

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of
Bill published in Government Gazette No. 41970 of 12 October 2018)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

[B 34—2018]

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BILL

To amend the Division of Revenue Act, 2018, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009; 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 the Division of Revenue Act, 2018 (Act No. 1 of 2018), gives effect to section 214(1) of the Constitution in respect of the 2018/19 financial year;

AND WHEREAS section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the Minister of Finance to table a division of revenue amendment Bill with a revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year,

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

Substitution of Column A of Schedule 1, Part A of Schedule 4, Part B of Schedule 5, Parts A and B of Schedule 6 and Part A of Schedule 7 to Act 1 of 2018

1. (1) Column A of Schedule 1 to this Act is hereby substituted for Column A of Schedule 1 to the Division of Revenue Act, 2018 (hereinafter referred to as the principal Act), setting out the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2018/19 financial year. 5

(2) Column A of Part A of Schedule 4 to this Act is hereby substituted for Column A of Part A of Schedule 4 to the principal Act, specifying allocations to provinces to supplement the funding of programmes or functions from provincial budgets for the 2018/19 financial year. 10

(3) Column A of Part B of Schedule 5 to this Act is hereby substituted for Column A of Part B of Schedule 5 to the principal Act, specifying the specific-purpose allocations to municipalities for the 2018/19 financial year. 15

(4) Column A of Parts A and B of Schedule 6 to this Act is hereby substituted for Column A of Parts A and B of Schedule 6 to the principal Act, specifying the allocations-in-kind to provinces and municipalities for designated special programmes for the 2018/19 financial year.

(5) Column A of Part A of Schedule 7 to this Act is hereby substituted for Column A of Part A of Schedule 7 to the principal Act, specifying the unallocated provisions for provinces for disaster response for the 2018/19 financial year.

Substitution of Part A of Schedule 5 to Act 1 of 2018

2. Part A of Schedule 5 to this Act is hereby substituted for Part A of Schedule 5 to the principal Act, specifying the specific-purpose allocations to provinces. 5

Short title

3. This Act is called the Division of Revenue Amendment Act, 2018.

SCHEDULE 1

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

Spheres of Government	Column A		
	2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
	R'000	R'000	R'000
National ^{1,2}	979 181 797	(564 128)	978 617 669
Provincial	470 286 510		470 286 510
Local	62 731 845		62 731 845
TOTAL	1 512 200 152	(564 128)	1 511 636 024

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

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

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		
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
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 damage 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	R'000	R'000	R'000
				Free State	1 479 828		1 479 828
				Gauteng	755 337		755 337
				KwaZulu-Natal	1 373 073		1 373 073
				Limpopo	1 866 435	150 000	2 016 435
				Mpumalanga	1 011 680		1 011 680
				Northern Cape	838 551		838 551
				North West	568 766		568 766
				Western Cape	1 002 988		1 002 988
					1 021 076	25 829	1 046 905
	TOTAL			9 917 734	175 829	10 093 563	
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.	Nationally assigned function to provinces	Eastern Cape			239 707
				Free State			175 599
				Gauteng			972 759
				KwaZulu-Natal			351 197
				Limpopo			139 366
				Mpumalanga			114 279
				Northern Cape			91 305
				North West			126 107
				Western Cape			574 177
					TOTAL		
Health (Vote 16)	(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.	Nationally assigned function to provinces	Eastern Cape			942 650
				Free State			1 077 070
				Gauteng			4 390 192
				KwaZulu-Natal			1 794 649
				Limpopo			387 560
				Mpumalanga			116 489
				Northern Cape			359 754
				North West			283 055
				Western Cape			3 049 284
					TOTAL		

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		
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
Social Development (Vote 17)	Social Worker Employment Grant	To reduce the national backlog of unemployed social work graduates through appointment by provincial departments of social development.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	45 074		45 074
				Gauteng	3 519		3 519
				KwaZulu-Natal	2 655		2 655
				Limpopo	57 855		57 855
				Mpumalanga	50 631		50 631
				Northern Cape	16 177		16 177
				North West	619		619
				Western Cape	7 286		7 286
							TOTAL
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	1 439 241		1 439 241
				Free State	1 299 602		1 299 602
				Gauteng	742 522		742 522
				KwaZulu-Natal	1 826 745		1 826 745
				Limpopo	1 124 146		1 124 146
				Mpumalanga	1 523 757		1 523 757
				Northern Cape	1 111 637		1 111 637
				North West	960 604		960 604
				Western Cape	1 007 414		1 007 414
							TOTAL
	(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	238 745		238 745
				Free State	263 954		263 954
				Gauteng	2 306 888		2 306 888
				KwaZulu-Natal	1 106 154		1 106 154
				Limpopo	356 809		356 809
				Mpumalanga	600 790		600 790
				Northern Cape	53 715		53 715
				North West	110 419		110 419
				Western Cape	952 824		952 824
							TOTAL

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A			Column B					
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation	Forward Estimates					
					R'000	R'000	R'000	2019/20 R'000	2020/21 R'000				
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 the export market; to address damages caused by natural disasters.	Conditional allocation	Eastern Cape	262 161	20 000	282 161	253 038	269 992				
				Free State	179 476	13 500	192 976	174 538	186 232				
				Gauteng	92 333		92 333	94 648	100 989				
				KwaZulu-Natal	223 975		223 975	206 650	220 596				
				Limpopo	256 521	10 000	266 521	235 569	272 692				
				Mpumalanga	162 907	10 000	172 907	159 717	170 418				
				Northern Cape	252 434	43 000	295 434	123 832	132 129				
				North West	176 054		176 054	170 893	182 342				
				Western Cape	144 949	171 305	316 254	155 765	166 199				
				Unallocated			281 408	300 263					
				TOTAL	1 750 810	267 805	2 018 615	1 876 056	2 001 752				
					(b) Himu/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 and horticulture production areas.	Conditional allocation	Eastern Cape	71 263		71 263	75 254	79 393
								Free State	66 843		66 843	70 586	74 468
Gauteng	30 278		30 278					31 974	33 733				
KwaZulu-Natal	71 263		71 263					75 253	79 392				
Limpopo	71 263		71 263					75 254	79 393				
Mpumalanga	58 242		58 242					61 504	64 887				
Northern Cape	60 766		60 766					64 169	67 698				
North West	66 843		66 843					70 586	74 468				
Western Cape	55 662		55 662					58 779	62 012				
TOTAL	552 423		552 423					583 359	615 444				
	(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	10 966	35 950	46 916	11 063	11 671
								Free State	7 650		7 650	8 415	8 878
								Gauteng	5 399		5 399	5 675	5 987
				KwaZulu-Natal	12 016	9 850	21 866	12 418	13 101				
				Limpopo	12 603	35 200	47 803	12 863	13 570				
				Mpumalanga	8 310	10 900	19 210	9 141	9 644				
				Northern Cape	7 753	35 000	42 753	8 166	8 615				
				North West	8 398	31 200	39 598	9 238	9 746				
				Western Cape	4 778	41 900	46 678	5 255	5 545				
				TOTAL	77 873	200 000	277 873	82 234	86 757				

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A			Column B					
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation	Forward Estimates					
								2019/20	2020/21				
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	R'000	R'000				
				Free State	160 584	159 504	160 584	169 324	178 656				
				Gauteng	159 504	159 504	159 504	168 191	177 482				
				KwaZulu-Natal	168 530	168 530	168 530	177 784	187 681				
				Limpopo	174 397	174 397	174 397	185 917	194 072				
				Mpumalanga	125 643	125 643	125 643	132 314	139 500				
				Northern Cape	162 479	162 479	162 479	171 389	180 910				
				Northern West	159 554	159 554	159 554	168 250	177 562				
				North West	136 369	136 369	136 369	143 767	151 733				
				Western Cape	176 624	176 624	176 624	186 263	196 526				
				TOTAL	1 423 684	1 423 684	1 423 684	1 501 199	1 584 122				
				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 Tuberculosis by providing a caring, supportive and enabling environment for learners and educators; to reduce the vulnerability of children to HIV, Tuberculosis and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000	R'000
								Free State	43 062	43 062	43 062	45 455	47 878
Gauteng	13 413	13 413	13 413					14 148	14 853				
KwaZulu-Natal	35 959	35 959	35 959					37 907	39 869				
Limpopo	58 922	58 922	58 922					62 155	65 450				
Mpumalanga	27 116	27 116	27 116					29 124	31 137				
Northern Cape	20 819	20 819	20 819					21 919	22 994				
Northern West	5 356	5 356	5 356					5 794	6 232				
North West	17 884	17 884	17 884					18 849	19 791				
Western Cape	20 704	20 704	20 704					21 800	22 878				
TOTAL	243 235	243 235	243 235					256 951	270 644				
(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					R'000	R'000	R'000	R'000	R'000	
			Free State					23 957	23 957	23 957	24 448	24 939	
			Gauteng	20 386	20 386	20 386	20 664	20 942					
			KwaZulu-Natal	26 451	26 451	26 451	27 115	27 780					
			Limpopo	27 230	27 230	27 230	28 000	28 770					
			Mpumalanga	21 700	21 700	21 700	22 470	23 240					
			Northern Cape	20 709	20 709	20 709	21 479	22 249					
			Northern West	6 508	6 508	6 508	6 778	7 048					
			North West	12 797	12 797	12 797	13 287	13 777					
			Western Cape	25 733	25 733	25 733	26 483	27 233					
			TOTAL	185 471	185 471	185 471	191 117	196 767					

**SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A			Column B	
					2018/19 Main Allocation R'000	Adjustment R'000	2018/19 Adjusted Allocation R'000	Forward Estimates 2019/20 R'000	2020/21 R'000
Basic Education (Vote 14)	(e) 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 Maths, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	46 805		46 805	49 434	51 875
				Free State	34 349		34 349	36 277	38 714
				Gauteng	53 062		53 062	56 042	58 483
				KwaZulu-Natal	61 203		61 203	64 638	67 079
				Limpopo	43 364		43 364	45 802	48 239
				Mpumalanga	38 206		38 206	40 354	42 794
				Northern Cape	24 564		24 564	25 948	28 388
				North West	36 347		36 347	38 391	40 831
				Western Cape	32 583		32 583	34 416	36 856
				TOTAL	370 483		370 483	391 302	413 259
Cooperative Governance and Traditional Affairs (Vote 4)	(f) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	1 216 559		1 216 559	1 277 387	1 368 127
				Free State	379 369		379 369	398 337	426 633
				Gauteng	807 454		807 454	847 827	908 052
				KwaZulu-Natal	1 534 878		1 534 878	1 611 622	1 726 104
				Limpopo	1 229 299		1 229 299	1 290 763	1 382 453
				Mpumalanga	651 036		651 036	683 588	732 147
				Northern Cape	170 211		170 211	178 722	191 160
				North West	456 176		456 176	478 985	513 015
				Western Cape	357 097		357 097	374 952	401 586
				Unallocated				43 532	46 624
TOTAL	6 802 079		6 802 079	7 185 715	7 695 901				
Health (Vote 16)	Provincial Disaster Recovery Grant	To rehabilitate and reconstruct provincial infrastructure damaged by a disaster.	Conditional allocation	Eastern Cape					
				Free State					
				Gauteng					
				KwaZulu-Natal		16 304	16 304		
				Limpopo					
				Mpumalanga					
				Northern Cape					
				North West					
				Western Cape					
				Unallocated					
TOTAL	16 304		16 304						
Health (Vote 16)	(g) Comprehensive HIV, AIDS and TB Grant	To enable the health sector to develop and implement an effective response to HIV and AIDS and Tuberculosis; to fund Community Outreach Services; prevention and protection of health workers of exposure to hazards in the workplace.	Conditional allocation	Eastern Cape	2 098 633		2 098 633	2 301 704	2 552 300
				Free State	1 199 425		1 199 425	1 326 643	1 471 080
				Gauteng	4 239 277		4 239 277	4 909 315	5 522 037
				KwaZulu-Natal	5 677 225		5 677 225	6 114 218	6 701 673
				Limpopo	1 600 516		1 600 516	1 764 331	1 956 421
				Mpumalanga	1 744 627		1 744 627	1 939 243	2 150 377
				Northern Cape	515 155		515 155	549 437	609 257
				North West	1 315 304		1 315 304	1 467 366	1 627 124
				Western Cape	1 531 535		1 531 535	1 666 738	1 848 202
				TOTAL	19 921 697		19 921 697	22 038 995	24 438 471

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B		
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation	Forward Estimates 2019/20	2020/21
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.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000	R'000
				Free State	652 071		652 071	580 753	612 694
				Gauteng	576 362		576 362	529 645	502 034
				KwaZulu-Natal	874 842		874 842	864 748	912 310
				Limpopo	1 202 480	199 508	1 401 988	1 153 049	1 216 467
				Mpumalanga	536 898		536 898	461 000	486 355
				Northern Cape	333 935		333 935	366 310	366 310
				North West	374 391	42 000	416 391	389 281	410 692
				Western Cape	585 886		585 886	511 935	540 091
				Unallocated	678 829		678 829	608 575	642 046
			TOTAL	5 815 694	241 508	6 057 202	6 046 973	6 379 557	
Human Settlements (Vote 38)	(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	R'000	R'000	R'000	R'000	R'000
				Free State	33 471		33 471	35 345	37 289
				Gauteng	11 608		11 608	12 258	12 932
				KwaZulu-Natal	27 312		27 312	28 841	30 427
				Limpopo	44 976		44 976	47 495	50 107
				Mpumalanga	27 471		27 471	29 009	30 604
				Northern Cape	17 665		17 665	18 654	19 680
				North West	4 634		4 634	4 894	5 163
				Western Cape	13 264		13 264	14 007	14 777
				Western Cape	19 599		19 599	20 697	21 835
			TOTAL	200 000	241 508	200 000	211 200	222 816	
Human Settlements (Vote 38)	(e) Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000	R'000
				Free State	1 908 439		1 908 439	1 982 512	2 123 601
				Gauteng	1 072 422		1 072 422	1 111 476	1 185 866
				KwaZulu-Natal	5 046 583		5 046 583	5 236 578	5 598 471
				Limpopo	3 152 757	100 000	3 252 757	3 275 125	3 508 205
				Mpumalanga	1 287 681		1 287 681	1 331 247	1 414 229
				Northern Cape	1 278 427		1 278 427	1 322 832	1 407 412
				North West	474 791		474 791	487 930	512 958
				Western Cape	1 926 644	127	1 926 644	1 987 972	2 104 786
				Western Cape	2 018 776		2 018 903	2 097 130	2 246 376
			TOTAL	18 166 520	100 127	18 266 647	18 833 802	20 101 904	

**SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A			Column B	
					2018/19 Main Allocation R'000	Adjustment R'000	2018/19 Adjusted Allocation R'000	Forward Estimates 2019/20 R'000	2020/21 R'000
Human Settlements (Vote 38)	(b) Title Deeds Restoration Grant	To provide funding for the eradication of the pre-2014 title deeds registration backlog and the professional fees associated with it, including beneficiary verification.	Conditional allocation	Eastern Cape	65 583		65 583	69 250	73 056
				Free State	50 187		50 187	52 993	55 905
				Gauteng	105 811		105 811	111 726	117 890
				KwaZulu-Natal	101 422		101 422	107 140	113 028
				Limpopo	22 506		22 506	23 764	25 070
				Mpumalanga	51 734		51 734	54 626	57 628
				Northern Cape	20 364		20 364	21 503	22 685
				North West	50 687		50 687	53 521	56 462
				Western Cape	50 361		50 361	53 177	56 099
				TOTAL	518 655		518 655	547 700	577 823
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	Eastern Cape	90 077		90 077		
				Free State	27 378		27 378		
				Gauteng	46 758		46 758		
				KwaZulu-Natal	124 565		124 565		
				Limpopo	25 864		25 864		
				Mpumalanga	32 816		32 816		
				Northern Cape	21 769		21 769		
				North West	17 673		17 673		
				Western Cape	29 136		29 136		
				Unallocated				451 505	476 338
TOTAL	416 036		416 036	451 505	476 338				
	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2017 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.	Nationally assigned function to provinces	Eastern Cape	30 831		30 831		
				Free State	52 518		52 518		
				Gauteng	14 241		14 241		
				KwaZulu-Natal	76 409		76 409		
				Limpopo	49 392		49 392		
				Mpumalanga	56 241		56 241		
				Northern Cape	35 657		35 657		
				North West	44 812		44 812		
				Western Cape	47 847		47 847		
				Unallocated				430 793	454 487
TOTAL	407 948		407 948	430 793	454 487				

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A			Column B	
					2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation	Forward Estimates	
								2019/20	2020/21
					R'000	R'000	R'000	R'000	
Social Development (Vote 17)	(a) Early Childhood Development Grant	To increase the number of poor children accessing subsidised early childhood development services through centre-based early childhood development services; to improve the registration status of centre-based early childhood development centres providing an early childhood development programme to meet basic requirements.	General conditional allocation to provinces	Eastern Cape	78 715		78 715	83 115	88 685
				Free State	21 656		21 656	22 865	24 397
				Gauteng	62 777		62 777	66 287	70 728
				KwaZulu-Natal	107 543		107 543	113 556	121 163
				Limpopo	68 561		68 561	72 389	77 240
				Mpumalanga	41 998		41 998	44 344	47 315
				Northern Cape	18 472		18 472	19 503	20 809
				North West	52 185		52 185	55 102	58 794
				Western Cape	38 893		38 893	41 067	43 818
				TOTAL	490 800		490 800	518 228	552 949
Sport and Recreation South Africa (Vote 40)	(b) Substance Abuse Treatment Grant	To provide funding for the operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West.	Conditional allocation	Eastern Cape	17 708		17 708	18 700	19 729
				Free State	17 708	14 237	31 945	18 700	19 728
				Gauteng					
				KwaZulu-Natal					
				Limpopo					
				Mpumalanga	17 709	4 210	21 919	18 700	19 728
				Northern Cape					
				North West	17 708		17 708	18 700	19 729
				Western Cape					
				Unallocated					
TOTAL	70 833	18 447	89 280	74 800	78 914				
Sport and Recreation South Africa (Vote 40)	Miss Participation and Sport Development Grant	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	67 020		67 020	70 994	75 125
				Free State	95 986		95 986	100 839	105 883
				Gauteng	85 482		85 482	91 457	97 300
				KwaZulu-Natal	98 739		98 739	104 864	111 599
				Limpopo	67 679		67 679	71 490	75 450
				Mpumalanga	46 463		46 463	48 408	50 798
				Northern Cape	31 319		31 319	32 086	32 883
				North West	41 855		41 855	43 814	45 850
				Western Cape	52 843		52 843	56 064	59 044
				TOTAL	587 386		587 386	620 016	653 932

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
			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.		23 216	23 216
Energy (Vote 26)	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.	215 024		215 024
National Treasury (Vote 7)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment.	141 492		141 492
	(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.	504 566		504 566
	(c) Municipal Restructuring Grant	To assist municipalities in financial crisis to implement reforms to improve their financial sustainability.			
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: roads 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.	692 878		692 878
			1 553 960	23 216	1 577 176
			TOTAL		

SCHEDULE 5, PART B
SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
			R'000	R'000	R'000
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	21 317	1 168 819	1 190 136
	(b) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities; a Municipal Infrastructure Grant-2 funding stream is introduced in 2018/19 as a step towards a new funding arrangement for intermediate city municipalities to facilitate more integrated planning and funding of capital investments.	15 287 685		15 287 685
Energy (Vote 26)	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 upgrading informal settlements, new and normalisation of existing dwellings) and the installation of relevant bulk infrastructure.	1 904 477		1 904 477
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.	601 867		601 867
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.	6 253 669	33 000	6 286 669
	(b) Rural Roads Asset Management Systems Grant	To assist district municipalities to set up rural Rural Asset Management Systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	107 533		107 533
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and on-site 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 through spring protection and groundwater development; support municipalities in implementing Water Conservation and Water Demand Management projects; support the existing bucket eradication programme intervention in formal residential areas; support drought relief projects in affected municipalities.	3 481 056	288 083	3 769 139
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing 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.	1 957 000		1 957 000
TOTAL			29 614 604	1 489 902	31 104 506

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2018/19 Main Allocation R'000	Adjustment R'000	2018/19 Adjusted Allocation R'000
Basic Education (Vote 14) Health (Vote 16)	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	1 471 826	800 000	2 271 826
	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 fund the development of and roll-out of new Health Information Systems in Preparation for National Health Insurance; to develop a risk-adjusted capitation model for the reimbursement of primary health care; to enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results; to expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	2 303 859	154 000	2 457 859
TOTAL			3 775 685	954 000	4 729 685

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2018/19 Main Allocation	Adjustment	2018/19 Adjusted Allocation
			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.	115 116	(23 216)	91 900
	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 occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas.	3 262 031		3 262 031
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.	29 353		29 353
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and on-site 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 through spring protection and groundwater development; support municipalities in implementing Water Conservation and Water Demand Management projects; support the existing bucket eradication programme intervention in formal residential areas; support drought relief projects in affected municipalities.	608 175	1 008 128	1 616 303
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing 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.	2 880 922	6 000	2 886 922
TOTAL			6 895 597	990 912	7 886 509

SCHEDULE 7, PART A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A		
			2018/19 Main Allocation R'000	Adjustment R'000	2018/19 Adjusted Allocation R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Relief Grant	To provide for the immediate release of funds for disaster response.	123 591	200 000	323 591
Human Settlements (Vote 38)	Provincial Emergency Housing Grant	To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters.	260 000		260 000
	TOTAL		383 591	200 000	583 591

MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE AMENDMENT BILL, 2018

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 be enacted 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.
- 1.2 Section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the Minister of Finance to table a division of revenue amendment Bill with a revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act, 2018 (Act No. 1 of 2018) (“the DoRA”), for the relevant financial year. As the adjustments budget for 2018/19 effects changes to the DoRA, it is necessary for the Division of Revenue Amendment Bill, 2018 (“the Bill”), to be tabled with the revised fiscal framework.
- 1.3 The Bill is thus introduced in compliance with the requirements of the Constitution and the Money Bills Amendment Procedure and Related Matters Act, 2009.

2. SUMMARY OF BILL

- 2.1 Clause 1 of the Bill proposes the replacement in the DoRA of Column A of—
- (a) Schedule 1;
 - (b) Part A of Schedule 4;
 - (c) Part B of Schedule 5;
 - (d) Parts A and B of Schedule 6; and
 - (e) Part A of Schedule 7.
- 2.2 Column A specifies the allocations for the 2018/19 financial year. Amendments to allocations are indicated in Column A by indicating the adjustment and the adjusted amount. The Schedules to the Bill address the following matters:
- (a) Adjusting the equitable share among the three spheres of government;
 - (b) changes to supplementary allocations to provinces;
 - (c) changes to conditional allocations to provinces and municipalities;
 - (d) changes to allocations in-kind to provinces and municipalities;
 - (e) shifting allocations between direct and indirect conditional allocations; and
 - (f) changes to the unallocated provisions for provinces for disaster response.
- 2.3 Clause 2 of the Bill proposes the replacement in the DoRA of Part A of Schedule 5 in order to introduce a new grant, namely the Provincial Disaster Recovery Grant.
- 2.4 Clause 3 of the Bill contains the short title.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

The following institutions were consulted on the adjustments proposed in the Bill:

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

4. FINANCIAL IMPLICATIONS TO THE STATE

This Bill is necessitated by the proposed national adjustment budget for the 2018/19 financial year which affects the division of revenue between the three spheres of government. 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

This Bill, in conjunction with the DoRA, seeks to give 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 envisaged by section 76(1) of the Constitution, as it provides for legislation envisaged in Chapter 13 of the Constitution and includes provisions affecting the financial interests of the provincial sphere of government, as contemplated in section 76(4)(b) of the Constitution.
- 6.2 In terms of section 76(3) of the Constitution, a Bill must be dealt with in accordance with the procedure established by either subsection (1) or subsection (2) if it falls within a functional area listed in Schedule 4.
- 6.3 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 customs of traditional communities.

DIVISION OF REVENUE AMENDMENT BILL ATTACHMENTS

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ANNEXURE 1:
EXPLANATORY MEMORANDUM TO THE
DIVISION OF REVENUE AMENDMENT
BILL

Explanatory memorandum to the Division of Revenue Amendment Bill

■ Background

The allocation of resources to the three spheres of government is a critical step in the budget process, required before national government, the nine provinces and 257 municipalities can determine their own budgets. The allocation process takes into account the powers and functions assigned to the three spheres of government. The process for making this decision is at the heart of cooperative governance as envisaged in the Constitution. To foster transparency and ensure smooth intergovernmental relations, section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally-raised revenue between the three spheres of government. The Intergovernmental Fiscal Relations Act, 1997, prescribes the process for determining the equitable sharing and allocation of revenue raised nationally.

This Division of Revenue Amendment Bill, 2018, (“the Bill”) fulfils the requirement set out in section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act 9 of 2009), that the Minister of Finance must table a division of revenue amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year. Section 10(5) of the Intergovernmental Fiscal Relations Act requires that the Division of Revenue Bill must be accompanied by an explanatory memorandum detailing how the Bill takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution; government’s response to the recommendations of the Financial and Fiscal Commission (FFC); and any assumptions and formulae used in arriving at the respective divisions among provinces and municipalities. As the FFC’s recommendations are specific to the main budget and none of the formulae used in the Division of Revenue Act, 2018, (Act 1 of 2018) have been changed, this explanatory memorandum only contains three parts:

- Part 1 describes the factors that inform the division of resources between the three spheres of government.
- Part 2 describes the proposed amendments to the Division of Revenue Act, 2018, and their impact on the different spheres of government.
- Part 3 describes changes to the frameworks and detailed allocations per province and municipality that have been gazetted in terms of section 16(1) of the Division of Revenue Act, 2018. The changes are submitted to parliament for consideration as envisaged in section 16(2) of the Division of Revenue Act, 2018.

The Division of Revenue Amendment Bill, 2018, and its underlying allocations are the culmination of extensive consultation processes between national, provincial and local government. The Budget Council and Local Government Budget Forum deliberated on the matters discussed in this memorandum. The approach to local government allocations has been discussed with organised local government (South African Local Government Association) at technical meetings, culminating in a meeting of the Local Government Budget Forum.

■ Part 1: Constitutional considerations

Section 214 of the Constitution requires that the annual Division of Revenue Act be enacted only after taking account of factors in sub-sections (2)(a) to (j) of the Constitution. These include the national interest; provision for debt; the needs of national government and emergencies; the allocation of resources to provide basic services and meet developmental needs; fiscal capacity and efficiency of the provincial and local spheres; the reduction of economic disparities; and the promotion of stability and predictability. Annexure W1 to the 2018 Division of Revenue Bill outlined in detail how these considerations were taken

into account in the 2018 Division of Revenue. None of the adjustments in this Bill alter the constitutional considerations that informed the 2018 Division of Revenue.

■ Part 2: Summary of changes in the Division of Revenue Amendment Bill, 2018

An adjustments budget provides for unforeseen and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings; and the roll-over of unspent funds from the preceding financial year. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year, the Minister of Finance must table a Division of Revenue Amendment Bill with the revised framework. There are amendments to the 2018 Budget that affect the Division of Revenue Act, 2018 which will be effected through the Division of Revenue Amendment Act, 2018, once enacted. The amendments as they impact on provinces and municipalities are discussed in detail below.

Funding for drought relief

The Minister of Finance announced during the 2018 Budget Speech that, “A provisional allocation of R6 billion has been set aside in 2018/19 for several purposes, including drought relief and to augment public infrastructure investment.” National Treasury managed a process to determine the allocation of drought relief funds that included two windows for applications. All applications were reviewed together with inputs from sector departments and the National Disaster Management Centre. A total of R3.4 billion in drought response funding has been allocated to all three spheres of government, including several direct and indirect grant allocations, which are included in this Bill.

A total of R1.98 billion is added to direct conditional grants for drought relief. These amounts have already been gazetted on 4 October 2018, after the Minister of Finance approved that the funds could be spent in terms of Section 6(1) of the Appropriation Act, 2018, (Act no. 4 of 2018). This section provides for the Minister of Finance to approve expenditure before an adjustment appropriation bill is enacted if that expenditure cannot reasonably be delayed without negatively affecting service delivery and such expenditure was announced during the tabling of the 2018/19 national annual budget. The following amounts have been added to direct conditional grants to provinces and municipalities:

- R266.5 million for the *comprehensive agricultural support programme grant* to provinces. This will fund the provision of feed and water for livestock in six drought affected provinces. These changes are shown in Schedule 5, Part A of this Bill.
- R200 million for the *land care programme grant* to provinces. This allocation will fund activities to improve the resilience of agricultural land to drought. This includes the removal of alien vegetation, fencing, firebreaks, stock water systems and other infrastructure related projects. These changes are shown in Schedule 5, Part A of this Bill.
- R200 million for the *provincial disaster relief grant* to provinces. The original allocation for this grant in the 2018 Budget has been fully used for the provision of drought relief. These additional funds will replenish the grant so that it can be used to fund relief for any further disasters that may occur in the remainder of the 2018/19 financial year. This change is shown in Schedule 7, Part A of this Bill.
- R288.1 million for the *water services infrastructure grant* to local government. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply. This change is shown in Schedule 5, Part B of this Bill.
- R1.03 billion for the *municipal disaster recovery grant* to local government. Funds allocated through this grant will be transferred to three metropolitan municipalities that have been severely impacted by the drought: Cape Town, Nelson Mandela Bay and Mangaung. The funds will subsidise the costs of water augmentation projects, including groundwater development and water conservation measures where the reduction of water losses will improve the sustainability of supply. All of these cities are also expected to contribute funds from their own revenue base to their water augmentation projects. This change is shown in Schedule 5, Part B of this Bill.

