs
Projected life	<ul style="list-style-type: none"> • Grant continues until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R1.9 billion; 2020/21: R2 billion and 2021/22: R2.1 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury

Integrated National Electrification Programme (Municipal) Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with municipalities on outputs and targets • Continuously monitor implementation and provide support to municipalities • Verify reports from municipalities • Ensure that the payment schedule is aligned to the timelines for projected expenditure on each project <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Ensure that projects are implemented in line with what is reflected in the Integrated Development Plan of the municipality • Report accurately and timeously on the management of this grant and include invoices and EPWP information on their monthly reports, when reporting to the DoE • Appoint service providers by the end of July 2019 to implement their projects • Maintain and operate electricity infrastructure in line with licence conditions
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Application forms are sent to municipalities and the evaluation of all applications and business plan proposals received from municipalities is completed by 31 October 2019

Integrated National Electrification Programme (Eskom) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce electrification backlogs through funding of household connections and bulk infrastructure (substations and lines) to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, new, and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licenced areas
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of household connections per annum • The number of substations completed • Kilometres of bulk lines completed • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all • Outcome 9: Responsive, accountable, effective and efficient developmental local government
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"> • Plans need to have undergone pre-engineering and project feasibility and be approved by the Director-General of the Department of Energy (DoE) prior to implementation • Projects must be prioritised by municipalities in their Integrated Development Plans (IDPs) before being approved for INEP (Eskom) funding • Eskom must submit to DoE letters signed by municipal accounting officers to demonstrate that the municipalities are in agreement with the projects to be undertaken • Eskom to comply with the DoE's requirements to provide approved bulk projects in their business plans • All assets constructed through this grant must be ring-fenced on Eskom's asset register as government assets. Eskom is responsible for the operations and maintenance of these assets • Eskom must adhere to labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching and planting of poles
Allocation criteria	<ul style="list-style-type: none"> • Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities according to the following criteria: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan and other infrastructure programmes like catalytic projects and mining towns ○ the cost of a project is within benchmarked norms and standards ○ the project is aligned with the IDP for a particular municipality
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households and bulk infrastructure
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • The grant was allocated R3.8 billion and the entire amount was transferred to Eskom, of which R2.8 billion (73 per cent) was spent by the end of the financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 215 519 connections were completed at the end of the financial year (includes connections funded from roll-overs)
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R3.4 billion; 2020/21: R3.1 billion and 2021/22: R3.8 billion
Payment schedule	<ul style="list-style-type: none"> • Payments are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with Eskom on outputs and targets • Continuously monitor implementation • Provide central coordination for bulk infrastructure • Approve submissions for refurbishment of critical infrastructure <p>Responsibilities of Eskom</p> <ul style="list-style-type: none"> • Maximum size of supply of 2.4 kVA, after diversity maximum demand, 20 Amp per household connection, in line with the Suite of Supply Policy • Report to the DoE and the National Treasury on monthly and quarterly expenditure for the grant • Report accurately and timeously on EPWP information
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Eskom and the Department of Energy must ensure that all planned projects are in line with municipal IDPs and priority lists • Eskom and the Department of Energy must ensure that planned projects for approval are feasible and have gone through the pre-engineering process by 31 October 2019

HUMAN SETTLEMENTS GRANTS

Municipal Emergency Housing Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part B
Strategic goal	<ul style="list-style-type: none"> To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act)
Grant purpose	<ul style="list-style-type: none"> To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency To provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter
Outcome statements	<ul style="list-style-type: none"> Households accommodated in adequate temporary shelter following a disaster
Outputs	<ul style="list-style-type: none"> Emergency and short term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> provision of temporary shelter temporary relocation of households to safer accommodation and/or shelter repair to damaged houses following a disaster
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the Municipal Emergency Housing Grant (MEHG) application form which includes the following: <ul style="list-style-type: none"> details of the disaster, the impact thereof and number of temporary shelters required and the number of households affected total funds required for disaster response implementation plan summary of the projects consolidated project cash flow over a two-month period as an annexure to the implementation plan a copy of the municipality's emergency procurement policy
Conditions	<ul style="list-style-type: none"> Municipalities must submit an application to the national Department of Human Settlements (DHS) within 14 days of the agreement by the Mayor that a housing emergency exists in terms of section 2.3.1 (a) and (b) of the Emergency Housing Programme The relevant Provincial Disaster Management Centre must be informed of the application in writing by the municipality The municipal manager must sign-off and confirm the information captured in the application Shelter solutions funded from the grant must comply with the National Housing Code The approval of funding to repair damage caused by disasters must be subjected to the assessment report The transfer of the first tranche of funds is conditional on approval by the national DHS of the submitted assessment/application by the municipality Funds may only be spent on items and activities included in the application approved by the accounting officer of the national DHS Municipal officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national DHS until the funds are fully utilised The emergency procurement system as guided by Public Finance Management Act, Municipal Finance Management Act and Treasury Regulations should be invoked to ensure immediate assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> This grant funding is intended to address the housing needs of households who for reasons beyond their control, find themselves in need of emergency housing, such as: <ul style="list-style-type: none"> existing shelter destroyed or damaged by a disaster displaced following a disaster relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster The grant is allocated to municipalities on application and approval thereof by the accounting officer of the national DHS
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This is a conditional grant with a specific purpose to provide for a rapid response to disasters as they arise
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> This grant was introduced in 2018/19 <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> This grant was introduced in 2018/19
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R149 million; 2020/21: R159 million and 2021/22: R168 million

Municipal Emergency Housing Grant	
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Advise and guide municipalities about the existence of the MEHG and how it can be accessed • Develop and publish the MEHG application form template in consultation with National Treasury and the National Disaster Management Centre • Monitor programme implementation including establishing and maintaining a register or database of human settlements disasters • Support municipalities to plan for potential disasters. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required • Facilitate a coordinated housing assistance intervention response in circumstances where disasters affect more than one municipality • Coordinate assistance with the National Disaster Management Centre to ensure there is no duplication of funding with the provincial and municipal disaster relief grants and the Provincial Emergency Housing Grant • Seek approval from the National Treasury for the disbursement of funds to municipalities within 10 days of receipt of an application for funding from this grant • Notify the municipality and the relevant provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after the notification • Transfer funds to the municipalities with a clear stipulation of the purpose of the funds • Provide the National Treasury with written notification of the transfer within 10 days after a transfer of the funds • Submit financial and non-financial reports to the National Treasury within 20 days after the end of each month • Provide a performance report within 45 days after the end of the quarter in which the funds were spent, to the National Treasury, using the disaster allocation monitoring template agreed to with the National Treasury • Together with the municipalities monitor the implementation of funded projects • Support municipalities in accessing the MEHG <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Prepare and submit a complete application with all supporting documents for the MEHG in the event of disaster incidents occurring within their jurisdiction • Upon approval of the application and receipt of funding, implement the intended relief measure (emergency housing solutions) • Manage implementation of emergency interventions including establishing and maintaining a register or database of human settlements disasters and emergencies in the municipality • Plan disaster mitigation measures in collaboration with the relevant Local Disaster Management Centre; these include public awareness and community outreach initiatives in respect of disaster mitigation • Facilitate the release of municipal owned land for emergency housing and resettlement purposes • Plan for potential disaster incidents. This includes identifying communities/households that reside on inadequate land posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters • Facilitate that identified and prioritised communities and/or households are relocated and properly housed in formalised townships that comply with human settlement development norms and standards • Ensure that the shelter solutions comply with the municipal integrated development plan and the Housing Code • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required • Provide financial and non-financial reports to national DHS within 15 days after the end of each month • Maintain a register of the beneficiaries
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Not applicable

Urban Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> • Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> • The creation of sustainable and integrated human settlements that enable improved quality of household life
Grant purpose	<ul style="list-style-type: none"> • To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development • To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements
Outcome statements	<ul style="list-style-type: none"> • The outcomes to be realised in order to promote integrated sustainable urban settlements and improved quality of household life are: <ul style="list-style-type: none"> ○ supporting inclusive densification and transit-oriented urban development, integrating existing and new urban developments ○ provision of adequate bulk and link infrastructure for mixed-income and mixed-use urban developments ○ provide opportunities for leveraging of public funding within partnerships that promote integrated mixed-income and mixed-use urban development projects and funding for broader urban development <p>Upgrading Informal Settlements Programme (UISP) window</p> <ul style="list-style-type: none"> • The Urban Settlements Development Grant (USDG) includes a new window from 2019/20. This window is also intended to serve as a planning and preparation platform towards the introduction of a new informal settlements upgrading grant. In 2019/20 this window will promote the following outcomes for communities living in informal settlements: <ul style="list-style-type: none"> ○ tenure security: to provide tenure rights to households living in informal settlements ○ health and security: to ensure the provision of healthy and secure living environments for households living in informal settlements ○ empowerment: facilitate community partnership and participation in the development of settlements
Outputs	<ul style="list-style-type: none"> • The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> ○ increase in bulk and link infrastructure ○ construction/ provision of internal engineering services ○ increase in the number of serviced sites ○ increase in the provision of individual connections ○ increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments ○ increase in access to public and socio-economic amenities ○ increase in the number of interim basic services <p>UISP window</p> <ul style="list-style-type: none"> • Programmatic municipality-wide informal settlements upgrading strategy • Number of approved individual informal settlements upgrading plans utilising the National Upgrading Support Programme • Number of social compacts concluded with communities and/or community resource organisations outlining their role in the upgrading process • Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework and Spatial Planning and Land Use Management Act and by-laws enacted in this regard • Number of approved upgrading plans implemented • Number of households provided with secure tenure • Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity – grid and non-grid) • Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, storm water, refuse removal and bulk connections for water, sanitation and electricity)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses the USDG plan (containing a project list with project names, project descriptions, classification of infrastructure, Geographic Information System (GIS) coordinates and wards in which projects are being developed). The USDG plan is an annexure to the Built Environment Performance Plan (BEPP) that is consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plan (SDBIP) of the receiving municipality <p>UISP window</p> <ul style="list-style-type: none"> • This window requires that cities use the human settlements chapter of their IDP to prioritise informal settlements for upgrading in 2019/20

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> • Cities must submit an Informal Settlement Upgrading Plan for each settlement to be upgraded, prepared in terms of National Upgrading Support Programme, which includes: <ul style="list-style-type: none"> ○ project description ○ settlement name and GIS coordinates ○ project institutional arrangements ○ sustainable livelihood implementation plan ○ outputs and targets for services to be delivered ○ cash flow projections (payment schedule) ○ details of support plan ○ risk management plan
Conditions	<ul style="list-style-type: none"> • Municipalities must submit a USDG plan as an annexure to the BEPP, and aligned to the SDBIP and IDP, to the national Department of Human Settlements (DHS) and National Treasury • The flow of the first instalment is subject to: <ul style="list-style-type: none"> ○ submission of the 2018/19 third quarter report, signed-off by the municipal accounting officer including the performance matrix with non-financial information ○ submission of a USDG plan as an annexure to the annual BEPP for 2019/20 that is aligned to the municipal IDP, SDBIP and national priorities by 31 May 2019 • The flow of the second instalment will be conditional upon the: <ul style="list-style-type: none"> ○ submission of the 2018/19 fourth quarter report signed-off by the accounting officer of the municipality including the performance matrix with non-financial information ○ submission of the 2019/20 first quarter performance information, in line with the requirements of Municipal Finance Management Act (MFMA) circular 88 • The flow of the third instalment will be conditional upon submission of second quarter performance information, in line with the requirements of MFMA circular 88 • Municipalities must submit an annual USDG plan containing a project list with project names, project descriptions, classification of infrastructure, GIS coordinates and wards in which projects are being developed. The submission should include motivations of how the projects will benefit poor households and information on spatial targeting, co-funding and other associated investments • A maximum of three per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium Term Strategic Framework (MTSF) and in line with the capacity building guideline published by DHS • Municipalities must indicate the amounts of their annual allocations for spending on the identified catalytic projects in their BEPPs as approved by municipal council • Municipalities must also report their non-financial performance in terms of the requirements set out in MFMA circular 88 or any further circular issued in this regard <p>UISP window</p> <ul style="list-style-type: none"> • New conditions and ring-fenced funding for upgrading informal settlements are included in the USDG in 2019/20. R2.4 billion is ring-fenced in a UISP window. The following ring-fenced funds per metro may only be used for projects contained in the approved informal settlement upgrading plans of each municipality and subject to the conditions and requirements specified for this window: <ul style="list-style-type: none"> ○ Buffalo City: R163 million ○ Nelson Mandela Bay: R193 million ○ Mangaung: R161 million ○ City of Ekurhuleni: R420 million ○ City of Johannesburg: R395 million ○ City of Tshwane: R342 million ○ eThekweni: R419 million ○ City of Cape Town: R316 million • The ring-fenced amounts for this window are minimum amounts and municipalities may choose to spend a larger portion of their USDG allocation in compliance with the requirements of this window • A social compact must be concluded as part of each individual informal settlement upgrading plan. A maximum of three per cent of the project cost may be used for community/ social facilitation • The transfer of the first tranche of funds is conditional upon approval by the DHS of municipal business plan which is consistent with the provisions of the Housing Act, 2019 Division of Revenue Act and in compliance with the National Housing Code • Cities must report quarterly on projects funded through this window using the template prescribed by DHS. Reporting must include financial and non-financial performance on progress against UISP plans
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated to all metropolitan municipalities • The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2019 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> • Funds from the Integrated National Electrification Programme Grant (Municipal) for metropolitan municipalities have been incorporated into the USDG. In 2019/20 the following allocations for each city have been shifted into the USDG: <ul style="list-style-type: none"> ○ Buffalo City: R22 million ○ Nelson Mandela Bay: R32 million ○ Mangaung: R26 million ○ City of Ekurhuleni: R38 million ○ City of Johannesburg: R38 million ○ City of Tshwane: R38 million ○ eThekweni: R45 million ○ City of Cape Town: R26 million • The allocation of the Upgrading of Informal Settlements Partnership window ring-fenced within the USDG is 20 per cent of the allocation for each municipality. These funds are also subjected to the USDG allocation formula
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) aimed at improving outcomes of the application of the equitable share
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • The grant was allocated R11.3 billion, and R11.3 billion (100 per cent) was transferred to municipalities <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Delivery performance is indicated in the performance evaluation reports for 2017/18
Projected life	<ul style="list-style-type: none"> • The USDG will continue until 2021/22, subject to review • The UISP window is intended to become a separate conditional grant in 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R12 billion; 2020/21: R9.7 billion and 2021/22: R9.4 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers will be made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop indicators for the outcomes and outputs • Convene a structured forum to meet with municipalities on a quarterly basis • Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities • Provide support to municipalities with regard to human settlement programmes • Publish a guideline by 30 May 2019 on how capacity funds from this grant should be used by cities • Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable • Undertake oversight visits to municipalities as may be necessary • Facilitate strategic and spatial planning support related to human settlements development • Provide systems, including the Housing Subsidy System that support the administration of the human settlements delivery process • Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities, on a quarterly basis • When under expenditure and under performance is identified, the department may recommend the stopping and reallocation (in terms of sections 19 and 20 of the 2019 Division of Revenue Act) of funds that are anticipated to be unspent • Participate in the municipal budget benchmarking process as and when indicated by the National Treasury • Review BEPP guidelines <p>Responsibilities of other national sector departments</p> <ul style="list-style-type: none"> • The Department of Energy, Department of Water and Sanitation, Department of Environmental Affairs and the Department of Transport must all provide technical advice and support relevant to their sectors and monitor the performance of cities as reported in terms of MFMA circular 88 <p>UISP window</p> <ul style="list-style-type: none"> • Receive, assess and approve the business plans of municipalities • Assess and make recommendations on the credibility of municipal business plans and the readiness of projects captured therein • Maintain the policy and programme, and assist with interpretation • Develop a reporting template for municipalities on UISP outputs and publish it by 31 May 2019 • Monitor and evaluate municipal financial and non-financial grant performance and control systems including quarterly summary reports on performance related to the UISP • Provide implementation assistance support to municipalities as may be required • Undertake structured and other visits to municipalities as is necessary • Facilitate regular interaction between DHS and municipalities

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> • Submit a report on the status of informal settlements and their categorisation (in terms of the National Upgrading Support Programme’s methodology) to National Treasury by 31 July 2019 • Identify lessons from the preparation and implementation of this window and use these to inform the design of the proposed new grant for informal settlement upgrading
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit 2018/19 evaluation reports in terms of the USDG performance matrix, as contained in the SDBIP, to the transferring officer • Metropolitan municipalities may replace non-performing projects with performing projects providing a similar infrastructure that fulfils the same policy objectives. This replacement should not jeopardise the achievement of the overall MTSF targets committed to by the municipality • Changes to the approved project list may only be made once a quarter and the metro must notify the DHS in writing and provide all the relevant details of the new project within 30 days after the end of the quarter • Submit monthly financial reports, as contemplated in section 71(5) of the Municipal Finance Management Act (MFMA), within 10 working days after the end of each month indicating reasons for deviations and remedial actions. Such reports must be submitted to the national department, provincial departments and National Treasury • Ensure that the USDG performance matrix is consistent and aligned with national priorities and provincial human settlements plans • Comply with the terms and conditions of the receiving officer outlined in the Division of Revenue Act • Municipalities should request the roll-over of unspent funds through National Treasury and inform the transferring officer of all processes regarding the request • Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant • Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements • Ensure that the USDG is used to meet municipality MTSF targets as contained in Outcome 8 <p>UISP window</p> <ul style="list-style-type: none"> • Initiate, plan and formulate applications for projects relating to the upgrading of informal settlements, which in the case of municipalities that are not accredited, must be in collaboration with the relevant provincial department • Request assistance from the provincial department on any of the matters concerned if the municipality lacks the capacity, resources or expertise • Submit informal settlement upgrading plans by 31 May 2019 • Implement approved projects in accordance with UISP plans approved by the national department • Fast-track the planning approval processes for informal settlements upgrading projects • Assume ownership of the engineering services installed • Manage, operate and maintain settlement areas developed under this programme • Coordinate and facilitate the provision of bulk and connector engineering services (including through funding from the main USDG) • Submit a report on the status of informal settlements in their municipal area and their categorisation (in terms of the National Upgrading Support Programme’s methodology) to DHS by 31 May 2019 • Identify lessons from the implementation of this window and share these with DHS
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Municipalities must submit a comprehensive USDG plan (based on circular 88 indicators) as included in the BEPP with targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget • Municipalities must submit their first draft of the USDG plan to the transferring officer by 29 March 2019 and the final USDG plan should be submitted by 31 May 2019 <p>UISP window/new grant</p> <ul style="list-style-type: none"> • Municipalities must prepare a municipality-wide Informal Settlement Upgrading Strategy that is aligned to the BEPP and sets out the city’s approach to informal settlement upgrading and management and how settlements are categorised and will be prioritised for upgrading. A draft of this plan must be submitted to DHS by 31 October 2019. DHS will provide comments by 29 November 2019. A final plan must be adopted by council by 31 January 2020 • Draft Informal Settlement Upgrading Plans for each settlement to be upgraded in 2020/21 must be submitted to the National Department by 30 January 2020. The DHS will provide comments by 16 March 2020 • Final Business plans must be submitted by not later than 15 April 2020

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> • National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To secure sound and sustainable management of the fiscal and financial affairs of municipalities
Grant purpose	<ul style="list-style-type: none"> • To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcome statements	<ul style="list-style-type: none"> • Strengthen capacity in the financial management of municipalities • Improved and sustained skills development, including the appointment of interns supporting the implementation of financial management reforms focusing on the gaps identified in the Financial Management Grant (FMG) support plans • Appropriately skilled financial officers, appointed in municipalities consistent with the minimum competency regulations • Improved financial management maturity and capabilities • Timely submission of financial statements and improved audit outcomes • Improvement in municipal financial governance and oversight • Reduction in unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities
Outputs	<ul style="list-style-type: none"> • Number of municipal officials registered for financial management training • Number of interns serving on the internship program, and permanently appointed in municipalities • Number of municipalities that have reassessed priority modules in the Financial Management Capability Maturity Model (FMCMM) • Number of municipalities with established internal audit units and audit committees • Number of municipalities that submitted their annual financial statements timeously • Number of municipalities with disclaimers and adverse opinions that developed audit action plans • Number of municipalities that prepared and implemented financial recovery plans, where appropriate • Submission of FMG support plans • Number of disciplinary boards established
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 9: Responsive, accountable, effective and efficient developmental local government • Outcome 12: An efficient, effective and development oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation
Conditions	<ul style="list-style-type: none"> • FMG funds can be used towards the following: <ul style="list-style-type: none"> ○ strengthen capacity and up-skilling officials in the budget and treasury office, internal audit and audit committees ○ at least five interns in local municipalities and three interns in metropolitan and district municipalities must be appointed over a multi-year period. Municipalities must submit a plan for the retention of skills developed through the internship programme ○ on-going review, revision and submission of FMG support plans to the National Treasury that address weaknesses in financial management ○ acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the municipal Standard Chart of Accounts (mSCOA) ○ support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in Government Gazette 29967 of June 2007 ○ support the preparation and timely submission of annual financial statements for audits. Technical support to municipalities must include the transfer of skills to municipal officials ○ support the implementation of corrective actions to address the root causes of audit findings in municipalities that received adverse and disclaimer opinions ○ support the implementation of the financial misconduct regulations and promote consequence management to reduce unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities ○ support to strengthen financial governance and oversight, as well as functioning of Municipal Public Accounts Committees ○ the preparation of a financial recovery plan and the implementation thereof, where appropriate ○ implementation of financial management reforms and overall compliance with the MFMA to address shortcomings identified in the Financial Management Capability Maturity Model assessments for that municipality • FMG support plan must be consistent with the conditions of the grant and must be submitted timeously • Timely submission of reports with complete information as prescribed in the 2019 Division of Revenue Act • Expenditure must be maintained at appropriate levels

Local Government Financial Management Grant	
Allocation criteria	<ul style="list-style-type: none"> • All municipalities benefit from allocations to augment their own resources in support of implementation of the financial management reforms • Priority is given to municipalities: <ul style="list-style-type: none"> ○ with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA, as identified in the Financial Management Capability Maturity Model assessment ○ with adverse and disclaimer audit opinions ○ with a deterioration in financial health
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA, its regulations and associated financial reforms
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • R502 million was allocated and R502 million was transferred to municipalities <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • All municipalities submitted FMG support plans • As at 30 June 2018, 1 221 graduate finance interns were serving on the internship program in municipalities • Internship workshops to improve the programme and sustain reforms were concluded in seven provinces (Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, North West and Western Cape) • The grant supported the following outputs: <ul style="list-style-type: none"> ○ a total of 14 239 officials received a statement of results for attaining minimum competencies ○ of the 158 municipalities that utilised the FMG to prepare their 2017/18 annual financial statements, 135 (85 per cent) submitted their annual financial statements to the Auditor-General for auditing by 31 August 2018 ○ 52 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2016/17 audit findings ○ 224 municipalities utilised the FMG to acquire/upgrade and maintain their financial management systems ○ 133 municipalities utilised the FMG to strengthen the capacity and up-skill officials in the budget and treasury office, internal audit units and audit committees
Projected life	<ul style="list-style-type: none"> • Ongoing with periodic reviews as the financial reforms are still in progress
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R533 million; 2020/21: R562 million and 2021/22: R593 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Management, monitoring and reporting of the programme • Transfer funds to municipalities in terms of the 2019 Division of Revenue Act • Undertake on-going monitoring of the municipalities • Participate in the review of the municipal capacity support system during 2019
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit support plans which are consistent with the conditions of the grant • Submit reports consistent with the reporting requirements in the 2019 Division of Revenue Act
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • On-going review, revision and submission of the FMG support plans to address weaknesses in financial management • The programme is based on the FMG support plans which municipalities must submit to the National Treasury before the start of the municipal financial year

Integrated City Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities
Grant purpose	<ul style="list-style-type: none"> To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments
Outcome statements	<ul style="list-style-type: none"> Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact, inclusive, productive and sustainable urban spatial form
Outputs	<ul style="list-style-type: none"> Number of infrastructure projects including public transport, roads, water, energy, housing, land acquisition and development in implementation within identified integration zones Number of integrated strategic/catalytic projects planned within identified integration zones Number of authorised studies/strategies completed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government
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"> Eligibility is restricted to metropolitan municipalities which must have: <ul style="list-style-type: none"> obtained a financially unqualified audit opinion from the Auditor-General (AG) for the 2017/18 financial year or finalised council approved audit action plan by 28 February 2019 Municipalities may select preferred programmes and projects within their functional mandates and within approved integration zones. Eligible expenditures include: <ul style="list-style-type: none"> capital expenditure within the functional mandate of the municipality within identified integration zones authorised direct operating expenditure to produce analytical or diagnostic studies, strategy development or transaction advisory assistance related to the development or implementation of strategies for identified integration zones A municipality may apply to the transferring officer, by no later than 30 August 2019 to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities within integration zones, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> property market empirical and diagnostic studies integrated infrastructure and spatial planning for identified integration zones investment pipeline development (excluding direct project preparation) development of infrastructure financing strategies and instruments development of policies, by-laws and systems for the administration of development charges enhanced policies and procedures for environmental and social management in infrastructure delivery the municipality can demonstrate the ability to implement these activities within the financial year The first transfer of the grant will only be released to a municipality that has submitted a council approved Built Environment Performance Plan (BEPP) in the prescribed format by 31 May 2019 that includes: <ul style="list-style-type: none"> a pipeline of catalytic programmes that has been compiled according to a prescribed format built environment outcome indicators and targets for 2019/20 that have been compiled according to a prescribed format a Sub-National Doing Business (SNDB) Reform Action Plan for 2019/20 for all three Sub-National Doing Business indicators by 31 May 2019 The second transfer will only be released to a municipality that has, by 31 October 2019: <ul style="list-style-type: none"> submitted annual circular 88 indicators in the prescribed format completed and submitted a Cities Infrastructure Delivery and Management System (CIDMS) readiness assessment
Allocation criteria	<ul style="list-style-type: none"> Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities. Final allocations are adjusted by performance against the following weighted indicators: <ul style="list-style-type: none"> BEPP evaluation score for 2018/19 (30 per cent) achieved 80 per cent of capital expenditure in 2017/18 (15 per cent) no vacancies longer than six months in 2018 for section 57 positions in terms of Municipal Systems Act (10 per cent) unqualified audit opinion by the Auditor-General (with or without findings) for the last financial year (25 per cent)

Integrated City Development Grant	
	<ul style="list-style-type: none"> ○ decrease in total value of irregular, fruitless and wasteful expenditure identified by the Auditor-General (20 per cent) ● For the outer years of the MTEF, allocations per metropolitan municipality have been provided without taking into account any performance adjustments. The allocation figures for the 2020 MTEF will be adjusted based on actual performance against the weighted indicators listed above as well as any new built environment indicators agreed with the metros ● It is anticipated that in future years the percentage of capital expenditure in integration zones, progress with project preparation and the introduction of the Infrastructure Delivery and Management System, and performance in the 2021 Sub-National Doing Business survey will also be utilised as allocation criteria for the Integrated City Development Grant (ICDG)
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> ● R 292 million was allocated and transferred to municipalities <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> ● All eight metropolitan municipalities submitted BEPPs timeously and identified a total of 20 integration zones ● Municipalities planned 12 catalytic projects and 10 projects were under implementation in their integration zones
Projected life	<ul style="list-style-type: none"> ● The grant will continue over the 2019 MTEF, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2019/20: R310 million; 2020/21: R327 million and 2021/22: R352 million
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment ● In consultation with the national departments of Cooperative Governance and Rural Development and Land Reform, will facilitate engagements on the BEPPs with metropolitan municipalities and other sector departments ● Provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme ● Authorise applications for the utilisation of grant funds for specified operating purposes ● Review the credibility and measurability of audit plans ● Participate in the review of the municipal capacity support system during 2019 <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> ● Submit BEPPs and in-year reports ● Ensure consistent planning in integration zones, including alignment of integrated development plans, social housing restructuring zones, priority housing development areas and urban development zones ● Strengthen and align their own capacity to support BEPP implementation
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> ● Eligible municipalities must submit their draft BEPP by 31 March 2020 in accordance with requirements outlined in the BEPP guidelines

Infrastructure Skills Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To improve infrastructure delivery management capacity within municipalities by developing a long-term and sustainable pool of registered professionals with built environment and related technical skills in engineering, town planning, quantity surveying, geographic information systems and project management
Grant purpose	<ul style="list-style-type: none"> To recruit unemployed graduates into municipalities to be trained and professionally registered, as per the requirements of the relevant statutory councils within the built environment
Outcome statements	<ul style="list-style-type: none"> Developed technical capacity within local government to enhance infrastructure provision, and service delivery, through improved infrastructure planning, implementation, operations and maintenance Registered professionals with built environment qualifications (national diplomas and degrees) as per the statutory councils' requirements Increased number of qualified and registered professionals employed within local government
Outputs	<ul style="list-style-type: none"> Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils Number of graduates recognised as registered professionals by the relevant statutory councils Number of graduates employed as registered professionals within the built environment in local government
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 9: Responsive, accountable, effective and efficient developmental local government
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 business plan must demonstrate that the municipality has projects in which the graduates can be trained, and provide the relevant complexity of work and responsibility that can support graduates to meet the registration requirements of the relevant statutory councils Graduates must be seconded to an entity (public or private) if no relevant training is available to develop the necessary competence of the graduates Where graduates are placed in another entity (public or private) a memorandum of agreement must be developed and signed between the municipality and the entity, according to Infrastructure Skills Development Grant (ISDG) guidelines. The memorandum of agreement must clearly demonstrate the supervision requirements and the roles and responsibilities of all parties associated with the training of graduates Graduates must have a national diploma or degree in the built environment from higher education institutions i.e. universities or universities of technology recognised by the statutory council Municipalities must provide training as per the road-to-registration requirements of the relevant statutory council Mentoring must be provided by registered professionals in the same field as the graduates in training. The full names and proof of registration of the mentor must be submitted to the National Treasury, and a contract must be entered into with each mentor, in accordance with the ISDG guidelines The ISDG funding is to be utilised exclusively for costs associated with the training and professional development process of graduates (refer to ISDG guidelines) The business plan of a municipality must include an absorption strategy for the graduates within the municipality or any other municipality A project administrator may be appointed per municipality for the purpose of the ISDG administration if approved by National Treasury (refer to ISDG guidelines) Graduates are to be placed in units to support the management, maintenance and/or implementation of infrastructure, infrastructure related projects and accelerated service/infrastructure delivery Graduates must be assigned to a supervisor with experience in the same field as the graduates-in-training Graduates' training progress is to be evaluated by professionally registered mentors on a quarterly basis and development of the required competencies of graduates is to be evaluated bi-annually Municipalities must submit monthly and quarterly reports timeously Graduate reports and/or log books must be completed in the format of the statutory council and must be signed by the registered mentor/supervisor as required by statutory councils Municipalities must sign a service level agreement (SLA) with the National Treasury and such an agreement must be adhered to Non-compliance with the above conditions can result in the funds being withheld, stopped or re-allocated
Allocation criteria	<ul style="list-style-type: none"> Allocations are based on business plans submitted and ability of municipalities to provide training and professional development of graduates for the duration of the candidate phase as stipulated by statutory councils
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This conditional grant is meant to develop technical skills within municipalities
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> R141 million was allocated and transferred to 14 municipalities

Infrastructure Skills Development Grant	
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • The grant has created employment and training opportunities • Currently 402 graduates are in training • Since inception of the grant, 241 graduates have been professionally registered with the relevant statutory councils • In 2017/18 the following municipalities hosted graduates through the grant: <ul style="list-style-type: none"> ○ Buffalo City (27 graduates) ○ Nelson Mandela Bay (33 graduates) ○ eThekweni (76 graduates) ○ City of Johannesburg (28 graduates) ○ Polokwane (18 graduates) ○ Govan Mbeki (80 graduates) ○ Gert Sibande (19 graduates) ○ Alfred Nzo (15 graduates) ○ uMhlathuze (15 graduates) ○ Sol Plaatjie (9 graduates) ○ John Taolo Gaetsewe (6 graduates) ○ King Sabata Dalindyebo (15 graduates) ○ City of Cape Town (41 graduates) ○ George (25 graduates)
Projected life	<ul style="list-style-type: none"> • The grant is expected to continue over the 2019 medium term expenditure framework (MTEF), subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R149 million; 2020/21: R158 million and 2021/22: R167 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by the National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Issue guidelines and supporting documentation for the implementation of the ISDG • Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts • Manage, monitor and report on the programme • Ensure professional development is aligned to statutory council requirements • Monitor the registration progress of graduates with the relevant statutory councils by municipalities • Monitor financial and non-financial performance of the ISDG • Maintain graduates database for the ISDG • Work with the Municipal Infrastructure Support Agent, and other stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals • Participate in the review of the municipal capacity support system during 2019
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Comply with the requirements of the Division of Revenue Act, ISDG guidelines, the service level agreement and the requirements of the relevant statutory councils • Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates achieve competencies in relevant activities and are developed professionally to meet the outcome(s) requirements for professional registration • Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work with adequate responsibility for the candidate to progress • Provide the candidate with the requisite workspace, supervisor, tools of profession/trade and logistics to perform the recommended activities within their training plans • Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action • Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils • Attend all meetings and workshops convened by the National Treasury relating to this grant • Support and supervise graduates on the road-to-registration training • Recruit professionally registered mentors who are able to provide the skills training required and ensure that they are adequately orientated on the registration process and its requirements • Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury • Manage the utilisation of ISDG funds and report to the National Treasury • The municipality must provide, and update, the list of business tools procured with ISDG funds. The business tools must be procured in accordance with ISDG guidelines • Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months, and where not initially eligible, must complete the additional requirements for acceptance as a candidate within 12 months of intake • Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Interested municipalities must submit a three-year business plan by 30 August 2019 for assessment by the National Treasury • Participating municipalities must submit revised business plans to the National Treasury by 30 August 2019

Neighbourhood Development Partnership Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities
Grant purpose	<ul style="list-style-type: none"> To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships
Outcome statements	<ul style="list-style-type: none"> Spatially integrated cities and towns Diversity of public and private capital investments leveraged into targeted locations Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third-party capital investment into strategic locations Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation
Outputs	<ul style="list-style-type: none"> Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> urban hub precincts with secondary linkages; or built environment upgrade projects in urban and rural townships Leveraged third-party capital investment into targeted locations The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events Enhanced municipal strategic competencies in investment targeting, implementation, and urban management
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government
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"> Compliance with the aims and objectives outlined in a signed memorandum of agreement or funding agreement between the municipality and the transferring officer Submit cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the transferring officer Programme execution is dependent on a sequential and formal acceptance/approval by the transferring officer of NDPG-related municipal plans or deliverables Municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investment required to ensure long-term and sustainable outcomes for each precinct
Allocation criteria	<ul style="list-style-type: none"> The grant funds the following activities in targeted locations that are defined as urban hubs: <ul style="list-style-type: none"> planning and the development of catalytic projects the development of built environment upgrade projects in rural townships Schedule 6, Part B: technical assistance allocations support planning and professional programme management costs for projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria Schedule 5, Part B: capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process, in targeted locations Allocations are focused on municipalities whose circumstances align with the NDPG's criteria, these include: higher population densities, diverse nature of economic activity, concentrations of poverty, inefficient spatial-historical development, improved connectivity and mobility (in particular through improved public transport networks) Rural towns are selected according to population or population growth, location, economic potential and/or growth and governance and financial health
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> R663 million allocated in Schedule 5, Part B direct transfers to municipalities and R658 million of this was transferred to municipalities R28 million allocated in Schedule 6, Part B indirect transfers to municipalities and R25 million of this was spent by the end of the national financial year <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> 95 NDPG projects under construction in 2017/18 R5.5 billion in estimated third party investment leveraged (cumulative since 2007/08) 459 catalytic projects approved (cumulative since 2007/08) 18 long-term urban regeneration programmes registered (cumulative since 2013/14)
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term, subject to review

