

REPUBLIC OF SOUTH AFRICA

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# DIVISION OF REVENUE BILL

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*(As introduced in the National Assembly (proposed section 76); explanatory summary of  
Bill published in Government Gazette No. 39707 of 18 February 2016)  
(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

**[B 2—2016]**

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# BILL

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2016/17 financial year, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's equitable share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

## PREAMBLE

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

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

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

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

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## CHAPTER 1

## INTERPRETATION AND OBJECTS OF ACT

## Interpretation

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

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

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

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

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

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

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

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

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

“**financial year**” means, in relation to—

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

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

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

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

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

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

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

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

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

“**level three accreditation**” means an executive assignment to administer all aspects, including financial administration, of national housing programmes;

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

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

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

(a) translates government policies and plans into a multi-year spending plan; and

(b) promotes transparency, accountability and effective public financial management;

- “**metropolitan municipality**” means a metropolitan municipality as defined in section 1 of the Municipal Structures Act;
- “**Municipal Finance Management Act**” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- “**Municipal Structures Act**” means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); 5
- “**Municipal Systems Act**” means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- “**Neighbourhood Development Partnership Grant**” means the Neighbourhood Development Partnership Grant referred to in Part B of Schedule 5 or Part B of Schedule 6; 10
- “**organ of state**” means an organ of state as defined in section 239 of the Constitution;
- “**overpayment**” means the transfer of more than the allocated amount of an allocation or the transfer of an allocation not in accordance with a payment schedule; 15
- “**payment schedule**” means a schedule which sets out—
- (a) the amount of each transfer of a provincial equitable share or a conditional allocation for a province or municipality to be transferred in terms of this Act;
  - (b) the date on which each transfer must be paid; and 20
  - (c) to whom, and to which bank account, each transfer must be paid;
- “**prescribe**” means prescribe by regulation in terms of section 37;
- “**primary bank account**” in relation to—
- (a) a province, means a bank account of the Provincial Revenue Fund, envisaged in section 21(2) of the Public Finance Management Act and which the accounting officer of the provincial treasury has certified to the National Treasury; or 25
  - (b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;
- “**Provincial Roads Maintenance Grant**” means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4; 30
- “**Public Finance Management Act**” means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- “**Public Transport Network Grant**” means the Public Transport Network Grant referred to in Part B of Schedule 5; 35
- “**Public Transport Operations Grant**” means the Public Transport Operations Grant referred to in Part A of Schedule 4;
- “**quarter**” means, in relation to—
- (a) a national or provincial department, the period from— 40
    - (i) 1 April to 30 June;
    - (ii) 1 July to 30 September;
    - (iii) 1 October to 31 December; or
    - (iv) 1 January to 31 March; or
  - (b) a municipality— 45
    - (i) 1 July to 30 September;
    - (ii) 1 October to 31 December;
    - (iii) 1 January to 31 March; or
    - (iv) 1 April to 30 June;
- “**receiving officer**” means, in relation to—
- (a) a Schedule 4, 5 or 7 allocation transferred to a province, the accounting officer of the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund; or 50
  - (b) a Schedule 4, 5 or 7 allocation transferred or provided in kind to a municipality, the accounting officer of the municipality; 55
- “**receiving provincial department**” in relation to a Schedule 4, 5 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure via an appropriation from its Provincial Revenue Fund;
- “**School Infrastructure Backlogs Grant**” means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6; 60
- “**this Act**” includes any framework or allocation published, or any regulation made, in terms of this Act;

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

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

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

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

## **Objects of Act**

2. The objects of this Act are—

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

## **CHAPTER 2**

### **EQUITABLE SHARE ALLOCATIONS**

#### **Equitable division of revenue raised nationally among spheres of government**

3. (1) Revenue raised nationally in respect of the 2016/17 financial year must be divided among the national, provincial and local spheres of government as set out in Column A of Schedule 1.

(2) The envisaged division among the national, provincial and local spheres of government of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1.

#### **Equitable division of provincial share among provinces**

4. (1) Each province’s equitable share of the provincial share of revenue raised nationally in respect of the 2016/17 financial year is set out in Column A of Schedule 2.

(2) The envisaged equitable share for each province of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

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

#### **Equitable division of local government share among municipalities**

5. (1) Each municipality’s equitable share of local government’s share of revenue raised nationally in respect of the 2016/17 financial year is set out in Column A of Schedule 3.