The following amounts have been added to indirect conditional grants that benefit local government:

- R1.01 billion for the indirect *water services infrastructure grant*. This allocation will fund a variety of water supply augmentation projects for drought affected municipalities, including drilling and equipping boreholes to access groundwater and implementing water conservation measures where the reduction of water losses will improve the sustainability of supply. This change is shown in Schedule 6, Part B of this Bill.
- R6 million for the indirect *regional bulk infrastructure grant*. This allocation will fund a water supply augmentation project in Ndlambe Local Municipality affected by drought. The municipality is already receiving an allocation managed through this indirect grant in the 2018/19 financial year. This change is shown in Schedule 6, Part B of this Bill.

Additional changes to provincial allocations

Additional allocations to support disaster recovery

R16.3 million is allocated to KwaZulu-Natal for the repair of provincial buildings damaged by heavy storms and floods. R11.3 million is allocated for the repair and rehabilitation of 10 buildings managed by the Department of Cooperative Governance and Traditional Affairs and R5 million for the repair and rehabilitation of 10 buildings managed by the Department of Social Development. These funds will be allocated through a new *provincial disaster recovery grant* (this grant is introduced in the 2018 Division of Revenue Amendment Bill). These changes are shown in Schedule 5, Part A of this Bill.

The *education infrastructure grant* increases by R175.8 million. This is for the repair of schools damaged by natural disasters; KwaZulu-Natal receives R150 million for the repair and rehabilitation of over 87 schools across the province and the province of the Western Cape is allocated R25.8 million for the repair and rehabilitation of 22 schools. These changes are shown in Schedule 4, Part A of this Bill.

To repair the damage to 14 hospitals damaged by heavy storms and floods in KwaZulu-Natal, R199.5 million is added to the *health facility revitalisation grant* for health facilities. Under the *comprehensive agricultural support programme grant*, R1.3 million is added to repair damage to 15 farms in Knysna, Western Cape. R100.1 million is added to the *human settlements development grant* to repair over 3280 subsidised houses damaged by floods in KwaZulu-Natal, and three houses in Knysna, Western Cape, for fire damage. Funds for all these repairs are shown in Schedule 5, Part A of this Bill.

Roll-over of funds for the learners with profound intellectual disabilities grant and the substance abuse treatment grant

An amount of R1.3 million that was committed but not spent in 2017/18, is rolled-over for the *learners with profound intellectual disabilities grant*. These funds are for the procurement of learner teacher support material for the Eastern Cape and Northern Cape. In order to enable the completion of construction of treatment facilities in the Northern Cape and Free State, an amount of R18.4 million is rolled-over for the *substance abuse treatment grant*. These changes are shown in Schedule 5, Part A of this Bill.

Additional allocation for the school infrastructure backlogs grant

R800 million is added to the *school infrastructure backlogs grant* for the completion of school infrastructure projects where plans have already been approved and are ready for implementation. This addition seeks to accelerate the pace of delivery of safe school facilities. This change is shown in Schedule 6, Part A of this Bill.

Reprioritisations in the national health insurance indirect grant

In order to address the critical shortage of human resources in the health sector, and improve health services across the country, R350 million is reprioritised from various components within the *national health insurance indirect grant* to pay for much needed healthcare professionals. These funds are allocated through a new *human resource capacitation component* within the indirect grant. The national Department of Health will oversee the procurement process necessary to ensure the right healthcare specialists are appointed onto the public health platform.

R150 million is reprioritised from the *national health insurance indirect grant: health revitalisation component* for the procurement of beds and linen to improve the functionality of health facilities. These funds move into a new *national health insurance indirect grant: beds and laundry services component*.

In order to deal with emergency maintenance backlogs in the Northern Cape, R42 million is converted from the *national health insurance indirect grant: health facility revitalisation component* to the direct *health facility revitalisation grant*. These changes are shown in Schedule 6, Part A and Schedule 5, Part A of this Bill.

Additional allocations for the national health insurance indirect grant

An amount of R166 million is added to the *national health insurance indirect grant: health facility revitalisation component* for the procurement of medical equipment as well as the planning and design of Limpopo's proposed new academic hospital. This allocation was approved through the Budget Facility for Infrastructure. The Budget Facility for Infrastructure seeks to support quality public investments through robust project appraisal, effective project development and execution, and sustainable financing arrangements. The process undertaken by the Budget Facility for Infrastructure includes engagement with the relevant stakeholders, the National Treasury and the Presidential Infrastructure Coordinating Commission.

An additional component is created within this grant, the *national health insurance indirect grant: human papillomavirus vaccine component*. R30 million is reprioritised from the vote of the national Department of Health into this grant, to allow for the proper closure of a number of outstanding processes that safeguard uninterrupted service delivery, particularly as implementation moves over to the provincial sphere. These changes are shown in Schedule 6, Part A of this Bill.

Additional changes to local government allocations

Additional allocations to support disaster recovery

R143.3 million is added to the *municipal disaster recovery grant* for post disaster repair and rehabilitation projects in a number of municipalities in KwaZulu-Natal and Western Cape. The municipalities in KwaZulu-Natal are allocated a total of R138.7 million for the repair and rehabilitation of roads, stormwater and sanitation infrastructure and community facilities that were damaged by floods. R4.6 million is allocated for the repair and rehabilitation of water and electricity infrastructure in the Bitou Local Municipality in Western Cape. These changes, together with the changes related to direct drought relief allocations to local government are shown in Schedule 5, Part B (direct) of the Bill.

Additional allocation for the public transport network grant

R33 million is added to the *public transport network grant* for the City of Cape Town to begin detailed design on a new phase of the MyCiti public transport network approved through the Budget Facility for Infrastructure. This change is shown in Schedule 5, Part B (direct) of the Bill.

Conversion of the municipal systems improvement grant from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct)

R23.2 million of the *municipal systems improvement grant* will be converted from Schedule 6, Part B (indirect) to Schedule 5, Part B (direct) for 22 municipalities affected by major boundary changes that took effect after the 2016 local government elections. This amount was made available in the indirect *municipal systems improvement grant* in 2018/19, to assist with the completion of transitional work in the affected municipalities, following the end of the *municipal demarcation transition grant* (Schedule 5, Part B (direct)) at the end of the 2017/18 financial year. These municipalities have been implementing the institutional and administrative changes that were required as a result of the boundary changes, including with funding from the former *municipal demarcation transition grant*. This conversion supports these 22 municipalities to complete the implementation of these transitional matters. These changes are shown in Schedule 6, Part B (indirect) and Schedule 5, Part B (direct) of the Bill.

■ Part 3: Changes to gazetted frameworks and allocations

Together with the tabling of the Division of Revenue Amendment Bill, 2018, National Treasury also submits to parliament proposed changes to gazetted conditional grant frameworks and allocations. Section 16(4) of the Division of Revenue Act, 2018, requires National Treasury to consult parliament on any proposed changes to a conditional grant framework for the purposes of correcting an error or omission, as envisaged in Section 16(2) of the Division of Revenue Act, 2018.

The proposed changes to conditional grant frameworks are described below and the revised frameworks and detailed allocations are included in the annexures and appendices to the Division of Revenue Amendment Bill, 2018. While these changes do not form part of the Bill, Parliament is requested to consider them in terms of the process set out in Section 16(4) of the Division of Revenue Act, 2018. Proposed changes to gazetted allocation appendixes that provide further details of grant allocations are also described here.

Additional conditions attached to the approval of drought relief funding

The grant frameworks for the *comprehensive agricultural support programme grant; land care programme grant; municipal disaster recovery grant; water services infrastructure grant* and *regional bulk infrastructure grant* are amended to include the conditions attached to the approval of drought relief funding. The conditions include:

- Transferring officers to monitor the progress on the implementation of the interventions, considering the progress reports submitted by the receiving officers on a monthly basis.
- Transferring officers to report monthly on progress to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity.
- One month after the receipt of the allocations, receiving officers to provide a detailed breakdown to the relevant transferring officer and National Treasury of the components funded through the allocations.
- Receiving officers to report on the expenditure of the funds in line with the requirements in section 12 of the Division of Revenue Act (DoRA), 2018, and the gazetted framework for the relevant grant.

Additional conditions attached to the approval of funds through the Budget Facility for Infrastructure

The grant frameworks for the *national health insurance indirect grant: health facilities revitalisation component* and *public transport network grant* are amended to include the conditions attached to the approval of R166 million for the procurement of medical equipment as well as the planning and design of Limpopo's proposed new academic hospital and R33 million to begin detailed design on a new phase of the MyCiti public transport network, respectively. The conditions for this funding stipulate that the funds can only be used for these purposes and that should there be cost variations of more than 10 per cent on each of these projects, the National Treasury must be informed within 30 days.

Education infrastructure grant

The grant framework for the *education infrastructure grant* is amended to ring-fence the additional funds allocated for the repair of schools damaged by disasters in KwaZulu-Natal and Western Cape.

Health facility revitalisation grant

The 'process for 2019/20 approval of implementation plans' section of the *health facility revitalisation grant* framework is corrected to refer to the submission of the infrastructure programme management plans for 2019/20, instead of 2018/19.

Human papillomavirus vaccine grant

The due date for the final submission of business plans for 2019/20 in the grant framework for the *human papillomavirus vaccine grant* is corrected from 29 March 2018 to 29 March 2019.

Maths, science and technology grant

The grant framework for the *maths, science and technology grant* is corrected to rectify the omission of the 2016/17 audited financial outcomes.

Learners with profound intellectual disabilities grant

This grant, which aims to build permanent itinerant teams to render necessary services to learners with disabilities, erroneously stated that members of itinerant teams should be hired on a contractual basis. This error is now corrected to allow the permanent appointment of specialists that form itinerant teams.

Human settlements development grant

The grant framework for the *human settlements development grant* is amended to include the conditions attached to the approval of funding for the repair and rehabilitation of subsidised houses damaged by disasters.

Provincial disaster recovery grant

The *provincial disaster recovery grant* framework is being gazetted for 2018/19. This grant did not form part of the Division of Revenue Act, 2018, but has now been allocated in response to the need to repair provincial buildings damaged by heavy storms and floods in KwaZulu-Natal.

Additional components in the national health insurance indirect grant

Three new grant components under the *national health insurance indirect grant* are being gazetted for 2018/19. These grant components did not form part of the Division of Revenue Act, 2018:

- The *human papillomavirus vaccine component* is introduced in response to the need to allow for the proper closure of a number of outstanding processes to ensure uninterrupted service delivery as implementation is being handed over to provinces.
- The *beds and laundry services component* is introduced in response to the need for the procurement of beds and linens to improve functionality of health facilities.
- The *human resource capacitation component* is introduced in response to the need to allow provinces the fiscal room to pay for much needed healthcare professionals to improve health services across the country.

Changes to allocations

Details per municipality of the changes to allocations for the *public transport network grant*, *municipal disaster recovery grant*, *municipal systems improvement grant*, *regional bulk infrastructure grant* and the *water services infrastructure grant* that have been described in part 2 of this memorandum will be gazetted. These changes per municipality are shown in annexures 4, 5 and 6.

Details of the changes per provincial department for allocations for the *school infrastructure backlogs grant* and *national health insurance indirect grant* are shown in Appendices 1 and 2.

ANNEXURE 2:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO PROVINCES

Annexure 2: Frameworks for Conditional Grants to Provinces

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

Introduction

This annexure provides the revised frameworks for the grants set out in Part A of Schedule 4, 5, and 6 of the 2018 Division of Revenue Amendment 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
- 2018 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2019/20

The attached frameworks are not part of the Division of Revenue Amendment 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 2018 Division of Revenue Amendment Bill is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2018/19 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, smallholder and black commercial 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 address damages caused by natural disasters
Outcome statements	<ul style="list-style-type: none"> • Broadened access to agricultural support for black subsistence, smallholder and commercial farmers • Increased number of sustainable and profitable black producers in horticulture, grains, livestock, and aquaculture value chains • Improved farming efficiency of beneficiaries of the Comprehensive Agriculture Support Programme (CASP) • Improved systems required for the maintenance of a Foot and Mouth Disease 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 and per commodity (subsistence, smallholder and commercial) • Number of certified beneficiaries of CASP South African Good Agricultural Practice • 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 Foot and Mouth Disease controlled areas of Limpopo, Mpumalanga and KwaZulu-Natal provided and maintained • Physical boundary between the free zone and the protection zone, especially in Limpopo and KwaZulu-Natal provided and maintained • Number of animals vaccinated for Foot and Mouth Disease in Limpopo and Mpumalanga • Number of extension personnel recruited and maintained in the system • Number of extension officers deployed to commodity organisations • <u>Agriculture Information Management System (AIMS) implemented in all 9 provinces</u>
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 workforce 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 • 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: <ul style="list-style-type: none"> ○ at least 20 per cent of which should be focused on black commercial farmers in partnership with the relevant commodity organisation ○ at least 30 per cent of which should be focused on commercialisation of smallholder farmers in partnership with the relevant commodity organisations • Farmers supported must be linked to but not limited to black 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) • In cases where farmers requiring the support are outside a commodity organisation 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