Neighbourhood Development Partnership Grant	
MTEF allocations	<p>Direct transfers (Schedule 5, Part B)</p> <ul style="list-style-type: none"> • 2019/20: R621 million; 2020/21: R655 million and 2021/22: R704 million <p>Allocation-in-kind (Schedule 6, Part B)</p> <ul style="list-style-type: none"> • 2019/20: R31 million; 2020/21: R33 million and 2021/22: R35 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Funds plans and catalytic projects in targeted locations that are defined either as urban hubs or as built environment upgrade projects in urban and rural townships, including: <ul style="list-style-type: none"> ○ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships page on the National Treasury website ○ reporting in terms of the 2019 Division of Revenue Act ○ determining grant allocations for the Medium Term Expenditure Framework period ○ performing the obligations as set out in the memorandum of agreement/funding agreements signed between the municipality and the national department ○ governing the acceptance or approval milestones of NDPG-related municipal plans or deliverables ○ monitoring, managing and evaluating financial and non-financial performance ○ overseeing and enforcing the conditions of this grant ○ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management • Coordinate an advisory committee that includes the Department of Rural Development and Land Reform, Department of Cooperative Governance as part of the management of NDPG's small town projects • Participate in the review of the municipal capacity support system during 2019 <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the 2019 Division of Revenue Act • Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the transferring officer • Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects • Coordinate the development of NDPG related municipal plans or deliverables and ensure that they are aligned with the grant objectives against which performance will be assessed • Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money • Maintain accurate and up to date grant and performance information as specified in NDPG management information formats and systems • Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations • Collect and provide evidence of funding leveraged into each precinct • Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal: <ul style="list-style-type: none"> ○ spatial development frameworks and capital investment frameworks (as a chapter in the municipal Spatial Development Framework) ○ Integrated Development Plans ○ Built Environment Performance Plans - only applicable to metropolitan municipalities
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans • Plans and/or deliverables must include an indication of: <ul style="list-style-type: none"> ○ the ability to attract and report on third-party funding leveraged ○ the quality of performance and progress reporting ○ the level of NDPG alignment across all municipal development strategies and plans including coordination, targeting, and prioritisation with other related capital projects as reflected through municipal spatial development frameworks and capital investment frameworks

PUBLIC WORKS GRANT

Expanded Public Works Programme Integrated Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> • Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> • To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: <ul style="list-style-type: none"> ○ road maintenance and the maintenance of buildings ○ low traffic volume roads and rural roads ○ basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) ○ other economic and social infrastructure ○ tourism and cultural industries ○ waste management ○ parks and beautification ○ sustainable land-based livelihoods ○ social services programmes ○ community safety programmes
Outcome statements	<ul style="list-style-type: none"> • Contribute towards increased levels of employment • Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> • 115 502 Full-Time Equivalents (FTEs) to be created through the grant • Number of people employed and receiving income through the EPWP • Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • The programme is implemented through municipalities using EPWP integrated agreements and project lists that specify the number of FTEs and work opportunities to be created
Conditions	<ul style="list-style-type: none"> • EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by the Department of Public Works (DPW) and the Ministerial Determination updated annually on 1 November each year • Eligible municipalities must sign a funding agreement with the DPW before the first grant disbursement, with their signed EPWP project list attached • Municipalities must report quarterly on all EPWP projects via DPW's EPWP reporting system • Reports must be loaded on the EPWP reporting system every month. The system closes 15 days after the end of every quarter in order for progress to be assessed • Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual • The EPWP grant cannot be used to fund the costs of permanent municipal personnel however, a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods • The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list • To receive the first planned grant disbursement, eligible municipalities must submit a signed integrated agreement with a project list by 7 June 2019 • Subsequent grant disbursements are conditional upon: <ul style="list-style-type: none"> ○ eligible municipalities reporting quarterly on EPWP performance within the required timeframes ○ reporting on all EPWP Integrated Grant funded projects ○ submitting on a quarterly basis non-financial reports including for the last quarter of the previous financial year ○ reporting on EPWP Integrated Grant expenditure monthly within the required time frames ○ municipalities must implement their approved EPWP project list and meet agreed job creation targets • EPWP branding must be included as part of the project cost in line with the corporate identity manual
Allocation criteria	<ul style="list-style-type: none"> • To be eligible for EPWP grant allocation in 2019/20, a municipality must have reported FTEs that meet the minimum threshold in either the infrastructure or social sector or environment and culture sector in 2017/18 financial year • Newly reporting municipalities must have reported 2018/19 EPWP performance (in either the infrastructure, social, or environment and culture sector) by 15 October 2018 • The EPWP grant allocations are based on: <ul style="list-style-type: none"> ○ past EPWP performance ○ the number of FTE jobs created in the prior 18 months ○ past performance with regard to labour intensity in the creation of EPWP work opportunities ○ service delivery information from 2016 Community Survey used as an adjustment factor • Allocation criteria include a rural bias

Expanded Public Works Programme Integrated Grant for Municipalities	
	<ul style="list-style-type: none"> Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPW
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund the expansion of labour intensity in specific focus areas as well as incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	2017/18 audited financial outcomes <ul style="list-style-type: none"> The grant had an allocation of R663 million, 256 municipalities were eligible for the grant and 100 per cent of the allocation was transferred to these municipalities
	2017/18 service delivery performance <ul style="list-style-type: none"> 205 193 work opportunities were reported by 256 municipalities and validated on the EPWP system 68 881 FTE jobs were reported by 256 municipalities and validated on the EPWP system Average duration of the work opportunities created has increased to 77 days
Projected life	<ul style="list-style-type: none"> Grant continues until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2019/20: R730 million; 2020/21: R771 million and 2021/22: R814 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Determine eligibility and set grant allocations and FTE targets for eligible municipalities Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination Support municipalities in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria apply the EPWP project selection criteria and EPWP guidelines to project design report using the EPWP reporting system Monitor the performance and spending of municipalities according to the signed incentive agreement Disburse the grant to eligible municipalities Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions Conduct site visits to identify where support is needed
	Responsibilities of the eligible municipalities <ul style="list-style-type: none"> Develop and submit an EPWP project list to DPW by 7 June 2019 Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement Agree on the areas requiring technical support from DPW upon signing the grant agreement Ensure that reporting is done within the timelines stipulated in the grant agreement and that information is captured in the EPWP reporting system Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests Reports must be loaded within 15 days after the end of every quarter in order for progress to be assessed Submission of quarterly non-financial reports by the timelines stipulated in the clauses of the Division of Revenue Act
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> Municipalities must report performance on EPWP projects for the 2019/20 financial year by 31 October 2019 to be eligible for a grant allocation Municipalities must submit a signed EPWP integrated agreement and project list by 5 June 2020

TRANSPORT GRANTS

Public Transport Network Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To support the National Land Transport Act (Act No. 5 of 2009) and Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable integrated municipal public transport network services
Grant purpose	<ul style="list-style-type: none"> • To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services
Outcome statements	<ul style="list-style-type: none"> • Improved public transport network infrastructure and services that function optimally and are safe, convenient, affordable, well managed and maintained • Public transport systems that are accessible to an increasing percentage of the population of urban municipalities and contribute to more spatially efficient urban areas
Outputs	<p>Network Operations Component</p> <ul style="list-style-type: none"> • Number of average weekday passenger trips carried on Public Transport Network Grant (PTNG) funded networks • Number and percentage of municipal households within a 500m walk to an Integrated Public Transport Network (IPTN) station or stop that has a minimum peak period frequency of 15 minutes or better • Percentage uptime for network operating systems as a proportion of the network's public operating hours • Passengers per network vehicle per average weekday <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> • Public transport network infrastructure including dedicated lanes, routes and stops/shelters, stations, depots, signage and information displays, control centres and related information technology, fare systems and vehicles (if the national Department of Transport (DoT) in consultation with National Treasury approves use of grant funds to purchase vehicles), non-motorised transport (NMT) infrastructure that supports network integration (e.g. sidewalks, cycleways, cycle storage at stations, etc.) • Plans and detailed design related to IPTN infrastructure and operations
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses IPTN operational and related plans that include financial modelling
Conditions	<ul style="list-style-type: none"> • Projects must be based on and form part of a strategic, municipal wide, long-term IPTN plan and strategy approved by the municipal council • Projects funded by this grant must be based on an operational and business plan, which must include a multi-year financial operational plan approved by the municipal council. This multi-year financial operational plan must cover the full duration of any contracts for each phase funded by the PTNG and include operating and maintenance costs and universal design access plans • Projects must support an integrated multi-modal network approach as defined in the National Land Transport Act (NLTA) and the Public Transport Strategy and municipalities must manage operations to progressively achieve the standard of service defined in the Public Transport Strategy within available resources • Projects in metropolitan municipalities must demonstrate alignment to Built Environment Performance Plans (BEPPs) • Projects should follow an environmental strategy and consider energy efficiency and environmental aspects, such as emission standards; mandatory specifications regarding average fleet emissions should be considered • Payments will be conditional on the attainment of milestones specified in the grant allocation letter to each municipality from the DoT. Milestones are based on the approved IPTN operational plans of cities and are defined after consultation with municipalities • All public transport infrastructure and services funded through this grant must ensure that there is provision for the needs of special categories of passengers (including disabled, elderly and pregnant passengers) in line with the requirements of section 11(c)(xiv) of the NLTA • Allocations for this grant are made through two components, with separate conditions applicable to each component as set out in the allocations criteria section below • Allocations for the Network Operations Component will be determined by DoT once municipalities submit an annual operations plan including financial forecasts for 2019/20 by 31 May 2019 as adopted/approved by municipal council, as a part of the annual budget appropriation. Funds for one component can be shifted to the other if approved by DoT • The second tranche is subject to cities submitting, by 31 July 2019 an updated multi-year financial operational plan (approved by council) for the duration of the vehicle operating contract/s pertaining to any phase on which 2019/20 grant funds will be spent

Public Transport Network Grant	
	<ul style="list-style-type: none"> • All new Intelligent Transport Solutions (ITS) related contracts that will incur grant expenditure must be jointly approved by DoT and National Treasury before grant funds may be spent on them • An amount of R354 million in 2019/20 is allocated to the City of Cape Town through the Budget Facility for Infrastructure (BFI) for MyCiti Phase 2A and may only be used for that purpose. Should there be cost variations of more than 10 per cent on the BFI funded project, the municipality is required to inform National Treasury and the transferring officer within 30 days <p>Network Operations Component</p> <ul style="list-style-type: none"> • Operating subsidies from this component can fund security, station management, fare collection services, control centre operations, information and marketing, network management, insurance, compensation for the economic rights of existing operators and maintenance of infrastructure and systems • From the start of operations, IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operating costs consist of fuel, labour, operator administration and vehicle maintenance • From the start of operations on a route, the grant can fund a portion of the per kilometre rate to subsidise up to 100 per cent of the capital cost (including interest and related fees) of vehicles purchased by the vehicle operating company • IPTN operational plans and on-going operations management must target improved farebox cost coverage, through minimising costs and maximising fare revenues. Municipalities operating network services are required to supply detailed operating performance and operating cost and revenue reports quarterly in the formats prescribed by the DoT • Operating subsidies for any new or existing service, line, route or phase, will only be transferred after a municipality meets the requirements of DoT's Operational Readiness Framework • Municipalities must enforce rules and by-laws regarding usage of dedicated lanes, fare payment, and operator/supplier compliance with contractual provisions • Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations • Verified data on operator revenue and profitability and draft agreements for the compensation of existing economic rights of affected operators must be provided to DoT prior to concluding agreements on compensation for economic rights • Municipalities must enforce agreements that only legal operators operate on routes subject to compensation agreements <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> • The grant can fund all IPTN-related infrastructure, including for non-motorised transport, upgrades of existing public transport infrastructure and for new infrastructure • Municipalities must demonstrate in their IPTN operational plans that they have attempted to give maximum priority to public and non-motorised transport while minimising costs through using existing infrastructure, road space and public land • For each phase, final network routing, service design and related financial modelling must be submitted to DoT for review and approval before municipalities proceed with detailed infrastructure design • IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations) • Contracted operators should finance and own vehicles unless a case for the exceptional use of limited infrastructure funding for vehicle procurement is approved by DoT, in consultation with National Treasury. If approval is granted, any vehicles purchased with grant funds must remain the property of the municipality
Allocation criteria	<ul style="list-style-type: none"> • Allocations are only made to municipalities that submit business plans in line with the above conditions, that demonstrate sufficient capacity to implement and operate any proposed projects, and credibly demonstrate the long-term fiscal and financial sustainability of the proposed projects • 75 per cent of available funds are allocated according the three public transport demand factors. The three demand factors which are equally weighted are: <ul style="list-style-type: none"> ○ size of population ○ size of economy ○ number of public transport users • 20 per cent of available funds are allocated through a base component shared equally between participating municipalities • Five per cent of available funds are allocated as a performance incentive to operating municipalities based on following three indicators (with a minimum threshold that will be revised upwards periodically): <ul style="list-style-type: none"> ○ coverage of costs from farebox: Fare revenue as a percentage of direct operating costs, which indicates commitment to reducing operational costs, and is a measure of efficiency. The minimum threshold is 35 per cent ○ passenger trips: Average weekday passenger trips as a percentage of the population. This indicates coverage of the system, in providing the services to residents. The minimum threshold is 1 per cent. The city should be operating for at least two months

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	<ul style="list-style-type: none"> ○ skin in the game: City own funding as a percentage of the city's total property rates used towards funding the IPTN construction and operation. This is a measure of the cities' own commitment towards the system. The minimum threshold is 2 per cent ● To be eligible for the incentive, municipalities must have an expenditure of at least 80 per cent of PTNG from the preceding year and exceed the minimum threshold in at least one of the three indicators ● Allocations for the Network Operations Component are based on municipalities' Annual Operations Plans (to be submitted to DoT by 31 May 2019) which indicate the amount of the 2019/20 total allocation to be used within the rules of this component ● Approval of these allocations is specified in the DoT allocation letter to municipalities and is based on the following rules: <ul style="list-style-type: none"> ○ DoT approval of the annual operations plan ○ the network operations component can be used in each phase and sub-phase of the introduction of services to fund up to 70 per cent of indirect operating costs for two years after the municipal financial year in which operations start. Thereafter the grant can fund up to 50 per cent. Non-PTNG sources must cover the remaining costs ○ compensation for the economic rights of existing operators can be funded up to 100 per cent in each phase
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● Infrastructure and operational costs associated with the implementation of the PTS and NLTA were not included in municipal budgets prior to the introduction of IPTN services
Past performance	<p>2017/18 audited financial outcomes:</p> <ul style="list-style-type: none"> ● Public Transport Network Grant: R6.2 billion was allocated and R6.1 billion (99.1 per cent) was transferred to municipalities ● The difference of R52.5 million was reallocated for drought relief for the Western Cape <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> ● Cape Town: Phase1A 12 temporary stops have been installed in Atlantis, Phase 1B consists of 77 stops with lights and signage, 0.3km bi-directional trunk routes Strandfontein road and Stock road and Spaanschemat/Kasselsvlei NMT, Somerset West NMT complete. Overall completion is 84 per cent. On average MyCiti transports 56 765 passengers per weekday ● Ekurhuleni: 9 stations 15 per cent complete, 40 per cent of stream crossings and Thembisa feeders and NMT: Brian Mazibuko completed. Harambee transports 247 passengers on an average per weekday ● eThekweni: 24 km right of way (ROW) completed, and stations are complete the remaining three are still in progress, 50 per cent of feeder stops are complete ● George: 99 basic shelters have been installed, construction is 95 per cent complete for Nelson Mandela Boulevard. Rebuild first carriageway and 18 new cameras installed in Thembalethu and 10 new cameras in the CBD. New fibre optic cable runs from Thembalethu to CBD Control Centre, and to York Street bus depot. Go-George transports 13 620 passengers on average per weekday ● Johannesburg: 0.11 km of 16.6 km of 1C of roadways have been constructed. The Grayston bridge has been completed and Phase 2A depot is completed. Overall 60 per cent of the six stations are at construction. On average Rea Vaya transports 50 280 passengers per weekday ● Mbombela: R40 TUT, Rob Ferreira and R40 Bosch street, Riverside and Central PT facilities are 100 per cent complete ● Msunduzi: 1 km of ROW is 100 per cent complete. Designs for 5.5 km mixed traffic, NMT and six stations are 95 per cent complete ● Polokwane: Contractors have been appointed for trunk routes, trunk extension in Seshego and Moletji, NMT and civil works for the bus depot. Control centre is 95 per cent complete ● Rustenburg: Construction in the CBD 95 per cent complete. Feeders, complimentary routes and NMT are 95 per cent complete ● Tshwane: Wonderboom Intermodal Facility phase one station is 100 per cent complete, Line 2A NMT facilities are 100 per cent complete, Rainbow Junction Bypass 100 per cent complete and Belle Ombre CNG depot 100 per cent complete. Line 2C Waltoo Road (between Lois Ave to January Masilela Road) phase one is 69 per cent complete
Projected life	<ul style="list-style-type: none"> ● The grant is expected to continue until 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2019/20: R 6.5 billion; 2020/21: R 7.5 billion and 2021/22: R 8.4 billion
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with an agreed payment schedule approved by the National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Disburse PTNG funds and monitor PTNG expenditure ● Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy ● Verify reports from municipalities by conducting at least one site visit per annum ● Allocate funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury ● Review and comment on draft compensation agreements for economic rights ● Review and comment on the network model submitted by each municipality ● Evaluate the performance of the grant annually

Public Transport Network Grant	
	<ul style="list-style-type: none"> • Maintain the database of operational performance based on the indicators and continue to track, report and evaluate the performance of the grant based on these measures • Finalise the public transport subsidy policy for South Africa • Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated to municipalities by DoT • Submit copies of allocation letters and milestones to National Treasury • Review the Public Transport Strategy to ensure its requirements enable municipalities to develop fiscally sustainable IPTN systems <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Ensure that projects are implemented in line with approved business plans and are also reflected in the integrated development plan of the municipality. Additional plans that municipalities will need to complete include: <ul style="list-style-type: none"> ○ network operational plans, including universal design access plans ○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans) ○ institutional network management plans ○ engineering and architectural preliminary and detailed designs ○ public transport vehicle and technology plans ○ marketing and communication plans • Projects funded by this grant must promote the integration of the public transport networks in a municipality, through: <ul style="list-style-type: none"> ○ physical integration between different services within a single network ○ fare integration between different services ○ marketing integration with unified branding ○ institutional integration between the services ○ spatial integration, in conjunction with other grants directed at the built environment • Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> ○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum ○ indicate the intended allocations between the network operations component and network infrastructure component • Establish a dedicated project team to plan, manage and monitor infrastructure development and maintenance, as well as operations with an emphasis on optimising vehicle kilometres through full use of procured Intelligent Transport System tools • Compile and submit data that indicates the efficiency and effectiveness of operational services in the formats and using the indicators defined by the DoT
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Municipalities must submit business plans based on a fiscally and financially sustainable IPTN (or an agreed plan to compile this), supported by credible multi-year financial operational plans by 31 July 2019 which include plans for how all municipal owned bus services will be integrated into the 10 year IPTN programme • DoT and National Treasury will jointly evaluate these plans – based on pre-determined criteria regarding financial and fiscal sustainability and sufficient capacity – for the municipality’s eligibility for an allocation in the 2020/21 financial year • Municipalities that fail to pass the eligibility criteria will be informed by 30 August 2019 and may be asked to resubmit plans

Rural Roads Asset Management Systems Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • Ensure efficient and effective investment in municipal roads through development of Road Asset Management Systems (RAMS) and collection of data
Grant purpose	<ul style="list-style-type: none"> • To assist district municipalities to set up rural RAMS, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)
Outcome statements	<ul style="list-style-type: none"> • Improved data on municipal roads to guide infrastructure maintenance and investments • Reduced vehicle operating costs
Outputs	<ul style="list-style-type: none"> • Road condition data (paved and unpaved) • Traffic data • Data on condition of structures as per Technical Methods for Highways (TMH) 19 (including bridges and culverts) • Prioritised project list for roads to inform Municipal Infrastructure Grant project selection
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Comprehensive rural development and land reform • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses Road Asset Management Business Plans which contain the following details: network hierarchy, performance management framework, gap analysis, information systems, lifecycle planning, current and future demand, financial plan, monitoring, reviewing and continual improvements including sharing data with local municipalities
Conditions	<ul style="list-style-type: none"> • Transfer of the first tranche is conditional on submission of an approved business plan by 31 May 2019 • Transfer of the second tranche is conditional on submission of evidence of engagements and sharing of data with local municipalities and compliance with monthly and quarterly signed report submissions to the national Department of Transport (DoT), and the relevant Provincial Roads Authorities • Road authorities must conduct regular condition assessments for paved and unpaved roads, structure, traffic data and any other road inventory data • District municipalities must provide local municipalities with validated information from the condition data collected to enable municipalities to identify and prioritise road maintenance requirements within their own budgets, to improve the condition and extend the lifespan of road infrastructure • District municipalities must submit the above data to the national repository by 31 May 2019 • Data collection must take place as follows: <ul style="list-style-type: none"> For RISFSA Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> ○ visual condition data not older than two years for pavements and five years for bridges ○ instrumental pavement data for roughness, rut depth and macro texture not older than two years ○ instrumental pavement data for structural strength not older than five years ○ traffic data not older than three years For RISFSA Class R4 and R5 roads, data requirements are: <ul style="list-style-type: none"> ○ visual condition data not older than three years for pavements and five years for bridges ○ traffic data not older than five years • All road condition reports and data collected must be submitted to the National DoT, and the relevant provincial roads authorities • The framework must be read in conjunction with the practice note as agreed with National Treasury • Systems developed to record data must be compatible with DoT specifications • District municipalities must participate in grant management structures, including attending monthly and/or quarterly RRAMS progress as well as National meetings • A maximum of five per cent may be used for municipal costs incurred as part of coordination, project management and reporting by the district municipality. This must not be used to appoint municipal officials • District municipalities must appoint an independent assessor to assess a representative sample of all roads assessed (which is about 10 per cent of their assessed network) to confirm the correctness of the assessment made by the municipality
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the extent of road network and number of local municipalities within a district municipality • Complying district municipalities will benefit from this grant in the 2019 medium term expenditure framework
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant mainly for the provision of systems to collect data on traffic and conditions of rural roads and structures
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R107 million that was allocated, R107 million (100 per cent) was transferred to municipalities

Rural Roads Asset Management Systems Grant	
	<p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • 46 909 kilometres of paved road network, and Municipalities 183 484 kilometres of unpaved road network were assessed by the programme in the district municipalities receiving the grant • 140 graduates were recruited into the programme • Bojanala District Municipality absorbed their graduates as one of the conditions of the programme
Projected life	<ul style="list-style-type: none"> • The grant has a life span up to 2021/22, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2019/20: R114 million; 2020/21: R120 million and 2021/22: R127 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in two tranches in accordance with a payment schedule approved by the National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitoring implementation of RAMS together with provincial road authorities • Data integrity will be checked by DoT and provincial road authorities • Provide guidance on sustainable RAMS operations and standards • Facilitate interaction between local municipalities and district municipalities in using RAMS outputs to guide municipal road infrastructure management • Check the quality of data captured on municipalities' RAMS in collaboration with provincial road authorities
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Municipalities must make provision to maintain RAMS after the lifespan of the grant • Data for all rural roads to be updated within two years • Recruit unemployed youth, S3 experiential training students and young graduates • Ensure human capacity at municipalities for the operation of RAMS is built • Road quality data on RAMS must be used for planning Municipal Infrastructure Grant (roads) investments as well as roads maintenance funded from other sources • Submission of updated RAMS data in TMH 18 format by 31 May 2019
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • District municipalities must submit a Road Asset Management Plan (RAMP)/business plan to DoT by 29 May 2020 • RAMP must contain the following: <ul style="list-style-type: none"> ○ the extent of the road network in the municipality ○ the proportion of municipal roads with updated data captured on its RAMS ○ the condition of the network in the municipality ○ the maintenance and rehabilitation needs of the municipal road network ○ the status of the municipality's RAMS ○ status of institutionalisation of RAMS in the district municipality • TMH 22 RAMP guideline can be used as template • DoT together with provincial roads authorities will evaluate the business plans and progress reports by 30 June 2020

WATER AND SANITATION GRANTS

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Facilitate achievement of targets for access to bulk water and sanitation through successful execution and implementation of bulk projects of regional significance
Grant purpose	<ul style="list-style-type: none"> To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality To implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements
Outcome statements	<ul style="list-style-type: none"> Access to water supply enabled through regional bulk infrastructure Proper wastewater management and disposal enabled through regional wastewater infrastructure
Outputs	<ul style="list-style-type: none"> Number of regional bulk water and sanitation projects phases under construction Number of projects/project phases completed Number of households targeted to benefit from bulk water and sanitation supply Number of municipalities benefitting from bulk water and sanitation projects Number of job opportunities created through implementation of bulk infrastructure projects
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 7: Comprehensive rural development and land reform Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses approved implementation readiness studies (IRS) which include the following: <ul style="list-style-type: none"> inception/scoping report, technical feasibility report preliminary designs and cost estimates Schedule 6, Part B projects are implemented through a memorandum of understanding (MoU) which contains cash flow, implementation milestones and specific funding conditions related to the project
Conditions	<ul style="list-style-type: none"> The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the social component of regional bulk water and sanitation projects approved by the Department of Water and Sanitation (DWS), unless exemptions based on affordability are recommended by DWS and approved by National Treasury All identified projects must be referenced to and included in the municipal Integrated Development Plan (IDP) and Water Services Development Plans (WSDP) and show linkages to projects under the Municipal Infrastructure Grant (MIG) and/or the Water Services Infrastructure Grant (WSIG) Funds may only be used for drought relief interventions based on a business plan approved by DWS Schedule 5, Part B allocations <ul style="list-style-type: none"> The municipality must spend grant funds in line with the IRS and detailed designs approved by DWS The municipality must submit monthly financial and quarterly non-financial reports to DWS on stipulated dates Grant funds must be reflected in the capital budget of the municipality All sources of funding for the cost of the project must be clearly outlined in the approved IRS Schedule 6, Part B allocations <ul style="list-style-type: none"> This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems The financing plan with associated co-funding agreements must be in place prior to implementation of the project unless exemption to co-funding requirements has been approved by National Treasury All sources of funding for the full cost of the project must be outlined in the IRS and the MoU The IRS and MoU must be approved by DWS and endorsed through a council resolution of the benefiting municipality All projects must be implemented and transferred in line with the approved IRS and detailed designs
Allocation criteria	<ul style="list-style-type: none"> Projects are assessed individually, and allocations are made by DWS on a project basis, taking into account the following factors: <ul style="list-style-type: none"> demand and availability of water the overall infrastructure needs the strategic nature of the project socio-economic importance of an area impact of the project This grant is only allocated to Water Services Authorities (local and district municipalities)
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Regional bulk projects are closely linked to water resource planning and development, which is a DWS competency
Past performance	<p>2017/18 audited financial outcome</p> <ul style="list-style-type: none"> Of an approved revised budget allocation (Schedule 5, Part B) of R1.8 billion; R1.8 billion (98 per cent) was transferred Of an approved revised budget allocation (Schedule 6, Part B) of R2.9 billion; R2.6 billion (97 per cent) was spent <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> Ten project phases were completed: <ul style="list-style-type: none"> Hoxane Bulk Water Supply (BWS) phase 3

Regional Bulk Infrastructure Grant	
	<ul style="list-style-type: none"> ○ Northern Nsikazi BWS phase 1 of 2 ○ Cunningsmore Bulk Water Supply Balfour/ Siyathemba BWS phase 1 of 4 ○ Lushushwane phase 1 ○ Amsterdam phase 1 and 2 ○ Moretele South BWS phase 1 (Klipdrift) and phase 2 ○ Paarl Bulk Sewer phase 2 ○ Matatiele BWS ○ Mafube Bulk Sewer phase 1 of 2 ● 109 project phases were in construction
Projected life	<ul style="list-style-type: none"> ● The grant will continue until 2021/22, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> ● 2019/20: R2.1 billion; 2020/21: R2.2 billion and 2021/22: R2.3 billion <p>Allocations-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> ● 2019/20: R3 billion; 2020/21: R3.2 billion and 2021/22: R3.4 billion
Payment schedule	<ul style="list-style-type: none"> ● Transfers for Schedule 5, Part B allocations are made in terms of a payment schedule approved by National Treasury ● Payments for Schedule 6, Part B allocations are made after verification of work performed
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Support the development of Water Services Authorities' (WSAs) water services infrastructure master plans ● Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility study, IRS and construction ● Enter into agreements (MoU) with WSAs regarding the construction, ownership, funding arrangements, and operation and maintenance of proposed infrastructure prior to the commencement of construction ● If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained ● Ensure that the land assessment is done prior to project implementation ● Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework) ● Ensure that suitable agreements in terms of operation and maintenance are in place ● Issue project funding approval letters to benefiting municipalities ● Ensure that implementing agents submit monthly financial and quarterly non-financial reports on stipulated dates ● Make payments of Schedule 6, Part B allocations to DWS's contracted implementing agents based on invoices for work done
	<p>Responsibilities of water services authorities</p> <ul style="list-style-type: none"> ● Develop and regularly update water services infrastructure master plans ● Submit monthly, quarterly and annual progress reports to DWS ● Ensure that projects are appropriately linked to the municipality's water services infrastructure master plans, their IDP and WSDP and projects funded through the MIG and WSIG ● Once a project is completed, ensure adherence to operations and maintenance plans and/or any other requirements agreed to as part of the funding agreement contained in the (MoU), and ensure the sustainability of infrastructure ● Ensure integration of planning, funding, timing and implementation of bulk and reticulation projects ● Ensure provision of reticulation services and/or reticulation infrastructure to connect to the bulk infrastructure funded through this grant
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> ● Due to the long-term nature of projects, dates of the various processes are not fixed ● All proposed projects which comply with the RBIG criteria must be registered and listed in DWS's bulk master plans ● At regional level, a coordination committee of key stakeholders to assist with planning of regional bulk projects and the assessment of the IRS and feasibility studies must be in place ● Pre-feasibility studies must assess potential for WC/WDM interventions ● IRS and feasibility studies will be evaluated and approved by the transferring officer ● Based on the outcome of the IRS, DWS will nominate the implementing agent for the construction phase of Schedule 6, Part B projects and designate the owner of the infrastructure. National Treasury and benefiting municipalities will be informed of the decisions ● Projects requiring co-funding exemptions to be submitted to DWS by 30 September 2019 ● DWS to submit the requests to National Treasury by 31 October 2019

Water Services Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To provide water and sanitation services and reduce backlogs
Grant purpose	<ul style="list-style-type: none"> • Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities • Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development • Support municipalities in implementing water conservation and water demand management (WC/WDM) projects • Support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas • Support drought relief projects in affected municipalities
Outcome statements	<ul style="list-style-type: none"> • An increased number of households with access to reliable, safe drinking water and sanitation services
Outputs	<ul style="list-style-type: none"> • Number of households provided with water and sanitation through: <ul style="list-style-type: none"> ○ reticulated water supply ○ on site sanitation ○ bucket systems replaced with appropriate sanitation facilities for households identified by the Department of Water and Sanitation (DWS) in the 2015/16 verification process ○ source identification ○ water conservation/water demand management provision • Number of Water Services Infrastructure Grant (WSIG) projects under construction • Number of WSIG projects completed • Number of households reached by health and hygiene awareness and end-user education • Number of job opportunities created through implementation of water and sanitation projects
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 7: Comprehensive rural development and land reform • Outcome 8: Sustainable human settlements and improved quality of household life • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Project overview • Project costing • Project milestones • Impact declaration • Schedule 6, Part B projects are implemented through a memorandum of understanding (MoU) which contains cash flow, implementation milestones and specific funding conditions related to the project
Conditions	<ul style="list-style-type: none"> • All project scope funded must be aligned to, and not duplicate, any existing or planned projects funded by other conditional grants or municipalities' own funds • Municipalities must demonstrate in their business plans how they plan to manage, operate and maintain the infrastructure over the long term <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> • Municipalities must submit business plans signed-off by their Accounting Officer in line with their Water Services Development Plans (WSDPs) and Intergrated Development Plans (IDPs) • DWS must approve the business plans before projects can be implemented • Water Service Authorities (WSAs) may only spend funds in line with approved business plans • WSAs must submit monthly financial and quarterly non-financial reports to DWS • Funds must be reflected in the capital budget of the municipality • Grant funds must not be spent on operations and routine maintenance • The Project Management Unit funded through the Municipal Infrastructure Grant should be utilised to manage the implementation of projects funded through this grant • Funds may only be used for drought relief interventions based on a plan approved by DWS <p>Schedule 6, Part B allocations</p> <ul style="list-style-type: none"> • Municipal accounting officers must sign-off that business plans are in line with their WSDP/IDP • DWS must approve the business plans before projects can be implemented • DWS must enter into an MoU with the relevant municipality before any project is implemented
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the number of households with water and sanitation backlogs, prioritising the 27 priority district municipalities identified by government
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The grant is earmarked for specific projects aimed at providing access to basic water and sanitation services

Water Services Infrastructure Grant	
Past performance	<p>2017/18 audited financial outcomes</p> <ul style="list-style-type: none"> • Water Services Infrastructure Grant (Schedule 5, Part B): <ul style="list-style-type: none"> ◦ of the R3.3 billion allocated, R3.3 billion (99 per cent) was transferred • Water Services Infrastructure Grant (Schedule 6, Part B): <ul style="list-style-type: none"> ◦ of the R852 million allocated, R829 million (97 per cent) was spent <p>2017/18 service delivery performance</p> <ul style="list-style-type: none"> • Water Services Infrastructure Grant: <ul style="list-style-type: none"> ◦ 13 439 households served ◦ 1 604 jobs created
Projected life	<ul style="list-style-type: none"> • The grant will continue until the 2021/22 financial year, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> • 2019/20: R3.7 billion; 2020/21: R3.9 billion and 2021/22: R4.2 billion <p>Allocations-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> • 2019/20: R644 million; 2020/21: R679 million and 2021/22: R730 million
Payment schedule	<ul style="list-style-type: none"> • For Schedule 5, Part B, transfers are made in accordance with a payment schedule approved by National Treasury • For Schedule 6, Part B, payments are made to contracted implementing agents (including water boards and private service providers) after verification of work performed
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Evaluate and approve the business plans for each project before funds can be transferred • Ensure that the conditions of the grant and approved business plans are adhered to • Submit statutory reports (monthly financial, quarterly non-financial and annual performance) to National Treasury • Ensure that implementing agents submit monthly financial and quarterly non-financial reports • In cases where DWS appoints a contractor, the contract between DWS and the appointed contractor must be signed before the project can commence • All drought-related plans and expenditure must be shared with the National Disaster Management Centre • Submit a water services capacity building plan for municipalities to National Treasury by 28 June 2019 <p>Responsibilities of water services authorities</p> <ul style="list-style-type: none"> • Compile and submit signed-off business plans for each project (for the relevant financial year) • Sustainably operate and maintain funded water and sanitation projects over their lifetime • Ensure integrated planning for all projects funded through the different grants and programmes • Municipalities must submit a technical report for each project to the regional office • Ensure adequate participation and involvement of the public in each project • Manage project implementation in line with the business plan • Submit monthly, quarterly and annual progress reports in the format prescribed by DWS • Comply with all the funding conditions agreed to in the business plan and MoU
Process for approval of 2020/21 business plans	<ul style="list-style-type: none"> • Municipalities must submit a technical report for each project to the regional office • Regional offices must assess and approve technical reports • Municipalities must prepare business plans based on the approved technical reports • Business plans for Schedule 5, Part B allocation: <ul style="list-style-type: none"> ◦ business plans must be submitted by 31 March 2020 ◦ business plans must be approved by 29 May 2020 • Business plans for Schedule 6, Part B allocation: <ul style="list-style-type: none"> ◦ business plans must be submitted by 31 January 2020 ◦ business plans must be approved by 28 February 2020

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

(National and Municipal Financial Years)