(2) The envisaged equitable share for each municipality of revenue anticipated to be raised nationally in respect of the 2017/18 financial year and the 2018/19 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3.

(3) The national department responsible for local government must, subject to section 38(3), transfer a municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 4 July 2016, 1 December 2016 and 17 March 2017, in the amounts determined in terms of section 23(2). 5

### **Shortfalls and excess revenue**

6. (1) If the actual revenue raised nationally in respect of the 2016/17 financial year falls short of the anticipated revenue set out in Column A of Schedule 1, the national government bears the shortfall. 10

(2) If the actual revenue raised nationally in respect of the 2016/17 financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally. 15

(3) A portion of national government's equitable share or excess revenue envisaged in subsection (2), may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to— 20

- (a) national departments; or
- (b) provinces or municipalities.

## **CHAPTER 3**

### **CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES**

#### *Part 1* 25

#### *Conditional allocations*

#### **Conditional allocations to provinces**

7. (1) Conditional allocations to provinces for the 2016/17 financial year from the national government's share of revenue raised nationally are set out in—

- (a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 30
- (b) Part A of Schedule 5, specifying specific purpose allocations to provinces;
- (c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and
- (d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund an immediate response to a disaster. 35

(2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the 2017/18 financial year and the 2018/19 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 40

#### **Conditional allocations to municipalities**

8. (1) Conditional allocations to municipalities in respect of the 2016/17 financial year from the national government's share of revenue raised nationally are set out in— 45

- (a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets;
- (b) Part B of Schedule 5, specifying specific purpose allocations to municipalities;
- (c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and 50

- (d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities that may be released to municipalities to fund an immediate response to a disaster.
- (2) An envisaged division of conditional allocations to municipalities from the national government's share of revenue anticipated to be raised nationally for the 2017/18 financial year and the 2018/19 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 5
- (3) If approved by the National Treasury after consultation with the national Department of Transport, allocations for specific transport contracts for capital projects from the envisaged conditional allocations for the Public Transport Network Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the 2017/18 financial year and 2018/19 financial year. 10
- (4) (a) A municipality may only with the approval of the National Treasury pledge, offer as security or commit to a person or institution any envisaged conditional allocation to the municipality for the 2017/18 financial year and the 2018/19 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution. 15
- (b) Before making a decision, the National Treasury must—
- (i) notify the relevant transferring officer of the approval sought by a municipality and that the officer may submit comment to the National Treasury regarding the approval sought, within five working days after notification or such longer period as the National Treasury may approve; and 20
- (ii) consider any comment so submitted by the officer.
- (c) A municipality must report on any project pledged to be partially or fully funded in terms of paragraph (a) in the format and on the dates determined by the National Treasury. 25

## *Part 2*

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

- Duties of transferring officer in respect of Schedule 4 allocations** 30
- 9.** (1) The transferring officer of a Schedule 4 allocation must—
- (a) ensure that transfers to all provinces and municipalities are—
- (i) deposited only into the primary bank account of the relevant province or municipality; and
- (ii) made in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; 35
- (b) monitor information on financial and non-financial performance of programmes partially or fully funded by an allocation in Part A of Schedule 4, in accordance with subsection (2) and the applicable framework; 40
- (c) monitor information on financial and non-financial performance of the Urban Settlements Development Grant and Integrated City Development Grant against the capital budget and the service delivery and budget implementation plan;
- (d) comply with the applicable framework; 45
- (e) submit a quarterly financial and non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the applicable framework; and
- (f) evaluate the performance of programmes funded or partially funded by the allocation and the submission of such evaluations to the National Treasury— 50
- (i) in respect of a provincial department, within four months after the end of the 2016/17 financial year of the provincial department; and
- (ii) in respect of a municipality, within four months after the end of the 2016/17 financial year of the municipality.
- (2) Any monitoring programme or system that is utilised to monitor information on financial and non-financial performance of a programme partially or fully funded by a Schedule 4 allocation must— 55
- (a) be approved by the National Treasury;

- (b) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management and budget information;
- (c) be compatible and integrated with and not unnecessarily duplicate other relevant national, provincial and local systems; and
- (d) support compliance with section 11(2). 5