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> • At most 5 per cent of project allocation on Agriculture Information Management System • 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 1000 unemployed agricultural graduates should be placed nationally as follows: <ul style="list-style-type: none"> ○ Gauteng and Northern Cape must employ at least 80 graduates ○ the remainder of the provinces must employ 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 its contractual obligation ○ in the event of a disaster that affects the implementation of approved plans • A central AIMS to be implemented by eight provinces (Western Cape Province is already implementing the system) to ensure a harmonised system that integrates and collates information to the national and provincial level (vice versa). Eastern Cape, Free State, Gauteng, Limpopo and North West have made their full contributions of R9 million each towards the implementation of AIMS. The following contribution per province will be made to the National Agricultural Marketing Council (coordinating the development of the system) for the implementation of AIMS: <ul style="list-style-type: none"> ○ KwaZulu-Natal: R9 million ○ Mpumalanga: R9 million ○ Northern Cape: R4.5 million (R4.5 million contribution already made) • Provinces must adhere to the CASP standard operating procedure framework when implementing projects • Provincial departments are to confirm human resources capacity to implement CASP business plan by 28 March 2018 • All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 Division of Revenue Act 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 Agriculture, Forestry and Fisheries, within 7 days of such change, and such changes must be approved by the transferring officer before they are implemented • Provincial business plans must be signed off by the heads of the provincial agriculture departments in collaboration with Chief Financial Officers or their representatives, and must be co-signed by the Heads of provincial treasuries • Signed business plan must be submitted to the DAFF for approval • Allocation for agricultural colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan • Allocations for floods must only be used for the repair of infrastructure damaged by floods declared in the Government Gazette and as assessed by the National Disaster Management Centre (NDMC). The allocations for 2018/19, for infrastructure damaged by floods are as follows: <ul style="list-style-type: none"> ○ Limpopo: R6.6 million ○ Mpumalanga: R6.9 million ○ Western Cape: R17.5 million • Allocations for drought relief must only be used for the provision and transportation of livestock feed and water (including drilling boreholes) and other drought relief activities approved by DAFF. The allocations for 2018/19 are as follows: <ul style="list-style-type: none"> ○ Eastern Cape: R20 million ○ Free State: R13.5 million ○ Limpopo: R10 million ○ Mpumalanga: R10 million ○ Northern Cape: R43 million ○ Western Cape: R170 million • Funds have been earmarked within this grant for the repair of fire damage to 15 farms in Knysna. The R1.3 million allocated to Western Cape must be used for the repair of fire damage as assessed by the National Disaster Management Centre • The repairs to the 2010/11 flood damaged diversion walls along the Orange River in the Northern Cape are incomplete. The funds that were allocated to complete this activity have been recovered from the allocations to provinces that received them after they were diverted to project support in 2015/16. The allocation for flood damage to Northern Cape in 2018/19 is R124.9 million • 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 DAFF for approval • Quarterly performance reports on disaster allocations must be submitted to the NDMC and DAFF

Comprehensive Agricultural Support Programme 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 area, households involved in agriculture (General Household Survey 2016 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 agents
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R1.6 billion to provinces, of which R1.6 billion (98.8 per cent) was spent by the end of the national financial year
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> 25 958 beneficiaries were supported from 500 implemented projects, with 392 projects completed at the end of the financial year 21 Agro-processing infrastructure projects initiated 7 894 jobs created 23 projects benefitted from South African Good Agricultural Practice certification programme 70 per cent of supported smallholder farmers had access to markets 26 378 farmers trained in targeted training programmes A total of 69 extension officers were recruited nationally, and 816 maintained in the system A total of 178 extension officers registered for qualification upgrading 10 agricultural colleges upgrading infrastructure, ongoing 103 farmers benefited from repair of infrastructure damaged by flood disasters (102 agricultural infrastructure and one soil rehabilitation) 452 jobs created through implementation of flood disaster scheme
Projected life	<ul style="list-style-type: none"> Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R2 billion; 2019/20: R1.9 billion and 2020/21: R2 billion
Payment schedule	<ul style="list-style-type: none"> Four instalments: 20 April 2018; 24 August 2018; 26 October 2018 and 25 January 2019
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 2018/19 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 (MinTech) on agriculture and quarterly review meetings Monitor the progress on the provision of drought relief, considering the progress reports submitted by the provinces Report monthly progress on drought relief projects to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Provinces to adhere to the conditions of this framework and the 2018 Division of Revenue Act (DoRA) Provinces to submit detailed project list as per the Department of Agriculture, Forestry and Fisheries' project list template Provinces to submit monthly financial reports 15 days after the end of each month, and quarterly non-financial reports 30 days after the end of each quarter, and annual evaluation reports 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 2018 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 7 days of such a change before they are implemented Assign and delegate officials to manage and monitor the implementation of the programme before April 2018 Keep record of projects supported and a farmer register Monitor project implementation on a quarterly basis and evaluate the impact of projects in achieving CASP goals Submit quarterly performance reports on disaster allocations to the relevant Provincial Disaster Management Centre and DAFF, within 20 days after the end of each quarter, and monthly on drought relief projects Submit quarterly project performance reports to the DAFF Provinces to adhere to the approved CASP standard operating procedure framework One month after the receipt of the allocations, provide a detailed breakdown to DAFF and National Treasury of the components funded through the allocations

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> • Each province benefitting from drought allocations must at the end of the project, send a close-out report to the National Treasury and the DAFF
Process for approval of the 2019/20 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 30 May 2018 • Submission of provincial CASP business plans by provinces on 1 October 2018 • Engagement with provinces (pre-national assessment panel) on submitted business plans during October/November 2018 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2018 and February 2019 • Send funding agreements to provinces by February/March 2019 to be signed by Heads of Departments, Chief Financial Officers, and CASP coordinators • Approval of business plans by the transferring officer before 29 March 2019 • Inform provinces of approval of the business plans in March or April 2019 • Approval by the transferring officer regarding 2019/20 business planning process compliance during April 2019, and send to National Treasury by end April 2019

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 carrying 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 maintenance and rehabilitation in line with the water care focus area within the Land Care programme • Improved youth participation in the agricultural sector and intergenerational transfer of skills • 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 for sustainable use and management of natural resources • 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 Junior Care participants involved in the programme • Number of hectares of land where water resources are protected and rehabilitated • Number of capacity building initiatives conducted for Junior Care • Number of capacity building initiatives conducted for land carers • Number of awareness campaigns conducted and attended by land carers • 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 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"> • Outcome indicators • Outputs indicators • Inputs • Cash flow projections and statement of work • Key activities/implementation plan • Monitoring and evaluation • Risk and mitigation • Exit strategy
Conditions	<ul style="list-style-type: none"> • Provinces must confirm capacity to implement projects and operational funding before funds can be transferred • Provincial departments' annual evaluations for 2018/19 must be submitted using an approved template that clearly indicates measurable objectives and performance targets as per the business plans approved by the national Department of Agriculture, Forestry and Fisheries (DAFF) • The impact (before and after) of the Land Care programme should also be quantified during initiation, implementation and handing over phases of the projects • Allocations for drought relief must only be used for drought relief activities approved by the DAFF. The allocations for 2018/19, for drought relief are as follows: <ul style="list-style-type: none"> ○ Eastern Cape: R36 million ○ KwaZulu-Natal: R9.9 million ○ Limpopo: R35.2 million ○ Mpumalanga: R10.9 million ○ Northern Cape: R35 million ○ North West: R31.2 million ○ Western Cape: R41.9 million • Provinces should report their financial performance per project 15 days after the end of each month in compliance with the 2018 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 2018 DoRA, and furthermore adhere to

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
	<p>the agreed dates as approved by the natural resource management working group (NRMWG)</p> <ul style="list-style-type: none"> 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 report
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 2011) degradation in hectares (Land degradation report 2017) 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>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R69 million (100 per cent) of which provinces spent R68 million (99.8 per cent) by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> 18 349 hectares of rangeland protected and rehabilitated 2 246 hectares of cultivated land protected and rehabilitated 25 153 Junior Care participants involved in the programme 555 hectares of land where water resources are protected and rehabilitated 102 capacity building initiatives conducted for Junior Care 271 capacity building initiatives conducted for land carers 251 awareness campaigns conducted and attended by land carers 12 925 hectares of land where weeds and invader plants are under control 269 kilometres of fence erected 1 198 green jobs created expressed as full time equivalents (FTEs) 26 Land Care 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 any policy development within government
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R278 million; 2019/20: R82 million and 2020/21: R87 million
Payment schedule	<ul style="list-style-type: none"> Allocation to provinces will be disbursed on a quarterly basis (23 April 2018; 20 August 2018; 19 October 2018 and 23 January 2019) 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 2018/19 Review norms and standards for the implementation of the grant during the NRMWG meeting held quarterly Provide the guidelines and criteria for the development and approval of business plans Monitor implementation through project site visits 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 Monitor progress on Land Care activities and building resilience to drought, considering the progress reports submitted by the provinces Report monthly progress on drought relief projects to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity <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 2 April 2018 Ensure adequate level of capacity exists in the province to implement the Land Care projects Provincial departments to submit signed monthly financial report 15 days after the end of the 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 the 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 2018 DoRA. Provinces should further adhere to agreements approved by the 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

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
	<p>of each quarter</p> <ul style="list-style-type: none"> • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated to DAFF transferring officer in writing and approved by DAFF's 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 28 September 2018 • 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 • One month after the receipt of the allocations, provide a detailed breakdown to DAFF and National Treasury of the components funded through the allocations • Each province benefitting from drought allocations must at the end of the project, send a close-out report to the National Treasury and the DAFF
Process for approval of the 2019/20 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 30 June 2018 • Submission of signed preliminary provincial and individual Land Care business plans by provinces by 28 September 2018 • Engagement by DAFF with provinces on business plans submitted before provincial assessment panel and prior to the national assessment panel • Evaluation and recommendation of business plans by national assessment panel before the end of February 2019 • Interactions with provinces on national assessment panel comments and final submission of signed individual and provincial business plans by the provinces prior to approval by the DAFF transferring officer. Approval of business plans by the DAFF transferring officer before the end of March 2019 • Notify provinces of the approval of business plans before quarterly transfer • Send funding agreements to provinces by 31 March 2019 to be signed by the Heads of Department

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 schools 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 R45.1 million of this grant in 2018/19 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 30 March 2018. 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 30 March 2018 • 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 2017/18 financial year no later than 27 April 2018 ○ 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 2017/18 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 plan 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 2018/19 project list must be drawn from the prioritised project list for the MTEF tabled in 2017/18 ○ 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 2018/19 by 27 July 2018 ○ 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 2018/19 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 2018 ● 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 2018/19 by 26 October 2018 ○ IPMP 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 2018/19 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 2018/19 to DBE not later than 23 January 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 third quarter of the 2018/19 financial year within 22 days after the end of the third quarter ● Provincial education departments (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 2018 MTEF is an amount of R1.5 billion earmarked for maintenance of schools (R300 million in 2018/19; 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 2018 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 repair and rehabilitation of infrastructure damaged by natural disasters. The following amounts per province 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): <ul style="list-style-type: none"> ○ KwaZulu-Natal: R150 million ○ Western Cape: R25.8 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
Allocation criteria	<ul style="list-style-type: none"> ● Allocations for 2018/19 are based on historical allocations for this grant ● Allocations also include incentive based allocations as described in part 4 to Annexure W1 of the 2018 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	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of the R10.1 billion allocated, R9.9 billion (98.5 per cent) was transferred to provinces of which R9.7 billion (97.4 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● 3 237 teaching spaces, 1 214 administrative spaces, 3 533 maintenance or upgrading projects

Education Infrastructure Grant	
	<ul style="list-style-type: none"> • 368 water, 521 sanitation, 130 electricity and 843 fencing infrastructure projects • 32 sports facilities were provided • The sector has provided a total of 63 new and replacement schools in respective provinces
Projected life	<ul style="list-style-type: none"> • Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R10.1 billion; 2019/20: R10.3 billion and 2020/21: R11.5 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	<p>Responsibilities of the national department</p> <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 2018 DoRA
	<p>Responsibilities of provincial departments</p> <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 2018 DoRA • Submit quarterly capacitation reports within 45 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 2019/20 business plans	<ul style="list-style-type: none"> • The process for approval for the 2019 MTEF allocations will be in line with the performance based incentive approach guidelines published by National Treasury

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, who may be appointed on a permanent basis, such as: <ul style="list-style-type: none"> ○ nine deputy chief education specialists as provincial project managers ○ 280 transversal itinerant team members to deliver education support programmes to special care centres consisting of one psychologist or social worker, one special needs teacher at post level 2 (PL2), one chief education speech therapist, one chief education occupational therapist, one chief education physiotherapist • Database of selected schools and care centres: <ul style="list-style-type: none"> ○ information of 320 care centres that provide support and services to children with severe to profound intellectual disabilities • Transversal itinerant outreach team members, caregivers, teachers and officials trained: <ul style="list-style-type: none"> ○ provision of an endorsed training programme for identified teachers and caregivers of children with severe to profound intellectual disabilities ○ training of 280 outreach officials to provide outreach services as part of the district-based support teams to care centres as well as to ordinary, full-service and special schools ○ training of teachers from 79 special/full-service schools to support the special care centres and implement the learning programme ○ training of teachers at 79 identified schools to support children with severe to profound intellectual disabilities enrolled at these schools by delivering the learning programmes ○ capacity building of caregivers at 320 centres contributing towards their professionalisation • Outreach services provided: <ul style="list-style-type: none"> ○ 6 654 learners with severe to profound intellectual disabilities utilising the learning programme ○ 6 654 learners with severe to profound intellectual disabilities with access to therapeutic and psycho-social support services that will enable them to improve their participation in learning ○ learning and teaching support materials (LTSM) and toolkits provided to 320 care centres and 79 schools annually
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)
Conditions	<p>Grant structure and allocation</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general roll-out for all schools and centres • 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 centres and schools that are targeted by the grant • The centres' needs and allocation of funds shall be determined through a criteria indicated in the framework in partnership with provinces and the national Departments of Health (DoH), Social Development (DSD) and other relevant departments • Allocations to consider the number of centres and schools to ensure equitable funding • The grant will support a total of 320 centres and 186 schools across all provinces • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ 4 per cent for training of teachers and outreach teams ○ 13 per cent for LTSM, toolkits and equipment for centres and designated schools ○ 65 per cent for compensation of itinerant teams and provincial co-ordinators ○ 18 per cent for administration including travel, vehicles, accommodation and subsistence • Provinces may deviate from the prescribed guidelines provided the transferring officer approves such deviations • The outreach teams must consist of one special needs teacher (PL2), one chief education occupational therapist, one chief education speech therapist, one chief education physiotherapist and one psycho-social support specialist • A nationally approved learning programme for learners with severe to profound intellectual disabilities should be offered at centres and schools that are targeted by the grant. The transferring and receiving