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		Municipal Disaster Relief Grant		Municipal Emergency Housing Grant		SUB-TOTAL: CURRENT ¹	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
EASTERN CAPE													
A	BUF Buffalo City	11 300	12 517	1 000	1 000	1 000	1 000	9 956	-	-	-	22 256	13 517
A	NMA Nelson Mandela Bay	9 500	10 500	1 000	1 000	1 000	1 000	8 950	-	-	-	19 450	10 500
B	ECI01 Dr Beyers Naudé	-	-	4 000	3 000	3 264	1 251	-	-	-	-	5 251	3 000
B	ECI02 Blue Crane Route	-	-	2 235	2 667	2 667	1 410	-	-	-	-	3 645	2 667
B	ECI04 Makana	-	-	2 680	3 112	3 376	1 131	-	-	-	-	3 811	3 112
B	ECI05 Ndlambe	-	-	2 435	2 867	2 867	1 002	-	-	-	-	3 437	2 867
B	ECI06 Sundays River Valley	-	-	2 880	3 312	3 576	1 019	-	-	-	-	3 899	3 312
B	ECI08 Kouga	-	-	1 700	1 700	1 700	1 000	-	-	-	-	2 700	1 700
B	ECI09 Kosi-Karuma	-	-	2 435	2 867	2 867	1 087	-	-	-	-	3 522	2 867
C	DC10 Sani-Edenburg District Municipality	-	-	1 000	1 000	1 000	-	-	-	-	-	1 000	1 000
C	DC11 Sarah-Bathurst District Municipality	-	-	19 435	20 595	21 387	7 900	-	-	-	-	27 335	20 595
C	DC12 Amathole District Municipality	-	-	1 700	1 700	1 700	5 630	-	-	-	-	7 400	1 700
B	ECI21 Mbashe	-	-	1 700	1 700	1 964	1 740	-	-	-	-	3 440	1 700
B	ECI22 Mquma	-	-	2 415	2 235	2 235	1 189	-	-	-	-	3 604	2 415
B	ECI23 Green Kei	-	-	2 235	2 235	2 235	1 236	-	-	-	-	3 471	2 235
B	ECI24 Amahlathi	-	-	2 880	3 312	3 312	1 901	-	-	-	-	4 781	3 312
B	ECI26 Ngqushwa	-	-	3 000	2 500	2 764	2 764	-	-	-	-	5 766	2 500
B	ECI29 Raymond Mkhaba	-	-	1 000	1 000	1 264	2 466	-	-	-	-	3 466	1 264
C	DC12 Amathole District Municipality	-	-	15 000	14 932	15 988	16 928	-	-	-	-	31 928	14 932
B	ECI31 Inxuba Yethembu	-	-	2 680	3 112	3 376	1 284	-	-	-	-	3 964	3 112
B	ECI35 Inshala Yethu	-	-	2 215	2 215	2 215	2 591	-	-	-	-	4 806	2 215
B	ECI36 Emalaheni	-	-	2 880	3 312	3 312	2 261	-	-	-	-	5 141	3 312
B	ECI37 Engobo	-	-	1 700	1 700	1 700	883	-	-	-	-	4 583	1 700
B	ECI38 Sakhisizwe	-	-	1 700	1 700	1 700	1 480	-	-	-	-	3 180	1 700
B	ECI39 Enoch Mgijima	-	-	4 000	3 000	3 264	4 422	-	-	-	-	8 422	3 000
C	DC13 Chris-Hani District Municipality	-	-	1 250	1 000	1 000	4 642	-	-	-	-	5 892	1 000
C	DC13 Chris-Hani District Municipality	-	-	16 425	16 039	16 567	19 563	-	-	-	-	36 988	16 039
B	ECI41 Elundini	-	-	1 700	1 700	1 700	2 883	-	-	-	-	4 583	1 700
B	ECI42 Senqunene	-	-	1 700	1 700	1 700	2 384	-	-	-	-	4 084	1 700
B	ECI45 Walter Sisulu	-	-	3 000	2 000	2 264	1 565	-	-	-	-	4 565	2 000
C	DC14 Joe Gqabi District Municipality	-	-	1 785	1 510	1 510	1 504	-	-	-	-	3 289	1 510
C	DC14 Joe Gqabi District Municipality	-	-	8 185	6 910	7 174	8 336	-	-	-	-	16 521	6 910
B	ECI53 Ngquzu HHI	-	-	1 700	1 700	1 700	1 407	-	-	-	-	3 107	1 700
B	ECI54 Port St Johns	-	-	2 435	2 867	2 867	1 462	-	-	-	-	3 897	2 867
B	ECI55 Nyandeni	-	-	1 700	1 700	1 700	1 444	-	-	-	-	3 144	1 700
B	ECI56 Mhlonjoni	-	-	2 415	2 415	2 415	1 781	-	-	-	-	4 196	2 415
B	ECI57 King Shiba Dalindyebo	6 800	7 000	2 680	2 680	2 944	3 735	-	-	-	-	12 915	9 680
C	DC15 O.R. Tambo District Municipality	-	-	2 115	2 115	2 115	6 294	-	-	-	-	8 409	2 115
C	DC15 O.R. Tambo District Municipality	6 800	7 000	13 045	13 477	13 741	16 123	-	-	-	-	35 668	20 477
B	EC441 Matielie	-	-	1 700	1 700	1 700	3 257	-	-	-	-	4 957	1 700
B	EC442 Umrumbhu	-	-	1 700	1 700	1 700	2 512	-	-	-	-	4 282	1 700
B	EC443 Mhizana	-	-	2 215	2 215	2 215	2 452	-	-	-	-	4 667	2 215
B	EC444 Ntabankulu	-	-	2 435	2 867	2 867	1 621	-	-	-	-	4 056	2 867
C	DC24 Alfred Nzo District Municipality	5 400	6 000	1 865	2 054	2 054	9 174	-	-	-	-	16 439	7 900
C	DC24 Alfred Nzo District Municipality	5 400	6 000	9 985	10 342	10 606	19 016	-	-	-	-	34 401	16 342
C	DC24 Alfred Nzo District Municipality	32 700	35 017	84 075	84 295	87 463	106 772	-	-	-	-	223 547	119 312
C	DC24 Alfred Nzo District Municipality	32 700	35 017	84 075	84 295	87 463	106 772	-	-	-	-	223 547	119 312
C	DC24 Alfred Nzo District Municipality	32 700	35 017	84 075	84 295	87 463	106 772	-	-	-	-	223 547	119 312

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Grant for Municipalities		Municipal Disaster Relief Grant		Municipal Emergency Housing Grant		SUB-TOTAL: CURRENT ¹		
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	
FREE STATE														
A.	MAN Mangung	-	-	3 000	2 500	2 764	1 382	-	-	-	-	4 382	2 500	2 764
B	ESI161 Letsameg	-	-	2 435	2 867	3 131	1 000	-	-	-	-	3 435	2 867	3 131
B	ESI162 Kopanong	-	-	1 700	2 132	2 396	1 186	-	-	-	-	2 886	2 132	2 396
B	ESI163 Molekare	-	-	2 435	2 867	3 131	1 000	-	-	-	-	3 435	2 867	3 131
C.	DC16. Xharanga District Municipality	-	-	1 785	1 510	1 774	1 136	-	-	-	-	2 921	1 510	1 774
	Total: Xharanga Municipalities	-	-	8 355	9 376	10 432	4 332	-	-	-	-	12 677	9 376	10 432
B	ESI181 Maslonyana	-	-	1 970	2 402	2 666	1 000	-	-	-	-	2 970	2 402	2 666
B	ESI182 Tokologo	-	-	2 435	2 867	3 131	1 138	-	-	-	-	3 573	2 867	3 131
B	ESI183 Tswelopele	-	-	1 970	1 970	2 234	1 319	-	-	-	-	3 289	1 970	2 234
B	ESI184 Matlhabeng	-	-	2 680	3 112	3 376	1 236	-	-	-	-	3 916	3 112	3 376
B	ESI185 Nala	-	-	2 880	3 312	3 576	1 097	-	-	-	-	3 977	3 312	3 576
C.	DC18. Letlatsama District Municipality	-	-	1 000	1 000	1 000	1 000	-	-	-	-	2 000	1 000	1 000
	Total: Letlatsama Municipalities	-	-	12 935	14 603	15 983	6 790	-	-	-	-	19 725	14 603	15 983
B	ESI91 Seisoiso	-	-	2 165	2 165	2 429	1 769	-	-	-	-	3 934	2 165	2 429
B	ESI92 Dhlubeng	-	-	2 235	2 667	2 931	1 375	-	-	-	-	3 610	2 667	2 931
B	ESI93 Nkomoa	-	-	2 235	2 667	2 931	1 101	-	-	-	-	3 336	2 667	2 931
B	ESI94 Maluti-a-Pofung	-	-	2 680	3 112	3 376	6 077	-	-	-	-	8 757	3 112	3 376
B	ESI95 Phumelela	-	-	2 880	3 312	3 576	1 000	-	-	-	-	3 880	3 312	3 576
B	ESI96 Mantsopa	-	-	2 680	3 112	3 376	1 677	-	-	-	-	4 357	3 112	3 376
C.	DC19. Thabo Mofutsanyane District Municipality	-	-	1 785	2 217	2 481	1 696	-	-	-	-	3 481	2 217	2 481
	Total: Thabo Mofutsanyane Municipalities	-	-	16 660	19 552	21 100	14 695	-	-	-	-	31 385	19 552	21 100
B	ESS20 Mochaka	-	-	2 215	2 215	2 479	1 000	-	-	-	-	3 215	2 215	2 479
B	ESS23 Ngwenhe	-	-	2 680	3 112	3 112	1 377	-	-	-	-	4 057	3 112	3 112
B	ESS24 Metsimaholo	-	-	2 235	2 667	2 931	1 157	-	-	-	-	3 392	2 667	2 931
B	ESS26 Matlabe	-	-	2 880	3 312	3 576	1 000	-	-	-	-	3 880	3 312	3 576
C.	DC20. Ficksburg District Municipality	-	-	1 000	1 000	1 264	1 264	-	-	-	-	1 000	1 000	1 264
	Total: Ficksburg Municipalities	-	-	11 010	12 506	13 362	4 534	-	-	-	-	15 544	12 506	13 362
	Total: Free State Municipalities	-	-	51 960	58 097	63 641	31 723	-	-	-	-	83 683	58 097	63 641
GAUTENG														
A	EKU City of Ekurhuleni	-	-	1 000	1 000	1 000	22 022	-	-	-	-	23 022	1 000	1 000
A	JHB City of Johannesburg	7 200	7 778	1 000	1 000	1 000	23 955	-	-	-	-	32 155	8 778	9 000
A	TSH City of Tshwane	-	-	2 250	2 250	2 514	2 316	-	-	-	-	25 266	2 250	2 514
B	GT421 Emfuleni	-	-	2 015	2 015	2 279	3 559	-	-	-	-	5 574	2 015	2 279
B	GT422 Midrand	-	-	1 550	1 550	1 564	1 564	-	-	-	-	3 114	1 550	1 550
B	GT423 Lesedi	-	-	1 550	1 550	1 814	1 460	-	-	-	-	3 010	1 550	1 814
C.	DC32. Sedibeng District Municipality	-	-	1 000	1 000	1 264	1 173	-	-	-	-	2 173	1 000	1 264
	Total: Sedibeng Municipalities	-	-	6 115	6 115	6 907	7 756	-	-	-	-	13 871	6 115	6 907
B	GT481 Mamelodi City	-	-	1 550	1 550	1 550	4 481	-	-	-	-	6 031	1 550	1 550
B	GT484 Merafong City	-	-	2 165	2 597	2 861	1 000	-	-	-	-	3 165	2 597	2 861
B	GT485 Rand West City	-	-	2 500	2 000	2 264	3 011	-	-	-	-	5 511	2 000	2 264
C.	DC38. West Rand District Municipality	-	-	1 000	1 000	1 000	1 080	-	-	-	-	2 080	1 000	1 000
	Total: West Rand Municipalities	-	-	7 215	7 147	7 675	9 572	-	-	-	-	16 787	7 147	7 675
	Total: Gauteng Municipalities	7 200	7 778	17 580	17 512	19 096	86 321	-	-	-	-	111 101	25 290	27 006

ANNEXURE W4
 SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
 (SCHEDULE 5, PART B AND SCHEDULE 7, PART B); CURRENT GRANTS

Category	Municipality	Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		Municipal Disaster Relief Grant		Municipal Emergency Housing Grant		SUB-TOTAL: CURRENT ¹		
		2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	
WESTERN CAPE														
A	CPT - City of Cape Town	13,605	15,435	17,000	1,000	1,000	32,877	-	-	-	-	47,482	16,435	18,000
B	WC011 Matzikama	-	-	-	1,550	1,550	1,578	-	-	-	-	3,128	1,550	1,550
B	WC012 Cederberg	-	-	-	2,085	2,085	1,954	-	-	-	-	4,039	2,085	2,085
B	WC013 Bergvliet	-	-	-	1,550	1,550	1,422	-	-	-	-	2,972	1,550	1,550
B	WC014 Saldanha Bay	-	-	-	1,550	1,550	2,302	-	-	-	-	4,052	1,550	1,550
B	WC015 Sowerland	-	-	-	1,550	1,550	1,768	-	-	-	-	3,318	1,550	1,550
C	DC1 - West Coast District Municipality	-	-	-	1,000	1,000	1,027	-	-	-	-	2,027	1,000	1,000
	Total: West Coast Municipalities	-	-	-	9,285	9,285	10,251	-	-	-	-	19,536	9,285	9,285
B	WC022 Witznaberg	-	-	-	1,550	1,550	2,299	-	-	-	-	3,849	1,550	1,550
B	WC023 Dinkelsbos	-	-	-	1,550	1,550	5,185	-	-	-	-	6,735	1,550	1,550
B	WC024 Stellenbosch	-	-	-	1,550	1,550	5,227	-	-	-	-	6,777	1,550	1,550
B	WC025 Breede Valley	-	-	-	1,550	1,550	3,215	-	-	-	-	4,765	1,550	1,550
B	WC026 Langeberg	-	-	-	1,550	1,550	2,033	-	-	-	-	3,583	1,550	1,550
C	DC2 - Cape Winelands District Municipality	-	-	-	1,000	1,000	1,581	-	-	-	-	2,581	1,000	1,000
	Total: Cape Winelands Municipalities	-	-	-	8,750	8,750	19,540	-	-	-	-	28,201	8,750	8,750
B	WC031 Theewaterskloof	-	-	-	1,700	1,700	1,857	-	-	-	-	3,557	1,700	1,700
B	WC032 Overstrand	-	-	-	1,550	1,550	2,635	-	-	-	-	4,185	1,550	1,550
B	WC033 Cape Agulhas	-	-	-	1,550	1,550	1,740	-	-	-	-	3,290	1,550	1,550
B	WC034 Swellendam	-	-	-	1,770	1,770	1,604	-	-	-	-	3,374	1,770	1,770
C	DC3 - Overberg District Municipality	-	-	-	1,000	1,000	1,243	-	-	-	-	2,243	1,000	1,000
	Total: Overberg Municipalities	-	-	-	7,570	7,570	9,079	-	-	-	-	16,649	7,570	7,570
B	WC041 Karolus	-	-	-	2,215	2,647	2,911	-	-	-	-	3,399	2,647	2,911
B	WC042 Hessequa	-	-	-	1,550	1,550	1,108	-	-	-	-	2,658	1,550	1,550
B	WC043 Mossel Bay	-	-	-	1,550	1,550	2,798	-	-	-	-	4,348	1,550	1,550
B	WC044 George	8,000	-	8,000	1,550	1,550	5,111	-	-	-	-	14,161	9,550	9,550
B	WC045 Oudshoorn	-	-	-	2,085	2,517	2,781	-	-	-	-	4,813	2,517	2,781
B	WC047 Bliou	-	-	-	1,550	1,550	2,579	-	-	-	-	4,129	1,550	1,550
B	WC048 Krysta	-	-	-	1,550	1,550	1,497	-	-	-	-	3,047	1,550	1,550
C	DC4 - Garden Route District Municipality	-	-	-	1,000	1,000	1,629	-	-	-	-	2,629	1,000	1,000
	Total: Garden Route Municipalities	7,500	8,000	8,000	13,050	13,914	18,634	-	-	-	-	39,184	21,914	22,442
B	WC051 Langburg	-	-	-	1,800	1,800	1,238	-	-	-	-	3,038	1,800	1,800
B	WC052 Prince Albert	-	-	-	1,700	1,700	1,180	-	-	-	-	2,880	1,700	1,700
B	WC053 Beaufort West	-	-	-	1,700	1,700	1,964	-	-	-	-	3,624	1,700	1,964
C	DC5 - Central Karoo District Municipality	-	-	-	1,000	1,000	1,231	-	-	-	-	2,231	1,000	1,000
	Total: Central Karoo Municipalities	-	-	-	6,200	6,200	5,573	-	-	-	-	11,773	6,200	6,464
	Total: Western Cape Municipalities	21,105	23,435	25,000	45,885	46,719	47,511	-	-	-	-	102,914	70,154	72,511
Unallocated		-	-	-	-	-	-	-	-	-	-	-	-	-
National Total		149,416	157,930	166,616	532,822	561,713	592,607	730,446	771,174	771,174	149,100	1,896,872	2,003,549	2,114,570

¹ Includes unallocated amounts for the Municipal Disaster Relief Grant (MDRG) and the Municipal Emergency Housing Grant (MEHG). The MDRG is allocated R335 million in 2019/20; R334 million in 2020/21 and R373 million in 2021/22. The MEHG is allocated R149 million in 2019/20; R159 million in 2020/21 and R168 million in 2021/22.

ANNEXURE W5

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

(National and Municipal Financial Years)

ANNEXURE W5

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 3

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme Grant (Municipal)		Rural Roads Asset Management System Grant	
		National and Municipal Financial Year (R'000)	2017/18 (R'000)	National and Municipal Financial Year (R'000)	2017/18 (R'000)	National and Municipal Financial Year (R'000)	2017/18 (R'000)	National and Municipal Financial Year (R'000)	2017/18 (R'000)	National and Municipal Financial Year (R'000)	2017/18 (R'000)
EASTERN CAPE											
A	BUF Buffalo City	-	-	-	-	-	-	-	-	-	-
A	NMA Nelson Mandela Bay	-	-	-	-	-	-	-	-	-	-
B	EC101 Dr Beyers Naude	20 608	21 550	-	7 000	-	11 000	-	5 500	-	-
B	EC102 Blue Crane Route	14 320	14 883	-	13 000	-	13 000	-	3 200	-	-
B	EC104 Makana	24 399	25 570	-	20 000	-	21 000	-	6 000	-	-
B	EC105 Ndlambe	27 295	28 641	-	-	-	-	-	6 000	-	-
B	EC106 Sundays River Valley	25 612	26 856	-	-	-	-	-	25 000	-	-
B	EC108 Kouga	37 996	33 386	-	10 000	-	10 000	-	6 002	-	-
B	EC109 Koo-Kamma	15 396	16 024	-	10 000	-	10 000	-	1 550	-	-
C	DC10 Sarah Baartman District Municipality	165 626	166 910	-	60 000	-	64 000	-	32 962	-	-
Total: Sarah Baartman Municipalities											
B	EC121 Mbashe	59 992	63 311	-	-	-	-	-	15 000	-	-
B	EC122 Mquma	62 609	66 086	-	-	-	-	-	8 806	-	-
B	EC123 Great Kei	11 253	11 630	-	-	-	-	-	6 400	-	-
B	EC124 Amathlali	40 139	29 536	-	-	-	-	-	5 500	-	-
B	EC126 Ngqushwa	22 504	23 560	-	-	-	-	-	5 160	-	-
B	EC129 Raymond Mhlaba	39 233	41 299	-	-	-	-	-	12 000	-	-
C	DC12 Amathole District Municipality	428 472	454 030	-	102 000	-	107 610	-	113 000	-	-
Total: Amathole Municipalities											
B	EC131 Ixuba Yethembu	16 104	16 774	-	-	-	-	-	10 773	-	-
B	EC135 Iisika Yethu	43 020	45 315	-	-	-	-	-	12 033	-	-
B	EC136 Emalaheni	33 524	35 246	-	-	-	-	-	3 200	-	-
B	EC137 Fingsobo	38 525	40 549	-	-	-	-	-	21 656	-	-
B	EC138 Sakhisizwe	18 200	18 996	-	-	-	-	-	6 949	-	-
B	EC139 Enoch Mgijima	54 112	57 076	-	-	-	-	-	7 448	-	-
C	DC13 Chris Hani District Municipality	287 044	304 056	-	105 229	-	113 940	-	117 359	-	-
Total: Chris Hani Municipalities											
B	EC141 Elundini	38 948	40 997	-	-	-	-	-	21 000	-	-
B	EC142 Sengu	18 872	19 710	-	-	-	-	-	3 200	-	-
C	DC14 Joe Gqabi District Municipality	156 868	166 054	-	40 000	-	88 620	-	8 514	-	-
Total: Joe Gqabi Municipalities											
B	EC153 Ngquzu Hill	54 506	57 494	-	-	-	-	-	3 182	-	-
B	EC154 Port St Johns	34 345	36 116	-	-	-	-	-	9 202	-	-
B	EC155 Nyandeni	60 844	64 214	-	-	-	-	-	15 010	-	-
B	EC156 Mthomfo	55 250	46 619	-	-	-	-	-	11 508	-	-
B	EC157 King Sabata Dalindyebo	86 279	91 185	-	-	-	-	-	15 000	-	-
C	DC15 O.R. Tambo District Municipality	633 395	671 322	-	246 398	-	105 500	-	151 303	-	-
Total: O.R. Tambo Municipalities											
B	EC141 Matielie	49 255	51 926	-	-	-	-	-	55 902	-	-
B	EC142 Umzimvubu	46 411	48 910	-	-	-	-	-	70 177	-	-
B	EC143 Mhuzana	48 362	50 979	-	-	-	-	-	19 200	-	-
B	EC144 Ntshabala	27 164	28 502	-	-	-	-	-	31 240	-	-
DC-4	Allied Nzo District Municipality	376 009	398 401	-	-	-	-	-	30 000	-	-
Total: Allied Nzo Municipalities											
B	EC145 Alfred Nzo District Municipality	547 201	578 718	-	-	-	-	-	147 233	-	-
Total: Eastern Cape Municipalities											
		3 045 340	3 187 289	-	351 727	-	377 012	-	408 647	-	-
									689 869		
									387 708		
									17 723		
									16 760		
									381 905		
									17 723		
									18 696		

ANNEXURE W5

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 3

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Recreational Programmes Grant (Municipal)		Rural Roads Asset Management System Grant	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
FREE STATE											
A	MAN: Mangungu	-	-	-	-	-	-	-	-	-	-
B	FS161 Lesemeng	17 882	18 937	-	-	24 000	24 201	5 200	4 928	-	-
B	FS162 Kopanang	20 540	22 828	-	-	28 000	30 000	3 200	7 382	-	-
B	FS163 Molekane	17 991	19 904	30 000	5 000	30 000	28 025	2 211	4 913	-	-
C	DX-16: Xhaxeng District Municipality	-	-	-	-	-	-	-	-	2 276	2 408
	Total: Xhaxeng District Municipality	55 680	61 669	30 000	5 000	82 000	82 226	10 611	17 223	2 276	2 408
B	FS181 Masilooyana	32 421	24 533	-	-	10 000	11 000	3 200	4 914	-	-
B	FS182 Tokologo	16 553	17 251	-	-	10 000	12 000	15 000	7 992	-	-
B	FS183 Tswelopele	16 488	17 181	-	-	36 000	10 000	15 545	4 914	-	-
B	FS184 Matjhabeng	119 070	125 955	-	-	10 000	10 000	5 890	4 480	-	-
B	FS185 Naha	29 645	31 133	-	-	-	-	11 000	4 480	-	-
C	DX-18: Lefebetswaba District Municipality	-	-	-	-	-	-	-	-	2 417	2 555
	Total: Lefebetswaba District Municipality	214 177	216 053	30 000	5 000	56 000	78 000	75 000	27 904	2 417	2 555
B	FS191 Seisoato	47 203	49 750	53 415	80 000	25 000	26 375	2 600	3 200	-	-
B	FS192 Dithabeng	38 648	40 679	43 600	80 000	14 323	15 110	16 000	6 400	-	-
B	FS193 Nketona	38 372	26 602	28 370	-	-	15 000	25 000	4 914	-	-
B	FS194 Maluti-e-Phefong	162 763	172 285	185 984	-	-	35 000	19 000	38 400	-	-
B	FS195 Phumela	21 048	22 017	23 411	-	-	20 000	5 160	6 400	-	-
B	FS196 Mantsya	19 971	20 874	22 174	-	-	10 000	15 000	3 200	-	-
C	DX-19: Thaba-Mofutsanyana District Municipality	-	-	-	-	-	-	-	-	2 548	2 695
	Total: Thaba-Mofutsanyana District Municipality	328 005	332 207	356 954	80 000	104 323	139 585	131 065	62 514	2 548	2 695
B	FS201 Mochaka	40 178	42 301	45 356	-	-	15 825	16 500	6 400	-	-
B	FS203 Ngwathe	41 971	44 202	47 412	38 000	52 500	25 000	26 500	6 400	-	-
B	FS204 Metsimholo	51 652	47 045	50 488	-	-	15 000	17 000	10 000	-	-
B	FS205 Matjabe	22 444	23 497	25 012	-	-	10 000	20 000	6 400	-	-
C	DX-20: Ficksburg District Municipality	-	-	-	-	-	-	-	-	2 318	2 451
	Total: Ficksburg District Municipality	156 245	157 045	168 268	38 000	52 500	80 825	80 000	51 200	2 318	2 451
	Total: Free State Municipalities	754 107	763 441	818 589	143 121	149 608	380 636	374 617	158 841	9 559	10 199
	GAUTENG										
A	EKU - City of Ekurhuleni	-	-	-	-	-	-	-	-	-	-
A	JHB - City of Johannesburg	-	-	-	-	-	-	-	-	-	-
A	TSH - City of Tshwane	-	-	-	-	-	-	-	-	-	-
B	GT421 Emfuleni	168 967	178 863	193 100	-	-	-	20 000	12 612	-	-
B	GT422 Midwal	41 786	33 402	35 728	15 000	15 825	18 000	25 158	25 000	-	-
B	GT423 Lesedi	26 404	27 695	29 554	-	-	15 000	19 000	13 504	-	-
C	DX-42: Sediberg District Municipality	-	-	-	-	-	-	-	-	2 580	2 729
	Total: Sediberg District Municipality	237 157	239 960	258 382	15 000	45 000	47 475	37 000	51 012	2 580	2 729
B	GT481 Mopani City	-	-	-	-	40 000	42 200	11 000	12 800	-	-
B	GT484 Merapong City	66 275	69 974	75 294	-	-	35 000	40 000	15 600	-	-
B	GT485 Rand West City	91 155	103 836	103 836	-	-	68 460	70 000	19 200	-	-
C	DX-48: West Rand District Municipality	-	-	-	-	-	-	-	-	2 748	2 906
	Total: West Rand District Municipality	157 430	166 339	179 130	-	139 891	147 585	155 000	44 800	2 748	2 906
	Total: Gauteng Municipalities	394 587	406 289	437 512	-	184 891	195 060	192 000	95 812	5 328	5 635

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 3

Category	Municipality	Urban Settlements Development Grant		Integrated Urban Development Grant		Public Transport Network Grant		Integrated City Development Grant		Informal Settlements Upgrading Partnership Grant: Municipalities			
		National and Municipal Financial Year	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	2019/20 (R'000)	
EASTERN CAPE													
A	BUF Buffalo City	817 423	655 735	-	-	234 466	247 346	10 383	12 134	13 947	-	161 169	236 673
A	NMA Nelson Mandela Bay	975 685	778 352	-	-	298 143	314 524	12 697	18 511	20 529	-	191 306	280 929
B	EC101 Dr Beyers Naude	-	-	-	-	-	-	-	-	-	-	-	-
B	EC102 Blue Crane Route	-	-	-	-	-	-	-	-	-	-	-	-
B	EC104 Makana	-	-	-	-	-	-	-	-	-	-	-	-
B	EC105 Ndlambe	-	-	-	-	-	-	-	-	-	-	-	-
B	EC106 Sundays River Valley	-	-	-	-	-	-	-	-	-	-	-	-
B	EC108 Kouga	-	-	-	-	-	-	-	-	-	-	-	-
B	EC109 Kou-Kamma	-	-	-	-	-	-	-	-	-	-	-	-
C	DC10 Sarah Baartman District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: Sarah Baartman Municipalities													
B	EC121 Mthatha	-	-	-	-	-	-	-	-	-	-	-	-
B	EC122 Mquma	-	-	-	-	-	-	-	-	-	-	-	-
B	EC123 Gant Koi	-	-	-	-	-	-	-	-	-	-	-	-
B	EC124 Amahlathi	-	-	-	-	-	-	-	-	-	-	-	-
B	EC126 Ngqushwa	-	-	-	-	-	-	-	-	-	-	-	-
B	EC129 Raymond Mhlaba	-	-	-	-	-	-	-	-	-	-	-	-
C	DC12 Amathole District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: Amathole Municipalities													
B	EC131 Irrotha Yethemba	-	-	-	-	-	-	-	-	-	-	-	-
B	EC135 Intsika Yethu	-	-	-	-	-	-	-	-	-	-	-	-
B	EC136 Emahlaleni	-	-	-	-	-	-	-	-	-	-	-	-
B	EC137 Edgemo	-	-	-	-	-	-	-	-	-	-	-	-
B	EC138 Sakhisizwe	-	-	-	-	-	-	-	-	-	-	-	-
B	EC139 Enoch Mgijima	-	-	-	-	-	-	-	-	-	-	-	-
C	DC13 Chris Hani District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: Chris Hani Municipalities													
B	EC141 Elundini	-	-	-	-	-	-	-	-	-	-	-	-
B	EC142 Senqun	-	-	-	-	-	-	-	-	-	-	-	-
B	EC145 Walter Sisulu	-	-	-	-	-	-	-	-	-	-	-	-
C	DC14 Joe Gqabi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: Joe Gqabi Municipalities													
B	EC153 Ngquzu HHI	-	-	-	-	-	-	-	-	-	-	-	-
B	EC154 Port St Johns	-	-	-	-	-	-	-	-	-	-	-	-
B	EC155 Nyandeni	-	-	-	-	-	-	-	-	-	-	-	-
B	EC156 Mhlontlo	-	-	-	-	-	-	-	-	-	-	-	-
B	EC157 King Sabata Dalindyebo	-	-	-	-	-	-	-	-	-	-	-	-
C	DC15 O.R. Tambo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: O.R. Tambo Municipalities													
B	EC441 Matielde	-	-	-	-	-	-	-	-	-	-	-	-
B	EC442 Umtzimobu	-	-	-	-	-	-	-	-	-	-	-	-
B	EC443 Mbizana	-	-	-	-	-	-	-	-	-	-	-	-
B	EC444 Ntabankulu	-	-	-	-	-	-	-	-	-	-	-	-
C	DC44 Alfred Nzo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total: Alfred Nzo Municipalities													
Total: Eastern Cape Municipalities		1 793 108	1 454 087	1 383 355	1 383 355	532 609	561 870	23 080	30 645	34 476	-	352 475	517 602

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 3

Category	Municipality	Urban Settlements Development Grant		Integrated Urban Development Grant		Public Transport Network Grant		Integrated City Development Grant		Informal Settlements Upgrading Partnership Grant: Municipalities					
		National and Municipal Financial Year	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)			
FREE STATE															
A.	MAN. Mankang	813 563	649 912	626 921	-	-	229 596	242 210	260 376	6 781	12 009	13 670	-	159 738	234 573
B.	ES161 Letsameg	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES162 Kopanong	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES163 Molekate	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC16. Xhaxhezi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Xhaxhezi Municipalities															
B.	ES181 Masiloanya	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES182 Tokologo	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES183 Tswelopele	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES184 Matjhabeng	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES185 Naha	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC18. Letlamo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Letlamo District Municipality															
Total: Lejweletswana Municipalities															
B.	ES191 Seisoiso	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES192 Dhlhlabeng	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES193 Nketoana	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES194 Maluti-a-Phefong	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES195 Phumelela	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES196 Mantsopa	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC19. Thaba-Mofutsanyane District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Thaba-Mofutsanyane Municipalities															
B.	ES201 Mopaka	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES203 Ngwenhe	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES204 Metsimaholo	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	ES205 Mariboe	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC20. Ficksburg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Ficksburg District Municipality															
Total: Free State Municipalities															
		813 563	649 912	626 921	-	-	229 596	242 210	260 376	6 781	12 009	13 670	-	159 738	234 573
GAUTENG															
A.	ERU City of Ekurhuleni	2 092 314	1 694 564	1 634 616	-	-	679 153	716 466	770 200	54 295	51 069	54 878	-	416 495	611 615
A.	JHB City of Johannesburg	1 968 023	1 591 883	1 535 569	-	-	1 187 518	1 147 907	1 234 000	75 757	71 255	75 574	-	391 259	574 555
A.	TSH City of Tshwane	1 711 013	1 379 901	1 331 086	-	-	731 751	771 954	829 851	43 265	46 940	50 522	-	339 157	498 045
B.	GT421 Emfuleni	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	GT422 Midrand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	GT423 Lesedi	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC32. Sediberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Sediberg Municipalities															
B.	GT481 Mamello City	-	-	-	123 851	133 584	-	-	-	-	-	-	-	-	-
B.	GT484 Marabong City	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B.	GT485 Rand West City	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C.	DC38. West Rand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: West Rand Municipalities															
Total: Gauteng Municipalities															
		5 771 550	4 666 348	4 501 271	123 851	133 584	2 598 422	2 636 327	2 834 052	173 317	169 264	180 974	-	1 146 911	1 684 215

ANNEXURE W5
 INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
 (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 3

Category	Municipality	Urban Settlements Development Grant		Integrated Urban Development Grant		Public Transport Network Grant		Integrated City Development Grant		Informal Settlements Upgrading Partnership Grants: Municipalities	
		2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)
NORTHERN CAPE											
B	NC061 Richtersveld	-	-	-	-	-	-	-	-	-	-
B	NC062 Nama Khoi	-	-	-	-	-	-	-	-	-	-
B	NC064 Kamiesberg	-	-	-	-	-	-	-	-	-	-
B	NC065 Hartam	-	-	-	-	-	-	-	-	-	-
B	NC066 Karoo Hoogland	-	-	-	-	-	-	-	-	-	-
B	NC067 Khala-Ma	-	-	-	-	-	-	-	-	-	-
C	DC6 Namakwa District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Northern Cape Municipalities											
B	NC071 Uburu	-	-	-	-	-	-	-	-	-	-
B	NC072 Umsobomvu	-	-	-	-	-	-	-	-	-	-
B	NC073 Emhlangeni	-	-	-	-	-	-	-	-	-	-
B	NC074 Karesberg	-	-	-	-	-	-	-	-	-	-
B	NC075 Rensosterberg	-	-	-	-	-	-	-	-	-	-
B	NC076 Thembehle	-	-	-	-	-	-	-	-	-	-
B	NC077 Sityamba	-	-	-	-	-	-	-	-	-	-
B	NC078 Sityecuma	-	-	-	-	-	-	-	-	-	-
C	DC7 Phelaxi-Ka-Sene District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Phelaxi-Ka-Sene Municipalities											
B	NC082 Ik'Gai Garib	-	-	-	-	-	-	-	-	-	-
B	NC084 Ik'Gais	-	-	-	-	-	-	-	-	-	-
B	NC085 Tsamshane	-	-	-	-	-	-	-	-	-	-
B	NC086 Kgatlolepe	-	-	-	-	-	-	-	-	-	-
B	NC087 David Krupier	-	-	-	-	-	-	-	-	-	-
C	DC8 Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Z.F. Mgcawu Municipalities											
B	NC091 Sot Phatlhe	-	51 287	-	52 497	-	56 386	-	-	-	-
B	NC092 Dikgatlong	-	-	-	-	-	-	-	-	-	-
B	NC093 Maseru	-	-	-	-	-	-	-	-	-	-
B	NC094 Phokwane	-	-	-	-	-	-	-	-	-	-
C	DC9 Frances Baard District Municipality	-	51 287	-	52 497	-	56 386	-	-	-	-
Total: Frances Baard Municipalities											
B	NC451 Joe Moleong	-	-	-	-	-	-	-	-	-	-
B	NC452 Gq-Segonyama	-	-	-	-	-	-	-	-	-	-
B	NC453 Amagang	-	-	-	-	-	-	-	-	-	-
C	DC3 John F. Eloff-Grootvlei District Municipality	-	-	-	-	-	-	-	-	-	-
Total: John F. Eloff-Grootvlei District Municipality											
B	NC454 Jomo Kenyatta District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Jomo Kenyatta District Municipality											
B	NC455 Jomo Kenyatta District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Northern Cape Municipalities											
NORTHWEST											
B	NW371 Moretele	-	-	-	-	-	-	-	-	-	-
B	NW372 Mafikeng	-	-	-	-	-	-	-	-	-	-
B	NW373 Rustenburg	-	-	218 911	210 939	248 259	-	-	-	-	-
B	NW374 Kgetlengrivier	-	-	-	-	-	-	-	-	-	-
B	NW375 Moses Kotane	-	-	-	-	-	-	-	-	-	-
C	DC37 Botswana Platinum District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Botswana Platinum District Municipality											
B	NW381 Raolou	-	-	-	-	-	-	-	-	-	-
B	NW382 Tswaing	-	-	-	-	-	-	-	-	-	-
B	NW383 Mafikeng	-	-	-	-	-	-	-	-	-	-
B	NW384 Ditsobotla	-	-	-	-	-	-	-	-	-	-
B	NW385 Ramosesho Mofoka	-	-	-	-	-	-	-	-	-	-
C	DC38 Nekeka Modiri-Molema District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Nekeka Modiri-Molema District Municipality											
B	NW392 Naledi	-	-	-	-	-	-	-	-	-	-
B	NW393 Mmusa	-	-	-	-	-	-	-	-	-	-
B	NW394 Greater Tlokweng	-	-	-	-	-	-	-	-	-	-
B	NW396 La-Kwa-Tsemane	-	-	-	-	-	-	-	-	-	-
B	NW397 Kgaisano-Molopo	-	-	-	-	-	-	-	-	-	-
C	DC39 Dr Ruth Segamane-Motswagole District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Dr Ruth Segamane-Motswagole District Municipality											
B	NW403 City of Mafikeng	-	-	-	-	-	-	-	-	-	-
B	NW404 Mqamasi Hills	-	-	-	-	-	-	-	-	-	-
B	NW405 JB Marks	-	-	-	-	-	-	-	-	-	-
C	DC40 Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	-	-
Total: Dr Kenneth Kaunda District Municipality											
B	NW406 City of Mafikeng	-	-	-	-	-	-	-	-	-	-
Total: North West Municipalities											