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

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

- 10.** (1) The transferring officer of a Schedule 5 or 6 allocation must— 10
- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that—
    - (i) any monitoring or system that is utilised, is compatible and integrated with and does not duplicate other relevant national, provincial and local systems; and 15
    - (ii) in respect of a Schedule 5 allocation, any plans requested in respect of how allocations will be utilised by a province or municipality, as the case may be, have been approved before the start of the financial year.
  - (b) in respect of Schedule 5 allocations—
    - (i) transfer funds only after receipt of all information required to be submitted by the receiving officer in terms of this Act and submission of all relevant information to the National Treasury; 20
    - (ii) transfer funds in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; and 25
    - (iii) deposit funds only into the primary bank account of the relevant province or municipality; and
  - (c) ensure that all other provisions of this Act and the relevant framework for the transfer of the allocation are complied with.
- (2) The transferring officer must submit all relevant information and documentation referred to in subsection (1)(a) to the National Treasury within 14 days after this Act takes effect. 30
- (3) A transferring officer, who has not complied with subsection (1), must transfer the allocation in the manner instructed by the National Treasury, including transferring the allocation as an unconditional allocation. 35
- (4) Before making the first transfer of any allocation in terms of subsection (1)(b), the transferring officer must take note of any notice in terms of section 31(1) containing the details of the relevant primary bank accounts.
- (5) The transferring officer of a Schedule 5 allocation to a municipality is responsible for monitoring financial and non-financial performance information on programmes funded by the allocation. 40
- (6) The transferring officer of a Schedule 5 or 6 allocation must, as part of the reporting envisaged in section 40(4)(c) of the Public Finance Management Act, submit information, in the format determined by the National Treasury, for the month in question, and for the 2016/17 financial year up to the end of that month, on— 45
- (a) the amount of funds transferred to a province or municipality;
  - (b) the amount of funds for any province or municipality withheld or stopped in terms of section 18 or 19, the reasons for the withholding or stopping and the steps taken by the transferring officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment; 50
  - (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 allocation;
  - (d) the actual expenditure incurred by the transferring officer in respect of a Schedule 6 allocation; 55
  - (e) any matter or information that may be required by the relevant framework for the particular allocation; and
  - (f) such other matters as the National Treasury may determine.
- (7) A transferring officer must submit to the National Treasury— 60
- (a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant, National Health Insurance

- Indirect Grant, School Infrastructure Backlogs Grant or Maths, Science and Technology Grant within 22 days after the end of each month, in the format determined by the National Treasury; and
- (b) a quarterly performance report of all programmes partially or fully funded by a Schedule 5 or 6 allocation within 45 days after the end of each quarter, in accordance with the relevant framework. 5
- (8) The transferring officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury—
- (a) in respect of a provincial department, within four months after the end of the 2016/17 financial year of the provincial department; and 10
- (b) in respect of a municipality, within four months after the end of the 2016/17 financial year of the municipality.
- (9) The transferring officer for the Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant to a metropolitan municipality— 15
- (a) may only transfer the grant if the municipality has submitted a built environment performance plan in terms of section 14(1);
- (b) must take into account that built environment performance plan when monitoring and evaluating the performance of the municipality and assessing envisaged plans and allocations for the municipality. 20
- (10) The transferring officer of the Human Settlements Development Grant may only transfer the grant to a province after the relevant receiving officer has complied with section 12(6)(a) and (b).

#### **Duties of receiving officer in respect of Schedule 4 allocations** 25

11. (1) The receiving officer of a Schedule 4 allocation is responsible for—
- (a) complying with the relevant framework for the Schedule 4 allocation; and
- (b) the manner in which the Schedule 4 allocation received from a transferring officer is allocated and spent.
- (2) The receiving officer of a municipality must— 30
- (a) ensure and certify to the National Treasury that the municipality—
- (i) indicates each programme partially or fully funded by a Schedule 4 allocation in its annual budget and that the Schedule 4 allocation is specifically and exclusively appropriated in that budget for utilisation only according to the purpose of the allocation; and 35
- (ii) makes public, in terms of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs;
- (b) when submitting the municipality's statements in terms of section 71 of the Municipal Finance Management Act for September 2016, December 2016, 40  
March 2017 and June 2017, report to the transferring officer, the relevant provincial treasury and the National Treasury—
- (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on financial performance against its capital budget and the measures defined in its service delivery and budget implementation plan; and 45
- (ii) in respect of any other Schedule 4 allocation, on financial performance of programmes partially or fully funded by the allocation; and
- (c) within 30 days after the end of each quarter, report to the transferring officer and the National Treasury— 50
- (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on non-financial performance for that quarter against the measures defined in its service delivery and budget implementation plan; and
- (ii) in respect of any other Schedule 4 allocation, on non-financial performance of programmes partially or fully funded by the allocation. 55
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to the transferring officer of the Urban Settlements Development Grant, Public Transport Network Grant and Integrated National Electrification Programme Grant and the accounting officer of any other national department having 60  
responsibilities relating to the applicable allocation.