Learners with Profound Intellectual Disabilities Grant	
	<p>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</p> <p>Business planning process</p> <ul style="list-style-type: none"> • Training of teachers and outreach teams will be conducted through nationally developed training manuals and at times as agreed upon with the DBE and will be monitored by national and provincial project coordinators • Provinces may appoint specialist training providers in consultation with the DBE to offer training that enhances the implementation of the learning programme • Items such as LTSM, equipment and toolkits, should 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. The grant also supports the training of all end-users in the utilisation of all resources provided to a school. The grant should not be used to procure LTSM and assistive devices and technology for general use for special schools that are already funded through voted funds • 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 providing educational support to designated care centres and targeted schools on an itinerant basis • The support provided by the itinerant teams will consist of an assessment of learners, provision of therapeutic programmes, training and mentoring of caregivers and teachers and monitoring the implementation of the learning programme, as well as providing psycho-social support to learners and to families. They may also provide support to other children in the community as and when needed • Administrative support will include purchasing or leasing of appropriate vehicles, provision of tools of trade (in line with the DBE guidelines), travel, and subsistence and accommodation costs when visiting distantly located care centres <p>Procurement matters</p> <ul style="list-style-type: none"> • Transversal tenders will be developed with the advice of DoH as well as DSD and entered into with multiple suppliers and provinces will be invited to participate in such procurement contracts. In the absence of a DBE transversal tender, provinces must continue to procure on their own • Provincial education departments (PEDs) will be included in the various bid committees for the toolkit transversal tender • The grant funds and implementation (procurement, delivery and payment) are to be managed at provincial level • Before equipment and LTSM can be transferred to schools/centres, PEDs should ensure that LTSM management and administrative systems are in place and staff have the capacity to manage and maintain the LTSM and equipment is available
Allocation criteria	<ul style="list-style-type: none"> • The allocation of the grant will be in accordance with the number of schools and 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 has to be ring-fenced in the form of a conditional grant. This will enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with the policy on the provision of quality education and support for children with severe to profound intellectual disabilities which will be promulgated in the course of 2018
Past performance	<p>2016/17 financial audited outcomes</p> <ul style="list-style-type: none"> • New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant
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 education of learners with severe to profound intellectual disabilities
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R187 million; 2019/20: R221 million and 2020/21: R243 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made on a quarterly basis on 6 April 2018; 3 July 2018; 2 October 2018 and 2 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise policy and learning programme for children with severe to profound intellectual disabilities • Develop training materials, guidelines and advocacy materials • Coordinate training of officials on the grant activities • 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 provide capacity building programmes for provincial implementation teams to assist them in implementing the grant • Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school/centre resources • Ensure compliance with reporting requirements in line with the provisions of the 2018 Division of Revenue Act (DoRA) • Monitor implementation at provincial, district and school/centre level on a monthly and 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 2018 DoRA • Establish and strengthen partnerships with relevant stakeholders and government departments

Learners with Profound Intellectual Disabilities Grant	
	<ul style="list-style-type: none"> • Ensure that care centres and schools are improved in terms of provision of education learning programmes for learners with severe to profound intellectual disabilities and there is incremental enrolment of learners at schools on an annual basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Maintain provincial inter-departmental task teams with representatives from the provincial departments of Health, Basic Education, Social Development, Public Works, Transport and other key stakeholders • The provincial grant managers shall conduct monitoring at all levels on a monthly and quarterly basis or as and when required • PEDs to update and submit data of targeted care centres and schools that have enrolled learners with severe to profound intellectual disability and those that support the care centres to the DBE to ensure equitable funding • Develop and submit business plans approved by their accounting officer to DBE • Ensure compliance with reporting requirements by providing consolidated 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 2018 DoRA and the Public Finance Management Act to ensure that expenditure is on track so that scheduled transfer payments will not be withheld • 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 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 coordinate the activities of the grant in accordance with the provisions of the framework and compliance certificates • Appoint outreach teams and provide office facilities and furniture for them, as well as procure tools of trade • Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial year • Conduct advocacy and awareness programmes on the right to education and support of children with profound intellectual disabilities with relevant stakeholders such as community representatives, parents and non-governmental organisations • Ensure that children with severe to profound intellectual disability access the learning programme, therapeutic and psycho-social services • Provincial departments to implement the grant activities according to the approved business plans. Any deviation should first be communicated to the DBE in writing and approved by the transferring officer before implementation • Provincial departments should ensure that the right systems, capacity and controls are in place to ensure the successful delivery of this grant
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Communication and meeting with provinces to inform targets for the next financial year by 30 August 2018 • PEDs submit draft business plans to DBE for evaluation by 31 October 2018 • DBE evaluates provincial business plans by 16 November 2018 • Comments sent to PEDs to amend the plans by 14 December 2018 • PEDs submit amended and signed-off plans to DBE by 1 February 2019 • DBE approves provincial business plans by 20 March 2019

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 and machinery: <ul style="list-style-type: none"> ○ 200 technical schools' workshop equipment for technology subjects repaired, maintained and/or replaced in accordance with the minimum specifications ○ 200 technical Schools' workshop machinery for technology subjects repaired, maintained and replaced in accordance with the minimum specifications • Laboratories and workshop 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 roll-out for all schools • Schools' needs and allocation of funds shall be identified through a criteria indicated in the framework in partnership with provinces and districts in the preceding financial period • The grant will support a total of 1000 schools across all provinces covering all MST subjects from grades R-12 • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ five per cent for ICT resources including training of ICT integration for educators ○ 40 per cent for repair/replace and maintenance of workshop equipment and machinery ○ 40 per cent for laboratories and workshop apparatus and consumables ○ nine per cent for learner support ○ five per cent for Mathematics, Science and Technology teachers' subject content training ○ one 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

Maths, Science and Technology Grant	
	<p>Outputs</p> <ul style="list-style-type: none"> • ICT resource items should be procured as per the minimum specifications defined by the 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. These items 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 to enhance the 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 <p>Procurement matters</p> <ul style="list-style-type: none"> • The transferring officer shall develop centralised procurement processes and all provinces shall participate in such processes. 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 between quintile 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 the level below 60 per cent at 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 cases of 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>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R380.7 million allocated, R362.4 million (95.2 per cent) was transferred to provinces of which R376.5 million (98.9 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • ICT: <ul style="list-style-type: none"> ○ 719 schools (42: Eastern Cape, 77: Free State, 207: Gauteng, 32: KwaZulu-Natal, 75: Limpopo, 136: Mpumalanga, 27: Northern Cape, 100: North West and 23: Western Cape) • Workshop equipment, machinery and tools: <ul style="list-style-type: none"> ○ 226 workshops (10: Eastern Cape, 30: Free State, 42: Gauteng, 32: KwaZulu-Natal, 24: Limpopo, 30: Mpumalanga, 17: Northern Cape, 19: North West and 22: Western Cape) • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ 713 laboratories (70: Eastern Cape, 82: Free State, 173: Gauteng, 74: KwaZulu-Natal, 108: Limpopo, 136: Mpumalanga, 20: Northern Cape and 50: Western Cape) • Learner support: <ul style="list-style-type: none"> ○ 116 105 learners (20 409: Eastern Cape, 3 000: Free State, 1 286: Gauteng, 2 402: KwaZulu-Natal, 30 794: Limpopo, 40 330: Mpumalanga, 1 886: Northern Cape, 4 982: North West, 11 016: Western Cape) • Teacher support: <ul style="list-style-type: none"> ○ 28 682 Teachers (2 040: Eastern Cape, 3 446: Free State, 694: Gauteng, 3 672: KwaZulu-Natal, 2 531: Limpopo, 5 544: Mpumalanga, 3 145: Northern Cape, 432: North West, 7 178: Western Cape)
Projected life	<ul style="list-style-type: none"> • Grant continues until 2020/21 thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R370 million; 2019/20: R391 million and 2020/21: R413 million

Maths, Science and Technology Grant	
Payment schedule	<ul style="list-style-type: none"> • 11 May 2018; 17 August 2018; 16 November 2018 and 8 February 2019
Responsibilities of the transferring national 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 2018 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 2018 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 • Using a portion of the grant funding, manage and implement the programme in line with the 2018 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's transferring officer before implementation • Submit schools business plans to DBE if funds being transferred to schools on by the end of June every year
	<p>Responsibilities of schools</p> <ul style="list-style-type: none"> • Submit schools' needs on MST to the districts as required by the province • Submit schools' 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
Process for approval of the 2019/20 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 2018 • The DBE team will meet to evaluate the consolidated business plans by 16 November 2018 • The comments on the business plans will be sent to provinces for amendments by 14 December 2018 • Provinces will be required to submit approved deviations before submitting amended business plans on 01 February 2019 • Provinces will be required to submit the provincially approved amended business plans to DBE by 1 February 2019 • DBE will approve the final business plans by 8 March 2019 • DBE's transferring officer approves business plans to be submitted to the National Treasury by 20 March 2019

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANT

Provincial 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 A
Strategic goal	<ul style="list-style-type: none"> To restore functionality of provincial infrastructure following a disaster
Grant purpose	<ul style="list-style-type: none"> To rehabilitate and reconstruct provincial infrastructure damaged by a disaster
Outcome statements	<ul style="list-style-type: none"> Provincial infrastructure damaged by a disaster rehabilitated and reconstructed
Outputs	<ul style="list-style-type: none"> Provincial 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 12: An efficient, effective and development orientated public service
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 for the proposed reoccurrence of disaster related damage in the future number of households to benefit from the projects and estimated jobs to be created
Conditions	<ul style="list-style-type: none"> A business plan and project implementation plan 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) Performance evaluation report on financial and non-financial performance to be submitted to the NDMC through the relevant PDMC The following amount must be used in 2018/19 for the repair of infrastructure damaged by KwaZulu-Natal floods declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): <ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs buildings: R11.3 million Social Development buildings: R5 million Transfers will only be made if the affected province has submitted financial and non-financial reports required in terms of the 2018 Division of Revenue Act for this financial 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 a six month time frame following a disaster will be considered
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for recovery after unforeseen disasters
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> The 2018 budget only allocated funds for the 2018/19 financial year. Allocations for future years will be considered through the budget process
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R16 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 the provinces about the existence of the grant and its conditions Provide the 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 provinces Make payments to the provinces in accordance with the approved payment schedule Transfer funds only when evidence on project performance and expenditure reports are submitted <p>Responsibilities of the Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> Advise the provincial departments about the existence of the grant and its conditions Assist provincial departments with the rapid assessment reports to be submitted to the NDMC Provide support to provincial departments with regards 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 provincial departments Provide a copy of the final post disaster verification report to provincial departments Assist provincial departments 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

Provincial Disaster Recovery Grant	
	<p>progress to the NDMC</p> <ul style="list-style-type: none"> • 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 <p>Responsibilities of provincial departments</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 reoccurrence of disaster related damages in future • 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 Accounting Officer to the PDMC within 30 days after the end of the quarter in which funds are spent
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

HEALTH GRANTS

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 2018 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 must be approved by the 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 • Annual Implementation Plans signed-off by the Head of Department, sent to the national Department of Health (DoH) for approval by 6 March 2018 • The 2018 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 • Provinces may utilise a portion of grant funding for the appointment of public servants on 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 and evaluation committees of the implementing agent • As from 2018/19 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 • Funds have been earmarked within this grant for the repair and rehabilitation of infrastructure damaged by natural disasters. The R199.5 million allocated for KwaZulu-Natal 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

Health Facility Revitalisation Grant	
	<p>reports submitted to the NDMC</p> <ul style="list-style-type: none"> 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
Allocation criteria	<ul style="list-style-type: none"> Allocations for 2018/19 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>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> Of the R5.4 billion made available R5.3 billion was transferred to provinces (96.2 per cent) of which R5.2 billion was spent (95.1 per cent) by provinces <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> Number of Projects: <ul style="list-style-type: none"> planned 33 equipped 33 constructed 12 maintained 31
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 2018/19 MTEF
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R6.1 billion; 2019/20: R6 billion and 2020/21: R6.4 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 DoH and National Treasury must jointly evaluate progress with 2018 Division of Revenue Act capacitation of provincial infrastructure units and provide feedback to all provinces 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"> Provincial departments must hold progress review meetings with the relevant implementing agents Provinces must submit to national DoH quarterly reports for all projects funded in the 2018/19 financial year in this grant through the project management information system and infrastructure reporting model Provincial departments of Health must align infrastructure plans (U-AMP and IPMP) with their respective Strategic Plans and Annual Performance Plans Provinces must include completed projects in their asset register Provinces must 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 the 2019/20 Implementation Plans	<ul style="list-style-type: none"> The process for approval for the 2019 MTEF will be in line with the performance based incentive approach guidelines published by National Treasury and national DoH Provincial departments of Health must submit 2019/20 AIP signed-off by the Head of Department to the DoH by 6 March 2019 Submission of draft IPMPs for 2019/20 by DoH to National Treasury by 10 August 2018 Submission of final IPMPs for 2019/20 by DoH to National Treasury by 6 March 2019

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 school girls 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 2018 and submitted to National Treasury by 30 March 2018 • 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 2019/20 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 in order 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 in order for provinces to assume responsibility of the programme from 2018/19
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Allocated R190 million and of which R190 million (100 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 63 per cent of eligible grade four school girls received the HPV vaccination • 75 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 2020/21, thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R200 million; 2019/20: R211 million and 2020/21: R223 million
Payment schedule	<ul style="list-style-type: none"> • Payment 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 performance of the grant on a quarterly basis • Strengthen the capacity of provinces to deliver the HPV vaccination programme <p>Responsibilities of the 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 completion of 2019/20 business plan	<ul style="list-style-type: none"> • Draft business plans for 2019/20 must be submitted in an approved format by 31 October 2018 • Final business plans signed by each receiving officer and the transferring officer by 28 February 2019 and submitted to the National Treasury by 29 March 2019

National Health Insurance Indirect Grant: Beds and Laundry 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 improve quality of services in all health care facilities
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to address the deficiencies in the health care facilities associated with laundry services and bed shortages
Outcome statements	<ul style="list-style-type: none"> • Improved quality health services in all health care facilities • Improved patient experience of care
Outputs	<ul style="list-style-type: none"> • Number of linen packs procured per facility • Number of beds procured per facility
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"> • Inputs • Output indicators • Outcome indicators • Milestones with projected dates when these 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 • Monitoring and evaluation plan • Risk management plans • Cash flow projections
Conditions	<ul style="list-style-type: none"> • Completion of a business plan by the provincial Department of Health signed by the receiving officer by 15 November 2018 and submitted to the National Treasury by 30 November 2018
Allocation criteria	<ul style="list-style-type: none"> • Allocation will be determined by the need in various facilities
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Beds and laundry services have been identified as a key national priority and requires systematic implementation in order to have the desired impact of improving quality health care services • This is a once-off intervention by the national Department of Health in response to the urgent shortage of beds and linen found during visits to health facilities
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • New grant component <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • This grant component is expected to end at the end of the 2018/19 financial year
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R150 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to an approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • To assign an official to manage the grant • National Department of Health should ensure that upon completion of procurement processes, beds and linen procured must be transferred to the asset registers of all relevant provincial departments • Meet with the National Treasury to review performance of the grant component on a quarterly basis • Consult provinces in the prioritisation of health facilities to be supported through this grant component • Support provinces to strengthen procurement capacity <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provincial health departments must provide national Department of Health with full and unrestricted access to all records and data related to the programme and to facilities to implement systems • Delegate a person responsible for engaging with the national department on the project • Provinces must continue allocations for laundry services and beds funded from the equitable share
Process for completion of 2019/20 business plan	<ul style="list-style-type: none"> • Not applicable