ANNEXURE W5
 INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
 (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 3

Category	Municipality	Urban Settlements Development Grant		Integrated Urban Development Grant		Public Transport Network Grant		Integrated City Development Grant		Informal Settlements Upgrading Partnership Grant: Municipalities						
		National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year					
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)					
WESTERN CAPE																
A	CPT - City of Cape Town	1 572 724	1 276 068	1 230 926	-	1 311 645	1 885 955	2 337 027	55 387	60 092	64 397	-	313 637	468 569		
B	WC001 Matieland	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC002 Cederberg	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC003 Bergvliet	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC004 Saldanha Bay	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC005 Swartland	-	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC1 - West Coast District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total: West Coast Municipalities																
B	WC022 Wizenberg	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC023 Dakenstein	-	-	-	39 578	-	-	-	-	-	-	-	-	-		
B	WC024 Stellenbosch	-	-	49 050	40 309	-	-	-	-	-	-	-	-	-		
B	WC025 Breede Valley	-	-	46 886	37 636	-	-	-	-	-	-	-	-	-		
B	WC026 Langeberg	-	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC2 - Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total: Cape Winelands Municipalities																
B	WC031 Theewaterskloof	-	-	-	79 887	-	-	-	-	-	-	-	-	-		
B	WC032 Oorstrand	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC033 Cape Agulhas	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC034 Swellendam	-	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC3 - Overberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total: Overberg Municipalities																
B	WC041 Kammanland	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC042 Hessequa	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC043 Mossel Bay	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC044 George	-	-	163 499	124 132	133 442	-	-	-	-	-	-	-	-		
B	WC045 Oudshoorn	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC047 Bitou	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC048 Knysna	-	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC4 - Garden Route District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total: Garden Route Municipalities																
B	WC051 Langsburg	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC052 Prince Albert	-	-	-	-	-	-	-	-	-	-	-	-	-		
B	WC053 Beaufort West	-	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC5 - Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total: Central Karoo Municipalities																
Total: Western Cape Municipalities		1 572 724	1 276 068	1 230 926	95 936	74 597	79 887	1 475 144	2 010 087	2 470 469	2 470 469	55 387	60 092	64 397	313 637	468 569
Undeclared		-	-	-	-	152 029	164 478	322 509	-	346 097	-	-	-	-	597 087	876 766
National Total		12 045 386	9 716 794	9 372 053	856 898	939 163	1 013 203	6 469 248	7 495 172	8 366 935	310 081	337 319	351 868	-	2 986 285	4 383 830

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy Efficiency and Demand Side Management Grant		Neighbourhood Development Partnership Grant (Capital)		Municipal Disaster Recovery Grant		SUB-TOTAL: INFRASTRUCTURE		
		2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
EASTERN CAPE										
A	BUF Buffalo City	10 000	10 000	12 000	7 436	15 000	-	1 079 772	1 093 820	1 176 057
A	NMA Nelson Mandela Bay	-	-	-	30 000	35 000	-	1 316 525	1 332 693	1 425 388
B	ECI01 Dr Beyers Naude	-	-	-	-	-	-	27 608	37 050	39 905
B	ECI02 Blue Crane Route	-	-	-	-	-	-	27 730	28 083	31 692
B	ECI04 Matama	-	-	-	-	-	-	44 399	49 770	50 255
B	ECI05 Ndabane	-	-	-	-	-	-	27 295	34 641	35 577
B	ECI06 Sunday's River Valley	-	-	-	-	-	-	50 612	31 356	34 646
B	ECI08 Kouga	-	-	-	-	-	-	53 998	51 386	51 711
B	ECI09 Koo-Kamma	-	-	-	-	-	-	26 946	31 224	29 927
C	DCI0 Sarah Baartman District Municipality	-	-	-	-	-	-	2 373	2 509	2 647
Total: Sarah Baartman Municipalities		-	-	-	-	-	-	260 961	266 019	276 500
B	ECI21 Mbashe	-	-	-	-	-	-	75 073	78 311	81 086
B	ECI22 Mqura	-	-	-	-	-	-	71 415	78 086	84 088
B	ECI23 Great Kei	-	-	-	-	-	-	17 653	16 630	18 925
B	ECI24 Amalithi	-	-	-	-	-	-	45 639	33 672	38 297
B	ECI26 Ngqushwa	-	-	-	-	-	-	27 664	29 170	31 832
B	ECI29 Raymond Mhlaba	-	-	-	-	-	-	51 233	47 594	52 400
C	DCI2 Amathole District Municipality	-	-	-	-	-	-	535 585	564 933	607 275
Total: Amathole Municipalities		-	-	-	-	-	-	822 262	848 396	913 910
B	ECI31 Inxuba Yethemba	-	-	-	-	-	-	26 877	29 781	27 866
B	ECI35 Intsika Yethu	-	-	-	-	-	-	55 053	54 915	58 744
B	ECI36 Emalatheni	-	-	-	-	-	-	33 524	38 446	41 099
B	ECI37 Engcobo	-	-	-	-	-	-	60 181	60 639	63 460
B	ECI38 Subisizwe	-	-	-	-	-	-	25 149	25 396	26 894
B	ECI39 Enoch Mgijima	-	-	-	-	-	-	61 560	69 876	81 597
C	DCI3 Chris Hani District Municipality	-	-	-	-	-	-	480 245	743 624	645 617
Total: Chris Hani Municipalities		-	-	-	-	-	-	742 589	1 022 677	945 277
B	ECI41 Elundini	8 000	8 000	8 000	-	-	-	67 948	68 597	72 152
B	ECI42 Sengca	-	-	-	-	-	-	41 685	44 883	48 689
B	ECI45 Walter Sisulu	-	-	-	-	-	-	27 386	26 110	27 666
C	DCI4 Joe Gqabi District Municipality	-	-	-	-	-	60 733	303 916	297 102	438 045
Total: Joe Gqabi Municipalities		8 000	8 000	8 000	-	-	60 733	440 935	436 692	586 552
B	ECI53 Ngquzo Hill	-	-	-	-	-	-	57 688	63 644	68 920
B	ECI54 Port St Johns	-	-	-	-	-	-	43 547	43 306	48 168
B	ECI55 Nyandeni	-	-	-	-	-	-	75 854	72 731	78 815
B	ECI56 Mthondo	-	-	-	-	-	-	66 738	58 135	60 779
B	ECI57 King Sabata Dalindyebo	6 000	6 000	7 000	-	-	-	107 279	110 685	120 242
C	DCI5 O.R. Tambo District Municipality	-	-	-	-	-	-	982 905	795 113	940 657
Total: O.R. Tambo Municipalities		6 000	6 000	7 000	-	-	-	1 334 031	1 143 614	1 317 581
B	ECI41 Matielale	-	-	-	-	-	-	119 432	126 926	120 768
B	ECI42 Unzinyaba	-	-	-	-	-	-	71 318	68 110	72 762
B	ECI43 Mbazana	-	-	-	2 357	-	-	79 602	78 979	77 957
B	ECI44 Ntabankulu	-	-	-	-	-	-	57 164	56 035	65 427
C	DCI4 Alfred Nzo District Municipality	6 000	6 000	7 000	-	-	-	474 435	501 917	581 056
Total: Alfred Nzo Municipalities		6 000	6 000	7 000	2 357	-	-	801 951	831 967	917 950
Total: Eastern Cape Municipalities		30 000	30 000	34 000	39 936	52 957	60 733	6 799 026	6 975 878	7 559 063

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy Efficiency and Demand Side Management Grant		Neighbourhood Development Partnership Grant (Capita)		Municipal Disaster Recovery Grant		SUB-TOTAL: INFRASTRUCTURE		
		2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
FREE STATE										
A	MAN Mangungu	-	-	-	25 000	25 000	-	1 077 940	1 088 869	1 160 540
B	FS161 Letsameg	-	-	-	-	-	-	46 349	47 011	49 668
B	FS162 Kopanong	-	-	-	-	-	-	51 740	58 860	62 616
B	FS163 Molekate	-	-	-	-	-	-	80 202	56 714	56 088
C	DC16 Xhutsi District Municipality	-	-	-	-	-	-	2 276	2 408	2 540
Total: Xhutsi Municipalities										
B	FS181 Maslonyana	-	-	-	-	-	-	45 621	40 447	43 317
B	FS182 Tokologo	-	-	-	-	-	-	26 553	36 447	40 846
B	FS183 Tswelopele	-	-	-	-	-	-	16 488	32 095	35 363
B	FS184 Matjhabeng	-	-	-	3 500	3 500	-	170 615	169 835	171 111
B	FS185 Nala	6 000	6 000	-	2 500	-	-	41 535	51 613	56 000
C	DC18 Letlapelex District Municipality	-	-	-	-	-	-	2 417	2 555	2 696
Total: Letlapelex Municipalities										
B	FS191 Setsoo	-	-	-	-	-	-	144 924	171 433	164 616
B	FS192 Dhlabeng	-	-	-	-	-	-	58 971	62 189	66 352
B	FS193 Nketoana	-	-	-	-	-	-	38 372	46 516	58 554
B	FS194 Matjutsa-Polokeng	-	-	-	-	-	-	216 763	240 685	245 984
B	FS195 Phomolela	-	-	-	-	-	-	46 208	49 517	52 423
B	FS196 Mantsopa	-	-	-	-	-	-	35 496	36 074	40 550
C	DC19 Thabo Mofutsanyana District Municipality	8 000	8 000	-	-	-	-	10 548	10 695	10 844
Total: Thabo Mofutsanyana Municipalities										
B	FS201 Moeplaka	-	-	-	-	-	-	55 178	64 526	68 608
B	FS203 Ngwathe	-	-	-	-	-	-	110 971	128 102	158 500
B	FS204 Mestrimbholo	-	-	-	-	-	-	76 652	104 045	97 488
B	FS205 Matjhe	-	-	-	-	-	-	37 444	44 897	51 764
C	DC20 Ezile Dabi District Municipality	-	-	-	-	-	-	2 318	2 451	2 586
Total: Ezile Dabi Municipalities										
Total: Free State Municipalities		14 000	14 000	15 000	27 500	28 500	-	2 396 581	2 568 004	2 699 054
GAUTENG										
A	EKU City of Ekurhuleni	13 065	15 000	10 000	80 000	74 999	-	2 904 027	2 973 584	3 156 309
A	JHB City of Johannesburg	-	-	-	91 197	75 000	-	3 296 298	3 293 501	3 494 698
A	TSH City of Tshwane	15 000	15 000	15 000	20 000	20 000	-	2 506 529	2 572 952	2 744 504
B	GT421 Emfuleni	-	-	-	10 000	10 000	-	196 467	201 475	216 406
B	GT422 Midvaal	-	-	-	3 500	3 500	-	81 944	78 327	84 236
B	GT423 Leseth	6 000	6 000	7 000	-	-	-	60 404	62 320	69 058
C	DC42 Sebokeng District Municipality	-	-	-	-	-	-	17 580	18 554	2 879
Total: Sebokeng Municipalities										
B	GT481 Mogale City	-	-	-	35 000	35 000	-	199 599	213 851	227 088
B	GT484 Merafong City	-	-	-	-	-	-	116 875	119 699	128 798
B	GT485 Rand West City	5 000	5 000	6 000	-	-	-	186 646	189 015	200 092
C	DC48 West Rand District Municipality	-	-	-	-	-	-	14 748	2 906	3 066
Total: West Rand Municipalities										
Total: Gauteng Municipalities		39 065	41 000	38 000	239 697	218 499	-	9 580 117	9 726 194	10 327 134

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy, Efficiency and Demand Side Management Grant		Neighborhood Development Partnership Grant (Capitol)		Municipal Disaster Recovery Grant		SUB-TOTAL: INFRASTRUCTURE	
		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
		2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)
KWAZULU-NATAL									
A	ETH eThekweni	15 000	15 000	48 000	50 000	63 829	-	3 049 476	3 330 099
B	KZN017 uMdloti	-	-	-	-	-	-	45 678	44 228
B	KZN012 uMantsoe	-	-	-	-	-	-	49 077	51 272
B	KZN014 uMkomozi	-	-	-	-	-	-	23 340	24 447
B	KZN016 uMkhawana	8 000	8 000	10 000	2 500	3 500	-	97 795	84 464
C	DC21. Uthungulu District Municipality	-	-	-	-	-	-	293 859	318 267
	Total: Uthungulu District Municipality	8 000	8 000	10 000	2 500	3 500	-	509 549	522 678
B	KZN021 uMshathi	-	-	-	-	-	-	32 891	34 804
B	KZN022 uMgungundlovu	-	-	-	-	-	-	40 019	29 988
B	KZN023 uMgeni	-	-	-	-	-	-	17 031	17 636
B	KZN024 uMjozi	-	-	-	-	-	-	11 719	12 124
B	KZN025 uMzantsi	-	-	50 000	55 000	59 271	-	483 181	512 751
B	KZN026 uMkhambathani	-	-	-	-	-	-	21 543	27 745
B	KZN027 uMhlabisa	-	-	-	-	-	-	18 442	19 253
C	DC22. uMantsoe District Municipality	-	-	-	-	-	-	184 625	200 631
	Total: uMantsoe District Municipality	-	-	50 000	55 000	59 271	-	809 171	854 932
B	KZN035 uMthunzi	-	-	-	-	-	-	38 304	43 072
B	KZN037 uNkosiso Langa	-	-	-	-	-	-	44 661	46 632
B	KZN038 uNtshonalu	-	-	-	-	-	-	72 683	77 288
C	DC23. uThabatha District Municipality	-	-	-	-	-	-	304 573	450 863
	Total: uThabatha District Municipality	-	-	-	-	-	-	460 221	617 855
B	KZN041 eNdlweni	-	-	-	-	-	-	22 210	22 858
B	KZN042 uNquthu	-	-	-	-	-	-	50 198	60 679
B	KZN044 uMsinga	-	-	-	-	-	-	69 422	64 194
B	KZN045 uMvoti	-	-	-	-	-	-	48 802	53 499
C	DC24. uMantsoe District Municipality	-	-	-	-	-	-	279 277	291 850
	Total: uMantsoe District Municipality	-	-	-	-	-	-	469 909	491 115
B	KZN052 Newcastle	-	-	30 059	10 000	20 000	-	196 639	189 053
B	KZN053 eMahlangu	-	-	-	-	-	-	9 342	23 794
B	KZN054 uNtshona	-	-	-	-	-	-	21 766	22 778
C	DC25. uMantsoe District Municipality	-	-	-	-	-	-	89 576	95 684
	Total: uMantsoe District Municipality	-	-	30 059	10 000	20 000	-	317 123	331 309
B	KZN061 eNdlweni	-	-	-	-	-	-	33 047	35 854
B	KZN062 uPhongolo	-	-	-	-	-	-	36 802	39 208
B	KZN063 uNkomo	-	-	-	-	-	-	56 135	59 395
B	KZN066 uMngeni	-	-	-	-	-	-	39 873	42 428
B	KZN066 Uthuli	-	-	-	-	-	-	48 900	50 463
C	DC26. uMantsoe District Municipality	-	-	-	-	-	-	401 632	480 809
	Total: uMantsoe District Municipality	-	-	-	-	-	-	706 609	706 137
B	KZN071 uMhlaba/afriqana	-	-	-	-	-	-	53 018	58 064
B	KZN072 uMgungundlovu	-	-	-	-	-	-	37 504	39 249
B	KZN075 uMkhawana	-	-	-	-	-	-	48 750	51 349
B	KZN076 uMhlabisa	-	-	-	-	-	-	37 457	39 129
C	DC27. uMantsoe District Municipality	-	-	-	-	-	-	297 739	314 970
	Total: uMantsoe District Municipality	-	-	-	-	-	-	475 138	502 816
B	KZN081 uMgungundlovu	-	-	-	-	-	-	38 724	41 318
B	KZN082 uMhlabisa	10 000	11 554	12 000	-	-	-	189 988	166 776
B	KZN083 uMhlabisa	-	-	-	-	-	-	47 800	49 515
B	KZN084 uMhlabisa	-	-	-	-	-	-	33 033	33 820
B	KZN086 uMhlabisa	-	-	-	-	-	-	39 834	41 911
C	DC28. uMantsoe District Municipality	-	-	-	-	-	-	365 015	361 774
	Total: uMantsoe District Municipality	10 000	11 554	12 000	-	-	-	713 474	695 064
B	KZN091 uMantsoe	-	-	-	-	-	-	44 869	46 687
B	KZN092 uMantsoe	6 000	6 000	7 000	-	-	-	70 869	77 555
B	KZN093 uMantsoe	-	-	-	-	-	-	29 809	31 306
B	KZN094 uMantsoe	-	-	-	-	-	-	27 720	29 765
C	DC29. uMantsoe District Municipality	-	-	15 000	10 000	-	-	330 002	326 463
	Total: uMantsoe District Municipality	16 000	21 000	17 000	-	-	-	500 084	505 000
B	KZN033 Greater Kokstad	-	-	-	-	-	-	30 318	32 062
B	KZN034 uMhlabisa	-	-	-	-	-	-	39 917	41 240
B	KZN035 uMantsoe	-	-	-	-	-	-	68 373	58 689
B	KZN036 uNkomo	-	-	-	-	-	-	35 149	37 690
C	DC30. uMantsoe District Municipality	-	-	-	-	-	-	283 218	310 681
	Total: uMantsoe District Municipality	-	-	-	-	-	-	456 975	480 362
	Total: Kwazulu-Natal Municipalities	49 000	55 554	52 000	138 059	146 000	-	8 407 949	9 868 987

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy Efficiency and Demand Side Management Grant		Neighbourhood Development Partnership Grant (Capita)		Municipal Disaster Recovery Grant		SUB-TOTAL: INFRASTRUCTURE		
		2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
LIMPOPO										
B	LIM31 Greater Gyami							70 688	71 049	82 073
B	LIM32 Greater Letaba							57 668	67 783	72 331
B	LIM33 Greater Tzaneen							14 263	125 650	120 389
B	LIM34 Bc-Palaikowa							39 026	45 138	46 028
B	LIM35 Marideng							28 812	28 129	30 023
C	DC33 Mopani District Municipality							498 633	599 935	613 034
	Total Mopani Municipalities							806 630	925 704	964 106
B	LIM341 Muesu							39 016	46 465	42 807
B	LIM343 Thlamela							124 813	120 079	129 274
B	LIM344 Mabhato							109 577	111 322	118 028
B	LIM345 Coline Chabane							104 031	96 680	103 389
C	DC34 Vhembe District Municipality							507 151	601 566	637 457
	Total Vhembe Municipalities							944 588	960 352	1 060 935
B	LIM351 Bloemberg	6 000	6 000					65 530	75 267	83 058
B	LIM353 Motenole	8 000	8 000					51 511	36 970	39 588
B	LIM354 Polokwane			10 000	45 000		35 000	137 202	1 401 086	1 095 166
B	LIM355 Lepelle-Nkumpi							34 074	66 635	71 424
C	DC35 Capricorn District Municipality							338 554	357 965	385 751
	Total Capricorn Municipalities	14 000	14 000	17 000	45 000	35 000		1 865 831	1 937 863	1 672 992
B	LIM361 Thebuszimi							42 228	64 032	69 583
B	LIM362 Lephahle							5 665	81 175	84 330
B	LIM366 Bela-Bela							6 911	79 848	87 835
B	LIM367 Mogalakwena							230 417	224 606	248 704
B	LIM368 Motswalle-Mookgopong							61 538	5 384	78 498
C	DC36 Waterberg District Municipality							2 259	2 390	2 251
	Total Waterberg Municipalities							497 016	525 535	581 471
B	LIM471 Ephraim Mgale	5 000	5 000					33 443	35 160	37 630
B	LIM472 Elias Moselehi			6 000				78 921	79 234	81 733
B	LIM473 Mabhathanga							62 122	65 509	70 259
B	LIM476 Fetakgomo Tlhabane				2 500	3 500		104 369	121 660	133 257
C	DC17 Sekake District Municipality							547 622	399 012	638 022
	Total Sekake Municipalities	5 000	5 000	6 000	2 500	3 500		826 477	871 235	948 191
	Total Limpopo Municipalities	19 000	19 000	23 000	47 500	38 500		4 938 142	5 239 689	5 217 680
MPUMALANGA										
B	MP501 Chief Albert Luthuli							339 072	383 400	359 152
B	MP502 Mkhaitlwa							132 710	153 897	152 852
B	MP503 Mthobeni							78 336	125 762	135 859
B	MP504 Dr Pixley ka Isaka Seme							78 892	61 717	74 457
B	MP505 Leka	6 000	6 000	7 000				38 894	44 283	44 354
B	MP506 Dipaleong							146 816	129 800	130 850
B	MP507 Govan Mbeki	6 000	6 000	4 000				110 805	118 990	119 672
C	DC30 Gea Shabane District Municipality							2 451	3 493	3 462
	Total Gea Shabane Municipalities	12 000	12 000	11 000				965 974	919 392	1 028 224
B	MP511 Victor Khanye							24 912	34 113	32 842
B	MP512 Enthaleni			15 000	15 000			264 085	234 316	246 898
B	MP513 Steve Tshwete							87 714	87 415	110 665
B	MP514 Enkhazeni							89 215	74 034	151 665
B	MP515 Thembisile Hani							183 429	189 577	230 460
B	MP516 Dr JS Mosoka							128 610	131 361	143 790
C	DC31 Nqunala District Municipality							2 461	3 442	2 577
	Total Nqunala District Municipalities			15 000	15 000			721 198	727 258	811 965
B	MP521 Thabo Chweu							73 002	74 940	78 620
B	MP524 Nkomaz							285 029	283 245	302 463
B	MP525 Bushbuckridge	5 000	5 000	6 000	3 500	3 500		529 048	524 814	517 865
B	MP526 City of Mbombela			15 000	28 800	40 000		574 682	623 246	677 272
C	DC32 Ehlanzeni District Municipality							2 491	2 634	2 779
	Total Ehlanzeni Municipalities	5 000	5 000	6 000	32 300	43 500		1 454 862	1 507 979	1 579 437
	Total Mpumalanga Municipalities	17 000	17 000	17 000	47 300	58 500		3 140 624	3 154 629	3 219 466

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy Efficiency and Demand Side Management Grant			Neighbourhood Development Princeship Grant (Capex)			Municipal Disaster Recovery Grant			SUB-TOTAL: INFRASTRUCTURE		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
NORTHERN CAPE													
B	NC061 Richtersveld	-	-	-	-	-	-	-	-	-	7 338	9 390	9 708
B	NC062 Nama-Khoi	-	-	-	-	-	-	-	-	-	26 893	17 092	18 031
B	NC064 Karriesburg	-	-	-	-	-	-	-	-	-	7 553	9 623	9 954
B	NC065 Hartman	-	-	-	-	-	-	-	-	-	51 963	19 223	20 686
B	NC066 Karoo-Hoogland	5 000	5 000	6 000	-	-	-	-	-	-	35 087	13 274	14 542
B	NC067 Kluif-Ma	-	-	-	-	-	-	-	-	-	8 493	9 826	10 207
C	DC36 - Namakwa District Municipalities	-	-	-	-	-	-	-	-	-	3 076	3 253	3 433
Total Northern Cape Municipalities													
B	NC071 Uitenhage	5 000	5 000	6 000	-	-	-	-	-	-	142 032	81 728	86 346
B	NC072 Oos-Kaapse	-	-	-	-	-	-	-	-	-	14 975	12 190	12 727
B	NC073 Erasmijep	-	-	-	-	-	-	-	-	-	37 810	31 800	35 471
B	NC074 Karesburg	-	-	-	-	-	-	-	-	-	31 067	16 426	17 761
B	NC075 Renswerburg	-	-	-	-	-	-	-	-	-	8 038	8 222	8 488
B	NC076 Thekelenburg	-	-	-	-	-	-	-	-	-	9 480	10 826	11 231
B	NC077 Strydom	-	-	-	-	-	-	-	-	-	14 729	9 718	10 108
B	NC078 Strydom	-	-	-	-	-	-	-	-	-	17 389	20 823	22 417
C	DC37 - Paarl-Karoo District Municipalities	-	-	-	-	-	-	-	-	-	33 532	26 088	28 167
C	DC38 - Pekaia-Senec District Municipalities	-	-	-	-	-	-	-	-	-	3 188	3 371	3 556
Total North West Municipalities													
B	NC082 Kuj-Gamb	-	-	-	-	-	-	-	-	-	22 416	25 387	27 005
B	NC084 Kerk	-	-	-	-	-	-	-	-	-	10 691	11 035	11 579
B	NC085 Tsoelike	-	-	-	-	-	-	-	-	-	17 542	16 178	17 094
B	NC086 Karikelepe	-	-	-	-	-	-	-	-	-	23 686	49 505	59 839
B	NC087 David-Krojer	4 000	4 000	5 000	-	-	-	-	-	-	63 890	48 063	52 624
C	DC39 - Z.F. Motaung District Municipalities	-	-	-	-	-	-	-	-	-	3 037	3 211	3 387
Total Z.F. Motaung District Municipalities													
B	NC091 Sed-Phatje	4 000	4 000	5 000	-	-	-	-	-	-	140 262	153 379	171 476
B	NC092 Dignang	5 000	5 000	6 000	-	-	-	-	-	-	157 285	153 497	168 266
B	NC093 Magoeng	-	-	-	-	-	-	-	-	-	21 027	22 324	23 691
B	NC094 Phokwane	-	-	-	-	-	-	-	-	-	29 663	14 723	15 447
C	DC40 - Frances Baard District Municipalities	-	-	-	-	-	-	-	-	-	75 723	67 033	71 051
C	DC41 - Frances Baard District Municipalities	5 000	5 000	6 000	-	-	-	-	-	-	2 670	2 825	2 980
Total Frances Baard District Municipalities													
B	NC451 Joe-Morolong	-	-	-	-	-	-	-	-	-	110 025	170 766	181 451
B	NC452 Gae-Sigoyana	-	-	-	-	-	-	-	-	-	187 862	98 453	104 969
B	NC453 Camagong	-	-	-	-	-	-	-	-	-	92 853	125 151	123 810
C	DC43 - John Taolo Gaetsewe District Municipalities	-	-	-	-	-	-	-	-	-	2 101	2 222	2 344
C	DC44 - John Taolo Gaetsewe District Municipalities	-	-	-	-	-	-	-	-	-	392 841	396 592	412 571
Total Northern Cape Municipalities													
		14 000	14 000	17 000	-	-	-	-	-	-	1 132 782	1 031 584	1 101 257
NORTH WEST													
B	NW371 Moretele	-	-	-	-	-	-	-	-	-	194 780	205 806	219 980
B	NW372 Mutheng	-	-	-	-	-	-	-	-	-	281 797	317 703	342 794
B	NW373 Ruisigburg	-	-	-	-	-	-	-	-	-	572 438	612 774	658 940
B	NW374 Kgatengrover	-	-	-	-	-	-	-	-	-	25 847	27 105	28 916
B	NW375 Moses-Koane	-	-	-	-	-	-	-	-	-	204 492	216 450	232 205
C	DC32 - Boputha Buthe District Municipalities	-	-	-	-	-	-	-	-	-	2 504	2 648	2 794
C	DC33 - Boputha Buthe District Municipalities	-	-	-	-	-	-	-	-	-	1 362 048	1 382 486	1 448 629
B	NW381 Raboos	-	-	-	-	-	-	-	-	-	29 400	30 872	32 991
B	NW382 Tswaing	-	-	-	-	-	-	-	-	-	29 274	30 059	31 624
B	NW383 Mankeng	4 000	4 000	6 000	-	-	-	-	-	-	85 230	68 624	75 597
B	NW384 Ditsobotla	-	-	-	-	-	-	-	-	-	46 540	44 843	47 994
B	NW385 Ramothese-Melina	-	-	-	-	-	-	-	-	-	38 207	51 895	55 391
C	DC38 - Sefiso District Municipalities	-	-	-	-	-	-	-	-	-	302 190	320 120	345 848
C	DC39 - Sefiso District Municipalities	-	-	-	-	-	-	-	-	-	530 841	555 413	599 295
Total North West Municipalities													
B	NW392 Saldudu	-	-	-	-	-	-	-	-	-	43 939	30 502	32 246
B	NW393 Mmasisa	-	-	-	-	-	-	-	-	-	28 406	20 341	22 270
B	NW394 Greater-Fraserburg	4 000	4 000	5 000	-	-	-	-	-	-	47 604	50 176	53 875
B	NW395 Letswa-Temane	4 000	4 000	5 000	-	-	-	-	-	-	18 793	28 984	31 362
B	NW397 Kgaisang-Mokopane	-	-	-	-	-	-	-	-	-	39 568	31 581	33 757
C	DC34 - Dr Ruth Segamane Mmamabane District Municipalities	-	-	-	-	-	-	-	-	-	367 675	389 617	458 173
C	DC35 - Dr Ruth Segamane Mmamabane District Municipalities	8 000	8 000	10 000	-	-	-	-	-	-	545 985	551 201	631 083
Total Dr Ruth Segamane Mmamabane District Municipalities													
B	NW403 City of Mafikeng	-	-	-	-	-	-	-	-	-	151 449	173 131	182 869
B	NW404 Magooa-Hills	2 000	2 000	3 000	-	-	-	-	-	-	28 209	29 610	31 625
B	NW405 JB-Marks	-	-	-	-	-	-	-	-	-	115 545	92 113	99 575
C	DC40 - Pekaia-Senec District Municipalities	-	-	-	-	-	-	-	-	-	2 606	2 756	2 907
C	DC41 - Pekaia-Senec District Municipalities	2 000	2 000	3 000	-	-	-	-	-	-	299 809	297 610	316 926
Total North West Municipalities													
		14 000	14 000	19 000	-	-	-	-	-	-	2 658 683	2 786 710	3 033 533

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
 (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 3 OF 3

Category	Municipality	Energy Efficiency and Demand Side Management Grant		Neighbourhood Development Partnership Grant (Capital)		Municipal Disaster Recovery Grant		SUB-TOTAL: INFRASTRUCTURE		
		2016/20 (R'000)	2017/22 (R'000)	2016/20 (R'000)	2017/22 (R'000)	2016/20 (R'000)	2017/22 (R'000)	2016/20 (R'000)	2017/22 (R'000)	
WESTERN CAPE										
A	CPT - City of Cape Town	10 000	15 000	13 000	50 000	-	-	2 979 756	3 580 752	4 155 919
B	WC011 Matieland	-	-	-	-	-	-	56 307	60 291	58 707
B	WC012 Cederberg	-	-	-	-	-	-	55 309	56 310	60 237
B	WC013 Bergvliet	-	-	-	-	-	-	20 548	20 124	20 953
B	WC014 Saldanha Bay	-	-	-	-	-	-	22 415	25 285	26 537
B	WC015 Swartland	5 000	5 000	6 729	-	-	-	31 301	37 285	40 429
C	DCL - West Coast District Municipality	-	-	-	-	-	-	2 681	2 866	3 023
	Total: West Coast Municipalities	5 000	5 000	6 729	-	-	-	188 561	202 161	209 886
B	WC022 Witzenberg	-	-	-	-	-	-	44 882	28 462	29 974
B	WC023 Dinkelsbosch	-	-	-	-	-	-	64 050	51 961	54 578
B	WC024 Stellenbosch	-	-	-	-	-	-	62 526	45 636	49 309
B	WC025 Breede Valley	-	-	-	-	-	-	44 452	51 230	56 787
B	WC026 Langberg	-	-	-	3 501	-	-	36 983	30 508	32 983
C	DCL - Cape Winelands District Municipality	-	-	-	-	-	-	2 849	3 012	3 179
	Total: Cape Winelands Municipalities	-	-	-	3 501	-	-	255 742	210 809	226 810
B	WC031 Theewaterskloof	-	-	-	-	-	-	31 449	32 723	34 584
B	WC032 Overstrand	-	-	-	-	-	-	39 010	28 036	29 513
B	WC033 Cape Agulhas	5 000	5 000	6 000	-	-	-	16 005	19 180	22 889
B	WC034 Swellendam	-	-	-	-	-	-	14 937	14 356	17 958
C	DCL - Overberg District Municipality	-	-	-	-	-	-	2 807	2 967	3 131
	Total: Overberg Municipalities	5 000	5 000	6 000	-	-	-	104 208	97 262	108 075
B	WC041 Kamalind	-	-	-	-	-	-	23 172	33 589	33 047
B	WC042 Hessequa	-	-	-	-	-	-	15 635	16 173	17 924
B	WC043 Mossel Bay	-	-	-	-	-	-	31 105	31 258	34 917
B	WC044 George	5 000	5 000	6 000	-	-	-	218 647	181 355	192 713
B	WC045 Oudshoorn	-	-	-	-	-	-	57 747	67 758	69 211
B	WC047 Bitou	-	-	-	-	-	-	27 001	26 089	27 406
B	WC048 Knysna	6 000	5 000	6 000	-	-	-	45 031	36 240	38 979
C	DCL - Garden Route District Municipality	-	-	-	-	-	-	2 569	2 717	2 866
	Total: Garden Route Municipalities	11 000	10 000	12 000	-	-	-	429 907	395 179	417 063
B	WC051 Langsburg	-	-	-	-	-	-	9 064	8 724	8 867
B	WC052 Prince Albert	-	-	-	-	-	-	16 602	9 716	9 938
B	WC053 Beaufort West	-	-	-	-	-	-	29 372	19 513	20 292
C	DCL - Central Karoo District Municipality	-	-	-	-	-	-	2 035	2 164	2 283
	Total: Central Karoo Municipalities	-	-	-	-	-	-	57 073	40 117	41 380
	Total: Western Cape Municipalities	31 000	35 000	37 729	50 000	32 500	53 501	4 006 247	4 526 280	5 159 133
Unaffiliated		-	-	-	-	-	-	133 220	1 337 761	1 654 107
	National Total	227 065	239 854	252 729	621 172	654 936	704 057	43 251 771	46 166 972	50 039 419

ANNEXURE W6

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

(National and Municipal Financial Years)