- (4) The receiving officer of a provincial department must submit to the relevant provincial treasury and the transferring officer—
- (a) as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports on financial and non-financial performance of programmes partially or fully funded by a Schedule 4 allocation; 5
  - (b) a quarterly non-financial performance report of programmes partially or fully funded by a Schedule 4 allocation within 30 days after the end of each quarter; and
  - (c) a monthly provincial report on infrastructure programmes partially or fully funded by a Schedule 4 allocation within 15 days after the end of each month, in the format determined by the National Treasury. 10
- (5) The receiving officer must report on programmes partially or fully funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.
- (6) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 4 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months—
- (a) in respect of a provincial department, after the end of the 2016/17 financial year of the provincial department; and 20
  - (b) in respect of a municipality, after the end of the 2016/17 financial year of the municipality.

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

- 12.** (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework. 25
- (2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to—
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of that report to the relevant provincial treasury and the transferring officer; 30
  - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring officer; and 35
  - (c) a province or municipality, submit a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring officer and the relevant provincial treasury.
- (3) A report for a province in terms of subsection (2)(a) must set out for the month in question and for the 2016/17 financial year up to the end of the month— 40
- (a) the amount received by the province;
  - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
  - (c) the actual expenditure by the province in respect of Schedule 5 and 7 allocations; 45
  - (d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing the programme;
  - (e) the available figures regarding the expenditure by a public entity referred to in paragraph (d); 50
  - (f) the extent of compliance with this Act and with the conditions of the allocation provided for in its framework, based on the available information at the time of reporting;
  - (g) an explanation of any material difficulties experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such difficulties; 55
  - (h) any matter or information that may be determined in the framework for the allocation; and
  - (i) such other matters and information as the National Treasury may determine.

- (4) A report for a municipality in terms of subsection (2)(b) must set out for the month in question and for the 2016/17 financial year up to the end of the month—
- (a) the amount received by the municipality;
  - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding; 5
  - (c) the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework;
  - (d) an explanation of any material problems experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems; 10
  - (e) any matter or information that may be determined in the framework for the allocation; and
  - (f) such other matters and information as the National Treasury may determine.
- (5) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months—
- (a) in respect of a provincial department, after the end of the 2016/17 financial year of the provincial department; and
  - (b) in respect of a municipality, after the end of the 2016/17 financial year of the municipality. 20
- (6) (a) The receiving officer of the Human Settlements Development Grant must, in consultation with the transferring officer, publish in the *Gazette* within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the 2016/17 financial year, the 2017/18 financial year and the 2018/19 financial year per municipality with level one or level two accreditation. 25
- (b) The planned expenditure must indicate the expenditure to be undertaken directly by the province and transfers to each municipality.
- (c) The receiving officer of the Human Settlements Development Grant may, by notice in the *Gazette*, after taking into account the performance of the municipality and after consultation with the affected municipality and in consultation with the transferring officer, amend the planned expenditure for that municipality published in terms of paragraph (a). 30

#### **Duties of receiving officer in respect of infrastructure conditional allocations to provinces** 35

- 13.** (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant, Human Settlements Development Grant or Provincial Roads Maintenance Grant must—
- (a) submit to the relevant provincial treasury a list of all infrastructure projects partially or fully funded by the relevant grant over the medium term expenditure framework for tabling as part of the estimates of provincial expenditure in the provincial legislature in the format determined by the National Treasury; 40
  - (b) within seven days after the tabling in the legislature, submit the list to the transferring officer and the National Treasury; 45
  - (c) after consultation with the provincial treasury and the transferring officer, submit any amendments to the list, together with reasons for the amendments, to the provincial treasury for tabling with the adjusted estimates of provincial expenditure;
  - (d) within seven days after the tabling in the legislature, submit the amended list to the transferring officer and the National Treasury; 50
  - (e) report on all infrastructure expenditure partially or fully funded by the relevant grant to the transferring officer, relevant provincial treasury and the National Treasury in the format and on the date determined by the National Treasury; 55
  - (f) within 15 days after the end of each month, submit to the relevant provincial treasury and transferring officer, a draft report on infrastructure programmes partially or fully funded from those grants in the format determined by the National Treasury;