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 maintained • Number of facilities upgraded, and additions • Number of facilities renovated and 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 2018 MTEF aligned to the infrastructure delivery management system and SIPDM will be submitted on 28 May 2018 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 2018 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 29 June 2018 • Prior to submitting the IPMP, each provincial department must have signed-off a project sheet for all projects funded from the grant which list scope of work, current stage and anticipated target dates for achieving stages of 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 should convene a gateway review at the end of SIPDM stage 3. National Treasury should be invited to participate in such a review • 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 • 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 • 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 by the 2018 Appropriation Act • 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 • 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 • An amount of R166 million is allocated through the Budget Facility for Infrastructure (BFI) for Limpopo's proposed new academic hospital and may only be used for that purpose. Should there be cost variations of more than 10 per cent on the BFI funded projects, the transferring officer is required to inform National Treasury within 30 days

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2018/19 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
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R697 million of which R686 million (98 per cent) was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 67 facilities maintained, repaired or refurbished in the backlog maintenance programme • 61 doctors' consulting rooms constructed or partially constructed • 20 clinics and community health centres in process that comply with gazetted infrastructure norms & standards, either constructed or partially constructed over multiple years • One incomplete housing project • Total projects: 338 <ul style="list-style-type: none"> ○ initiation and planning (88) ○ tendered (16) ○ construction and retention (124) ○ closed out (110)
Projected life	<ul style="list-style-type: none"> • Health 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 2018 MTEF, subject to a review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R836 million; 2019/20: R941 million and 2020/21: R992 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 • 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 will include completed projects in 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 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 the 2019/20 annual implementation plans	<ul style="list-style-type: none"> • Submission of a draft IPMP to National Treasury by 31 August 2018 • Submission of the final IPMP to National Treasury by 29 March 2019 • Submission of signed implementation protocol by 28 June 2019

National Health Insurance Indirect Grant: Human Papillomavirus Vaccine 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 reduce the incidence of cancer of the cervix through the introduction of the Human Papillomavirus (HPV) vaccination to grade four school girls
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to carry out proper closure of a number of outstanding processes that will ensure uninterrupted service delivery as the implementation of the programme is handed over to provinces
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"> • A completed handover process to provinces
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"> • Agreed upon services • Output indicators • Inputs • Key activities and allocation • Risk management plans
Conditions	<ul style="list-style-type: none"> • Completion of a business plan in the format determined by the national Department of Health (DoH), signed by the transferring officer by 15 November 2018 and submitted to National Treasury by 30 November 2018
Allocation criteria	<ul style="list-style-type: none"> • Allocation is based on historical backlog and verified spending
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Cervical cancer is a high national priority and requires uniform implementation in order to achieve the minimum coverage of 80 per cent and have the desired impact of significantly reducing incidences of cervical cancer
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Allocated R190 million and of which R190 million (100 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 63 per cent of eligible grade four school girls received the HPV vaccination • 75 per cent of schools with grade four learners reached by the HPV vaccination team
Projected life	<ul style="list-style-type: none"> • This grant component is expected to end at the end of the 2018/19 financial year
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R30 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to an approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitor payment of suppliers • Meet with National Treasury to review performance of the grant on a quarterly basis • Strengthen the existing capacity in the child, youth and school health cluster for HPV vaccination coordination within the department • Ensure that the prior year shortfall is address within this financial year <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • Provincial health departments must provide DoH with full and unrestricted access to all necessary records and data related to the programme that may assist in addressing the shortfall
Process for completion of 2019/20 service level agreement	<ul style="list-style-type: none"> • Not applicable

National Health Insurance Indirect Grant: Human Resources Capacitation 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 to contract providers • Enhance access to healthcare services through human resource capacitation
Outputs	<ul style="list-style-type: none"> • Number of health professionals appointed (total and by discipline) • Percentage reduction in vacancy rate on categories on 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	<ul style="list-style-type: none"> • This grant uses an implementation framework approved by the National Health Council, which contains the following: <ul style="list-style-type: none"> ○ inputs ○ number of health professionals currently in the system, according to their speciality ○ description of the process for prioritising the critical posts to be filled through the grant ○ number of health professionals to be contracted including 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
Conditions	<ul style="list-style-type: none"> • Submission of completed and signed-off business plan by the national transferring authority by 30 November 2018 to the National Treasury • Number of critical health professionals on the establishment of provincial Departments of Health may not fall below the baselines established as at November 2018 • Provinces must report their current compensation of employees both under equitable share and other conditional grants, as of November 2018 • Funds will be for the payment of compensation of new critical health professionals and not those paid either from equitable share or other conditional grants
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
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The principle of a single fund is articulated in the Cabinet approved White Paper on National Health Insurance. This calls for dedicated funding which will allow for institutionalisation over time as a single NHI Fund
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant component <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • Expected to remain in place until the Human Resources component of NHI is well established
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R350 million; 2019/20: R355 million and 2020/21: R400 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"> • Must monitor the number of critical health professionals on the establishment of provincial Departments of Health to ensure it does not fall below established November 2018 baselines • Must ensure that contractual commitments with implications for the MTEF period do not exceed the MTEF allocations • Must ensure that provincial departments are consulted in the prioritisation of posts to be filled and in the included in the recruitment process of health professionals • Establishment of a steering committee comprising of the national Department of Health and National Treasury to oversee implementation and progress on human resources for health

National Health Insurance Indirect Grant: Human Resources Capacitation Component	
	<ul style="list-style-type: none"> • Submission of 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 • The project will be managed by the national department and will report to the report to the National Health Council, via the National Health Council Technical Advisory Committee
	<p>Responsibilities of provincial departments</p> <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 not substituted by the implementation of this grant • On a quarterly basis, provinces must report on the number of critical health professionals on the establishment according to equitable share and other conditional grants, and this grant component • 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 the 2019/20 Implementation Plans	<ul style="list-style-type: none"> • Submission of business plan signed by the transferring officer on 31 March 2019 to National Treasury • Submission of business plan signed by the receiving officer on 31 January 2019 to national Department of Health

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, access to basic services and secure tenure
Grant purpose	<ul style="list-style-type: none"> • To provide funding for the creation of sustainable and integrated human 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
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 all housing programmes ○ number of serviced sites delivered in all housing programmes • Number of households in informal settlements provided with access to basic services at upgrading of informal settlements programme level 2 standard • Number of informal settlements upgraded on site and/or relocated • Number of households in backyards provided with access to services/upgraded services • Number of title deeds issued for projects completed post 31 March 2014 • Hectares of well-located land acquired and zoned to create housing opportunities • Number of work opportunities created through related programmes • Percentage of project value procured as per the targeted groups in the amended Preferential Procurement Regulation 2017, issued by National Treasury • Number of socio-economic amenities delivered in human settlements • Number of catalytic projects planned, approved and implemented for integrated human settlements developments
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 • Infrastructure reporting model • Informal settlements plan and National Upgrading Support Programme • Professional fees and pre-planning • Number of job opportunities to be created
Conditions	<ul style="list-style-type: none"> • Funds for this grant should be utilised for the priorities as set out in the 2014-19 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, 2018 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 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 2018/19 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

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Provinces must gazette planned expenditure for three years for the accredited municipalities in terms of the DoRA by no later than 31 May 2018. This should 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 • 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 2018. This will be the only time that provinces can request amendment to the approved business plan. Revised plans will be approved by 30 October 2018 • The payment schedules should be derived from the cash flows contained in the approved business plan • A total of R842 million is ring-fenced for the Finance Linked Individual Subsidy Programme (FLISP). The following ring-fenced funds may only be used for planned FLISP spending as contained in the approved business plans of each province: <ul style="list-style-type: none"> ○ Eastern Cape: R10 million ○ Free State: R14 million ○ Gauteng: R616 million ○ KwaZulu-Natal: R110 million ○ Limpopo: R5 million ○ Mpumalanga: R5 million ○ Northern Cape: R2 million ○ North West: R7 million ○ Western Cape: R73 million • A minimum of 30 per cent of the total must be allocated for the upgrading of informal settlements programme with targets segregated per province in the delivery agreement • In addition, the following funds must be earmarked to support the upgrading of informal settlements in the area of each respective mining town. These are additional funds and may not be used to replace existing baseline funds allocated to projects in these areas. The following funds may only be utilised to fund projects and related infrastructure (including bulk) for housing and human settlements developments in the following prioritised mining towns: <ul style="list-style-type: none"> ○ Free State: <ul style="list-style-type: none"> – Matjhabeng: R66.2 million ○ Gauteng: <ul style="list-style-type: none"> – Merafong City: R46.9 million – Rand West City: R73.4 million – Mogale City: R31.1 million ○ Limpopo: <ul style="list-style-type: none"> – Thabazimbi: R32.4 million – Elias Motsoaledi: R25.6 million – Lephalale: R28.1 million – Fetakgomo Tubatse: R59.1 million – Mogalakwena: R20.0 million ○ Mpumalanga: <ul style="list-style-type: none"> – Emalahleni: R63.9 million – Steve Tshwete: R37.5 million – Thaba Chweu: R32.9 million ○ Northern Cape: <ul style="list-style-type: none"> – Tsantsabane: R24.8 million – Ga-Segonyana: R25.7 million – Gamagara: R24.7 million – Kgatelopele: R20.9 million – Joe Morolong: R20.0 million – Khai-Ma: R20.0 million ○ North West: <ul style="list-style-type: none"> – Kgetlengriver: R34.7 million – Madibeng: R79.5 million – Moses Kotane: R71.8 million – Rustenburg: R66.3 million – City of Matlosana: R94.2 million

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Ring-fenced funds that are underperforming in-year may be stopped and reallocated to a different province for the same ring-fenced purpose • 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 projects readiness status • A minimum of 30 per cent of HSDG allocations should be allocated to contracts awarded to all targeted groups as per the amended Preferential Procurement Regulations 2017, issued by National Treasury • 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 • Funds have been earmarked within this grant for the repair and rehabilitation of subsidised houses damaged by natural disasters. The following amounts per province 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): <ul style="list-style-type: none"> ○ KwaZulu-Natal: R100 million ○ Western Cape: R0.127 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 national Department of Human Settlements and the NDMC
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated through the HSDG allocation formula approved by the Human Settlements MINMEC and National Treasury. 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 • Funds for informal settlement upgrading in mining towns are allocated based on project plans as agreed with provinces and municipalities in terms of the Presidential Mining Towns Intervention
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>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Of the R18.7 billion made available, R18.3 billion (98 per cent) was transferred of which R18.3 billion was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 90 692 housing units completed • 56 336 serviced sites completed
Projected life	<ul style="list-style-type: none"> • This is a long term grant as government has an obligation to assist the poor with the provision of human settlements in terms of the Constitution
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R18.3 billion; 2019/20: R18.8 billion and 2020/21: R20.1 billion
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"> • 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 2017/18 on the financial and non-financial performance of the grant to National Treasury by 27 July 2018

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Evaluate the audited provincial annual reports for submission to National Treasury by 14 December 2018 • 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 2018 DoRA • Publish approved business plans • Ensure provinces only implement programmes that are contained in the approved business plans <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 2017/18 annual evaluation reports to DHS by 30 May 2018 • Submit 2017/18 audited annual reports to the DHS by 28 September 2018 • 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 HSS project number included in the business plan • Any malicious use or non-compliance to the HSS will result in funds being withheld or stopped in terms of the 2018 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, 2018 DoRA, Housing Code and the national delivery agreements that have been concluded • The monthly expenditure report, as contemplated in section 12(3) of the 2018 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 • Provinces must report on a quarterly basis the minimum 30 per cent of the grant awarded to the targeted group as the amended Preferential Procurement Regulations 2017, issued by National Treasury • Monthly expenditure and quarterly reports must be signed by both the HoD and the relevant provincial treasury HoD • Submit the reports on the outputs as mentioned on this framework above by the 15th of every month for the preceding month • There should be alignment of business plan with the gazetted allocations to accredited municipalities • Provinces should ensure that they only implement the programmes in the approved business plans • 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 2018 • 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 DMV
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Draft provincial business plans for 2019/20 financial year and project readiness matrix to be submitted to the national department by 31 August 2018 • The second draft business plans to be submitted by 12 October 2018 • Submit final provincial business plans, project readiness matrix, including cash flow projections and compliance certificates for 2019/20 financial year to the DHS by 8 February 2019 • 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

ANNEXURE 3:
**FRAMEWORKS FOR CONDITIONAL GRANTS
TO MUNICIPALITIES**

Annexure 3: Frameworks for Conditional Grants to Municipalities

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

Introduction

This annexure provides the revised frameworks for the grants set out in Part B of Schedule 5, and 6 of the 2018 Division of Revenue Amendment 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
- 2018 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2019/20

The attached frameworks are not part of the Division of Revenue Amendment 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 2018 Division of Revenue Amendment Bill is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2018/19 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 GRANT

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 rehabilitate and reconstruct municipal infrastructure damaged by a disaster
Outcome statements	<ul style="list-style-type: none"> Municipal infrastructure damaged by a disaster rehabilitated and reconstructed
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
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 for the proposed reoccurrence of disaster related damage in the future number of households to benefit from the projects and estimated jobs to be created
Conditions	<ul style="list-style-type: none"> A business plan and project implementation plan 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) Annual performance evaluation report on financial and non-financial performance to be submitted to the NDMC through the relevant 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 2018 Division of Revenue Act for this financial year and the previous financial year (if funds for disaster recovery were allocated in that year) Funds will 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 For funds allocated to the Cape Town, Mangaung and Nelson Mandela Bay metropolitan municipalities for drought relief, municipalities must: <ul style="list-style-type: none"> one month after the receipt of the allocations, provide a detailed breakdown to the Department of Cooperative Governance and National Treasury of the components funded through the allocations provide adequate security for the infrastructure from municipal own funding sources to prevent vandalism co-fund the remaining cost of the projects set aside adequate funding for sustainable operations and the maintenance of the schemes at the end of the projects, send a close-out report to the National Treasury and the Department of Cooperative Governance
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 a six month time frame following a disaster will be considered
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for recovery after unforeseen disasters
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R140 million was allocated and transferred (100 per cent) to municipalities <p>2016/17 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"> Umzumbe Local Municipality: repair roads and bridges eThekweni Metropolitan Municipality: repair roads and bridges Alfred Duma Local Municipality: repair storm water, roads, bridges and streetlights Umdoni Local Municipality: repair of roads and storm water drainage Nkomazi Local Municipality: repair of culverts Hessequa Local Municipality: repair of storm water infrastructure, municipal infrastructure and roads
Projected life	<ul style="list-style-type: none"> The 2018 budget only allocated funds for the 2018/19 financial year. Allocations for future years will be considered through the budget process
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R1.2 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury

Municipal Disaster Recovery Grant	
Responsibilities of the transferring officer and receiving officer	Responsibilities of the National Disaster Management Centre <ul style="list-style-type: none"> • Advise municipalities about the existence of the grant and its conditions • Provide municipalities 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 • Report monthly on progress on projects funded through additional allocations for drought relief to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity • Share with National Treasury the minutes of the meetings with National Joint Drought Coordinating Committee detailing the progress on the funded projects • Monitor progress on the implementation of ground water and Water Conservation and Water Demand Management (WC/WDM) projects for Cape Town, Nelson Mandela Bay and Mangaung metropolitan municipalities
	Responsibilities of the Provincial Disaster Management Centres <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
	Responsibilities of municipalities <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 reoccurrence of disaster related damages in future • 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
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

TRANSPORT GRANT

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) • 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 2018/19 by 1 June 2018. Funds for one component can be shifted to the other if approved by DoT • The first tranche is subject to cities submitting, by 1 June 2018, an updated multi-year financial operational plan if requested by DoT for the duration of the vehicle operating contract/s pertaining to any phase on which 2018/19 grant funds will be spent • 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 R33 million is allocated to 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

Public Transport Network Grant	
	<p>than 10 per cent on the BFI funded projects, the municipality is required to inform National Treasury and the transferring officer within 30 days</p> <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. <u>If approval is granted, any vehicles purchased with grant funds must remain the property of the municipality</u>
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 • 5 per cent of available funds are allocated at the discretion of DoT, however from 2019/20 this component will be allocated as a performance incentive to operating municipalities • Allocations for the Network Operations Component are based on municipalities' Annual Operations Plans (to be submitted to DoT by 1 June 2018) which indicate the amount of the 2018/19 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

Public Transport Network Grant	
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>2016/17 audited financial outcomes:</p> <ul style="list-style-type: none"> Public Transport Network Grant: R5.6 billion was allocated and R5.6 billion (100 per cent) was transferred to municipalities <p>2016/17 service delivery performance:</p> <ul style="list-style-type: none"> Cape Town: operational MyCiTi service consists of 40 routes, 42 stations, 416 bus stop pairs, 558 drivers in 255 peak buses, and transport 61 974 passengers on a weekday as at end June 2017 Ekurhuleni: trunk routes 1A, 1B, 2A, 2B, 4A and 4B completed; detailed designs for main depot completed; construction of roads and parking bays at Vosloorus interim depot completed; MOU with Ekurhuleni Taxi Industry signed and implemented; and section 67 agreement signed to facilitate commencement of operations of the interim service provider eThekweni: 24.9 km right of way roadway on route C3 95 per cent complete and bridges and structures are completed. Routes C1A and C9 detailed designs complete and route C9 interchange 50 per cent complete George: 83 km of routes in mixed traffic inclusive of non-motorised transport facilities are complete. The system transports 13 500 passengers trips per weekday with R37.3 million in annual fare revenue Johannesburg: 50 475 average daily passenger trips; 1 137 average number of passenger trips with special categories of need (2 per cent of total weekday trips). 48 trunk stations in use; 272 feeder and complementary kerbside stops in use; 82 trunk vehicles in use; and 195 complementary and feeder vehicles in use Rustenburg: 5.3 km trunk in corridor A is completed; 13 km trunk in corridor B is completed; six stations are 80 per cent complete in corridor A; five station substructures are complete in corridor B; and universal access compliant non-motorised transport infrastructure along the Corridor A trunk is completed Mbombela: 6.7 km of bi-directional network completed; 2.9 km of non-motorised facilities completed; three transfer or primary stations (hubs) and 17 secondary stations completed Msunduzi: construction for Phase 1A 3.7 km complete; and upgrade of 12 km of strategic feeder routes of on-going Polokwane: 1.35 km of dedicated trunk completed; 2.3 km of mixed traffic trunk completed; 1.45 km of feeder completed; 3.43 km of non-motorised facilities; and three bus stops (kerbside-no shelter) completed Tshwane: 0.8 km of line 2B 64 per cent constructed; 0.64 km of line 1A (WP4B) 55 per cent constructed; and 0.9 km of line 2C 15 per cent constructed. At Belle Ombre bus depot, bulk earthworks 96 per cent completed and civil works 94 per cent complete while Kopanong intermodal public transport facility Phase 2 is 35 per cent complete; and Park Street non-motorised infrastructure (walkways and cycle paths) 84 per cent complete
Projected life	<ul style="list-style-type: none"> The grant is expected to continue until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R6.3 billion; 2019/20: R6.1 billion and 2020/21: R6.5 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with an agreed 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"> 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 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

Public Transport Network Grant	
	<ul style="list-style-type: none"> ○ 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 2019/20 MTEF allocations	<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 2018 ● 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 2019/20 financial year ● Municipalities that fail to pass the eligibility criteria will be informed by 31 August 2018 and may be asked to resubmit plans ● Municipalities must include plans for how all municipal owned bus will be integrated into the 10 year IPTN programme

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 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 under construction Number of projects/project phases completed Number of households targeted to benefit from bulk supply Number of municipalities benefitting Number of job opportunities 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: 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) and memorandums of understanding (MoU) which include the following: <ul style="list-style-type: none"> cash flow and implementation milestones details of key stakeholders and main contractors specific funding conditions related to the project outline of the roles and responsibilities of the respective parties
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 <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> The municipality must spend grant funds in line with the IRS 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 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 <p>Schedule 6, Part B allocations</p> <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 A financing plan with associated co-funding agreements must be in place prior to implementation of RBIG funded projects All sources of funding for the full cost of the project must be outlined in the IRS and the MoU, which must be signed by DWS and the benefiting municipality RBIG payments for Schedule 6, Part B allocations will be made to DWS's contracted implementing agent based on invoices for work done All projects must be implemented and transferred in line with the approved IRS For additional funds allocated to Ndlambe Local Municipality for drought relief, the transferring officer must: <ul style="list-style-type: none"> agree with the municipality on how maintenance and operations will be conducted and funded one month after the receipt of the allocations, provide a detailed breakdown to the National Treasury of the components funded through the allocations provide for adequate security measures in the design of the boreholes to prevent vandalism report monthly on progress on projects to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity at the end of the project, send a close-out report to the National Treasury
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:

Regional Bulk Infrastructure Grant	
	<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 ○ urgency and impact of the intervention
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>2016/17 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 (100 per cent) was transferred ● Of an approved revised budget allocation (Schedule 6, Part B) of R3.5 billion; 98 per cent was spent <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● Five project phases were completed: <ul style="list-style-type: none"> ○ Masilonyana-Brandfort phase1 ○ Kalahari East to Mier pipeline ○ Steytlerville Water Supply Scheme ○ Noupoort Bulk Water Supply ○ Gariep Dam to Norvaltspond Bulk Water Supply ● 81 project phases were in construction
Projected life	<ul style="list-style-type: none"> ● The grant will continue until 2020/21, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> ● 2018/19: R2 billion; 2019/20: R2.1 billion and 2020/21: R2.2 billion <p>Allocation-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> ● 2018/19: R2.9 billion; 2019/20: R3 billion and 2020/21: R3.2 billion
Payment schedule	<ul style="list-style-type: none"> ● Payments for Schedule 5, Part B allocations are made in terms of a payment schedule approved by National Treasury ● Payments for Schedule 6, Part B payments 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' (WSA) water services infrastructure master plans ● Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility study and IRS ● Enter into agreements with WSAs regarding the construction, ownership, funding arrangements, and operation and maintenance of proposed infrastructure prior to the commencement of construction. These agreements must be specified in the IRS and/or in the funding agreement ● If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained ● Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework) ● Ensure that suitable agreements are in place between an implementing agent who will continue to operate the infrastructure after completion and the WSA ● All drought related plans and expenditure must be shared with the National Disaster Management Centre <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, 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 2019/20 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 ● All projects are allocated a budget by DWS and submitted to National Treasury for gazetting as indicative budget allocations ● Project funding approval letters will be issued to the benefiting municipalities ● 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

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 assist Water Services Authorities (WSAs) to reduce water and sanitation backlogs
Grant purpose	<ul style="list-style-type: none"> Facilitate the planning and implementation of various water and on-site 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 through spring protection and groundwater development Support municipalities in implementing water conservation and water demand management (WC/WDM) projects Support 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 households reached by health and hygiene awareness and end-user education Number of job opportunities created
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 Output indicators Inputs Key activities Roles and responsibilities
Conditions	<ul style="list-style-type: none"> All projects 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 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 For additional funds allocated to municipalities for drought relief, the municipalities must: <ul style="list-style-type: none"> one month after the receipt of the allocations, provide a detailed breakdown to the DWS and National Treasury of the components funded through the allocations provide for adequate security measures in the design of the boreholes to prevent vandalism set aside adequate funding for sustainable operations and the maintenance of the schemes at the end of the project, send a close-out report to the National Treasury and the 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. In the case of Bucket Eradication Programme projects, a memorandum of understanding (MoU) will guide implementation DWS must approve the business plans before projects can be implemented DWS must enter into a MoU with the relevant municipality before any project is implemented Service level agreements (SLAs) between DWS and the WSA must specify: <ul style="list-style-type: none"> the location of the project and communities impacted the consultation process that was undertaken with affected communities the alignment between the project plan and the municipality's WSDP and IDP the interim/intermediate and/or localised infrastructure that will be built or the intervention that will be implemented <ul style="list-style-type: none"> the cost of the project and timeframe for completion how maintenance of the infrastructure will be conducted and funded in future by the municipality details of how the capacity of the municipality will be strengthened through the project implementation process so that it can implement projects itself in future DWS's implementing agent agreement by the municipality that the project should be implemented as an allocation-in-kind

Water Services Infrastructure Grant	
	<ul style="list-style-type: none"> • For additional funds allocated for drought relief, the transferring officer must: <ul style="list-style-type: none"> ○ agree with municipalities on how maintenance and operations will be conducted and funded ○ one month after the receipt of the allocations, provide a detailed breakdown to the National Treasury of the components funded through the allocations ○ provide for adequate security measures in the design of the boreholes to prevent vandalism ○ report monthly on progress on projects to the National Joint Drought Coordinating Committee of the Inter Ministerial Technical Committee of Drought and Water Scarcity ○ at the end of the project, send a close-out report to the National Treasury
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 • Allocations for the Bucket Eradication Programme in Schedule 6, Part B, are based on the remaining work needed to replace bucket systems with appropriate sanitation facilities for households identified by DWS in the 2015/16 verification process
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
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Water Services Infrastructure Grant (Schedule 5, Part B): <ul style="list-style-type: none"> ○ of the R2.8 billion allocated, R2.4 billion (83 per cent) was transferred • Water Services Infrastructure Grant (Schedule 6, Part B): <ul style="list-style-type: none"> ○ of the R311 million allocated, R297 million (95 per cent) was spent <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • Water Services Infrastructure Grant: <ul style="list-style-type: none"> ○ 28 200 households served ○ 509 jobs created
Projected life	<ul style="list-style-type: none"> • The grant will continue until the 2020/21 financial year, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> • 2018/19: R3.8 billion; 2019/20: R3.7 billion and 2020/21: R3.9 billion <p>Allocations-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> • 2018/19: R1.6 billion; 2019/20: R642 million and 2020/21: R678 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 <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 2019/20 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 technical reports • Municipalities must prepare business plans based on the assessed technical reports • Business plans must be submitted to DWS by 29 March 2019 • Business plans must be approved by DWS by 1 May 2019

ANNEXURE 4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B): CURRENT GRANTS**

(National and Municipal Financial Years)

ANNEXURE 4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B): CURRENT GRANTS**

		Municipal Systems Improvement Grant		
		National and Municipal Financial Year		
Category	Municipality	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)
EASTERN CAPE				
B	EC101 Dr Beyers Naude		1 055	1 055
Total: Sarah Baartman Municipalities			1 055	1 055
B	EC129 Raymond Mhlaba		1 055	1 055
Total: Amathole Municipalities			1 055	1 055
B	EC139 Enoch Mgijima		1 055	1 055
Total: Chris Hanani Municipalities			1 055	1 055
Total: Eastern Cape Municipalities			3 165	3 165
FREE STATE				
A	MAN Mangaung		1 055	1 055
Total: Free State Municipalities			1 055	1 055
KWAZULU-NATAL				
B	KZN212 uMdoni		1 055	1 055
B	KZN216 Ray Nkonyeni		1 055	1 055
Total: Ugu Municipalities			2 110	2 110
B	KZN237 iNkosi Langalibalele		1 055	1 055
B	KZN238 Alfred Duma		1 055	1 055
Total: uThukela Municipalities			2 110	2 110
B	KZN281 uMfolozi		1 055	1 055
B	KZN282 uMhlatuze		1 055	1 055
Total: King Cetshwayo Municipalities			2 110	2 110
Total: KwaZulu-Natal Municipalities			6 330	6 330
LIMPOPO				
B	LIM341 Musina		1 055	1 055
B	LIM343 Thulamela		1 055	1 055
B	LIM344 Makhado		1 055	1 055
B	LIM345 Collins Chabane		1 061	1 061
Total: Vhembe Municipalities			4 226	4 226
B	LIM351 Blouberg		1 055	1 055
B	LIM353 Molemole		1 055	1 055
B	LIM354 Polokwane		1 055	1 055
Total: Capricorn Municipalities			3 165	3 165
B	LIM368 Modimolle-Mookgophong		1 055	1 055
Total: Waterberg Municipalities			1 055	1 055
B	LIM476 Fetakgomo Tubatse		1 055	1 055
Total: Sekhukhune Municipalities			1 055	1 055
Total: Limpopo Municipalities			9 501	9 501
MPUMALANGA				
B	MP326 City of Mbombela		1 055	1 055
Total: Ehlanzeni Municipalities			1 055	1 055
Total: Mpumalanga Municipalities			1 055	1 055
NORTHERN CAPE				
B	NC087 Dawid Kruiper		1 055	1 055
Total: Z.F. Mgeawu Municipalities			1 055	1 055
Total: Northern Cape Municipalities			1 055	1 055
NORTH WEST				
B	NW405 JB Marks		1 055	1 055
Total: Dr Kenneth Kaunda Municipalities			1 055	1 055
Total: North West Municipalities			1 055	1 055
National Total			23 216	23 216