ANNEXURE W6
 ALLOCATIONS-IN-KIND TO MUNICIPALITIES
 (SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme Grant (Isokom)		Neighbourhood Development Partnership Grant (Technical Assistance)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
		2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)
EASTERN CAPE													
A	BOUF	23 060	34 531	36 430	-	-	-	-	-	-	-	23 560	34 831
A	NMA	-	-	500	500	1 000	2 000	-	-	-	-	500	1 000
B	ECI01	1 635	2 535	-	-	-	-	6 000	14 000	60 000	1 800	9 435	16 535
B	ECI02	2 440	4 454	100	-	-	-	78 000	75 000	90 000	1 800	82 340	77 454
B	ECI05	586	759	-	-	-	-	50 000	85 000	-	-	50 759	85 586
B	ECI06	8 422	9 237	-	-	-	-	7 000	-	-	-	15 422	9 237
B	ECI08	1 809	1 627	-	-	-	-	-	-	-	-	1 369	1 627
B	ECI09	543	2 083	-	-	-	-	-	5 000	30 000	-	543	7 083
C	DC10	-	-	500	500	1 000	2 000	-	-	-	-	-	-
C	DC10	-	-	500	500	1 000	2 000	-	-	-	-	-	-
	Total Sarah Baartman Municipalities	15 168	20 502	21 630	100	-	-	141 000	177 000	300 000	3 600	159 868	197 562
B	ECI21	69 713	48 260	-	-	-	-	-	-	-	-	99 713	48 260
B	ECI22	39 235	51 185	-	-	-	-	-	-	-	-	39 235	51 185
B	ECI23	720	11 722	-	-	-	-	-	-	-	-	720	11 722
B	ECI24	8 448	12 367	-	-	-	-	-	-	-	-	8 448	12 367
B	ECI26	8 174	8 380	-	-	-	-	-	-	-	-	8 174	8 380
B	ECI29	15 468	20 302	-	-	-	-	99 684	115 366	135 000	1 800	17 268	20 302
	Total Amathole District Municipality	171 348	139 749	157 577	-	-	-	99 684	115 366	135 000	1 800	272 842	255 115
B	ECI31	21 578	25 912	-	-	-	-	-	-	-	-	1 800	-
B	ECI35	11 610	17 767	-	-	-	-	-	-	-	-	21 578	25 912
B	ECI36	19 764	14 385	-	-	-	-	-	-	-	-	11 610	17 767
B	ECI37	16 539	15 228	-	-	-	-	-	-	-	-	19 764	14 385
B	ECI38	15 498	9 498	-	-	-	-	-	-	-	-	16 539	15 228
B	ECI39	84 989	82 700	-	-	-	-	-	-	-	-	17 298	9 498
	Total Chris Hani Municipalities	84 989	82 700	106 867	-	-	-	-	-	-	3 600	88 589	82 700
B	ECI41	59 075	51 510	-	-	-	-	-	-	-	-	59 075	51 510
B	ECI42	19 991	19 954	-	-	-	-	-	-	-	-	19 991	19 954
B	ECI45	-	-	-	-	-	-	-	-	-	-	1 800	-
C	DC14	-	-	-	-	-	-	-	-	-	-	1 800	-
	Total Joe Gqabi Municipalities	79 066	71 464	90 431	-	-	-	-	-	-	1 800	80 866	71 464
B	ECI53	56 765	52 098	-	-	-	-	-	-	-	-	56 765	52 098
B	ECI54	22 573	36 742	-	-	-	-	-	-	-	-	22 573	36 742
B	ECI55	25 018	30 932	-	-	-	-	-	-	-	-	25 018	30 932
B	ECI56	14 320	7 922	-	-	-	-	-	-	-	-	14 320	7 922
B	ECI57	63 210	42 620	-	-	-	-	-	-	-	-	63 210	42 620
C	DC15	-	-	-	-	-	-	-	-	-	-	-	-
	Total O.R. Tambo Municipalities	181 886	170 314	224 519	-	-	-	-	-	-	-	181 886	170 314
B	EC441	60 206	46 052	-	-	-	-	-	-	-	-	60 206	46 052
B	EC442	110 236	51 950	-	-	-	-	-	-	-	-	110 236	51 950
B	EC443	56 583	44 041	500	-	-	-	-	-	-	-	57 083	44 041
B	EC444	48 697	60 981	-	-	-	-	-	-	-	-	48 697	60 981
C	DC44	-	-	-	-	-	-	91 999	85 000	85 743	-	91 999	85 000
	Total Alfred Nzo Municipalities	275 722	208 024	317 712	500	-	-	91 999	85 000	85 743	-	365 221	288 024
	Total Eastern Cape Municipalities	831 239	722 374	955 166	1 600	1 300	2 201	332 693	377 366	400 743	10 800	1 176 332	1 101 040

ANNEXURE W6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Integrated National Electrification Programme Grant (Isokom)		Neighbourhood Development Partnership Grant (Technical Assistance)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)
FREE STATE												
A. MAN. Manguang	483	1 870	1 000	1 000	500	500	192 000	53 064	1 200	1 260	194 683	57 194
B. FS161 Lesemong	423	264	-	-	-	-	-	-	-	-	2 223	264
B. FS162 Kogonong	66	235	-	-	-	-	1 800	-	1 800	4 066	1 495	
B. FS163 Mobsiare	49	238	-	-	-	-	1 800	-	1 800	1 849	258	
C. DC16. Xharisa District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Tank Xharisa Municipalities	538	757	1 000	1 000	500	500	1 000	53 064	6 000	1 260	8 138	2 017
B. FS181 Mashayana	83	300	-	-	-	-	60 000	130 000	-	-	60 083	130 300
B. FS182 Tokologo	31	252	-	-	-	-	136 500	100 000	-	-	191 531	100 252
B. FS183 Tsoelobe	6 278	308	500	500	-	-	2 000	20 000	3 000	3 000	8 378	20 308
B. FS184 Muthobele	42 031	52 819	-	-	-	-	2 000	40 000	-	-	42 031	52 819
B. FS185 Nala	227	210	-	-	-	-	-	-	-	-	227	210
C. DC18. Letlengwena District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Tank Letlengwena Municipalities	48 750	53 809	500	500	-	-	198 500	240 000	3 000	1 260	305 750	345 149
B. FS191 Seoto	7 483	541	-	-	-	-	111 683	-	-	-	220 166	541
B. FS192 Dhlaleng	3 037	418	-	-	-	-	66 000	80 000	-	-	3 037	418
B. FS193 Nctonana	1 677	256	-	-	-	-	136 488	80 000	-	-	202 655	80 270
B. FS194 Matlwa-Pholing	650	214	-	-	-	-	50 832	50 000	1 200	1 260	52 082	51 474
B. FS195 Mankela	322	4 206	-	-	-	-	5 000	-	-	-	5 322	4 206
B. FS196 Mankope	1 283	298	-	-	-	-	-	-	-	-	1 283	298
C. DC19. Thabo-Motlatsama District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Tank Thabo-Motlatsama Municipalities	12 942	5 933	-	-	-	-	304 003	130 000	1 200	1 260	485 145	137 193
B. FS201 Mophaka	17 029	1 944	-	-	-	-	-	10 000	-	-	17 029	11 944
B. FS203 Nqophe	62	82	-	-	-	-	70 000	40 000	1 200	1 260	1 262	41 342
B. FS204 Maserabalo	-	146	-	-	-	-	30 000	50 000	1 750	2 100	71 750	2 246
B. FS205 Mafike	75	140	-	-	-	-	-	-	-	-	30 075	50 148
C. DC20. Ezile Dabi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Tank Ezile Dabi Municipalities	17 166	2 312	-	-	-	-	100 000	100 000	2 950	3 360	120 116	105 672
Tank Free State Municipalities	79 879	64 761	1 500	1 500	500	222 000	795 803	573 064	14 850	8 400	1 113 832	647 225
GAUTENG												
A. EKU City of Ekurhuleni	108 677	63 529	3 300	4 790	6 000	6 000	-	-	-	-	111 977	68 319
A. JHB City of Johannesburg	45 736	22 894	3 497	4 000	6 000	6 000	-	-	-	-	49 233	26 894
A. TSH City of Tshwane	6 624	2 600	1 500	4 000	5 000	5 000	-	-	-	-	7 924	6 600
B. GT421 Enkelaani	24 420	30 729	200	200	200	200	205 712	415 000	2 950	3 360	253 282	504 289
B. GT422 Midval	-	-	500	-	-	-	136 749	105 000	-	-	137 249	105 000
B. GT423 Lessel	-	-	-	-	-	-	-	-	900	945	900	945
C. DC42. Seobane District Municipality	-	-	700	200	200	200	342 461	520 000	3 850	4 305	391 431	610 244
Tank Seobane Municipalities	24 420	30 729	32 419	32 419	200	200	484 970	1 045 000	7 700	8 550	485 081	816 444
B. GT481 Mopole City	26 008	23 642	1 000	1 000	200	200	-	-	3 800	1 000	30 808	25 642
B. GT484 Marong City	7 354	36 960	-	-	-	-	-	-	1 750	500	9 104	37 460
B. GT485 Rand West City	8 110	21 310	-	-	-	-	107 500	148 924	900	945	116 510	171 179
C. DC48. West Rand District Municipality	-	-	500	200	200	200	-	-	7 850	3 900	1 400	1 145
Tank West Rand Municipalities	41 472	81 912	86 417	86 417	400	400	107 500	148 924	7 850	3 900	157 822	235 426
Tank Gauteng Municipalities	226 729	201 664	10 497	14 190	17 000	20 000	449 961	668 934	11 300	7 695	718 387	947 473

ANNEXURE W6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Integrated National Electrification Programme Grant (R500m)		Neighbourhood Development Partnership Grant (Development Services)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL - INDIRECT	
	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2019/20 (R'000)	2020/21 (R'000)
LIMPOPO												
B	13 831	14 000	-	-	-	-	-	-	-	-	13 831	14 000
B	18 496	17 736	-	-	-	-	-	-	-	-	18 496	17 736
B	8 670	9 499	-	-	-	-	-	-	2 700	-	12 199	12 021
B	13 232	12 786	-	-	-	-	-	-	-	-	13 232	12 786
B	4 152	10 157	-	-	-	-	-	-	-	-	4 152	10 157
C	58 381	64 178	-	-	100 233	195 600	239 692	354 612	1 200	1 260	399 695	551 472
Total: Mpumalanga Municipalities												
B	12 082	9 886	-	-	-	-	-	-	1 800	-	13 882	9 886
B	33 114	27 925	-	-	-	-	-	-	1 750	500	34 864	28 425
B	22 852	25 145	-	-	-	-	-	-	1 800	-	22 852	25 145
B	24 544	25 642	-	-	-	-	-	-	-	-	26 344	27 052
C	92 592	88 045	-	-	100 233	195 600	239 692	354 612	1 200	1 260	50 000	80 000
Total: Vhembe Municipalities												
B	30 501	15 844	-	-	-	-	-	-	-	-	30 501	15 844
B	9 293	13 886	-	-	-	-	-	-	1 800	-	11 093	13 886
B	61 385	82 904	1 000	1 000	-	-	-	-	600	200	62 985	84 304
B	60 165	49 123	-	-	-	-	-	-	-	-	60 165	49 123
C	161 344	140 984	1 000	1 000	-	-	-	-	-	-	164 344	142 186
Total: Capricorn Municipalities												
B	3 945	132	-	-	-	-	-	-	-	-	33 945	80 132
B	13 864	7 702	-	-	30 000	80 000	90 000	-	-	-	13 864	10 050
B	1 499	4 409	-	-	-	-	-	-	-	-	1 499	4 409
B	20 226	37 432	-	-	-	-	-	-	-	-	20 226	37 432
B	14 019	-	-	-	40 000	85 000	90 000	-	1 200	1 360	55 219	86 260
C	53 503	45 012	-	-	70 000	165 900	180 000	250 000	1 200	4 010	308 254	464 023
Total: Waterberg District Municipality												
B	11 427	13 912	-	-	-	-	-	-	-	-	11 427	13 912
B	19 356	18 046	-	-	-	-	-	-	-	-	19 356	18 046
B	18 590	36 520	-	-	-	-	-	-	1 800	-	20 390	36 520
B	37 840	38 470	500	-	-	-	-	-	-	-	38 340	38 470
C	87 213	106 948	500	-	-	-	-	-	-	-	215 000	165 000
Total: Sekakehale Municipalities												
B	453 033	448 168	406 687	1 500	1 102	360 600	419 602	746 820	896 641	8 670	1 383 536	1 666 062
Total: Limpopo Municipalities												
MPUMALANGA												
B	30 489	23 979	-	-	-	-	-	-	-	-	30 489	23 979
B	47 500	20 533	21 662	-	-	-	-	-	900	945	48 400	21 478
B	28 823	38 094	45 464	-	-	-	-	-	-	-	28 823	38 094
B	11 648	15 768	16 635	-	-	-	-	-	2 100	2 205	11 648	15 768
B	1 016	1 596	1 684	-	-	50 650	60 000	-	-	-	22 000	52 855
B	1 679	1 164	1 228	-	-	-	-	-	3 962	3 260	1 016	1 596
C	121 155	101 134	111 971	-	-	20 000	60 000	-	-	-	148 117	158 194
Total: Gert Sibande District Municipality												
B	969	147	-	-	-	-	-	-	6 962	6 410	30 969	15 147
B	16 411	10 332	-	-	200	-	-	30 000	1 200	1 260	17 811	14 600
B	4 424	7 959	10 332	-	-	-	-	-	1 750	1 000	6 174	10 793
B	3 635	7 544	7 959	-	-	-	-	-	1 800	-	5 435	7 544
B	61 383	33 612	35 461	-	-	100 000	100 000	900	945	1 100	162 283	134 557
B	18 262	9 639	10 169	-	-	10 000	22 366	50 000	1 800	-	30 062	32 065
C	105 084	60 755	64 076	200	200	140 000	137 366	150 000	7 450	3 205	252 734	201 506
Total: Nkangala District Municipality												
B	38 728	35 748	37 714	-	-	-	-	-	2 100	2 205	3 053	5 485
B	54 355	63 314	83 281	500	-	-	-	121 863	154 088	1 750	160 591	167 498
B	19 167	61 688	81 565	200	-	-	-	30 000	3 000	3 980	57 855	67 294
C	112 203	164 020	206 020	700	200	151 863	160 000	227 809	5 100	7 935	270 866	332 165
Total: Ficksburg District Municipality												
B	339 442	325 899	352 067	900	400	20 000	50 650	60 000	377 809	17 550	671 117	691 865
Total: Mpumalanga Municipalities												

ANNEXURE W6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme Grant (Isokom)		Neighbourhood Development Partnership Grant (Technical Assistance)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
		2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2021/22 (R'000)
WESTERN CAPE													
A	City of Cape Town	45 937	46 122	65 143	-	-	-	-	-	-	-	48 937	51 122
B	WC011 Matielanda	-	-	-	-	-	-	-	-	-	-	6 800	6 000
B	WC012 Cederberg	115	7 611	8 030	-	-	-	-	-	-	-	1 915	7 611
B	WC013 Beegriver	9 075	8 229	8 682	-	-	-	-	-	-	-	29 075	38 229
B	WC014 Saldanha Bay	963	4 017	4 238	-	-	-	-	-	-	-	963	4 017
B	WC015 Swartland	-	-	-	-	-	-	-	-	-	-	-	4 238
C	DC1 West Coast District Municipality	10 153	19 857	20 950	-	-	-	-	-	-	-	28 753	35 857
Total West Coast Municipalities													
B	WC022 Witzenberg	-	-	-	-	-	-	-	-	-	-	-	-
B	WC023 Driesteen	-	-	-	-	-	-	-	-	-	-	-	-
B	WC024 Stellenbosch	5 003	1 690	1 783	-	-	-	-	-	-	-	1 750	623
B	WC025 Breede Valley	-	-	-	-	-	-	-	-	-	-	6 753	2 600
B	WC026 Langeberg	-	-	-	-	-	-	-	-	-	-	-	1 783
C	DC2 Cape Winelands District Municipality	5 003	1 690	1 783	-	-	-	-	-	-	-	500	-
Total Cape Winelands Municipalities													
B	WC031 Theewaterskloof	28 048	20 928	22 079	-	-	-	-	-	-	-	28 048	20 928
B	WC032 Overstrand	-	-	-	-	-	-	-	-	-	-	-	-
B	WC033 Cape Agulhas	-	-	-	-	-	-	-	-	-	-	1 800	-
B	WC034 Saldanha Bay	-	-	-	-	-	-	-	-	-	-	-	-
C	DC3 Overberg District Municipality	28 048	20 928	22 079	-	-	-	-	-	-	-	28 048	20 928
Total Overberg Municipalities													
B	WC041 Kammanland	-	-	-	-	-	-	-	-	-	-	-	-
B	WC042 Hessequa	-	-	-	-	-	-	-	-	-	-	-	-
B	WC043 Mossel Bay	3 795	2 003	2 113	-	-	-	-	-	-	-	25 000	49 000
B	WC044 George	4 348	2 418	2 551	-	-	-	-	-	-	-	3 795	2 003
B	WC045 Oudshoorn	-	-	-	-	-	-	-	-	-	-	5 000	20 000
B	WC047 Biron	-	-	-	-	-	-	-	-	-	-	-	-
B	WC048 Kaysen	-	-	-	-	-	-	-	-	-	-	-	-
C	DC4 Garden Route District Municipality	8 143	4 421	4 664	-	-	-	-	-	-	-	29 893	75 421
Total Garden Route Municipalities													
B	WC051 Langsburg	-	-	-	-	-	-	-	-	-	-	-	-
B	WC052 Prince Albert	-	-	-	-	-	-	-	-	-	-	-	-
B	WC053 Beaufort West	-	-	-	-	-	-	-	-	-	-	-	-
C	DC5 Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Total Central Karoo Municipalities													
Total Western Cape Municipalities		97 384	93 021	114 622	3 500	5 000	6 000	60 000	110 000	116 049	12 450	172 234	212 644
Unallocated		-	-	-	-	-	-	-	-	-	-	-	-
National Total		3 374 053	3 062 738	3 820 670	30 997	32 702	34 501	644 085	3 037 523	3 246 832	3 447 294	7 208 220	8 107 459

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

(National and Municipal Financial Years)

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
EASTERN CAPE							
A	BUF Buffalo City	847 431	910 772	980 854	1 973 019	2 052 940	2 206 957
A	NMA Nelson Mandela Bay	1 021 661	1 106 936	1 201 603	2 358 136	2 451 129	2 640 492
B	EC101 Dr Beyers Naude	90 876	96 797	103 334	133 170	153 382	209 177
B	EC102 Blue Crane Route	53 519	56 757	60 308	84 894	87 507	94 667
B	EC104 Makana	93 494	100 042	107 289	224 044	230 378	255 619
B	EC105 Ndlambe	96 716	103 914	111 902	178 207	226 988	150 943
B	EC106 Sundays River Valley	79 777	86 565	94 146	149 710	130 470	142 113
B	EC108 Kouga	124 938	136 879	150 293	183 075	191 662	205 491
B	EC109 Kou-Kamma	49 376	52 799	56 579	80 387	93 973	121 571
C	DC10 Sarah Baartman District Municipality	93 464	97 114	101 070	96 837	100 623	104 717
Total: Sarah Baartman Municipalities		682 160	730 867	784 921	1 130 324	1 214 983	1 284 298
B	EC121 Mbashe	249 464	263 849	279 590	431 650	392 190	418 635
B	EC122 Mquma	258 930	273 812	290 093	373 010	404 783	435 420
B	EC123 Great Kei	42 659	45 120	47 802	64 236	64 165	69 406
B	EC124 Amahlathi	105 863	111 975	118 658	163 421	159 604	171 557
B	EC126 Ngqushwa	82 696	87 480	92 709	123 315	128 342	136 287
B	EC129 Raymond Mhlaba	174 140	184 173	195 156	248 407	254 469	271 632
C	DC12 Amathole District Municipality	833 685	896 469	964 525	1 470 430	1 577 768	1 708 064
Total: Amathole Municipalities		1 747 437	1 862 878	1 988 533	2 874 469	2 981 321	3 211 001
B	EC131 Inxuba Yethemba	42 907	45 525	48 363	75 548	78 418	79 605
B	EC135 Intsika Yethu	159 020	168 213	178 267	240 457	251 255	276 325
B	EC136 Emalahleni	123 739	130 898	138 730	174 014	190 423	201 885
B	EC137 Engcobo	148 281	156 846	166 213	232 809	233 570	256 311
B	EC138 Sakhisizwe	68 109	72 022	76 291	112 977	114 346	120 951
B	EC139 Enoch Mgijima	180 007	190 986	202 997	267 287	273 360	297 878
C	DC13 Chris Hani District Municipality	543 689	581 574	623 473	1 029 826	1 326 198	1 270 090
Total: Chris Hani Municipalities		1 265 752	1 346 064	1 434 334	2 132 918	2 467 570	2 503 045
B	EC141 Elundini	152 511	161 309	170 954	284 117	283 116	304 424
B	EC142 Senqu	149 935	158 550	167 959	215 695	225 087	249 161
B	EC145 Walter Sisulu	58 205	62 255	66 673	91 956	90 365	96 603
C	DC14 Joe Gqabi District Municipality	273 796	293 181	314 679	581 001	591 793	754 234
Total: Joe Gqabi Municipalities		634 447	675 295	720 265	1 172 769	1 190 361	1 404 422
B	EC153 Ngquza Hill	257 385	273 656	291 567	374 945	391 098	456 713
B	EC154 Port St Johns	153 034	162 480	172 861	223 051	245 395	262 659
B	EC155 Nyandeni	262 068	277 790	295 066	366 084	383 153	408 214
B	EC156 Mhlontlo	184 192	194 849	206 519	269 466	263 321	278 071
B	EC157 King Sabata Dalindyebo	329 470	352 155	377 055	512 874	515 140	557 480
C	DC15 O.R. Tambo District Municipality	855 543	918 820	989 327	1 846 857	1 716 048	1 932 099
Total: O.R. Tambo Municipalities		2 041 692	2 179 750	2 332 395	3 593 277	3 514 155	3 895 236
B	EC441 Matatiele	234 919	249 849	266 265	419 514	424 527	453 802
B	EC442 Umzimvubu	217 928	230 702	244 735	403 764	352 532	413 637
B	EC443 Mbizana	260 384	278 209	297 873	401 736	403 444	429 783
B	EC444 Ntabankulu	122 525	129 621	137 381	232 442	249 504	312 210
C	DC44 Alfred Nzo District Municipality	556 720	597 920	643 853	1 139 593	1 192 627	1 318 886
Total: Alfred Nzo Municipalities		1 392 476	1 486 301	1 590 107	2 597 049	2 622 634	2 928 318
Total: Eastern Cape Municipalities		9 633 056	10 298 863	11 033 012	17 831 961	18 495 093	20 073 769

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
FREE STATE							
A	MAN Mangaung	735 867	800 260	871 988	2 012 872	1 948 823	2 039 095
B	FS161 Letsemeng	63 668	68 152	73 115	115 675	118 294	126 192
B	FS162 Kopanong	85 235	90 702	96 739	143 927	153 189	163 329
B	FS163 Mohokare	68 586	73 831	79 664	154 072	133 670	139 155
C	DC16 Xhariep District Municipality	43 542	45 503	47 631	48 739	49 421	51 945
Total: Xhariep Municipalities		261 031	278 188	297 149	462 413	454 574	480 621
B	FS181 Masilonyana	118 906	128 001	138 131	227 580	301 150	264 431
B	FS182 Tokologo	54 560	58 184	62 187	276 217	197 750	156 430
B	FS183 Tswelopele	74 224	79 124	84 544	102 379	133 497	142 466
B	FS184 Matjhabeng	504 417	543 730	587 388	724 479	810 776	948 980
B	FS185 Nala	122 062	129 505	137 684	167 801	184 640	197 481
C	DC18 Lejweleputswa District Municipality	128 350	133 330	138 720	132 767	136 885	142 416
Total: Lejweleputswa Municipalities		1 002 519	1 071 874	1 148 654	1 631 223	1 764 698	1 852 204
B	FS191 Setsoto	192 449	205 852	220 718	561 473	379 991	388 334
B	FS192 Dihlabeng	164 487	178 668	194 516	230 105	243 942	284 240
B	FS193 Nketoana	97 090	104 622	113 006	341 453	234 061	254 761
B	FS194 Maluti-a-Phofung	599 867	644 309	693 825	878 069	959 580	994 741
B	FS195 Phumelela	75 451	80 833	86 802	130 861	137 868	147 238
B	FS196 Mantsopa	82 760	88 810	95 526	123 896	128 294	139 766
C	DC19 Thabo Mofutsanyana District Municipality	115 593	120 972	126 832	129 622	133 884	140 157
Total: Thabo Mofutsanyana Municipalities		1 327 697	1 424 066	1 531 225	2 395 479	2 217 620	2 349 237
B	FS201 Moqhaka	205 660	221 972	240 141	281 082	300 657	363 279
B	FS203 Ngwathe	192 989	207 906	224 527	309 279	380 462	467 556
B	FS204 Metsimaholo	183 064	202 431	224 337	334 858	311 389	326 910
B	FS205 Mafube	95 847	103 146	111 265	167 246	201 495	216 753
C	DC20 Fezile Dabi District Municipality	154 559	159 201	164 173	157 877	162 652	168 023
Total: Fezile Dabi Municipalities		832 119	894 656	964 443	1 250 342	1 356 655	1 542 521
Total: Free State Municipalities		4 159 233	4 469 044	4 813 459	7 752 329	7 742 370	8 263 678
GAUTENG							
A	EKU City of Ekurhuleni	3 478 292	3 830 583	4 229 656	6 517 318	6 873 496	7 476 473
A	JHB City of Johannesburg	4 689 158	5 183 056	5 744 050	8 066 844	8 512 229	9 277 901
A	TSH City of Tshwane	2 642 492	2 924 283	3 244 640	5 181 211	5 506 085	5 999 401
B	GT421 Emfuleni	772 335	835 871	906 136	1 227 658	1 543 650	1 600 770
B	GT422 Midvaal	107 047	118 363	131 229	329 354	303 240	217 015
B	GT423 Lesedi	133 765	148 432	165 192	197 179	212 302	236 064
C	DC42 Sedibeng District Municipality	268 626	276 939	285 853	289 279	297 438	291 096
Total: Sedibeng Municipalities		1 281 773	1 379 605	1 488 410	2 043 470	2 356 630	2 344 945
B	GT481 Mogale City	408 061	449 128	495 630	644 499	690 171	749 910
B	GT484 Merafong City	204 068	221 470	241 011	333 212	381 226	412 163
B	GT485 Rand West City	303 723	331 754	363 365	612 390	693 948	925 017
C	DC48 West Rand District Municipality	207 500	215 005	223 120	225 728	220 056	228 486
Total: West Rand Municipalities		1 123 352	1 217 357	1 323 126	1 815 829	1 985 401	2 315 576
Total: Gauteng Municipalities		13 215 067	14 534 884	16 029 882	23 624 672	25 233 841	27 414 296

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
KWAZULU-NATAL							
A	ETH eThekweni	3 160 624	3 444 498	3 761 365	6 328 657	6 606 607	7 144 140
B	KZN212 uMdoni	132 002	141 442	151 872	216 940	236 084	264 681
B	KZN213 uMzumbane	131 115	138 711	147 033	232 633	224 831	247 049
B	KZN214 uMuziabantu	91 211	96 900	103 149	124 086	123 247	141 088
B	KZN216 Ray Nkonyeni	205 608	222 456	241 076	335 112	318 730	350 801
C	DC21 Ugu District Municipality	462 844	501 266	544 134	763 091	821 333	887 212
Total: Ugu Municipalities		1 022 780	1 100 775	1 187 264	1 671 862	1 724 225	1 890 831
B	KZN221 uMshwathi	101 901	108 833	116 451	183 230	159 766	172 275
B	KZN222 uMngeni	67 048	73 530	80 725	109 857	105 288	116 190
B	KZN223 Mpoiana	35 624	37 898	40 379	66 735	58 401	62 576
B	KZN224 iMpendle	35 693	37 730	39 938	51 034	52 219	60 011
B	KZN225 Msunduzi	546 052	593 281	645 960	1 048 188	1 110 230	1 204 834
B	KZN226 Mkhambathini	62 733	67 351	72 448	88 151	99 914	101 343
B	KZN227 Richmond	69 731	74 923	80 654	91 789	96 076	112 974
C	DC22 uMgungundlovu District Municipality	526 031	571 980	622 193	715 024	773 611	837 397
Total: uMgungundlovu Municipalities		1 444 813	1 565 526	1 698 748	2 354 008	2 455 505	2 667 600
B	KZN235 Okhahlamba	124 946	132 718	141 269	167 689	177 690	182 903
B	KZN237 iNkosi Langalibalele	176 729	189 264	203 112	230 509	248 926	269 481
B	KZN238 Alfred Duma	232 678	248 697	266 301	339 650	382 573	454 760
C	DC23 uThukela District Municipality	432 409	466 420	504 349	746 046	919 083	1 219 628
Total: uThukela Municipalities		966 762	1 037 099	1 115 031	1 483 894	1 728 272	2 126 772
B	KZN241 eNdameni	46 837	51 040	55 700	80 155	76 133	82 648
B	KZN242 Nquthu	137 328	145 929	155 401	200 397	248 275	259 309
B	KZN244 uMsinga	163 783	175 176	187 748	279 309	289 584	325 481
B	KZN245 uMvoti	127 889	138 469	150 220	180 700	217 375	233 325
C	DC24 uMzinyathi District Municipality	353 478	383 896	418 027	639 164	679 246	712 981
Total: uMzinyathi Municipalities		829 315	894 510	967 096	1 379 725	1 510 613	1 613 744
B	KZN252 Newcastle	373 648	402 741	435 158	582 445	601 050	663 123
B	KZN253 eMadlangeni	30 478	32 318	34 329	49 120	61 111	55 690
B	KZN254 Dannhauser	91 758	97 197	103 181	120 631	131 357	146 319
C	DC25 Amajuba District Municipality	161 133	173 709	187 283	253 931	271 860	303 963
Total: Amajuba Municipalities		657 017	705 965	759 951	1 006 127	1 065 378	1 169 095
B	KZN261 eDumbe	74 585	79 359	84 606	111 334	118 140	125 898
B	KZN262 uPhongolo	136 387	146 638	157 988	178 137	207 642	222 821
B	KZN263 Abaqulusi	148 281	160 034	173 038	263 883	223 179	238 977
B	KZN265 Nongoma	154 506	164 433	175 392	198 365	209 234	222 615
B	KZN266 Ulundi	163 194	173 557	185 007	251 230	242 032	256 883
C	DC26 Zululand District Municipality	464 560	502 754	545 500	966 695	984 763	1 117 534
Total: Zululand Municipalities		1 141 513	1 226 775	1 321 531	1 969 644	1 984 990	2 184 728
B	KZN271 uMhlabuyalingana	166 017	179 115	193 659	439 301	305 607	367 330
B	KZN272 Jozini	181 990	195 100	209 604	302 649	339 819	405 237
B	KZN275 Mtubatuba	164 301	178 128	193 564	263 018	266 917	291 495
B	KZN276 Big Five Hlabisa	107 783	116 117	125 369	180 989	186 891	200 645
C	DC27 uMkhanyakude District Municipality	412 178	449 897	492 392	719 656	766 764	833 516
Total: uMkhanyakude Municipalities		1 032 269	1 118 357	1 214 588	1 905 613	1 865 998	2 098 223
B	KZN281 uMfolozi	130 797	140 706	151 704	173 092	184 865	197 945
B	KZN282 uMhlathuze	362 965	396 640	434 454	571 592	570 006	621 915
B	KZN284 uMlalazi	185 590	198 115	211 945	254 234	257 590	275 942
B	KZN285 Mthonjaneni	79 412	84 010	89 048	123 145	120 680	126 849
B	KZN286 Nkandla	96 903	102 480	108 586	153 745	154 276	162 316
C	DC28 King Cetshwayo District Municipality	514 940	557 682	604 101	888 183	920 656	995 829
Total: King Cetshwayo Municipalities		1 370 607	1 479 633	1 599 838	2 163 991	2 208 073	2 380 796
B	KZN291 Mandeni	167 483	181 360	196 795	216 486	231 819	250 509
B	KZN292 KwaDukuza	167 408	185 716	206 232	242 956	268 767	295 639
B	KZN293 Ndwedwe	147 784	158 306	169 946	207 580	239 351	271 493
B	KZN294 Maphumulo	90 716	95 932	101 627	161 325	166 347	189 508
C	DC29 iLembe District Municipality	516 503	566 725	623 405	849 524	894 188	1 007 297
Total: iLembe Municipalities		1 089 894	1 188 039	1 298 005	1 677 871	1 800 472	2 014 446
B	KZN433 Greater Kokstad	61 663	65 982	70 705	97 481	110 022	117 374
B	KZN434 uBuhlebezwe	110 309	117 050	124 463	159 980	183 806	205 417
B	KZN435 uMzimkhulu	189 217	202 113	216 343	283 578	296 555	337 210
B	KZN436 Dr Nkosazana Dlamini Zuma	125 869	134 189	143 357	166 399	174 384	191 299
C	DC43 Harry Gwala District Municipality	345 309	372 265	402 358	634 843	683 946	770 941
Total: Harry Gwala Municipalities		832 367	891 599	957 226	1 342 281	1 448 713	1 622 241
Total: KwaZulu-Natal Municipalities		13 547 961	14 652 776	15 880 643	23 283 673	24 398 846	26 912 616

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	
LIMPOPO								
B	LIM331	Greater Giyani	287 217	307 312	329 523	377 243	394 506	428 775
B	LIM332	Greater Letaba	278 254	297 960	319 745	357 728	385 624	412 952
B	LIM333	Greater Tzaneen	383 693	413 205	445 855	514 520	553 199	580 610
B	LIM334	Ba-Phalaborwa	150 929	162 929	176 246	207 009	221 985	239 137
B	LIM335	Maruleng	124 492	133 600	143 676	158 469	173 786	186 315
C	DC33	Mopani District Municipality	919 537	998 379	1 086 819	1 821 487	2 152 548	2 355 242
Total: Mopani Municipalities			2 144 122	2 313 385	2 501 864	3 436 456	3 881 648	4 203 031
B	LIM341	Musina	142 917	158 169	175 401	199 319	210 764	231 115
B	LIM343	Thulamela	442 452	474 930	510 824	614 806	629 134	677 259
B	LIM344	Makhado	357 528	384 333	413 961	493 520	522 500	560 479
B	LIM345	Collins Chabane	369 556	395 637	424 446	503 445	520 304	557 476
C	DC34	Vhembe District Municipality	996 113	1 083 936	1 183 105	1 617 183	1 767 504	1 938 588
Total: Vhembe Municipalities			2 308 566	2 497 005	2 707 737	3 428 273	3 650 206	3 964 917
B	LIM351	Blouberg	186 309	197 295	209 377	285 766	290 114	310 813
B	LIM353	Molemole	142 578	150 814	159 866	192 392	204 073	216 507
B	LIM354	Polokwane	922 589	1 007 149	1 102 086	2 369 488	2 479 894	2 288 058
B	LIM355	Lepele-Nkumpi	250 041	266 008	283 625	367 597	383 911	414 294
C	DC35	Capricorn District Municipality	588 933	634 267	683 761	932 627	993 172	1 068 512
Total: Capricorn Municipalities			2 090 450	2 255 533	2 438 715	4 147 870	4 351 164	4 298 184
B	LIM361	Thabazimbi	93 580	102 628	112 789	173 538	250 804	275 887
B	LIM362	Lephalale	147 694	163 912	182 354	248 308	256 837	288 086
B	LIM366	Bela-Bela	90 909	99 325	108 787	172 015	178 022	198 479
B	LIM367	Mogalakwena	436 536	467 163	501 280	873 801	980 971	1 091 509
B	LIM368	Modimolle-Mookgophong	109 995	117 709	126 263	230 772	282 053	298 855
C	DC36	Waterberg District Municipality	129 990	135 338	141 129	133 249	138 728	144 650
Total: Waterberg Municipalities			1 008 704	1 086 075	1 172 602	1 831 683	2 087 415	2 297 466
B	LIM471	Ephraim Mogale	144 997	155 477	167 068	193 864	207 661	222 751
B	LIM472	Elias Motsoaledi	269 009	289 070	311 324	370 895	389 017	415 067
B	LIM473	Makhduthamaga	267 931	285 436	304 751	353 283	389 295	415 579
B	LIM476	Fetakgomo Tubatse	415 486	451 636	492 038	562 981	614 266	673 636
C	DC47	Sekhukhune District Municipality	769 253	837 663	914 654	1 536 325	1 574 492	1 632 157
Total: Sekhukhune Municipalities			1 866 676	2 019 282	2 189 835	3 017 348	3 174 731	3 359 190
Total: Limpopo Municipalities			9 418 518	10 171 280	11 010 753	15 861 630	17 145 164	18 122 788
MPUMALANGA								
B	MP301	Chief Albert Luthuli	311 205	335 283	362 109	684 911	644 794	748 691
B	MP302	Msakaligwa	172 093	189 215	208 470	358 762	367 802	387 460
B	MP303	Mkhondo	235 268	256 568	280 464	387 371	426 536	473 433
B	MP304	Dr Pixley ka Isaka Seme	119 397	128 109	137 772	209 517	214 261	231 651
B	MP305	Lekwa	118 689	129 247	141 032	182 918	226 052	250 747
B	MP306	Dipaleseng	72 019	78 223	85 158	223 993	212 336	220 823
B	MP307	Govan Mbeki	284 504	314 264	347 754	424 817	453 880	496 089
C	DC30	Gert Sibande District Municipality	291 937	300 463	309 582	309 871	316 556	325 817
Total: Gert Sibande Municipalities			1 605 112	1 731 372	1 872 341	2 782 160	2 862 217	3 134 711
B	MP311	Victor Khanye	96 421	105 943	116 664	155 923	158 973	151 431
B	MP312	Emalaheni	360 048	401 151	447 740	590 080	620 039	699 544
B	MP313	Steve Tshwete	200 511	226 033	255 256	299 824	325 941	378 443
B	MP314	Emakhazeni	63 383	68 737	74 707	161 670	153 182	140 980
B	MP315	Thembisile Hani	404 156	437 779	475 365	753 667	754 683	834 556
B	MP316	Dr JS Moroka	379 397	405 239	433 927	543 383	572 272	639 553
C	DC31	Nkangala District Municipality	356 274	367 176	378 869	361 715	370 618	382 446
Total: Nkangala Municipalities			1 860 190	2 012 058	2 182 528	2 866 262	2 955 708	3 226 953
B	MP321	Thaba Chweu	143 286	157 236	172 916	222 839	240 773	260 802
B	MP324	Nkomazi	569 784	617 615	671 087	1 024 148	1 070 228	1 169 112
B	MP325	Bushbuckridge	788 070	847 055	912 687	1 372 641	1 441 810	1 520 067
B	MP326	City of Mbombela	725 225	794 261	871 696	1 357 610	1 510 895	1 707 673
C	DC32	Ehlanzeni District Municipality	253 324	264 110	275 820	260 238	267 744	279 599
Total: Ehlanzeni Municipalities			2 479 689	2 680 277	2 904 206	4 237 476	4 531 450	4 937 253
Total: Mpumalanga Municipalities			5 944 991	6 423 707	6 959 075	9 885 898	10 349 375	11 298 917