- (g) within 22 days after the end of each month, submit to the National Treasury, a final draft report on infrastructure programmes partially or fully funded from those grants;
  - (h) within 29 days after the end of each month, submit to the relevant provincial treasury, the transferring officer and the National Treasury, a final report; and 5
  - (i) within two months after the end of the 2016/17 financial year—
    - (i) evaluate the financial and non-financial performance of the province in respect of programmes partially or fully funded by the grant based on the infrastructure budget of the province; and
    - (ii) submit the evaluation to the transferring officer, the relevant provincial treasury and the National Treasury. 10
- (2) The receiving officer of the Education Infrastructure Grant or Health Facility Revitalisation Grant must—
- (a) within 15 days after the end of each quarter, submit to the transferring officer and the relevant provincial treasury a draft report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department in a format determined by the National Treasury; 15
  - (b) within 22 days after the end of each quarter, submit to the National Treasury, a final draft report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; 20
  - (c) within 29 days after the end of each quarter, submit to the transferring officer, the relevant provincial treasury and the National Treasury, a final report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; and
  - (d) ensure that projects comply with infrastructure delivery management best practice standards and guidelines, as identified and approved by the National Treasury. 25

#### **Infrastructure conditional allocations to metropolitan municipalities**

14. (1) The receiving officer of a metropolitan municipality must, by 27 May 2016, submit to the National Treasury a built environment performance plan that includes all projects partially or fully funded by— 30
- (a) the Integrated City Development Grant, Urban Settlements Development Grant, Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant referred to in Part B of Schedule 5; and 35
  - (b) money allocated for the Human Settlements Development Grant received from a province.
- (2) The built environment performance plan, referred to in subsection (1), must—
- (a) be in the format determined by the National Treasury, including information on the project pipeline for catalytic urban development projects; 40
  - (b) demonstrate that the planned expenditure in the municipality's integration zones from all the grants referred to in subsection (1)(a) collectively, increases annually; and
  - (c) be approved by its municipal council.
- (3) The National Treasury must, within seven days after the submission in terms of subsection (1), make available each built environment performance plan to all affected transferring officers and provincial departments. 45
- (4) (a) The receiving officer must report in its annual financial statements on the expenditure from each of the grants mentioned in subsection (1)(a) in each integration zone of the municipality against its built environment performance plan. 50
- (b) The transferring officer of the Integrated National Electrification Programme Grant referred to in Part B of Schedule 6 must report in its annual financial statements on the expenditure in each integration zone of every municipality against the built environment performance plan of the municipality.

#### **Duties in respect of annual financial statements and annual reports for 2016/17 55**

15. (1) The 2016/17 financial statements of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—

- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate any transfer withheld or stopped in terms of section 18 or 19 in respect of each province or municipality and the reason for the withholding or stopping; 5
- (c) indicate any transfer not made in accordance with the payment schedule or amended payment schedule, unless withheld or stopped in terms of section 18 or 19, and the reason for the non-compliance;
- (d) indicate any reallocations by the National Treasury in terms of section 20;
- (e) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and 10
- (f) indicate the funds, if any, utilised for the administration of the allocation by the receiving officer.
- (2) The 2016/17 annual report of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation indicate— 15
- (a) the reasons for the withholding or stopping of all transfers to a province or municipality in terms of section 18 or 19;
- (b) the extent that compliance with this Act by provinces or municipalities was monitored; 20
- (c) the extent that the allocation achieved its objectives and outputs; and
- (d) any non-compliance with this Act, and the steps taken to address the non-compliance.
- (3) The 2016/17 financial statements of a provincial department responsible for receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 25
- (a) indicate the total amount of all allocations received;
- (b) indicate the total amount of actual expenditure on each Schedule 5 or 7 allocation; and
- (c) certify that all transfers of allocations in Schedules 4, 5 and 7 to the province were deposited into the primary bank account of the province. 30
- (4) The 2016/17 annual report of a provincial department receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—
- (a) indicate the extent that the provincial department complied with this Act;
- (b) indicate the steps taken to address non-compliance with this Act; 35
- (c) indicate the extent that the allocation achieved its objectives and outputs;
- (d) contain any other information that may be specified in the framework for the allocation; and
- (e) contain such other information as the National Treasury may determine. 40
- (5) The 2016/17 financial statements and annual report of a municipality receiving an allocation in Schedule 4, 5 or 7 must be prepared in accordance with the Municipal Finance Management Act.
- (6) The National Treasury may determine how transferring officers and receiving officers must report on conditional allocations to municipalities within 30 days after the end of each quarter to facilitate the audit of the allocations for the 2016/17 financial year. 45