ANNEXURE 5

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B)**

(National and Municipal Financial Years)

ANNEXURE 5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B)

Category	Municipality	Water Services Infrastructure Grant			Municipal Disaster Recovery Grant			Public Transport Network Grant		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)
EASTERN CAPE										
A	NMA Nelson Mandela Bay					233 400	233 400	304 942		304 942
B	EC102 Blue Crane Route	50 000	42 300	92 300						
B	EC108 Kouga		92 500	92 500						
B	EC109 Kou-Kamma		14 561	14 561						
Total: Sarah Baartman Municipalities		85 000	149 361	234 361						
C	DC15 O.R. Tambo District Municipality	90 000	61 222	151 222						
Total: O.R. Tambo Municipalities		90 000	61 222	151 222						
Total: Eastern Cape Municipalities		494 000	210 583	704 583		233 400	233 400	400 107		400 107
FREE STATE										
A	MAN Mangaung					239 034	239 034	234 831		234 831
Total: Free State Municipalities		305 325		305 325		239 034	239 034	234 831		234 831
KWAZULU-NATAL										
A	ETH eThekweni					100 849	100 849	883 887		883 887
C	DC21 Ugu District Municipality	55 000		55 000		37 899	37 899			
Total: Ugu Municipalities		55 000		55 000		37 899	37 899			
Total: KwaZulu-Natal Municipalities		900 000		900 000		138 748	138 748	1 082 991		1 082 991
MPUMALANGA										
B	MP313 Steve Tshwete	10 000	6 800	16 800						
B	MP314 Emakhazeni	20 000	18 000	38 000						
B	MP315 Thembisile Hani	50 000	14 000	64 000						
B	MP316 Dr JS Moroka		18 000	18 000						
Total: Nkangala Municipalities		105 000	56 800	161 800						
Total: Mpumalanga Municipalities		409 674	56 800	466 474				203 454		203 454
NORTH WEST										
B	NW373 Rustenburg	60 000	20 700	80 700				298 212		298 212
Total: Bojanala Platinum Municipalities		198 000	20 700	218 700				298 212		298 212
Total: North West Municipalities		346 557	20 700	367 257				298 212		298 212
WESTERN CAPE										
A	CPT City of Cape Town					553 050	553 050	1 045 522	33 000	1 078 522
B	WC047 Bitou					4 587	4 587			
Total: Garden Route Municipalities		22 000		22 000		4 587	4 587	167 675		167 675
Total: Western Cape Municipalities		47 000		47 000		557 637	557 637	1 213 197	33 000	1 246 197
National Total		3 481 056	288 083	3 769 139	21 317	1 168 819	1 190 136	6 253 669	33 000	6 286 669

ANNEXURE 6

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

(National and Municipal Financial Years)

ANNEXURE 6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Municipality	Water Services Infrastructure Grant			Regional Bulk Infrastructure Grant			Municipal Systems Improvement Grant		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)
EASTERN CAPE										
B	EC101 Dr Beyers Naude		30 020	30 020	5 000		5 000	2 755	(1 055)	1 700
B	EC104 Makana		22 000	22 000	27 500		27 500	1 700		1 700
B	EC105 Ndlambe		26 809	26 809	5 000	6 000	11 000			
B	EC106 Sundays River Valley		900	900	14 000		14 000			
B	EC108 Kouga		58 728	58 728						
B	EC109 Kou-Kamma		9 200	9 200	10 000		10 000			
Total: Sarah Baartman Municipalities			147 657	147 657	66 500	6 000	72 500	4 455	(1 055)	3 400
B	EC129 Raymond Mhlaba							2 755	(1 055)	1 700
C	DC12 Amathole District Municipality		64 088	64 088	72 660		72 660			
Total: Amathole Municipalities			64 088	64 088	72 660		72 660	2 755	(1 055)	1 700
B	EC139 Enoch Mgijima							2 755	(1 055)	1 700
C	DC13 Chris Hanu District Municipality		87 300	87 300	10 000		10 000			
Total: Chris Hanu Municipalities			87 300	87 300	10 000		10 000	4 455	(1 055)	3 400
C	DC14 Joe Gqabi District Municipality		7 673	7 673						
Total: Joe Gqabi Municipalities			7 673	7 673				1 700		1 700
C	DC15 O.R. Tambo District Municipality		123 913	123 913						
Total: O.R. Tambo Municipalities			123 913	123 913						
Total: Eastern Cape Municipalities			430 631	430 631	333 560	6 000	339 560	13 365	(3 165)	10 200
FREE STATE										
A	MAN Mangaung				114 638		114 638	1 055	(1 055)	
Total: Free State Municipalities			442 860	442 860	722 324		722 324	7 855	(1 055)	6 800
KWAZULU-NATAL										
B	KZN212 uMdoni							1 055	(1 055)	
B	KZN216 Ray Nkonyeni							2 755	(1 055)	1 700
Total: Ugu Municipalities								3 810	(2 110)	1 700
B	KZN225 Msunduzi		2 760	2 760						
C	DC22 uMgungundlovu District Municipality		12 487	12 487						
Total: uMgungundlovu Municipalities			15 247	15 247						
B	KZN237 iNkosi Langalibalele							1 055	(1 055)	
B	KZN238 Alfred Duma							2 755	(1 055)	1 700
C	DC23 uThukela District Municipality		38 019	38 019						
Total: uThukela Municipalities			38 019	38 019				3 810	(2 110)	1 700
C	DC24 uMzinyathi District Municipality		15 800	15 800						
Total: uMzinyathi Municipalities			15 800	15 800				1 700		1 700
C	DC27 uMkhanyakude District Municipality		18 000	18 000	30 000		30 000			
Total: uMkhanyakude Municipalities			18 000	18 000	30 000		30 000			
B	KZN281 uMfolozi							1 055	(1 055)	
B	KZN282 uMhlatuze							3 055	(1 055)	2 000
C	DC28 King Cetshwayo District Municipality		15 300	15 300						
Total: King Cetshwayo Municipalities			15 300	15 300				5 810	(2 110)	3 700
C	DC43 Harry Gwala District Municipality		20 000	20 000						
Total: Harry Gwala Municipalities			20 000	20 000				1 700		1 700
Total: KwaZulu-Natal Municipalities			122 366	122 366	30 000		30 000	18 530	(6 330)	12 200
LIMPOPO										
C	DC33 Mopani District Municipality		84 500	84 500	332 927		332 927			
Total: Mopani Municipalities			84 500	84 500	332 927		332 927			
B	LIM341 Musina							2 755	(1 055)	1 700
B	LIM343 Thulamela							3 805	(1 055)	2 750
B	LIM344 Makhado							1 055	(1 055)	
B	LIM345 Collins Chabane							2 761	(1 061)	1 700
Total: Vhembe Municipalities					120 000		120 000	10 376	(4 226)	6 150
B	LIM351 Blouberg							1 055	(1 055)	
B	LIM353 Molemole							2 755	(1 055)	1 700
B	LIM354 Polokwane							3 055	(1 055)	2 000
Total: Capricorn Municipalities								6 865	(3 165)	3 700
B	LIM367 Mogalakwena		12 975	12 975	70 000		70 000			
B	LIM368 Modimolle-Mookgophong							1 055	(1 055)	
Total: Waterberg Municipalities			12 975	12 975	70 000		70 000	1 055	(1 055)	
B	LIM476 Fetakgomo Tubatse							1 055	(1 055)	
Total: Sekhukhune Municipalities					245 000		245 000	2 755	(1 055)	1 700
Total: Limpopo Municipalities			97 475	97 475	767 927		767 927	21 051	(9 501)	11 550

ANNEXURE 6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Municipality	Water Services Infrastructure Grant			Regional Bulk Infrastructure Grant			Municipal Systems Improvement Grant		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)	2018/19 Main Allocation (R'000)	Adjustment (R'000)	2018/19 Adjusted Allocation (R'000)
MPUMALANGA										
B	MP326 City of Mbombela				14 000		14 000	1 055	(1 055)	
Total: Ehlanzeni Municipalities					121 295		121 295	2 755	(1 055)	1 700
Total: Mpumalanga Municipalities					211 295		211 295	10 605	(1 055)	9 550
NORTHERN CAPE										
B	NC062 Nama Khoi	171	9 788	9 959	171		171	1 700		1 700
Total: Namakwa Municipalities		171	9 788	9 959	10 171		10 171	3 400		3 400
B	NC087 Dawid Kruiper	52 210		52 210	20 000		20 000	1 055	(1 055)	
Total: Z.F. Mgaawu Municipalities		64 539		64 539	27 329		27 329	4 455	(1 055)	3 400
Total: Northern Cape Municipalities		165 315	9 788	175 103	151 450		151 450	17 405	(1 055)	16 350
NORTH WEST										
B	NW372 Madibeng		21 800	21 800	80 000		80 000			
B	NW374 Kgetlengrivier		44 300	44 300	50 000		50 000	1 700		1 700
B	NW375 Moses Kotane		24 750	24 750						
Total: Bojanala Platinum Municipalities			90 850	90 850	148 000		148 000	1 700		1 700
C	DC38 Ngaka Modiri Molema District Municipality		157 674	157 674	103 000		103 000			
Total: Ngaka Modiri Molema Municipalities			157 674	157 674	103 000		103 000	1 700		1 700
C	DC39 Dr Ruth Segomotsi Mompati District Municipality		40 425	40 425						
Total: Dr Ruth Segomotsi Mompati Municipalities			40 425	40 425				1 700		1 700
B	NW405 JB Marks				12 386		12 386	1 055	(1 055)	
Total: Dr Kenneth Kaunda Municipalities					12 386		12 386	2 755	(1 055)	1 700
Total: North West Municipalities			288 949	288 949	263 386		263 386	7 855	(1 055)	6 800
WESTERN CAPE										
B	WC031 Theewaterskloof		28 919	28 919						
Total: Overberg Municipalities			28 919	28 919				1 700		1 700
B	WC045 Oudtshoorn		30 000	30 000	15 000		15 000			
Total: Garden Route Municipalities			30 000	30 000	40 000		40 000			
Total: Western Cape Municipalities			58 919	58 919	72 681		72 681	11 250		11 250
National Total		608 175	1 008 128	1 616 303	2 880 922	6 000	2 886 922	115 116	(23 216)	91 900

APPENDIX 1

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX 1

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Province /Components	National Health Insurance Indirect Grant		
	National and Municipal Financial Year		
	2018/19 Main Allocation (R'000)	Adjustments (R'000)	2018/19 Adjusted Allocation (R'000)
Health (Vote 16)			
National Health Insurance Indirect Grant			
Eastern Cape	111 148	147 011	258 159
Free State	142 266	30 465	172 731
Gauteng	89 574	184 509	274 083
KwaZulu-Natal	53 099	146 702	199 801
Limpopo	302 627	232 600	535 227
Mpumalanga	81 426	89 225	170 651
Northern Cape	9 713	24 724	34 437
North West	10 361	45 327	55 688
Western Cape	10 400	46 682	57 082
Unallocated	1 493 245	(793 245)	700 000
Total	2 303 859	154 000	2 457 859
<i>of which:</i>			
Health Facility Revitalisation Component			
Eastern Cape	71 000	37 390	108 390
Free State	140 323	(2 434)	137 889
Gauteng	30 000	15 799	45 799
KwaZulu-Natal			
Limpopo	285 791	163 840	449 631
Mpumalanga	62 000	32 650	94 650
Northern Cape			
North West			
Western Cape			
Unallocated	302 245	(302 245)	
Total	891 359	(55 000)	836 359
Personal Services Component			
Eastern Cape	40 148	30 813	70 961
Free State	1 943	1 491	3 434
Gauteng	59 574	45 723	105 297
KwaZulu-Natal	53 099	40 753	93 852
Limpopo	16 836	12 922	29 758
Mpumalanga	19 426	14 909	34 335
Northern Cape	9 713	7 455	17 168
North West	10 361	7 952	18 313
Western Cape	10 400	7 982	18 382
Unallocated	491 000	(491 000)	
Total	712 500	(321 000)	391 500
Non-Personal Services Component			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Unallocated	700 000		700 000
Total	700 000		700 000
Beds and Laundry Services Component			
Eastern Cape		22 900	22 900
Free State		12 500	12 500
Gauteng		30 400	30 400
KwaZulu-Natal		32 100	32 100
Limpopo		16 900	16 900
Mpumalanga		10 900	10 900
Northern Cape		5 900	5 900
North West		10 900	10 900
Western Cape		7 500	7 500
Unallocated			
Total		150 000	150 000
Human Resource Capacitation Component			
Eastern Cape		46 000	46 000
Free State		17 700	17 700
Gauteng		90 400	90 400
KwaZulu-Natal		67 100	67 100
Limpopo		34 400	34 400
Mpumalanga		28 200	28 200
Northern Cape		11 000	11 000
North West		24 000	24 000
Western Cape		31 200	31 200
Unallocated			
Total		350 000	350 000
Human Papillomavirus Vaccine Component			
Eastern Cape		9 908	9 908
Free State		1 208	1 208
Gauteng		2 187	2 187
KwaZulu-Natal		6 749	6 749
Limpopo		4 538	4 538
Mpumalanga		2 566	2 566
Northern Cape		369	369
North West		2 475	2 475
Western Cape			
Unallocated			
Total		30 000	30 000

APPENDIX 2

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT: ALLOCATIONS
PER PROVINCE**

(National Financial Years)

APPENDIX 2

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS
GRANT: ALLOCATIONS PER PROVINCE

Province	School Infrastructure Backlogs Grant		
	National and Municipal Financial Year		
	<i>2018/19 Main Allocation (R'000)</i>	<i>Adjustment (R'000)</i>	<i>2018/19 Adjusted Allocation (R'000)</i>
Schools Infrastructure Backlogs Grant			
Eastern Cape	1 133 512	608 000	1 741 512
Free State	73 257	40 000	113 257
Gauteng			
KwaZulu-Natal			
Limpopo	113 046	64 000	177 046
Mpumalanga			
Northern Cape			
North West	976		976
Western Cape			
Unallocated	151 035	88 000	239 035
Total	1 471 826	800 000	2 271 826

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