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

Category	Municipality	EQUITABLE SHARE¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
NORTHERN CAPE							
B	NC061 Richtersveld	17 077	18 444	19 964	51 646	55 710	42 539
B	NC062 Nama Khoi	47 830	51 377	55 302	83 132	71 581	76 709
B	NC064 Kamiesberg	22 790	24 227	25 805	34 223	37 166	39 335
B	NC065 Hantam	24 746	26 454	28 337	80 274	47 647	50 793
B	NC066 Karoo Hoogland	22 416	24 207	26 195	59 938	40 348	43 604
B	NC067 Khâi-Ma	18 953	20 365	21 927	32 681	37 217	39 617
C	DC6 Namakwa District Municipality	49 192	50 862	52 654	55 053	56 332	58 304
	Total: Namakwa Municipalities	203 004	215 936	230 184	396 947	346 001	350 901
B	NC071 Ubuntu	34 602	37 209	40 100	68 782	52 378	56 076
B	NC072 Umsobomvu	49 477	53 603	58 209	90 872	87 931	96 237
B	NC073 Emthanjeni	44 900	48 261	51 985	87 678	71 476	88 092
B	NC074 Kareeberg	24 348	26 170	28 188	35 906	37 259	39 540
B	NC075 Renosterberg	24 687	26 473	28 447	38 662	42 742	45 488
B	NC076 Thembelihle	25 395	27 157	29 101	45 804	40 187	42 781
B	NC077 Siyathemba	32 939	35 480	38 303	70 967	65 862	70 889
B	NC078 Siyancuma	49 714	52 731	56 039	138 566	94 197	97 850
C	DC7 Pixley Ka Seme District Municipality	51 027	53 246	55 651	57 093	58 127	60 981
	Total: Pixley Ka Seme Municipalities	337 089	360 330	386 023	634 330	550 159	597 934
B	NC082 !Kai !Garib	84 517	92 084	100 544	123 901	142 473	166 216
B	NC084 !Kheis	25 352	26 871	28 530	146 596	41 496	43 928
B	NC085 Tsantsabane	39 037	42 613	46 621	69 718	62 810	68 037
B	NC086 Kgatelopele	22 388	24 354	26 552	49 009	76 739	89 535
B	NC087 Dawid Kruijer	84 895	91 837	99 543	197 354	175 758	184 879
C	DC8 Z.F. Mgcawu District Municipality	69 622	72 284	75 160	74 748	76 495	79 811
	Total: Z.F. Mgcawu Municipalities	325 811	350 043	376 950	661 326	575 771	632 406
B	NC091 Sol Plaatje	189 151	205 041	222 702	360 194	369 438	400 868
B	NC092 Dikgatlong	85 055	91 628	98 943	112 607	117 692	126 662
B	NC093 Magareng	46 340	49 392	52 762	79 438	66 994	71 340
B	NC094 Phokwane	104 786	111 598	119 135	184 331	183 882	195 819
C	DC9 Frances Baard District Municipality	120 606	124 276	128 210	125 546	128 101	132 190
	Total: Frances Baard Municipalities	545 938	581 935	621 752	862 116	866 107	926 879
B	NC451 Joe Morolong	142 240	151 089	160 954	286 498	374 834	414 875
B	NC452 Ga-Segonyana	159 726	174 827	191 857	446 357	346 369	416 228
B	NC453 Gamagara	37 163	42 073	47 739	163 300	176 518	181 521
C	DC45 John Taolo Gaetsewe District Municipality	89 657	93 455	97 524	96 111	98 877	103 368
	Total: John Taolo Gaetsewe Municipalities	428 786	461 444	498 074	992 266	996 598	1 115 992
	Total: Northern Cape Municipalities	1 840 628	1 969 688	2 112 983	3 546 985	3 334 636	3 624 112
NORTH WEST							
B	NW371 Moretele	340 474	363 988	390 111	574 442	629 639	641 406
B	NW372 Madibeng	695 606	770 313	854 928	1 061 331	1 326 418	1 504 217
B	NW373 Rustenburg	675 452	756 697	849 268	1 348 337	1 388 130	1 527 245
B	NW374 Kgetlengrivier	91 271	99 928	109 658	183 409	183 073	182 331
B	NW375 Moses Kotane	429 267	460 102	494 384	656 169	689 547	740 469
C	DC37 Bojanala Platinum District Municipality	339 278	353 381	368 676	344 219	357 461	373 166
	Total: Bojanala Platinum Municipalities	2 571 348	2 804 409	3 067 025	4 167 907	4 574 268	4 968 834
B	NW381 Ratlou	125 655	133 874	142 905	209 301	222 468	234 486
B	NW382 Tswaing	115 359	123 655	132 773	157 481	169 870	182 028
B	NW383 Mafikeng	257 427	278 683	302 184	386 185	444 014	482 885
B	NW384 Ditsobotla	126 697	136 866	148 056	204 188	187 087	201 757
B	NW385 Ramotshere Moiloa	174 021	187 091	201 532	223 263	254 486	273 154
C	DC38 Ngaka Modiri Molema District Municipality	762 805	829 798	904 243	1 138 560	1 252 680	1 343 117
	Total: Ngaka Modiri Molema Municipalities	1 561 964	1 689 967	1 831 693	2 318 978	2 530 605	2 717 427
B	NW392 Naledi	52 554	56 411	60 632	103 821	89 752	95 991
B	NW393 Mamusa	55 905	59 954	64 408	90 347	99 437	106 955
B	NW394 Greater Taung	194 770	206 299	218 956	269 575	297 583	316 018
B	NW396 Lekwa-Teemane	49 909	53 687	57 842	72 661	85 955	92 762
B	NW397 Kagisano-Molopo	121 637	128 953	136 979	184 706	189 367	201 262
C	DC39 Dr Ruth Segomotsi Mompoti District Municipality	361 316	388 938	419 621	732 826	780 772	880 275
	Total: Dr Ruth Segomotsi Mompoti Municipalities	836 091	894 242	958 438	1 453 936	1 542 866	1 693 263
B	NW403 City of Matlosana	429 961	466 396	506 933	589 922	645 778	695 202
B	NW404 Maquassi Hills	128 390	138 201	149 108	199 281	171 798	185 032
B	NW405 JB Marks	257 937	284 424	314 255	419 378	405 747	452 145
C	DC40 Dr Kenneth Kaunda District Municipality	187 599	193 795	200 458	192 854	197 551	204 365
	Total: Dr Kenneth Kaunda Municipalities	1 003 887	1 082 816	1 170 754	1 401 435	1 420 874	1 536 744
	Total: North West Municipalities	5 973 290	6 471 434	7 027 910	9 342 256	10 068 613	10 916 268

ANNEXURE W4

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(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
WESTERN CAPE							
A	CPT City of Cape Town	2 815 558	3 081 195	3 377 636	5 891 733	6 729 504	7 622 698
B	WC011 Matzikama	56 540	60 937	65 789	122 775	128 778	132 046
B	WC012 Cederberg	49 201	53 168	57 561	110 464	119 174	127 913
B	WC013 Bergrivier	45 025	49 071	53 574	68 545	70 745	76 077
B	WC014 Saldanha Bay	88 277	97 101	107 001	143 819	162 165	163 820
B	WC015 Swartland	91 534	102 195	114 293	127 116	145 047	160 510
C	DC1 West Coast District Municipality	92 706	96 077	99 718	97 414	99 943	103 741
Total: West Coast Municipalities		423 283	458 549	497 936	670 133	725 852	764 107
B	WC022 Witzenberg	92 850	101 915	112 056	141 581	131 927	143 580
B	WC023 Drakenstein	150 601	164 466	179 913	223 136	218 600	236 541
B	WC024 Stellenbosch	136 177	149 804	165 076	212 233	198 990	217 935
B	WC025 Breede Valley	117 997	127 591	138 199	167 214	182 061	198 319
B	WC026 Langeberg	79 200	85 262	91 946	120 266	117 320	126 479
C	DC2 Cape Winelands District Municipality	232 056	238 436	245 239	237 486	242 448	249 418
Total: Cape Winelands Municipalities		808 881	867 474	932 429	1 101 916	1 091 346	1 172 272
B	WC031 Theewaterskloof	95 587	103 391	112 039	158 641	158 742	170 402
B	WC032 Overstrand	106 697	117 534	129 728	149 892	147 120	160 791
B	WC033 Cape Agulhas	29 908	32 266	34 872	51 003	52 996	59 311
B	WC034 Swellendam	31 579	34 229	37 168	49 890	50 355	56 896
C	DC3 Overberg District Municipality	71 776	74 593	77 644	76 826	78 560	81 775
Total: Overberg Municipalities		335 547	362 013	391 451	486 252	487 773	529 175
B	WC041 Kannaland	28 147	29 854	31 721	79 718	115 090	117 679
B	WC042 Hessequa	44 063	47 469	51 230	62 356	65 192	70 704
B	WC043 Mossel Bay	93 352	101 438	110 430	132 600	136 249	149 010
B	WC044 George	149 978	163 760	179 113	388 884	359 083	385 927
B	WC045 Oudtshoorn	73 525	78 781	84 574	141 085	169 056	186 566
B	WC047 Bitou	93 691	104 401	116 607	124 821	132 040	145 563
B	WC048 Knysna	86 321	94 207	103 020	134 399	131 997	143 549
C	DC4 Garden Route District Municipality	157 370	162 442	167 894	162 568	166 159	171 760
Total: Garden Route Municipalities		726 447	782 352	844 589	1 226 431	1 274 866	1 370 758
B	WC051 Laingsburg	16 574	17 764	19 067	28 676	28 291	29 737
B	WC052 Prince Albert	21 355	23 039	24 906	42 637	34 455	36 544
B	WC053 Beaufort West	62 434	67 202	72 482	100 430	93 415	104 737
C	DC5 Central Karoo District Municipality	30 642	32 062	33 606	34 908	35 226	36 889
Total: Central Karoo Municipalities		131 005	140 067	150 061	206 651	191 387	207 907
Total: Western Cape Municipalities		5 240 721	5 691 650	6 194 102	9 583 116	10 500 728	11 666 917
Unallocated		-	1 000 000	1 000 000	617 808	3 694 507	4 189 906
National Total		68 973 465	75 683 326	82 161 819	121 330 328	130 963 173	142 483 267

¹ Includes equitable share formula allocations, RSC levies replacement and special contribution towards councillor remuneration, but excludes the sharing of the general fuel levy with metropolitan municipalities. (See Appendix W1)

APPENDIX W1

APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES

**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR
REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL
MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

(National and Municipal Financial Years)

APPENDIX WI
EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES

Table with multiple columns: Category, Municipality, Equitable Share Formula (National and Municipal Financial Year 2019/20, 2020/21, 2021/22), RSC Levies Replacement (National and Municipal Financial Year 2019/20, 2020/21, 2021/22), Special Support for Councillor Remuneration and Ward Committees (National and Municipal Financial Year 2019/20, 2020/21, 2021/22), Breakdown of Equitable Share for District Municipalities Authorized for Services (National and Municipal Financial Year 2019/20, 2020/21, 2021/22), and Total Allocations to Municipalities (National and Municipal Financial Year 2019/20, 2020/21, 2021/22).

**APPENDIX W1
 APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
 (EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES
 AUTHORISED FOR SERVICES)**

Category	Municipality	EQUITABLE SHARE FORMULA												RSC LEVIES REPLACEMENT						SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES						BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES						TOTAL ALLOCATIONS TO MUNICIPALITIES		
		2019/20		2020/21		2021/22		2019/20		2020/21		2021/22		2019/20		2020/21		2021/22		2019/20		2020/21		2021/22		2019/20	2020/21	2021/22						
		(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)						
		Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste	Water	Waste					
FREE STATE																																		
A	MAN Mangung	735 867	800 260	871 988	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	735 867	800 260	871 988							
B	FS161 Leribe	61 150	65 515	70 333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65 668	68 152	73 115							
B	FS162 Kepteng	81 812	91 117	101 117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85 235	90 802	96 739							
B	FS163 Mookose	19 154	20 374	21 714	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21 816	23 571	25 634							
	Total Free State Municipalities	228 184	244 200	261 092																					261 031	278 188	297 149							
B	FS181 Matielonyan	114 822	123 725	133 653	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	118 906	128 001	138 131							
B	FS182 Tokologo	52 750	56 288	60 200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54 560	58 184	62 187							
B	FS183 Tswelopele	70 801	75 539	80 788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74 224	79 124	84 544							
B	FS184 Mambheing	504 417	543 730	587 388	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	504 417	543 730	587 388							
B	FS185 Nala	116 941	124 142	132 066	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	122 062	129 505	137 684							
C	DC18 Lekelele District Municipality	38 321	40 867	43 663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128 350	133 230	138 720							
	Total Limpopo Municipalities	896 052	964 291	1 037 358																					1 002 519	1 071 874	1 148 054							
B	FS191 Secomo	185 378	198 448	212 863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	192 449	205 852	220 718							
B	FS192 Dhalabeng	164 487	178 668	194 516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164 487	178 668	194 516							
B	FS193 Nkaxana	93 249	100 600	108 792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97 090	104 622	113 006							
B	FS194 Mutlusa-Pieterburg	599 867	644 309	693 825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	599 867	644 309	693 825							
B	FS195 Phaledela	72 028	77 248	83 046	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75 451	80 833	86 802							
B	FS196 Mantsopa	79 103	84 981	91 516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82 760	88 810	95 526							
C	DC19 Thabo Mofutsamama District Municipality	55 213	58 960	63 080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115 593	120 972	126 832							
	Total Free State Municipalities	1 249 255	1 342 214	1 447 238																					1 237 097	1 327 097	1 424 066							
B	FS201 Mophela	205 660	221 972	240 141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205 660	221 972	240 141							
B	FS202 Quthlebs	102 898	109 862	117 237	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102 898	109 862	117 237							
B	FS205 Mafube	183 064	200 431	224 337	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	183 064	200 431	224 337							
B	FS206 Mafheke	92 190	99 317	107 535	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92 190	99 317	107 535							
C	DC20 Ezele Daba District Municipality	10 385	11 128	11 907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10 385	11 128	11 907							
	Total Free State Municipalities	684 288	742 754	808 207																					684 288	742 754	808 207							
	Total Free State Municipalities	3 795 716	4 094 719	4 427 643																					4 159 233	4 469 144	4 813 459							
GAUTENG																																		
A	EMU City of Ekurhuleni	3 478 292	3 820 543	4 229 666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3 478 292	3 820 543	4 229 666							
A	JHB City of Johannesburg	4 689 151	5 182 066	5 744 609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4 689 151	5 182 066	5 744 609							
A	TSH City of Tshwane	2 642 492	2 924 283	3 244 640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 642 492	2 924 283	3 244 640							
B	GT421 Enlendeni	773 335	835 871	906 136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	773 335	835 871	906 136							
B	GT422 Madibela	100 829	111 853	124 410	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100 829	111 853	124 410							
B	GT423 Leseliba	128 217	145 622	159 006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128 217	145 622	159 006							
C	DC32 Sedibone District Municipality	23 060	24 733	26 573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23 060	24 733	26 573							
	Total Gauteng Municipalities	1 024 441	1 118 079	1 216 225																					1 281 773	1 379 605	1 488 410							
B	GT481 Mogale City	408 061	449 128	495 630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	408 061	449 128	495 630							
B	GT484 Maraisburg City	204 068	221 470	241 011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	204 068	221 470	241 011							
B	GT485 Rand West City	303 723	331 754	363 365	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	303 723	331 754	363 365							
C	DC48 West Rand District Municipality	39 456	42 397	45 670	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39 456	42 397	45 670							
	Total West Rand Municipalities	982 288	1 044 749	1 145 676																					1 122 352	1 217 857	1 323 720							
	Total Gauteng Municipalities	12 789 671	14 097 750	15 530 247																					13 215 067	14 534 884	16 029 883							

APPENDIX WI
 APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
 (EQUITABLE SHARE FORMULA + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES
 AUTHORISED FOR SERVICES)

Category	Municipality	Equitable Share Formula				RSC Levies Replacement				Special Support for Councillor Remuneration and Ward Committees				BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES				TOTAL ALLOCATIONS TO MUNICIPALITIES			
		2019/20 (R000)		2021/22 (R000)		2019/20 (R000)		2021/22 (R000)		2019/20 (R000)		2021/22 (R000)		2019/20 (R000)		2021/22 (R000)		2019/20 (R000)		2021/22 (R000)	
		National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	National and Municipal Financial Year	Water	Sanitation	Refuse	National and Municipal Financial Year	Water	Sanitation	Refuse	National and Municipal Financial Year	Water	Sanitation	Refuse	
NORTHERN CAPE																					
B	NC061 Richemond	16 465	18 755	-	1 644	1 689	-	1 769	-	-	-	-	-	-	17 077	18 444	-	-	-	19 864	
B	NC062 Nama-Khoi	45 318	51 049	-	3 874	4 089	-	4 363	-	-	-	-	-	-	47 620	51 377	-	-	-	55 392	
B	NC063 Garies	21 176	24 026	-	1 644	1 689	-	1 769	-	-	-	-	-	-	22 780	24 227	-	-	-	25 805	
B	NC065 Jansenville	22 680	26 071	-	2 066	2 163	-	2 266	-	-	-	-	-	-	24 746	26 654	-	-	-	28 377	
B	NC066 Karoo Hoopland	20 678	24 287	-	1 738	1 821	-	1 908	-	-	-	-	-	-	22 416	24 207	-	-	-	26 195	
B	NC067 Ksih-Ae	17 339	18 676	-	1 614	1 689	-	1 769	-	-	-	-	-	-	18 953	20 365	-	-	-	21 927	
C	DC6 - Namakwa District Municipality	6 959	7 410	-	7 803	39 483	-	41 688	-	2 750	2 392	-	3 061	-	49 192	50 862	-	-	-	52 654	
	Totals Namakwa Municipalities	148 249	159 374	-	15 272	16 012	-	16 795	-	-	-	-	-	203 004	215 936	-	-	-	230 184		
B	NC071 Uitenhage	35 520	38 331	-	1 644	1 689	-	1 769	-	-	-	-	-	-	34 662	37 209	-	-	-	40 100	
B	NC072 Uitenhage	46 959	50 986	-	2 318	2 637	-	2 822	-	-	-	-	-	-	49 477	53 603	-	-	-	58 209	
B	NC073 Matieland	14 177	16 076	-	3 443	3 385	-	3 359	-	-	-	-	-	-	14 906	16 679	-	-	-	18 009	
B	NC074 Kei-Roos	26 419	28 428	-	3 644	3 689	-	3 759	-	-	-	-	-	-	24 348	26 188	-	-	-	29 007	
B	NC075 Bantam	22 949	24 652	-	1 738	1 831	-	1 908	-	-	-	-	-	-	24 687	26 473	-	-	-	28 447	
B	NC076 Thembuland	23 657	25 336	-	1 738	1 821	-	1 908	-	-	-	-	-	-	25 395	27 157	-	-	-	29 101	
B	NC077 Swartkops	30 873	33 317	-	2 066	2 163	-	2 266	-	-	-	-	-	-	32 939	35 480	-	-	-	38 303	
B	NC078 Swartkops	46 743	49 620	-	2 971	3 111	-	3 259	-	-	-	-	-	-	49 714	52 731	-	-	-	56 039	
C	DC7 - Princes Alfred District Municipality	19 115	20 373	-	21 757	38 428	-	41 688	-	30 016	3 676	-	3 478	-	51 027	53 246	-	-	-	55 651	
	Totals Princes Alfred District Municipality	308 941	332 732	-	31 146	32 173	-	33 259	-	30 016	21 166	-	22 172	-	337 089	360 330	-	-	-	386 023	
B	NC082 Kei-Gunb	80 189	87 551	-	4 328	4 533	-	4 750	-	-	-	-	-	-	84 517	92 084	-	-	-	100 544	
B	NC084 Rieks	23 614	25 030	-	1 738	1 821	-	1 908	-	-	-	-	-	-	25 352	26 871	-	-	-	28 530	
B	NC085 Tsamabantse	46 616	49 433	-	3 644	3 689	-	3 759	-	-	-	-	-	-	46 710	49 589	-	-	-	52 525	
B	NC086 Gidediposi	30 271	32 665	-	1 644	1 689	-	1 769	-	-	-	-	-	-	29 338	31 173	-	-	-	33 417	
B	NC087 Gidediposi	78 251	84 880	-	6 644	6 957	-	7 287	-	-	-	-	-	-	84 895	91 537	-	-	-	99 843	
C	DC3 - Z.A. Makhathini District Municipality	16 126	18 556	-	3 851	4 062	-	4 286	-	-	-	-	-	-	69 622	72 284	-	-	-	75 160	
	Totals Z.A. Makhathini District Municipality	255 020	276 882	-	21 146	22 173	-	23 259	-	-	-	-	-	325 811	350 043	-	-	-	-	376 950	
B	NC091 Sol Plaatje	189 151	205 041	-	-	-	-	-	-	-	-	-	-	-	189 151	205 041	-	-	-	222 702	
B	NC092 Dikgatlong	88 517	95 684	-	2 971	3 111	-	3 259	-	-	-	-	-	-	88 055	91 628	-	-	-	98 943	
B	NC093 Maseru	44 274	47 229	-	2 066	2 163	-	2 266	-	-	-	-	-	-	46 340	49 392	-	-	-	52 762	
B	NC094 Phokwane	100 702	107 322	-	4 084	4 276	-	4 478	-	-	-	-	-	-	104 786	111 598	-	-	-	119 135	
C	DC9 - Frances Baard District Municipality	10 232	11 672	-	116 359	116 358	-	116 358	-	-	-	-	-	-	129 668	124 276	-	-	-	128 210	
	Totals Frances Baard District Municipality	426 443	459 421	-	9 121	9 580	-	10 085	-	-	-	-	-	546 938	580 355	-	-	-	-	621 752	
B	NC451 Jies Mooling	135 132	141 640	-	7 108	7 449	-	7 809	-	-	-	-	-	-	132 240	140 854	-	-	-	147 944	
B	NC452 Goshwagang	153 935	168 546	-	5 791	6 063	-	6 350	-	-	-	-	-	-	159 726	174 827	-	-	-	191 857	
B	NC453 Gonaarua	34 359	39 138	-	2 804	2 935	-	3 073	-	-	-	-	-	-	37 163	42 073	-	-	-	47 739	
C	DC45 - John Tshepo Goshwagang District Municipality	34 788	36 995	-	3 851	4 062	-	4 286	-	-	-	-	-	-	89 657	93 455	-	-	-	97 524	
	Totals John Tshepo Goshwagang District Municipality	358 214	422 489	-	17 554	18 554	-	19 548	-	18 640	-	-	-	428 786	461 444	-	-	-	-	498 074	
	Totals Northern Cape Municipalities	1 475 421	1 592 760	-	279 948	294 827	-	306 259	-	18 640	-	-	-	1 840 628	1 969 688	-	-	-	-	2 112 983	
NORTH WEST																					
B	NW371 Moretele	329 379	352 369	-	11 095	11 619	-	12 173	-	-	-	-	-	-	340 474	363 988	-	-	-	390 111	
B	NW372 Molebetsi	695 606	770 313	-	-	-	-	-	-	-	-	-	-	-	695 606	770 313	-	-	-	854 928	
B	NW373 Rensburg	675 452	756 697	-	-	-	-	-	-	-	-	-	-	-	675 452	756 697	-	-	-	849 268	
B	NW374 Karibergvlei	88 041	96 546	-	3 230	3 382	-	3 541	-	-	-	-	-	-	91 271	99 928	-	-	-	109 658	
B	NW375 Moses Kone	414 758	444 907	-	14 599	15 195	-	15 918	-	-	-	-	-	-	429 267	460 102	-	-	-	494 384	
C	DC37 - Boputha District Municipality	81 054	87 815	-	252 024	259 092	-	266 117	-	-	-	-	-	-	339 278	353 381	-	-	-	368 676	
	Totals Boputha District Municipality	2 284 290	2 508 647	-	2 453 388	2 525 024	-	2 594 092	-	18 640	-	-	-	2 571 348	2 804 409	-	-	-	-	3 067 025	
B	NW381 Raitou	119 321	127 238	-	6 334	6 656	-	6 955	-	-	-	-	-	-	133 674	142 905	-	-	-	156 455	
B	NW382 Tsoelike	171 145	175 954	-	6 218	6 510	-	6 819	-	-	-	-	-	-	178 363	184 419	-	-	-	197 973	
B	NW383 Mookgweetsi	327 316	344 824	-	8 108	8 491	-	8 895	-	-	-	-	-	-	335 484	354 019	-	-	-	374 802	
B	NW384 Mookgweetsi	124 697	136 866	-	8 108	8 491	-	8 895	-	-	-	-	-	-	124 697	136 866	-	-	-	148 066	
B	NW385 Mookgweetsi	165 813	178 600	-	216 523	234 743	-	252 963	-	-	-	-	-	-	174 021	187 991	-	-	-	203 532	
C	DC38 - Nkomo District Municipality	563 612	613 275	-	699 500	750 193	-	800 913	-	-	-	-	-	-	625 880	673 450	-	-	-	724 668	
	Totals Nkomo District Municipality	1 343 111	1 451 807	-	1 574 281	1 686 844	-	1 802 606	-	18 640	-	-	-	1 561 964	1 689 967	-	-	-	-	1 831 693	
B	NW392 Nakedi	48 287	51 942	-	4 267	4 469	-	4 682	-	-	-	-	-	-	52 554	56 411	-	-	-	60 632	
B	NW393 Mamasu	52 064	56 094	-	3 841	4 022	-	4 214	-	-	-	-	-	-	55 905	59 954	-	-	-	64 408	
B	NW394 Greater Tsiame	184 528	195 573	-	10 242	10 726	-	11 206	-	-	-	-	-	-	194 770	206 299	-	-	-	218 556	
B	NW395 Leka-Tsemane	46 289	49 805	-	3 620	3 792	-	3 974	-	-	-	-	-	-	49 309	53 687	-	-	-	57 942	
B	NW396 Kgabane-Molopo	155 419	164 445	-	6 100	6 419	-	6 739	-	-	-	-	-	-	161 637	172 653	-	-	-	184 979	
C	DC39 - Dr. Ruth Sengweni District Municipality	159 419	172 445	-	63 175	68 490	-	73 805	-	-	-	-	-	-	159 419	172 445	-	-	-	184 979	
	Totals Dr. Ruth Sengweni District Municipality	745 917	795 358																		

APPENDIX W2

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**

**(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES
AUTHORISED FOR SERVICES)**

(National and Municipal Financial Years)

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B					Schedule 6, Part B					
		Breakdown of MIG allocations for district municipalities authorised for services					Breakdown of WSIG allocations for district municipalities authorised for services					
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE												
B	EC121 Mbhashe	158 126	167 670	158 126	16 000	20 000	21 100	-	-	-	-	-
B	EC122 Mquma	146 990	155 861	146 990	11 000	17 000	17 935	-	-	-	-	-
B	EC123 Great Kei	8 936	9 476	8 936	11 000	17 000	17 935	-	-	-	-	-
B	EC124 Amathlathi	35 134	37 255	35 134	20 000	15 000	15 825	-	-	-	-	-
B	EC126 Ngqushwa	28 833	30 573	28 833	18 000	15 610	16 469	-	-	-	-	-
B	EC129 Raymond Mhlaba	45 453	48 196	45 453	26 000	23 000	23 736	-	-	-	-	-
	Total: Amathole Municipalities	423 472	449 031	423 472	102 000	107 610	113 000	-	-	-	-	-
B	EC131 Inxuba Yethemba	4 984	5 285	4 984	11 000	19 940	23 000	-	-	-	-	-
B	EC135 Inisika Yefu	88 933	94 300	88 933	18 461	19 000	24 000	-	-	-	-	-
B	EC136 Enalaleni	44 617	47 310	44 617	11 000	21 000	20 000	-	-	-	-	-
B	EC137 Engcobo	82 369	87 341	82 369	14 000	24 000	19 359	-	-	-	-	-
B	EC138 Sakhiszwe	19 807	21 002	19 807	18 000	18 000	16 000	-	-	-	-	-
B	EC139 Enoch Mgijima	41 324	43 818	41 324	12 000	12 000	15 000	-	-	-	-	-
	Total: Chris Hani Municipalities	282 034	299 056	282 034	84 461	113 940	117 359	-	-	-	-	-
B	EC141 Elundini	83 711	88 763	83 711	30 000	35 000	40 000	-	-	-	-	-
B	EC142 Senqu	57 471	60 940	57 471	30 000	30 000	30 000	-	-	-	-	-
B	EC145 Walter Sisulu	10 686	11 331	10 686	24 000	23 620	33 494	-	-	-	-	-
	Total: Joe Gqabi Municipalities	151 868	161 034	151 868	84 000	88 620	103 494	-	-	-	-	-
B	EC153 Ngquzu Hill	142 205	150 788	142 205	20 000	17 000	28 000	-	-	-	-	-
B	EC154 Port St Johns	80 835	85 714	80 835	18 000	19 000	32 000	-	-	-	-	-
B	EC155 Nyandeni	145 505	154 288	145 505	21 000	18 000	31 000	-	-	-	-	-
B	EC156 Mthonito	91 295	96 805	91 295	13 000	21 500	26 000	-	-	-	-	-
B	EC157 King Sabata Dalindyebo	168 554	178 727	168 554	28 000	30 000	34 303	-	-	-	-	-
	Total: O.R. Tambo Municipalities	628 394	666 322	628 394	100 000	105 500	151 303	-	-	-	-	-
B	EC441 Matielale	90 102	95 541	90 102	25 000	24 000	42 500	-	-	-	-	-
B	EC442 Umzimvubu	91 489	97 011	91 489	24 000	26 950	33 500	-	-	-	-	-
B	EC443 Mbizama	133 070	141 102	133 070	20 000	24 000	32 500	-	-	-	-	-
B	EC444 Ntambankulu	56 347	59 748	56 347	21 000	20 000	32 213	-	-	-	-	-
	Total: Alfred Nzo Municipalities	371 008	393 402	371 008	90 000	94 950	140 713	-	-	-	-	-
	Total: Eastern Cape Municipalities	1 856 776	1 968 845	1 856 776	460 461	510 620	625 869	-	-	-	-	-

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B					Schedule 6, Part B					
		Breakdown of MIG allocations for district municipalities authorised for services					Breakdown of WSIG allocations for district municipalities authorised for services					
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)
KWAZULU-NATAL												
B	KZN212 uMdoni	43 116	45 719	43 116	13 000	16 000	16 000	-	-	-	-	-
B	KZN213 uMzambe	76 806	81 441	76 806	9 500	11 000	13 000	-	-	-	-	-
B	KZN214 uMuziwabantu	34 381	36 456	34 381	12 500	14 000	14 350	-	-	-	-	-
B	KZN216 Ray Nkonyeni	81 735	86 669	81 735	15 000	19 000	19 000	-	-	-	-	-
	Total: Ugu Municipalities	236 038	250 285	236 038	50 000	60 000	62 350	-	-	-	-	-
B	KZN221 uMshwathi	27 125	28 762	27 125	17 000	18 000	19 000	-	-	-	-	-
B	KZN222 uMngeni	17 951	19 035	17 951	19 000	14 000	14 000	-	-	-	-	-
B	KZN223 Mpoiana	7 145	7 577	7 145	12 000	15 000	17 000	-	-	-	-	-
B	KZN224 iMpindle	10 430	11 060	10 430	8 000	14 000	14 000	-	-	-	-	-
B	KZN226 Mkhambathini	17 694	18 762	17 694	16 000	16 000	18 000	-	-	-	-	-
B	KZN227 Richmond	16 598	17 600	16 598	8 000	13 000	13 000	-	-	-	-	-
	Total: uMgungundlovu Municipalities	96 943	102 796	96 943	80 000	90 000	95 000	-	-	-	-	-
B	KZN235 Okhahlamba	43 192	45 799	43 192	46 000	45 000	40 000	-	-	-	-	-
B	KZN237 iNkosi Langalibalele	58 283	61 800	58 283	32 000	33 000	32 000	-	-	-	-	-
B	KZN238 Alfred Duma	77 463	82 138	77 463	30 000	35 940	28 000	-	-	-	-	-
	Total: uThukela Municipalities	178 938	189 737	178 938	108 000	113 940	100 000	-	-	-	-	-
B	KZN241 eNdameni	8 872	9 407	8 872	19 000	23 000	21 000	-	-	-	-	-
B	KZN242 Nquthu	47 098	49 940	47 098	12 374	16 235	19 000	-	-	-	-	-
B	KZN244 uMsinga	77 911	82 614	77 911	15 000	19 000	17 000	-	-	-	-	-
B	KZN245 uMxoti	49 607	52 601	49 607	22 000	20 000	18 000	-	-	-	-	-
	Total: uMzinyathi Municipalities	183 488	194 562	183 488	68 374	78 235	75 000	-	-	-	-	-
B	KZN253 eMadlangeni	10 045	10 651	10 045	26 000	27 000	38 000	-	-	-	-	-
B	KZN254 Darnhauser	25 994	27 563	25 994	20 000	23 000	27 000	-	-	-	-	-
	Total: AmaJoba Municipalities	36 039	38 214	36 039	46 000	50 000	65 000	-	-	-	-	-