### **Part 3**

#### ***Matters relating to Schedule 4 to 7 allocations***

##### **Publication of allocations and frameworks**

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

(b) at the written request of the relevant transferring officer, by notice in the *Gazette*, amend the affected allocation or framework.

(3) The National Treasury may, after consultation with the relevant transferring officer and by notice in the *Gazette*, amend an indicative conditional allocation in Schedule 6 published in terms of subsection (1)(b). 5

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

(5) An amendment in terms of subsection (2) or (3) takes effect on the date of publication of the notice in the *Gazette*. 10

### **Expenditure in terms of purpose and subject to conditions**

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

(2) A receiving officer may not transfer any portion of a Schedule 5 allocation to any other organ of state for the performance of a function to be funded by the allocation, unless before the transfer is made, the receiving officer and the organ of state agree to a payment schedule, the receiving officer has notified the transferring officer and the National Treasury approves the agreed payment schedule and— 15

(a) the transfer— 20

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

(ii) if not so approved—

(aa) the receiving officer notifies the National Treasury that the purpose of the transfer is not to artificially inflate the expenditure estimates of the relevant provincial department or municipality and indicates the reasons for the transfer; and 25

(bb) the National Treasury approves the transfer; or

(b) the transfer is for the payment for services or goods procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and, if it is an advance payment, paragraph (a)(ii) applies with the necessary changes. 30

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

(a) Eskom Holdings Limited may receive funds directly from the transferring officer of the Department of Energy; 35

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

(4) (a) For purposes of the Human Settlements Development Grant, a receiving officer and a municipality with level one, two or three accreditation as at 1 April 2016, must, by the date determined by the National Treasury, comply with subsection (2) by— 40

(i) entering into a payment schedule; and

(ii) submitting the payment schedule to the National Treasury.

(b) If a municipality receives accreditation after 1 April 2016, the National Treasury may approve that paragraph (a) applies. 45

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

(5) If a function which is partially or fully funded by a conditional allocation to a province is assigned to a municipality, as envisaged in section 10 of the Municipal Systems Act— 50

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

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

(c) any project or contract regarding the function not finalised or fulfilled at the date at which the function is assigned, must be subjected to an external audit 60

and the province and the municipality must enter into an agreement to complete the project or fulfil the contract through ceding it to the municipality;

- (d) money that is retained by the province for any contract related to the function that is not ceded to the municipality must be spent by 31 March 2017 and will not be available in terms of section 30 of the Public Finance Management Act or section 22(2); 5
- (e) the receiving officer of the province must submit to the transferring officer and the National Treasury a list of liabilities attached to the function, that were not transferred to the municipality, within seven days after the function is assigned to provide for the adjustment of the applicable allocations; and 10
- (f) the receiving officer of the municipality must, within one month from the date of the stopping of funds in paragraph (a), submit to the transferring officer a revised plan for its planned expenditure.

### **Withholding of allocations**

15

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

- (a) the province or municipality does not comply with any provision of this Act;
- (b) roll-overs of conditional allocations approved by the National Treasury in terms of section 22 have not been spent; or 20
- (c) a satisfactory explanation is not given for significant under-expenditure on previous transfers during the 2016/17 financial year.

(2) If an allocation is withheld in terms of subsection (1), it suspends the applicable payment schedule approved in terms of section 23(3) until it is amended in terms of section 24. 25

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

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

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

(5) A notice envisaged in subsection (4) must include the reasons for withholding the allocation and the intended duration of the withholding to inform the amendment of the payment schedule in terms of section 24. 40

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

- (i) facilitate compliance with this Act; or
- (ii) minimise the risk of under-spending.