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B					Schedule 6, Part B					
		Breakdown of MIG allocations for district municipalities authorised for services					Breakdown of WSIG allocations for district municipalities authorised for services					
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)
B	KZN261 eDumbe	15 328	16 253	15 328	10 000	15 000	17 000	-	-	-	-	-
B	KZN262 uPhongolo	43 815	46 460	43 815	18 000	17 500	21 000	-	-	-	-	-
B	KZN263 Abaqulusi	47 026	49 864	47 026	21 000	18 000	21 000	-	-	-	-	-
B	KZN265 Nongoma	68 794	72 946	68 794	29 000	30 000	29 000	-	-	-	-	-
B	KZN266 Ulundi	45 611	48 364	45 611	22 000	25 000	22 000	-	-	-	-	-
Total: Zululand Municipalities		220 574	233 887	220 574	100 000	105 500	110 000	-	-	-	-	-
B	KZN271 uMhlabuyalingana	59 000	62 561	59 000	23 000	23 000	22 000	-	-	-	-	-
B	KZN272 Jozini	70 596	74 857	70 596	19 000	20 200	23 000	-	-	-	-	-
B	KZN275 Mtubatuba	53 001	56 200	53 001	21 000	21 000	22 000	-	-	-	-	-
B	KZN276 Big Five Hlabisa	27 362	29 014	27 362	17 000	20 200	23 000	-	-	-	-	-
Total: uMhlabuyalingana Municipalities		209 959	222 632	209 959	80 000	84 400	90 000	-	-	-	-	-
B	KZN281 uMfolozi	31 685	33 597	31 685	22 000	24 500	26 000	-	-	-	-	-
B	KZN284 uMlalazi	72 177	76 533	72 177	25 000	23 500	25 000	-	-	-	-	-
B	KZN285 Mthonjaneni	27 683	29 354	27 683	22 000	22 615	24 000	-	-	-	-	-
B	KZN286 Nkandla	34 274	36 342	34 274	31 000	27 500	30 000	-	-	-	-	-
Total: King Cetshwayo Municipalities		165 819	175 826	165 819	100 000	98 115	105 000	-	-	-	-	-
B	KZN291 Mandeni	40 937	43 408	40 937	22 000	19 000	18 000	-	-	-	-	-
B	KZN292 KwaDukuza	61 324	65 025	61 324	21 000	18 000	20 000	-	-	-	-	-
B	KZN293 Ndwedwe	42 885	45 473	42 885	28 000	25 000	27 000	-	-	-	-	-
B	KZN294 Maphumulo	42 451	45 013	42 451	19 000	13 000	15 000	-	-	-	-	-
Total: iLembe Municipalities		187 597	198 919	187 597	90 000	75 000	80 000	-	-	-	-	-
B	KZN433 Greater Kokstad	10 143	10 755	10 143	14 000	16 000	17 000	-	-	-	-	-
B	KZN434 uBuhlebezwe	46 161	48 947	46 161	18 000	20 000	21 000	-	-	-	-	-
B	KZN435 uMzimkhulu	94 921	100 650	94 921	17 000	21 000	22 000	-	-	-	-	-
B	KZN436 Dr Nkosazana Dlamini Zuma	44 635	47 329	44 635	11 000	13 000	15 000	-	-	-	-	-
Total: Harry Gwala Municipalities		195 860	207 681	195 860	60 000	70 000	75 000	-	-	-	-	-
Total: KwaZulu-Natal Municipalities		1 711 255	1 814 539	1 711 255	782 374	825 190	857 350	-	-	-	-	-

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B				Schedule 6, Part B				
		Breakdown of MIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of MIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	National and Municipal Financial Year	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	National and Municipal Financial Year	
LIMPOPO										
B	LIM331	112 641	119 439	112 641	20 000	50 000	30 000	50 233	105 600	100 692
B	LIM332	89 167	94 549	89 167	7 000	23 950	20 000	15 000	45 000	59 000
B	LIM333	177 628	188 349	177 628	5 000	20 000	19 000	15 000	20 000	38 000
B	LIM334	31 649	33 559	31 649	8 000	23 000	21 000	20 000	25 000	42 000
B	LIM335	38 210	40 517	38 210	-	-	-	-	-	-
	Total: Mopani Municipalities	449 295	476 413	449 295	40 000	116 050	90 000	100 233	195 600	239 692
B	LIM341	27 587	29 252	27 587	9 000	11 000	13 000	-	-	-
B	LIM343	185 924	197 144	185 924	16 000	13 000	15 000	-	-	-
B	LIM344	158 786	168 370	158 786	12 000	13 750	18 000	-	-	-
B	LIM345	137 471	145 769	137 471	13 000	15 000	19 000	-	-	-
	Total: Vhembe Municipalities	509 768	540 535	509 768	50 000	52 750	65 000	-	-	-
B	LIM351	79 627	84 433	79 627	30 000	33 775	45 000	-	-	-
B	LIM353	53 123	56 330	53 123	40 000	42 000	47 000	-	-	-
B	LIM355	93 038	98 654	93 038	35 000	35 000	24 867	-	-	-
	Total: Capricorn Municipalities	225 788	239 417	225 788	105 000	110 775	116 867	-	-	-
B	LIM471	46 674	49 491	46 674	20 000	17 000	21 000	-	-	-
B	LIM472	112 696	119 498	112 696	15 000	14 000	16 000	-	-	-
B	LIM473	128 621	136 384	128 621	15 000	15 000	19 912	-	-	-
B	LIM476	182 204	193 199	182 204	20 000	17 471	21 000	-	-	-
	Total: Sekhukhune Municipalities	470 195	498 572	470 195	70 000	63 471	77 912	-	-	-
	Total: Limpopo Municipalities	1 655 046	1 754 937	1 655 046	265 000	343 046	349 779	100 233	195 600	239 692
NORTH WEST										
B	NW381	48 376	51 296	48 376	-	-	-	11 000	15 000	13 000
B	NW382	37 382	39 638	37 382	-	-	-	9 000	14 000	14 000
B	NW383	108 103	114 627	108 103	-	-	-	21 000	30 000	20 000
B	NW384	44 715	47 414	44 715	-	-	-	13 000	21 000	22 000
B	NW385	55 923	59 299	55 923	-	-	-	16 000	20 000	21 000
	Total: Ngaka Modiri Molema Municipalities	294 499	312 274	294 499	-	-	-	70 000	100 000	90 000
B	NW392	11 500	12 194	11 500	20 000	19 000	24 000	-	-	-
B	NW393	9 815	10 407	9 815	18 000	24 000	22 000	-	-	-
B	NW394	71 595	75 916	71 595	23 000	22 000	26 868	-	-	-
B	NW396	3 971	4 210	3 971	25 000	25 000	23 000	-	-	-
B	NW397	36 513	38 717	36 513	19 000	20 775	21 000	-	-	-
	Total: Dr Ruth Segomotsi Mompati Municipalities	133 394	141 444	133 394	105 000	110 775	116 868	-	-	-
	Total: North West Municipalities	427 893	453 718	427 893	105 000	110 775	116 868	70 000	100 000	90 000
	Unallocated	-	-	-	-	-	-	-	-	-
	National Total	5 650 970	5 992 039	5 650 970	1 612 835	1 789 631	1 949 866	170 233	295 600	329 692

APPENDIX W3

**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY
(National and Municipal Financial Years)**

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

Category	Municipality	Project	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
			2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
EASTERN CAPE					
B	EC108 Kouga	Upgrading of sport field in KwaNomzamo	6 225	-	-
Total: Sarah Baartman Municipalities			6 225	-	-
B	EC124 Amahlathi	Construction of multi-purpose sport facility in Mlungisi (phase2)	12 000	-	-
Total: Amathole Municipalities			12 000	-	-
B	EC156 Mhlonlo	Upgrading of Mvumelwano sport field (phase2)	11 000	-	-
Total: O.R. Tambo Municipalities			11 000	-	-
Total: Eastern Cape Municipalities			29 225	-	-
FREE STATE					
B	FS181 Masilonyana	Construction of sport center at Tshepong /Verkeerdevlei	9 000	-	-
Total: Lejweleputswa Municipalities			9 000	-	-
B	FS193 Nketoana	Construction of the Lindley/Ntha sport facility and stadium	13 000	-	-
Total: Thabo Mofutsanyana Municipalities			13 000	-	-
B	FS204 Metsimaholo	Construction of Refenggotso sport complex	7 000	-	-
Total: Fezile Dabi Municipalities			7 000	-	-
Total: Free State Municipalities			29 000	-	-
GAUTENG					
B	GT422 Midvaal	Upgrading of Bantu Bonke sport complex	10 000	-	-
Total: Sedibeng Municipalities			10 000	-	-
Total: Gauteng Municipalities			10 000	-	-
KWAZULU-NATAL					
B	KZN222 uMngeni	Upgrading of Mpophomeni stadium	11 000	-	-
Total: uMgungundlovu Municipalities			11 000	-	-
B	KZN244 uMsinga	Construction of Gxushaneni sport facility	12 000	-	-
Total: uMzinyathi Municipalities			12 000	-	-
B	KZN435 uMzimkhulu	Construction of Umzimkhulu Centre	12 000	-	-
Total: Harry Gwala Municipalities			12 000	-	-
Total: KwaZulu-Natal Municipalities			35 000	-	-
LIMPOPO					
B	LIM345 Collins Chabane	Construction of Davhana Stadium (phase1)	12 000	-	-
Total: Vhembe Municipalities			12 000	-	-
B	LIM354 Polokwane	Construction of Molejje field and soft ball field	30 000	-	-
Total: Capricorn Municipalities			30 000	-	-
Total: Limpopo Municipalities			42 000	-	-
MPUMALANGA					
B	MP307 Govan Mbeki	Upgrading of Lebohan Stadium in Leandra	11 000	-	-
Total: Gert Sibande Municipalities			11 000	-	-
B	MP314 Emakhazeni	Upgrading of Siyathuthuka Stadium	11 000	-	-
Total: Nkangala Municipalities			11 000	-	-
Total: Mpumalanga Municipalities			22 000	-	-
NORTHERN CAPE					
B	NC073 Emthanjeni	Upgrading of Khwezi Sport Grounds	11 941	-	-
Total: Pixley Ka Seme Municipalities			11 941	-	-
B	NC087 Dawid Kruiper	The development of sport grounds in Rosedale	9 000	-	-
Total: Z.F. Mgcawu Municipalities			9 000	-	-
B	NC093 Magareng	Upgrading of Warrenton Stadium	15 000	-	-
Total: Frances Baard Municipalities			15 000	-	-
Total: Northern Cape Municipalities			35 941	-	-

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

			Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
Category	Municipality	Project	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
NORTH WEST					
B	NW383 Mafikeng	Construction of tennis courts at Mmabatho Stadium	20 000	-	-
Total: Ngaka Modiri Molema Municipalities			20 000	-	-
B	NW397 Kagisano-Molopo	Construction of Peterplepessis sport facilities	9 500	-	-
Total: Dr Ruth Segomotsi Mompati Municipalities			9 500	-	-
B	NW405 JB Marks	Upgrading of Ikageng sport facilities	12 000	-	-
Total: Dr Kenneth Kaunda Municipalities			12 000	-	-
Total: North West Municipalities			41 500	-	-
WESTERN CAPE					
B	WC032 Overstrand	Upgrading of the Hawston Sport Grounds in Overstrand	10 000	-	-
Total: Overberg Municipalities			10 000	-	-
B	WC052 Prince Albert	Construction of sport fields and sport facilities in Prince Albert (phase 1)	11 500	-	-
Total: Central Karoo Municipalities			11 500	-	-
Total: Western Cape Municipalities			21 500	-	-
Unallocated			-	266 166	266 166
National Total			266 166	266 166	266 166

APPENDIX W4

**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT
FOR MUNICIPALITIES**

(National and Municipal Financial Years)

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2019/20	National and Municipal Financial Year		
			2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
EASTERN CAPE					
A	BUF Buffalo City	3 256	9 956	-	-
A	NMA Nelson Mandela Bay	3 828	8 950	-	-
B	EC101 Dr Beyers Naude	96	1 251	-	-
B	EC102 Blue Crane Route	74	1 410	-	-
B	EC104 Makana	110	1 131	-	-
B	EC105 Ndlambe	119	1 002	-	-
B	EC106 Sundays River Valley	113	1 019	-	-
B	EC108 Kouga	137	1 000	-	-
B	EC109 Kou-Kamma	74	1 087	-	-
C	DC10 Sarah Baartman District Municipality	-	-	-	-
Total: Sarah Baartman Municipalities		723	7 900	-	-
B	EC121 Mbashe	307	5 630	-	-
B	EC122 Mquma	267	1 740	-	-
B	EC123 Great Kei	59	1 189	-	-
B	EC124 Amahlathi	126	1 236	-	-
B	EC126 Ngqushwa	113	1 901	-	-
B	EC129 Raymond Mhlaba	189	2 766	-	-
C	DC12 Amathole District Municipality	1 703	2 466	-	-
Total: Amathole Municipalities		2 764	16 928	-	-
B	EC131 Inxuba Yethemba	80	1 284	-	-
B	EC135 Intsika Yethu	202	2 591	-	-
B	EC136 Emalahleni	160	2 261	-	-
B	EC137 Engcobo	187	2 883	-	-
B	EC138 Sakhisizwe	90	1 480	-	-
B	EC139 Enoch Mgijima	268	4 422	-	-
C	DC13 Chris Hani District Municipality	1 179	4 642	-	-
Total: Chris Hani Municipalities		2 166	19 563	-	-
B	EC141 Elundini	189	2 883	-	-
B	EC142 Senqu	181	2 384	-	-
B	EC145 Walter Sisulu	94	1 565	-	-
C	DC14 Joe Gqabi District Municipality	632	1 504	-	-
Total: Joe Gqabi Municipalities		1 096	8 336	-	-
B	EC153 Ngquza Hill	231	1 407	-	-
B	EC154 Port St Johns	153	1 462	-	-
B	EC155 Nyandeni	256	1 444	-	-
B	EC156 Mhlontlo	196	1 781	-	-
B	EC157 King Sabata Dalindyebo	385	3 735	-	-
C	DC15 O.R. Tambo District Municipality	2 552	6 294	-	-
Total: O.R. Tambo Municipalities		3 773	16 123	-	-
B	EC441 Matatiele	234	3 257	-	-
B	EC442 Umzimvubu	214	2 512	-	-
B	EC443 Mbizana	221	2 452	-	-
B	EC444 Ntabankulu	127	1 621	-	-
C	DC44 Alfred Nzo District Municipality	1 585	9 174	-	-
Total: Alfred Nzo Municipalities		2 381	19 016	-	-
Total: Eastern Cape Municipalities		19 987	89 844	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2019/20	National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
FREE STATE							
A	MAN	Mangaung	3 117	1 382	-	-	
B	FS161	Letsemeng	80	1 000	-	-	
B	FS162	Kopanong	95	1 186	-	-	
B	FS163	Mohokare	83	1 000	-	-	
C	DC16	Xhariep District Municipality	15	1 136	-	-	
Total: Xhariep Municipalities			273	4 322	-	-	
B	FS181	Masilonyana	104	1 000	-	-	
B	FS182	Tokologo	80	1 138	-	-	
B	FS183	Tswelopele	81	1 319	-	-	
B	FS184	Matjhabeng	480	1 236	-	-	
B	FS185	Nala	130	1 097	-	-	
C	DC18	Lejweleputswa District Municipality	13	1 000	-	-	
Total: Lejweleputswa Municipalities			888	6 790	-	-	
B	FS191	Setsoto	207	1 769	-	-	
B	FS192	Dihlabeng	169	1 375	-	-	
B	FS193	Nketoana	113	1 101	-	-	
B	FS194	Maluti-a-Phofung	714	6 077	-	-	
B	FS195	Phumelela	95	1 000	-	-	
B	FS196	Mantsopa	100	1 677	-	-	
C	DC19	Thabo Mofutsanyana District Municipality	22	1 696	-	-	
Total: Thabo Mofutsanyana Municipalities			1 420	14 695	-	-	
B	FS201	Moqhaka	170	1 000	-	-	
B	FS203	Ngwathe	182	1 377	-	-	
B	FS204	Metsimaholo	189	1 157	-	-	
B	FS205	Mafube	101	1 000	-	-	
C	DC20	Fezile Dabi District Municipality	-	-	-	-	
Total: Fezile Dabi Municipalities			642	4 534	-	-	
Total: Free State Municipalities			6 340	24 933	-	-	
GAUTENG							
A	EKU	City of Ekurhuleni	8 367	22 022	-	-	
A	JHB	City of Johannesburg	7 902	23 955	-	-	
A	TSH	City of Tshwane	6 856	23 016	-	-	
B	GT421	Emfuleni	705	3 559	-	-	
B	GT422	Midvaal	144	1 564	-	-	
B	GT423	Lesedi	122	1 460	-	-	
C	DC42	Sedibeng District Municipality	15	1 173	-	-	
Total: Sedibeng Municipalities			986	7 756	-	-	
B	GT481	Mogale City	515	4 481	-	-	
B	GT484	Merafong City	271	1 000	-	-	
B	GT485	Rand West City	395	3 011	-	-	
C	DC48	West Rand District Municipality	14	1 080	-	-	
Total: West Rand Municipalities			1 195	9 572	-	-	
Total: Gauteng Municipalities			25 306	76 749	-	-	

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2019/20	National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
KWAZULU-NATAL							
A	ETH	eThekweni	9 085	78 757	-	-	-
B	KZN212	uMdoni	136	1 228	-	-	-
B	KZN213	uMzambe	153	1 564	-	-	-
B	KZN214	uMuziwabantu	107	1 219	-	-	-
B	KZN216	Ray Nkonyeni	297	4 405	-	-	-
C	DC21	Ugu District Municipality	999	4 523	-	-	-
Total: Ugu Municipalities			1 692	12 939	-	-	-
B	KZN221	uMshwathi	125	1 322	-	-	-
B	KZN222	uMngeni	103	1 000	-	-	-
B	KZN223	Mpofana	62	1 148	-	-	-
B	KZN224	iMpindle	62	1 257	-	-	-
B	KZN225	Msunduzi	825	4 200	-	-	-
B	KZN226	Mkhambathini	82	1 440	-	-	-
B	KZN227	Richmond	94	1 716	-	-	-
C	DC22	uMgungundlovu District Municipality	442	3 368	-	-	-
Total: uMgungundlovu Municipalities			1 795	15 451	-	-	-
B	KZN235	Okhahlamba	143	2 539	-	-	-
B	KZN237	iNkosi Langalibalele	175	2 149	-	-	-
B	KZN238	Alfred Duma	292	3 930	-	-	-
C	DC23	uThukela District Municipality	809	7 054	-	-	-
Total: uThukela Municipalities			1 419	15 672	-	-	-
B	KZN241	eNdameni	77	1 410	-	-	-
B	KZN242	Nquthu	136	1 112	-	-	-
B	KZN244	uMsinga	197	3 905	-	-	-
B	KZN245	uMvoti	138	1 674	-	-	-
C	DC24	uMzinyathi District Municipality	795	4 624	-	-	-
Total: uMzinyathi Municipalities			1 343	12 725	-	-	-
B	KZN252	Newcastle	479	3 098	-	-	-
B	KZN253	eMadlangeni	49	1 037	-	-	-
B	KZN254	Dannhauser	98	1 021	-	-	-
C	DC25	Amajuba District Municipality	178	1 387	-	-	-
Total: Amajuba Municipalities			804	6 543	-	-	-
B	KZN261	eDumbe	86	1 267	-	-	-
B	KZN262	uPhongolo	143	2 513	-	-	-
B	KZN263	AbaQulusi	167	1 654	-	-	-
B	KZN265	Nongoma	150	2 016	-	-	-
B	KZN266	Ulundi	174	4 040	-	-	-
C	DC26	Zululand District Municipality	995	8 818	-	-	-
Total: Zululand Municipalities			1 715	20 308	-	-	-
B	KZN271	uMhlabuyalingana	182	3 525	-	-	-
B	KZN272	Jozini	188	3 217	-	-	-
B	KZN275	Mtubatuba	152	2 148	-	-	-
B	KZN276	Big Five Hlabisa	116	2 506	-	-	-
C	DC27	uMkhanyakude District Municipality	899	4 674	-	-	-
Total: uMkhanyakude Municipalities			1 537	16 070	-	-	-
B	KZN281	uMfolozi	130	2 171	-	-	-
B	KZN282	uMhlathuze	475	4 492	-	-	-
B	KZN284	uMlalazi	197	3 068	-	-	-
B	KZN285	Mthonjaneni	96	2 026	-	-	-
B	KZN286	Nkandla	120	2 409	-	-	-
C	DC28	King Cetshwayo District Municipality	754	6 763	-	-	-
Total: King Cetshwayo Municipalities			1 772	20 929	-	-	-
B	KZN291	Mandeni	167	2 234	-	-	-
B	KZN292	KwaDukuza	224	1 729	-	-	-
B	KZN293	Ndwedwe	134	1 348	-	-	-
B	KZN294	Maphumulo	104	1 325	-	-	-
C	DC29	iLembe District Municipality	777	2 019	-	-	-
Total: iLembe Municipalities			1 406	8 655	-	-	-
B	KZN433	Greater Kokstad	116	3 700	-	-	-
B	KZN434	uBuhlebezwe	128	1 793	-	-	-
B	KZN435	uMzimkhulu	200	2 352	-	-	-
B	KZN436	Dr Nkosazana Dlamini Zuma	137	2 381	-	-	-
C	DC43	Harry Gwala District Municipality	852	5 316	-	-	-
Total: Harry Gwala Municipalities			1 433	15 542	-	-	-
Total: KwaZulu-Natal Municipalities			24 001	208 140	-	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2019/20	National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
LIMPOPO							
B	LIM331	Greater Giyani	281	3 362	-	-	
B	LIM332	Greater Letaba	241	1 225	-	-	
B	LIM333	Greater Tzaneen	443	5 749	-	-	
B	LIM334	Ba-Phalaborwa	140	1 142	-	-	
B	LIM335	Maruleng	119	1 113	-	-	
C	DC33	Mopani District Municipality	1 815	3 292	-	-	
Total: Mopani Municipalities				3 039	15 883	-	-
B	LIM341	Musina	128	1 139	-	-	
B	LIM343	Thulamela	485	7 477	-	-	
B	LIM344	Makhado	373	1 863	-	-	
B	LIM345	Collins Chabane	335	1 169	-	-	
C	DC34	Vhembe District Municipality	2 029	1 589	-	-	
Total: Vhembe Municipalities				3 350	13 237	-	-
B	LIM351	Blouberg	187	1 072	-	-	
B	LIM353	Molemole	152	1 167	-	-	
B	LIM354	Polokwane	1 374	4 201	-	-	
B	LIM355	Lepele-Nkumpi	226	1 172	-	-	
C	DC35	Capricorn District Municipality	956	4 340	-	-	
Total: Capricorn Municipalities				2 895	11 952	-	-
B	LIM361	Thabazimbi	144	1 105	-	-	
B	LIM362	Lephalale	188	1 407	-	-	
B	LIM366	Bela-Bela	115	1 046	-	-	
B	LIM367	Mogalakwena	627	1 294	-	-	
B	LIM368	Modimolle-Mookgophong	163	1 000	-	-	
C	DC36	Waterberg District Municipality	-	-	-	-	
Total: Waterberg Municipalities				1 237	5 852	-	-
B	LIM471	Ephraim Mogale	147	1 317	-	-	
B	LIM472	Elias Motsaedi	232	1 374	-	-	
B	LIM473	Makhuduthamaga	256	1 070	-	-	
B	LIM476	Fetakgomo Tubatse	352	1 786	-	-	
C	DC47	Sekhukhune District Municipality	1 888	2 665	-	-	
Total: Sekhukhune Municipalities				2 875	8 212	-	-
Total: Limpopo Municipalities				13 396	41 899	-	-
MPUMALANGA							
B	MP301	Chief Albert Luthuli	372	2 445	-	-	
B	MP302	Msukaligwa	243	2 879	-	-	
B	MP303	Mkhondo	335	2 264	-	-	
B	MP304	Dr Pixley ka Isaka Seme	120	1 345	-	-	
B	MP305	Lekwa	125	1 000	-	-	
B	MP306	Dipaleseng	95	1 707	-	-	
B	MP307	Govan Mbeki	246	1 599	-	-	
C	DC30	Gert Sibande District Municipality	43	3 283	-	-	
Total: Gert Sibande Municipalities				1 579	16 522	-	-
B	MP311	Victor Khanye	121	1 851	-	-	
B	MP312	Emalahleni	527	4 556	-	-	
B	MP313	Sieve Tshwete	242	3 723	-	-	
B	MP314	Emakhazeni	86	1 182	-	-	
B	MP315	Thembisile Hani	507	2 029	-	-	
B	MP316	Dr JS Moroka	528	3 078	-	-	
C	DC31	Nkangala District Municipality	28	2 131	-	-	
Total: Nkangala Municipalities				2 039	18 550	-	-
B	MP321	Thaba Chweu	209	1 818	-	-	
B	MP324	Nkomazi	961	6 374	-	-	
B	MP325	Bushbuckridge	1 517	4 453	-	-	
B	MP326	City of Mbombela	1 378	5 836	-	-	
C	DC32	Ehlanzeni District Municipality	41	3 173	-	-	
Total: Ehlanzeni Municipalities				4 106	21 654	-	-
Total: Mpumalanga Municipalities				7 724	38 176	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2019/20	National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
NORTHERN CAPE							
B	NC061	Richtersveld	-	-	-	-	
B	NC062	Nama Khoi	71	1 058	-	-	
B	NC064	Kamiesberg	42	1 000	-	-	
B	NC065	Hantam	59	1 595	-	-	
B	NC066	Karoo Hoogland	-	-	-	-	
B	NC067	Khâi-Ma	43	1 000	-	-	
C	DC6	Namakwa District Municipality	13	1 000	-	-	
Total: Namakwa Municipalities				228	5 653	-	-
B	NC071	Ubuntu	52	1 000	-	-	
B	NC072	Umsobomvu	60	1 117	-	-	
B	NC073	Emthanjeni	63	1 220	-	-	
B	NC074	Kareeberg	45	1 085	-	-	
B	NC075	Renosterberg	42	1 023	-	-	
B	NC076	Thembelihle	50	1 000	-	-	
B	NC077	Siyathemba	53	1 131	-	-	
B	NC078	Siyancuma	78	1 010	-	-	
C	DC7	Pixley Ka Seme District Municipality	14	1 093	-	-	
Total: Pixley Ka Seme Municipalities				457	9 679	-	-
B	NC082	!Kai !Garib	102	1 146	-	-	
B	NC084	!Kheis	55	1 000	-	-	
B	NC085	Tsantsabane	76	1 130	-	-	
B	NC086	Kgatelopele	45	1 055	-	-	
B	NC087	Dawid Kruiper	117	1 437	-	-	
C	DC8	Z.F. Mgcawu District Municipality	14	1 089	-	-	
Total: Z.F. Mgcawu Municipalities				409	6 857	-	-
B	NC091	Sol Plaatjie	241	3 608	-	-	
B	NC092	Dikgatlong	89	1 000	-	-	
B	NC093	Magareng	57	1 000	-	-	
B	NC094	Phokwane	117	1 142	-	-	
C	DC9	Frances Baard District Municipality	17	1 270	-	-	
Total: Frances Baard Municipalities				521	8 020	-	-
B	NC451	Joe Morolong	251	1 319	-	-	
B	NC452	Ga-Segonyana	225	1 274	-	-	
B	NC453	Gamagara	62	1 249	-	-	
C	DC45	John Taolo Gaetsewe District Municipality	14	1 088	-	-	
Total: John Taolo Gaetsewe Municipalities				552	4 930	-	-
Total: Northern Cape Municipalities				2 167	25 460	-	-
NORTH WEST							
B	NW371	Moretele	485	2 858	-	-	
B	NW372	Madibeng	1 117	1 403	-	-	
B	NW373	Rustenburg	966	3 786	-	-	
B	NW374	Kgetlengrivier	120	1 461	-	-	
B	NW375	Moses Kotane	606	1 695	-	-	
C	DC37	Bojanala Platinum District Municipality	19	1 437	-	-	
Total: Bojanala Platinum Municipalities				3 313	12 640	-	-
B	NW381	Ratlou	135	1 571	-	-	
B	NW382	Tswaing	130	1 232	-	-	
B	NW383	Mafikeng	274	2 675	-	-	
B	NW384	Ditsobotla	168	1 922	-	-	
B	NW385	Ramotshere Moiloa	158	1 000	-	-	
C	DC38	Ngaka Modiri Molema District Municipality	1 184	1 235	-	-	
Total: Ngaka Modiri Molema Municipalities				2 049	9 635	-	-
B	NW392	Naledi	86	1 569	-	-	
B	NW393	Mamusa	77	1 207	-	-	
B	NW394	Greater Taung	203	1 286	-	-	
B	NW396	Lekwa-Teemane	72	1 055	-	-	
B	NW397	Kagisano-Molopo	150	2 513	-	-	
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	567	2 050	-	-	
Total: Dr Ruth Segomotsi Mompati Municipalities				1 155	9 680	-	-
B	NW403	City of Matlosana	367	1 983	-	-	
B	NW404	Maquassi Hills	123	1 000	-	-	
B	NW405	JB Marks	287	2 097	-	-	
C	DC40	Dr Kenneth Kaunda District Municipality	21	1 649	-	-	
Total: Dr Kenneth Kaunda Municipalities				798	6 729	-	-
Total: North West Municipalities				7 315	29 049	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2019/20	National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
WESTERN CAPE							
A	CPT	City of Cape Town	6 512	32 877	-	-	
B	WC011	Matzikama	104	1 578	-	-	
B	WC012	Cederberg	86	1 954	-	-	
B	WC013	Bergrivier	75	1 422	-	-	
B	WC014	Saldanha Bay	109	2 502	-	-	
B	WC015	Swartland	106	1 768	-	-	
C	DC1	West Coast District Municipality	13	1 027	-	-	
Total: West Coast Municipalities			493	10 251	-	-	
B	WC022	Witzenberg	117	2 299	-	-	
B	WC023	Drakenstein	204	5 185	-	-	
B	WC024	Stellenbosch	208	5 227	-	-	
B	WC025	Breede Valley	176	3 215	-	-	
B	WC026	Langeberg	112	2 033	-	-	
C	DC2	Cape Winelands District Municipality	21	1 581	-	-	
Total: Cape Winelands Municipalities			838	19 540	-	-	
B	WC031	Theewaterskloof	127	1 857	-	-	
B	WC032	Overstrand	120	2 635	-	-	
B	WC033	Cape Agulhas	66	1 740	-	-	
B	WC034	Swellendam	68	1 604	-	-	
C	DC3	Overberg District Municipality	16	1 243	-	-	
Total: Overberg Municipalities			397	9 079	-	-	
B	WC041	Kannaland	55	1 184	-	-	
B	WC042	Hessequa	67	1 108	-	-	
B	WC043	Mossel Bay	130	2 798	-	-	
B	WC044	George	222	5 111	-	-	
B	WC045	Oudtshoorn	120	2 728	-	-	
B	WC047	Bitou	113	2 579	-	-	
B	WC048	Knysna	117	1 497	-	-	
C	DC4	Garden Route District Municipality	21	1 629	-	-	
Total: Garden Route Municipalities			845	18 634	-	-	
B	WC051	Laingsburg	42	1 238	-	-	
B	WC052	Prince Albert	44	1 180	-	-	
B	WC053	Beaufort West	79	1 924	-	-	
C	DC5	Central Karoo District Municipality	16	1 231	-	-	
Total: Central Karoo Municipalities			181	5 573	-	-	
Total: Western Cape Municipalities			9 266	76 414	-	-	
Unallocated			-	-	771 174	814 414	
National Total			115 502	610 664	771 174	814 414	

APPENDIX W5

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER
PROJECT**

(National and Municipal Financial Years)

APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B				Schedule 6, Part B			
					National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE												
A	NMA Nelson Mandela Bay Metropolitan Municipality		Nelson Mandela Bay Metropolitan Municipality									
Total: Nelson Mandela Bay Metropolitan Municipality												
B	Dr Beyers Naude Local Municipality	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality	-	-	-	-	-	-	-	-
RS05	Ikwezi Bulk Water Supply	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality	-	-	-	-	-	-	-	-
RS07	Misgund Bulk Water Supply	EC109	Kooi-kamma Local Municipality	Kooi-kamma Local Municipality	-	-	-	-	-	-	-	-
RS42	James Kleyinans Bulk Water Supply (BWS)	EC104	Makana Local Municipality	Makana Local Municipality	-	-	-	-	-	-	-	-
RS46	Belmont Waste Water Treatment Works (WWTW)	EC104	Makana Local Municipality	Makana Local Municipality	-	-	-	-	-	-	-	-
RS64	Makana Bulk Sewer	EC104	Makana Local Municipality	Makana Local Municipality	-	-	-	-	-	-	-	-
RS47	Mayfield Waste Water Treatment Works	EC104	Makana Local Municipality	Makana Local Municipality	-	-	-	-	-	-	-	-
RS01	Graaf-Reinet Emergency Water Supply Scheme (WSS)	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality	-	-	-	-	-	-	-	-
RL01	Ndlambe Bulk Water Supply	EC105	Ndlambe Local Municipality	Ndlambe Local Municipality	-	-	-	-	-	-	-	-
RS02	Sundays River - Paterson Bulk Water Supply	EC106	Sundays River Valley Local Municipality	Sundays River Valley Local Municipality	-	-	-	-	-	-	-	-
RS06	Kirkwood Water Treatment Works	EC106	Sundays River Valley Local Municipality	Sundays River Valley Local Municipality	-	-	-	-	-	-	-	-
Total: Sarah Baartman Municipalities					-	-	-	-	-	-	-	-
C	Amathole District Municipality	DC12	Amathole District Municipality	Mbhashe Local Municipality	-	-	-	-	-	-	-	-
RL16	Xhosa East Water Supply	DC12	Amathole District Municipality	Mbhashe Local Municipality	-	-	-	-	-	-	-	-
RL	Sundwana Water Supply	DC12	Amathole District Municipality	Mbhashe Local Municipality	-	-	-	-	-	-	-	-
RL	Butterworth Water Transfer Scheme	DC12	Amathole District Municipality	Mbhashe Local Municipality	-	-	-	-	-	-	-	-
RS	Nqamakhwe Bulk Water Supply	DC12	Amathole District Municipality	Mbhashe Local Municipality	-	-	-	-	-	-	-	-
Total: Amathole Municipalities					-	-	-	-	-	-	-	-
C	Chris Hani District Municipality (CHDM)	DC13	Chris Hani District Municipality (CHDM)	Engcobo Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Cluster 4 CHDM Bulk Water Supply	DC13	Chris Hani District Municipality (CHDM)	Engcobo Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Cluster 6 CHDM Bulk Water Supply	DC13	Chris Hani District Municipality	Engcobo Local Municipality	40 000	85 000	110 900	-	-	-	-	-
RBG 5b	Cluster 9 CHDM Bulk Water Supply	DC13	Chris Hani District Municipality	Engcobo Local Municipality	35 529	72 012	85 000	-	-	-	-	-
RBG 5b	Xonxa Bulk Water Supply	DC13	Chris Hani District Municipality	Engcobo Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Middleburg Ground Water Supply	DC13	Chris Hani District Municipality	Enoch Mgijima Local Municipality	30 000	80 000	-	-	-	-	-	-
Total: Chris Hani Municipalities					105 529	322 012	195 900	-	-	-	-	-
C	Joe Gqabi District Municipality	DC14	Joe Gqabi District Municipality	Senqou Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Lady Grey Bulk Water Supply	DC14	Joe Gqabi District Municipality	Senqou Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Sterkspruit Waste Water Treatment Works	DC14	Joe Gqabi District Municipality	Senqou Local Municipality	-	-	-	-	-	-	-	-
Total: Joe Gqabi Municipalities					-	-	-	-	-	-	-	-
C	O.R. Tambo District Municipality	DC15	O.R. Tambo District Municipality	King Sabata Dalindyebo Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	Coffee Bay Water Treatment Works	DC15	O.R. Tambo District Municipality	King Sabata Dalindyebo Local Municipality	-	-	-	-	-	-	-	-
RBG 5b	O.R. Tambo, Mthatha, King Sabata Dalindyebo Water Supply	DC15	O.R. Tambo District Municipality	King Sabata Dalindyebo Local Municipality	246 398	15 000	60 000	-	-	-	-	-
Total: O.R. Tambo Municipalities					246 398	15 000	60 000	-	-	-	-	-
C	Alfred Nzo District Municipality	DC44	Alfred Nzo District Municipality	Mantatele Local Municipality	-	-	-	-	-	-	-	-
RS08	Mantatele Bulk Water Supply Scheme	DC44	Alfred Nzo District Municipality	Mantatele Local Municipality	-	-	-	-	-	-	-	-
RS48	Kimira Regional BWSS	DC44	Alfred Nzo District Municipality	Mantatele Local Municipality	-	-	-	-	-	-	-	-
RS43	Ntabankulu Bulk Water Supply	DC44	Alfred Nzo District Municipality	Ntabankulu Local Municipality	-	-	-	-	-	-	-	-
RS49	Mount Afiif Bulk Peri Urban Water Supply	DC44	Alfred Nzo District Municipality	Unzimbubu Local Municipality	-	-	-	-	-	-	-	-
RS50	Mkemane Regional Bulk WSS	DC44	Alfred Nzo District Municipality	Unzimbubu Local Municipality	-	-	-	-	-	-	-	-
Total: Alfred Nzo Municipalities					-	-	-	-	-	-	-	-
Total: Eastern Cape Municipalities					351 727	377 012	408 647	408 647	332 693	377 366	400 743	

APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
FREE STATE										
RL61	Welbedacht Pipeline	A	MAN	Mangaung Metropolitan Municipality	-	-	-	192 000	53 064	-
	Total: Mangaung Metro				-	-	-	192 000	53 064	-
RS12	Jagersfontein/Fauresmith Bulk Water Supply	B	FSI 62	Komanieng Local Municipality	-	-	-	1 000	-	-
RBG 5b	Rouxville / Smithfield / Zaercon Bulk Water Supply	B	FSI 63	Mohalebe Local Municipality	30 000	5 000	-	-	-	-
	Total: Xhntrep Municipalities				30 000	5 000	-	1 000	-	-
RS52	Masilonyana Bulk Water Supply	B	FSI 81	Masilonyana Local Municipality	-	-	-	60 000	130 000	80 000
RL24	Tokologo Regional Water Supply 2	B	FSI 82	Tokologo Local Municipality	-	-	-	90 000	100 000	50 000
BEP	Deatysville Sewer main	B	FSI 82	Tokologo Local Municipality	-	-	-	43 500	-	-
BEP	Herzogsville Outfall sewer	B	FSI 82	Tokologo Local Municipality	-	-	-	3 000	-	-
RS18	Tswelopele Bulk Water Supply	B	FSI 83	Tswelopele Local Municipality	-	-	-	2 000	20 000	20 000
RL34	Muthjibeng Bulk Sewer (Wolkom)	B	FSI 84	Mafikabeng Local Municipality	-	-	-	-	40 000	121 960
	Total: Lephelepanya Municipalities				-	-	-	198 500	290 000	271 960
RBG 5b	Setsoho Bulk Water Supply	B	FSI 91	Setsoho Local Municipality	70 121	92 108	80 000	-	-	-
BEP	Cloocan Bucket Eradication Programme (BEP)	B	FSI 91	Setsoho Local Municipality	-	-	-	27 572	-	-
BEP	Senekal BEP	B	FSI 91	Setsoho Local Municipality	-	-	-	64 762	-	-
BEP	Ficksburg Outfall Sewer	B	FSI 91	Setsoho Local Municipality	-	-	-	19 349	-	-
BEP	Retz and Lindley BEP	B	FSI 93	Nketoana Local Municipality	-	-	-	13 700	-	-
BEP	Premis Steyn Outfall Sewer	B	FSI 93	Nketoana Local Municipality	-	-	-	7 788	-	-
BEP	Adifong Grey Water Package Plant	B	FSI 93	Nketoana Local Municipality	-	-	-	65 000	-	-
RL25	Dhlabeng Bulk Water Supply	B	FSI 92	Dhlabeng Local Municipality	-	-	-	-	-	20 000
RL12	Nketoana Regional Water Supply	B	FSI 93	Nketoana Local Municipality	-	-	-	50 000	80 000	80 000
RS19	Maluti-a-Phofung BWS Phase 2	B	FSI 94	Maluti-a-Phofung Local Municipality	-	-	-	50 832	50 000	50 000
RS13	Phumelela Bulk Water Supply	B	FSI 95	Phumelela Local Municipality	-	-	-	5 000	-	-
RBG 5b	Mantsopa-Tweespruit, Excelsior, Hobhouse Bulk Water Supply	B	FSI 96	Mantsopa Local Municipality	5 000	-	-	-	-	-
	Total: Thabo Mofutsanyana Municipalities				75 121	92 108	80 000	304 003	130 000	150 000
RS15	Moqhaka Bulk Water Supply	B	FS201	Moqhaka Local Municipality	-	-	-	-	10 000	50 000
RL23	Ngwathe Bulk Water Supply Phase 1 (Pharys)	B	FS203	Ngwathe Local Municipality	-	-	-	-	40 000	80 000
RBG 5b	Ngwathe Bulk Water Supply Phase 2	B	FS203	Ngwathe Local Municipality	38 000	52 500	77 836	-	-	-
RS51	Upgrading of Denesville WWTW	B	FS204	Meisimaholo Local Municipality	-	-	-	70 000	-	-
RS26	Frankfort Bulk Sewer (Maube)	B	FS205	Maube Local Municipality	-	-	-	30 000	50 000	50 000
	Total: Fezile Dabi Municipalities				38 000	52 500	77 836	100 000	100 000	180 000
	Total: Free State Municipalities				143 121	149 608	157 836	795 503	573 064	601 960
GAUTENG										
RM02	Sedibeng Regional Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality	-	-	-	-	-	220 000
RM05	Sebokeng Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality	-	-	-	76 800	152 000	150 000
RS55	Rothdene pump station and rising main	B	GT422	Midvaal Local Municipality	-	-	-	128 912	263 000	150 000
RL04	Meyerton Waste Water Treatment Works	B	GT422	Midvaal Local Municipality	-	-	-	80 000	80 000	-
	Total: Sedibeng Municipalities				-	-	-	342 461	520 000	370 000
RM06	Westonaria Regional Bulk Sanitation (Zuurbeekom)	B	GT485	Rand West City Local Municipality	-	-	-	70 000	100 000	274 214
RS56	Mohlakeng pump station and sewer outfall	B	GT485	Rand West City Local Municipality	-	-	-	37 500	48 924	61 500
	Total: West Rand Municipalities				-	-	-	107 500	148 924	335 714
	Total: Gauteng Municipalities				-	-	-	449 961	668 924	705 714

APPENDIX W5
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BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2019/20	2020/21	2021/22	2019/20	2020/21	2021/22
					(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
KWAZULU-NATAL										
RBIG 5b	Spionkop to Ladysmith BWS	C	DC23 uThukela District Municipality	Alfred Duma Local Municipality	-	100 000	400 000	-	-	-
RBIG 5b	Driefontein Indaka Bulk Water Supply	C	uThukela District Municipality	Alfred Duma Local Municipality	10 000	39 399	-	-	-	-
			Total: uThukela Municipalities		10 000	139 399	400 000	-	-	-
RBIG 5b	Greytown Regional Bulk Scheme	C	DC24 uMzinyathi District Municipality	uMvoti Local Municipality	20 000	13 497	-	-	-	-
			Total: uMzinyathi Municipalities		20 000	13 497	-	-	-	-
RBIG 5b	Nongoma Bulk Water Scheme	C	DC26 Zululand District Municipality	Nongoma Local Municipality	73 774	33 774	-	-	-	-
RBIG 5b	Mandlakazi Bulk Water Supply	C	DC26 Zululand District Municipality	uPhongolo and Nongoma Local Municipalities	90 000	100 000	200 000	-	-	-
			Total: Zululand Municipalities		163 774	133 774	200 000	-	-	-
RM01	Pongolapoort Bulk Water Scheme (Jozini)	C	DC27 Umkhanyakude District Municipality	Jozini Local Municipality	-	-	-	3 600	-	-
			Total: uMkhanyakude Municipalities		-	-	-	3 600	-	-
RBIG 5b	Greater Mthonjaneni Bulk Water Supply	C	DC28 King Cetshwayo District Municipality	Mthonjaneni and Nkandla Local Municipalities	30 000	30 000	37 316	-	-	-
RBIG 5b	Middledrift (Nkandla) Regional Bulk Water Supply	C	DC28 King Cetshwayo District Municipality	Nkandla Local Municipality	61 519	50 000	50 000	-	-	-
			Total: King Cetshwayo Municipalities		91 519	80 000	87 316	-	-	-
RBIG 5b	Ngebo Regional Water Bulk (Lower Tugela)	C	DC29 iLembe District Municipality	Maphumulo Local Municipality	35 000	30 000	70 000	-	-	-
			Total: Lembe Municipalities		35 000	30 000	70 000	-	-	-
RBIG 5b	Greater Bulwer Donnybrook Water Scheme	C	DC43 Harry Gwala District Municipality	Dr Nkomo/Dlamini Zuma and uBuhlebeze Local Municipalities	20 000	25 506	60 000	-	-	-
			Total: Harry Gwala Municipalities		20 000	25 506	60 000	-	-	-
			Total: KwaZulu-Natal Municipalities		340 293	422 176	817 316	3 600	-	-
LIMPOPO										
RL28	Giyani Bulk Water Supply Drought Relief	C	DC33 Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	114 234	100 000	150 000
RM08	Giyani Water Services	C	DC33 Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	114 028	150 000	144 258
RL29	Mameja Sekonoro Bulk Water Supply	C	DC33 Mopani District Municipality	Maruleng Local Municipality	-	-	-	70 000	80 000	90 000
RS135	Bambanana Pipeline	C	DC33 Mopani District Municipality	Maruleng Local Municipality	-	-	-	-	24 612	27 083
			Total: Mopani Municipalities		-	-	-	298 262	354 612	411 341
RL13	Sinthumule Kutiana Bulk Water Supply	C	DC34 Vhembe District Municipality	Makhado Local Municipality	-	-	-	-	50 000	80 000
			Total: Vhembe Municipalities		-	-	-	50 000	80 000	95 000
RBIG 5b	Polokwane Waste Water Treatment Works	B	LIM354 Polokwane Local Municipality	Polokwane Local Municipality	530 998	644 491	297 118	-	-	-
RBIG 5b	Polokwane Bulk Water Supply	B	LIM354 Polokwane Local Municipality	Polokwane Local Municipality	100 000	-	-	-	-	-
			Total: Capricorn Municipalities		630 998	644 491	297 118	-	-	-
RM04	Mogalakwena Bulk Water Supply	B	LIM367 Mogalakwena Local Municipality	Mogalakwena Local Municipality	-	-	-	183 558	250 000	300 000
			Total: Waterberg Municipalities		-	-	-	183 558	250 000	300 000
RL14	Mouse Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Ephraim Mogale and Elias Moselele Local Municipalities	-	-	-	75 000	-	-
RM12	Nebo Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Fetakgomo Tubase and Makhudumhaga Local Municipalities	-	-	-	50 000	70 000	90 000
RM07	Mooiloesk/Tubase Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Fetakgomo Tubase Local Municipality	-	-	-	90 000	95 000	-
			Total: Sekhukhune Municipalities		-	-	-	215 000	165 000	90 000
			Total: Limpopo Municipalities		630 998	644 491	297 118	746 820	849 612	896 341

APPENDIX W5
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BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					National and Municipal Financial Year			National and Municipal Financial Year		
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
MPUMALANGA										
RBG 5b	Empul/Methu/Amster Bulk Water Supply	C	MP301	Chief Albert Luthuli Local Municipality	100 000	101 000	-	-	-	-
RBG 5b	Lushuwane Bulk Water Scheme	C	MP301	Chief Albert Luthuli Local Municipality	65 000	-	-	-	-	-
RBG 5b	Eershehoek/Ekulineni Bulk Water Supply	C	MP301	Chief Albert Luthuli Local Municipality	57 000	-	-	-	-	-
RBG 5b	Amsterdam and Sheepmore Bulk Water Scheme	C	MP301	Chief Albert Luthuli Local Municipality	25 000	99 000	-	-	-	-
RBG 5b	Moskalfinawa regional water supply scheme (Phase1)	C	MP302	Masakhanya Local Municipality	40 000	20 000	-	-	-	-
RBG 5b	Barbour Waste Water Treatment Works	C	MP306	Dipatleseng Local Municipality	68 407	58 120	-	-	-	-
RBG 5b	Balf/Svat/Grey/W/ilem/Nthor Bulk Water Supply	C	MP306	Dipatleseng Local Municipality	48 000	10 000	-	-	-	-
				Total: Gerr Sibande Municipalities	330 000	318 407	-	-	-	-
RS44	Upgrade of Delmas Waste Water	B	MP311	Victor Khanye Local Municipality	-	-	15 000	-	-	-
RL35	Thembsile Water Scheme (Loskop)	B	MP315	Thembsile Hami Local Municipality	-	-	100 000	100 000	-	100 000
RL36	Western Highveld (Rust de Winter) Bulk Water Scheme	B	MP316	Dr. JS Moroka Local Municipality	-	-	10 000	22 366	-	50 000
				Total: Nkangala Municipalities	-	-	140 000	137 366	-	150 000
RBG 5b	Bushbuckridge Water Services (Canningmore)	B	MP325	Bushbuckridge Local Municipality	40 000	40 000	-	-	-	-
RL17	Northern Nkazi Bulk Water Supply	B	MP326	City of Mbombela	-	-	30 000	30 000	-	73 722
RS37	Dreokoppes Upgrading	B	MP324	Nkomazi Local Municipality	-	-	71 863	70 000	-	134 087
RS30	Sibange Bulk Water Supply	B	MP324	Nkomazi Local Municipality	-	-	50 000	60 000	-	20 000
				Total: Ehlanzeni Municipalities	40 000	40 000	151 863	160 000	-	227 809
				Total: Mpumalanga Municipalities	370 000	358 407	378 120	297 366	-	377 809
NORTHERN CAPE										
RS129	Bulk Water Supply to Porth Nolloth	B	NC061	Richtersveld Local Municipality	-	-	-	21 782	25 000	10 000
BEP	Nama Khoi BEP	B	NC062	Nama Khoi Local Municipality	-	-	-	171	-	-
RBG 5b	Williston Bulk Water Supply	B	NC066	Karoo Hoogland Local Municipality	20 000	-	-	-	-	-
RBG 5b	Bulk Water Supply to Brandvlei (Hantam)	B	NC065	Hantam Local Municipality	21 503	7 256	8 000	-	-	-
				Total: Namaqualand Municipalities	41 503	7 256	8 000	21 953	25 000	10 000
RBG 5b	Britstown Oxidation Ponds	B	NC073	Emthanjeni Local Municipality	3 910	-	-	-	-	-
BEP	Britstown BEP	B	NC073	Emthanjeni Local Municipality	-	-	-	195	-	-
BEP	Marydale BEP	B	NC077	Siyathemba Local Municipality	-	-	-	5 948	-	-
BEP	Brepaal BEP	B	NC078	Siyancuma Local Municipality	-	-	-	311	-	-
BEP	Campbell BEP	B	NC078	Siyancuma Local Municipality	-	-	-	29 487	-	-
BEP	Griekwastad BEP	B	NC078	Siyancuma Local Municipality	-	-	-	3 600	-	-
BEP	Petrusville BEP	B	NC075	Renosterberg Local Municipality	-	-	-	592	-	-
BEP	Victoria West BEP	B	NC071	Umtata Local Municipality	-	-	-	13 970	-	-
RS130	De Aar Borehole Development	B	NC073	Emthanjeni Local Municipality	-	-	-	6 796	5 000	17 055
RS60	Douglas WTW Upgrading	B	NC078	Siyancuma Local Municipality	-	-	-	15 000	12 000	10 000
				Total: Fikley ka Sene Municipalities	3 910	-	-	75 899	17 000	27 055
RS140	Kakamas Waste Water Works	B	NC082	IKai Gqirib Local Municipality	-	-	-	10 000	12 125	25 000
RS28	Uppington Wastewater Treatment Works	B	NC087	David Kruger Local Municipality	-	-	-	31 422	25 000	21 422
RBG 5b	Daniëlskuil Wastewater Treatment Works	B	NC086	Kgatelopele Local Municipality	-	-	-	-	-	-
BEP	Kalksfoot BEP	B	NC087	David Kruger Local Municipality	-	-	-	1 644	-	-
BEP	Phalalelo BEP	B	NC087	David Kruger Local Municipality	-	-	-	1 553	-	-
BEP	Rosedale BEP	B	NC087	David Kruger Local Municipality	-	-	-	9 013	-	-
BEP	Maranteng BEP	B	NC085	Tsantsabane Local Municipality	-	-	-	4 242	-	-
BEP	Postdene BEP	B	NC085	Tsantsabane Local Municipality	-	-	-	3 087	-	-
				Total: Z.F. Ngwenya Municipalities	-	-	-	60 961	37 125	46 422
RBG 5b	Kathu Bulk Water Supply	B	NC453	Gamagara Local Municipality	31 000	51 395	46 077	-	-	-
				Total: John Tlole Gqekewe Municipalities	31 000	51 395	46 077	-	-	-
				Total: Northern Cape Municipalities	76 413	58 651	54 077	158 813	79 125	83 477

APPENDIX W5
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Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B				Schedule 6, Part B					
					National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year			
					2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)				
NORTH WEST														
RL09	Madibeng Bulk Water Supply	B	NW372	Madibeng Local Municipality	Madibeng Local Municipality	-	-	-	40 000	120 000	155 201	-	-	-
RL15	Moretele South Bulk Water Supply	B	NW371	Moretele Local Municipality	Moretele Local Municipality	-	-	-	18 270	30 000	30 000	-	-	-
RS77	Koster Waste Water Treatment Works upgrade	B	NW374	Kgatlangrivier Local Municipality	Kgatlangrivier Local Municipality	-	-	-	40 000	40 000	155 201	-	-	-
			Total: Bojanala Platinum Municipalities			-	-	-	98 270	150 000	155 201	-	-	-
RS32	Ratlou Bulk Water Supply	C	DC38	Ngaka Modiri Molema District Municipality	Ratlou Local Municipality	-	-	-	40 000	40 000	40 000	-	-	-
RL33	Matikeng South Bulk Water Supply	C	DC38	Ngaka Modiri Molema District Municipality	Matikeng Local Municipality	-	-	-	20 000	40 000	40 000	-	-	-
			Total: Ngaka Modiri Molema Municipalities			-	-	-	60 000	80 000	80 000	-	-	-
RBIG 5b	Taung/ Naledi Bulk Water Supply	C	DC39	Dr Ruth Segomotsi Mompati District Municipality	Greater Taung/ Naledi Local Municipalities	60 000	69 660	103 600	-	-	-	-	-	-
RBIG 5b	Greater Mamusa Bulk Water Supply	C	DC39	Dr Ruth Segomotsi Mompati District Municipality	Mamusa Local Municipality	61 693	60 000	76 791	-	-	-	-	-	-
			Total: Dr Ruth Segomotsi Mompati Municipalities			121 693	129 660	180 391	-	-	-	-	-	-
RS35	Potchesfontein Waste Water Treatment Works upgrade	B	NW405	JB Marks Local Municipality	JB Marks Local Municipality	-	-	-	40 000	21 375	30 000	-	-	-
			Total: Dr Kenneth Kaunda Municipalities			-	-	-	40 000	21 375	30 000	-	-	-
			Total: North West Municipalities			121 693	129 660	180 391	198 270	251 375	265 201	-	-	-
WESTERN CAPE														
RS132	Klawer Bulk Water Supply	B	WC011	Matzikama Local Municipality	Matzikama Local Municipality	-	-	-	5 000	6 000	6 000	-	-	-
RL	West Coast Desalination	B	WC014	Saldanha Bay Local Municipality	Saldanha Bay Local Municipality	-	-	-	20 000	30 000	20 050	-	-	-
			Total: West Coast Municipalities			-	-	-	25 000	36 000	26 050	-	-	-
RBIG 5b	Tulbagh Bulk Water Supply	B	WC022	Witzenberg Local Municipality	Witzenberg Local Municipality	19 471	-	-	-	-	-	-	-	-
			Total: Cape Winelands Municipalities			19 471	-	-	-	-	-	-	-	-
RS40	Kannaland Dam Relocation	B	WC041	Kannaland Local Municipality	Kannaland Local Municipality	-	-	-	10 000	19 000	20 000	-	-	-
RS39	Callitxorp and Ladismith Waste Water Treatment Works	B	WC041	Kannaland Local Municipality	Kannaland Local Municipality	-	-	-	15 000	30 000	30 000	-	-	-
RS133	Outdshoorn Groundwater	B	WC045	Outdshoorn Local Municipality	Outdshoorn Local Municipality	-	-	-	5 000	20 000	30 000	-	-	-
			Total: Garden Route Municipalities			-	-	-	30 000	69 000	80 000	-	-	-
	Beaufort West Bulk Water	IB	WC053	Beaufort West Local Municipality	Beaufort West Local Municipality	-	-	-	5 000	5 000	10 000	-	-	-
			Total: Central Karoo Municipalities			-	-	-	5 000	5 000	10 000	-	-	-
			Total: Western Cape Municipalities			19 471	-	-	60 000	110 000	116 050	-	-	-
National Total						2 053 716	2 140 005	2 293 505	3 037 523	3 206 832	3 447 295	-	-	-

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

(National Financial Years)

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

Province / Provincial Department	Expanded Public Works Programme Integrated Grant for Provinces			
	FTE Target for 2019/20	National Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
EASTERN CAPE				
Cooperative Governance and Traditional Affairs	27	2 081	-	-
Economic Development, Environmental Affairs and Tourism	35	2 670	-	-
Education	54	4 190	-	-
Health	2 297	2 439	-	-
Human Settlements	32	2 498	-	-
Roads and Public Works	89	6 814	-	-
Rural Development and Agrarian Reform	73	2 328	-	-
Social Development and Special Programmes	-	-	-	-
Sport, Recreation, Arts and Culture	26	2 021	-	-
Transport	6 489	81 821	-	-
Total: Eastern Cape	9 122	106 862	-	-
FREE STATE				
Agriculture and Rural Development	62	2 239	-	-
Education	26	2 000	-	-
Health	-	-	-	-
Human Settlements	28	2 166	-	-
Police, Roads and Transport	4 969	11 553	-	-
Public Works and Infrastructure	91	6 966	-	-
Economic Development and Small Business Development, Tourism and Environmental Affairs	30	2 279	-	-
Sport, Arts, Culture and Recreation	26	2 000	-	-
Social Development	26	2 000	-	-
Total: Free State	5 257	31 203	-	-
GAUTENG				
Agriculture and Rural Development	55	2 516	-	-
Cooperative Governance and Traditional Affairs	26	2 004	-	-
Infrastructure Development	310	23 878	-	-
Education	27	2 089	-	-
Health	3 401	2 187	-	-
Human Settlements	136	10 458	-	-
Roads and Transport	2 564	6 386	-	-
Social Development	-	-	-	-
Sport, Arts, Culture and Recreation	26	2 000	-	-
Total: Gauteng	6 545	51 518	-	-
KWAZULU-NATAL				
Agriculture and Rural Development	111	4 842	-	-
Arts and Culture	27	2 110	-	-
Co-Operative Governance and Traditional Affairs	50	3 858	-	-
Economic Development, Tourism and Environmental Affairs	72	5 529	-	-
Education	26	2 028	-	-
Health	4 631	10 313	-	-
Human Settlements	196	15 090	-	-
Public Works	61	4 726	-	-
Sport and Recreation	-	-	-	-
Transport	7 846	71 677	-	-
Total: KwaZulu-Natal	13 021	120 173	-	-
LIMPOPO				
Agriculture	150	7 686	-	-
Co-Operative Governance Human Settlements and Traditional Affairs	26	2 026	-	-
Economic Development, Environment and Tourism	46	3 563	-	-
Education	31	2 385	-	-
Health	1 824	2 000	-	-
Public Works, Roads and Infrastructure	4 386	5 768	-	-
Sport, Arts and Culture	26	2 000	-	-
Social Development	26	2 000	-	-
Safety, Security and Liaison	26	2 000	-	-
Total: Limpopo	6 542	29 428	-	-
MPUMALANGA				
Agriculture, Rural Development, Land and Environmental Affairs	91	4 247	-	-
Culture, Sport and Recreation	28	2 158	-	-
Co-Operative Governance and Traditional Affairs	29	2 251	-	-
Human Settlements	34	2 590	-	-
Public Works, Roads and Transport	5 624	7 683	-	-
Economic Development and Tourism	45	3 467	-	-
Education	35	2 727	-	-
Health	1 382	2 126	-	-
Social Development	-	-	-	-
Total: Mpumalanga	7 268	27 249	-	-
NORTHERN CAPE				
Agriculture, Land Reform and Rural Development	64	2 491	-	-
Cooperative Governance, Human Settlements and Traditional Affairs	27	2 046	-	-
Economic Development and Tourism	27	2 089	-	-
Education	35	2 663	-	-
Environment and Nature Conservation	26	2 000	-	-
Health	1 550	2 439	-	-
Roads and Public Works	4 156	4 439	-	-
Sport, Arts and Culture	28	2 154	-	-
Transport, Safety and Liaison	-	-	-	-
Total: Northern Cape	5 912	20 321	-	-

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

Province / Provincial Department	Expanded Public Works Programme Integrated Grant for Provinces			
	FTE Target for 2019/20	National Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
NORTH WEST				
Education and Sports Development	29	2 228	-	-
Health	2 023	2 000	-	-
Local Government and Human Settlements	30	2 277	-	-
Public Works and Roads	3 637	8 467	-	-
Rural, Environment and Agricultural Development	74	2 955	-	-
Social Development	26	2 017	-	-
Culture, Arts and Traditional Affairs	26	2 000	-	-
Total: North West	5 844	21 944	-	-
WESTERN CAPE				
Agriculture	48	2 078	-	-
Cultural Affairs and Sport	38	2 909	-	-
Environmental Affairs and Development Planning	48	3 717	-	-
Transport and Public Works	3 716	12 469	-	-
Western Cape Education Department	32	2 485	-	-
Human Settlement	39	2 986	-	-
Health	2 400	2 046	-	-
Total: Western Cape	6 321	28 690	-	-
Unallocated	-	-	462 376	488 789
Grand Total	65 832	437 388	462 376	488 789

APPENDIX W7

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES:
ALLOCATIONS PER PROVINCIAL DEPARTMENT**

(National Financial Years)

APPENDIX W7

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES: ALLOCATIONS PER PROVINCIAL DEPARTMENT

Province / Provincial Department	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			
	FTE Target for 2019/20	National Financial Year		
		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
EASTERN CAPE				
Education	566	24 396	-	-
Health	306	13 179	-	-
Safety and Liaison	39	1 676	-	-
Social Development and Special Programmes	258	11 112	-	-
Sport, Recreation, Arts and Culture	-	-	-	-
Total: Eastern Cape	1 168	50 363	-	-
FREE STATE				
Education	178	7 689	-	-
Health	232	10 025	-	-
Social Development	534	23 027	-	-
Police, Roads and Transport	25	1 080	-	-
Total: Free State	970	41 821	-	-
GAUTENG				
Community Safety	23	1 000	-	-
Education	69	2 985	-	-
Health	607	26 197	-	-
Social Development	537	23 164	-	-
Sport, Arts, Culture and Recreation	-	-	-	-
Total: Gauteng	1 237	53 346	-	-
KWAZULU-NATAL				
Community Safety and Liaison	162	7 007	-	-
Education	575	24 814	-	-
Health	487	20 998	-	-
Social Development	810	34 913	-	-
Sport and Recreation	57	2 447	-	-
Total: KwaZulu-Natal	2 091	90 179	-	-
LIMPOPO				
Education	329	14 196	-	-
Health	865	37 299	-	-
Social Development	236	10 189	-	-
Total: Limpopo	1 430	61 684	-	-
MPUMALANGA				
Community Safety, Security and Liaison	71	3 067	-	-
Culture, Sport and Recreation	40	1 728	-	-
Education	64	2 767	-	-
Health	358	15 437	-	-
Social Development	378	16 309	-	-
Total: Mpumalanga	911	39 308	-	-
NORTHERN CAPE				
Education	85	3 675	-	-
Health	189	8 154	-	-
Social Development	249	10 731	-	-
Sport, Arts and Culture	23	1 000	-	-
Transport, Safety and Liaison	38	1 636	-	-
Total: Northern Cape	584	25 196	-	-
NORTH WEST				
Community Safety and Transport Management	48	2 080	-	-
Education and Sports Development	107	4 598	-	-
Health	368	15 862	-	-
Social Development	171	7 372	-	-
Total: North West	694	29 912	-	-
WESTERN CAPE				
Community Safety	91	3 920	-	-
Cultural Affairs and Sport	104	4 468	-	-
Education	397	17 101	-	-
Health	313	13 495	-	-
Social Development	-	-	-	-
Total: Western Cape	904	38 984	-	-
Unallocated	-	-	454 487	479 484
Grand Total	9 989	430 793	454 487	479 484

APPENDIX W8

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE HIV, TB, MALARIA AND COMMUNITY OUTREACH GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W8

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE HIV, TB, MALARIA AND COMMUNITY OUTREACH GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Health (Vote 16)	HIV, TB, Malaria and Community Outreach Grant		
	National Financial Year		
	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Province /Components			
HIV, TB, Malaria and Community Outreach Grant			
Eastern Cape	2 397 703	2 657 743	2 972 861
Free State	1 331 235	1 474 491	1 666 204
Gauteng	4 766 734	5 279 737	5 978 288
KwaZulu-Natal	5 840 629	6 470 140	7 300 479
Limpopo	1 947 302	2 167 956	2 525 491
Mpumalanga	1 998 197	2 207 510	2 532 610
Northern Cape	596 276	657 409	761 747
North West	1 475 402	1 629 389	1 896 374
Western Cape	1 685 517	1 864 096	2 118 533
Total	22 038 995	24 408 471	27 752 587
<i>of which:</i>			
Community Outreach Services Component			
Eastern Cape	73 052	77 143	125 771
Free State	70 082	74 007	120 658
Gauteng	270 779	285 943	466 191
KwaZulu-Natal	291 947	308 296	502 635
Limpopo	258 929	273 429	445 789
Mpumalanga	179 850	189 921	309 641
Northern Cape	66 967	70 717	115 296
North West	175 628	185 463	302 373
Western Cape	112 766	119 081	194 146
Total	1 500 000	1 584 000	2 582 500
HIV and AIDS Component			
Eastern Cape	2 254 920	2 507 034	2 769 477
Free State	1 231 694	1 369 405	1 512 758
Gauteng	4 410 835	4 903 993	5 417 357
KwaZulu-Natal	5 424 455	6 030 942	6 662 278
Limpopo	1 598 159	1 776 843	1 962 848
Mpumalanga	1 756 597	1 952 995	2 157 440
Northern Cape	497 690	553 334	611 258
North West	1 279 163	1 422 181	1 571 060
Western Cape	1 509 757	1 678 557	1 854 273
Total	19 963 270	22 195 284	24 518 749
Malaria Component			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	17 242	18 033	16 489
Limpopo	45 366	70 370	66 937
Mpumalanga	27 817	28 795	27 761
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	90 425	117 198	111 187
TB Component			
Eastern Cape	69 731	73 566	77 613
Free State	29 459	31 079	32 788
Gauteng	85 120	89 801	94 740
KwaZulu-Natal	106 985	112 869	119 077
Limpopo	44 848	47 314	49 917
Mpumalanga	33 933	35 799	37 768
Northern Cape	31 619	33 358	35 193
North West	20 611	21 745	22 941
Western Cape	62 994	66 458	70 114
Total	485 300	511 989	540 151

APPENDIX W9

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W9

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Health (Vote 16)	National Health Insurance Indirect Grant		
	National Financial Year		
	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Province /Components			
National Health Insurance Indirect Grant			
Eastern Cape	244 190	422 020	418 076
Free State	299 697	360 413	353 036
Gauteng	102 250	137 854	142 325
KwaZulu-Natal	48 444	34 676	40 525
Limpopo	521 750	538 224	528 935
Mpumalanga	94 361	227 378	224 981
Northern Cape	8 861	6 343	7 413
North West	9 453	6 766	7 907
Western Cape	9 507	6 805	7 953
Unallocated	1 195 186	1 470 337	1 604 863
Total	2 533 699	3 210 816	3 336 014
<i>of which:</i>			
Health Facility Revitalisation Grant Component			
Eastern Cape	207 561	395 801	387 435
Free State	297 924	359 144	351 553
Gauteng	47 899	98 950	96 859
KwaZulu-Natal	-	-	-
Limpopo	506 389	527 229	516 086
Mpumalanga	76 638	214 692	210 155
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Unallocated	-	-	-
Total	1 136 411	1 595 816	1 562 088
Personal Services			
Eastern Cape	36 629	26 219	30 641
Free State	1 773	1 269	1 483
Gauteng	54 351	38 904	45 466
KwaZulu-Natal	48 444	34 676	40 525
Limpopo	15 361	10 995	12 849
Mpumalanga	17 723	12 686	14 826
Northern Cape	8 861	6 343	7 413
North West	9 453	6 766	7 907
Western Cape	9 507	6 805	7 953
Unallocated	437 186	638 337	746 003
Total	639 288	783 000	915 066
Non-Personal Services			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Unallocated	758 000	832 000	858 860
Total	758 000	832 000	858 860

APPENDIX W10

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT: ALLOCATIONS
PER PROVINCE**

(National Financial Years)

APPENDIX W10

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS
GRANT: ALLOCATIONS PER PROVINCE

Basic Education (Vote 14)	School Infrastructure Backlogs Grant		
	National Financial Year		
	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Province			
Schools Infrastructure Backlogs Grant			
Eastern Cape	1 362 327	1 156 591	1 423 735
Free State	77 466	32 000	52 000
Gauteng	-	-	-
KwaZulu-Natal	245 000	280 000	455 000
Limpopo	135 689	104 000	169 000
Mpumalanga	21 000	24 000	39 000
Northern Cape	-	-	-
North West	28 000	32 000	52 000
Western Cape	-	-	-
Unallocated	157 566	140 445	148 202
Total	2 027 048	1 769 036	2 338 937

APPENDIX W11

**APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED DISASTER:
ALLOCATIONS FOR PROVINCES PER GRANT**

(National Financial Years)

APPENDIX W11

APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED
DISASTER: ALLOCATIONS FOR PROVINCES PER GRANT

Province / Grant Name	Ring-Fenced Disaster Allocations		
	National Financial Year		
	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Comprehensive Agricultural Support Programme Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Education Infrastructure Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	200 319	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	200 319	-	-
Health Facility Revitalisation Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Human Settlements Development Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	247 013	400 000	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	247 013	400 000	-
Provincial Roads Maintenance Grant			
Eastern Cape	66 188	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	38 748	-	-
Limpopo	140 000	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	244 936	-	-

APPENDIX W12

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W12

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Social Development (Vote 17)	Early Childhood Development Grant		
	National Financial Year		
	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Province /Components			
Early Childhood Development Grant			
Eastern Cape	85 397	91 117	96 129
Free State	25 477	27 186	28 681
Gauteng	68 097	72 658	76 655
KwaZulu-Natal	116 035	123 807	130 616
Limpopo	68 992	73 616	77 665
Mpumalanga	44 351	47 323	49 926
Northern Cape	14 199	15 152	15 985
North West	55 201	58 899	62 137
Western Cape	40 479	43 191	45 567
Total	518 228	552 949	583 361
<i>of which:</i>			
Maintenance Component			
Eastern Cape	8 603	9 181	9 686
Free State	8 975	9 579	10 106
Gauteng	7 104	7 582	7 999
KwaZulu-Natal	13 162	14 047	14 820
Limpopo	16 390	17 492	18 454
Mpumalanga	8 603	9 181	9 686
Northern Cape	6 098	6 508	6 866
North West	6 368	6 797	7 169
Western Cape	7 824	8 350	8 810
Total: Maintenance Component	83 127	88 717	93 596
Subsidy Component			
Eastern Cape	76 794	81 936	86 443
Free State	16 502	17 607	18 575
Gauteng	60 993	65 076	68 656
KwaZulu-Natal	102 873	109 760	115 796
Limpopo	52 602	56 124	59 211
Mpumalanga	35 748	38 142	40 240
Northern Cape	8 101	8 644	9 119
North West	48 833	52 102	54 968
Western Cape	32 655	34 841	36 757
Total: Subsidy Component	435 101	464 232	489 765

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