(b) When requesting the withholding of an allocation in terms of this subsection, a transferring officer must submit to the National Treasury proof of compliance with subsection (4) and any representations received from the receiving officer. 50

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

### **Stopping of allocations**

**19.** (1) Despite section 18, the National Treasury may, in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a Schedule 4 or 5 allocation, or a portion thereof, to a province or municipality— 55

- (a) in the case of—

- (i) a province, if a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, occurs; or
  - (ii) a municipality, if—
    - (aa) a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, read with section 38(1)(b)(i) of the Municipal Finance Management Act, occurs; or
    - (bb) a breach or failure to comply, as envisaged in section 38(1)(b)(ii) of the Municipal Finance Management Act occurs;
  - (b) if the National Treasury anticipates that a province or municipality will substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2016/17 financial year; or
  - (c) for purposes of the assignment of a function from a province to a municipality, as envisaged in section 10 of the Municipal Systems Act;
- (2) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(i) or (b)—
- (a) comply with the procedures in section 18(4)(a); and
  - (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(ii), comply with the applicable provisions of section 38 of the Municipal Finance Management Act.
- (4) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.
- (5) (a) If—
- (i) an allocation, or any portion thereof, is stopped in terms of subsection (1)(a) or (b); and
  - (ii) the relevant transferring officer certifies in writing to the National Treasury that the payment of an amount in terms of a statutory or contractual obligation is overdue and the allocation, or a portion thereof, was intended for payment of the amount,
- the National Treasury may, by notice in the *Gazette*, approve that the allocation, or any portion thereof, be utilised to pay that amount partially or fully.
- (b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

### **Reallocation of funds**

- 20.** (1) When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2016/17 financial year.
- (2) (a) When a Schedule 4 or 5 allocation, or a portion thereof, is stopped in terms of section 19(1)(c), the National Treasury must, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to the affected municipalities, on condition that the allocation must be spent by the end of the 2016/17 financial year.
- (b) The portion of the allocation reallocated in terms of paragraph (a) is, with effect from the notice in the *Gazette* in terms of subsection (3)(a), regarded as having been converted to an allocation in Part B of the same Schedule it appears before the reallocation.
- (3) (a) If the transferring officer of a Schedule 6 allocation indicates in writing to the National Treasury that a portion of the allocation is likely to be underspent, or needs to be reprioritised to meet a priority, the National Treasury may, at the request of the transferring officer, determine that the portion be reallocated, as the same type of allocation as it was allocated originally, to a provincial department of another province or to another municipality.
- (b) Before requesting a reallocation, the transferring officer must notify the affected provincial department or municipality of the proposed reallocation and give the provincial department or municipality at least 14 days to provide comments and propose changes.

- (c) When making a request in terms of paragraph (a), the transferring officer must submit to the National Treasury comments and proposed changes provided by the affected provincial department or municipality in terms of paragraph (b).
- (d) The reallocated portion must be spent by the end of the 2016/17 financial year.
- (e) The reallocated portion is regarded as having been converted to an allocation to the relevant provincial department or municipality with effect from the date of the notice in the *Gazette* in terms of subsection (4)(a). 5
- (4) (a) The National Treasury must—
- (i) give notice in the *Gazette* of a reallocation in terms of subsection (1), (2) or (3); and 10
  - (ii) provide a copy of the notice to the transferring officer and each affected receiving officer.
- (b) The reallocation of a portion of an allocation not spent by the end of 2016/17 financial year is eligible for a roll-over in terms of section 22(2).
- (5) (a) When an intervention in terms of section 100 or 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act takes place, the National Treasury may, despite subsection (1) and on such conditions as it may determine, authorise in relation to— 15
- (i) section 100 of the Constitution, the transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant province; 20
  - (ii) section 139 of the Constitution or section 137 or 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 19 of this Act on behalf of the relevant municipality; or
  - (iii) section 150 of the Municipal Finance Management Act, the relevant transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality. 25
- (b) An allocation that is spent by the transferring officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given.
- (6) (a) On a joint request by the transferring officer and the National Disaster Management Centre, established by section 8 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a disaster or the reconstruction or rehabilitation of infrastructure damage caused by a disaster. 30 35
- (b) Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation.
- (c) The reallocated funds must be used in the 2016/17 financial year in the same sphere the allocation was originally made and for the same functional area that the original allocation relates to. 40
- (d) The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the National Disaster Management Centre and with the approval of the National Treasury. 45
- (e) Subsection (4) applies with the necessary changes to a reallocation in terms of this subsection to another province or municipality.

### Conversion of allocations

- 21.** (1) If satisfied that—
- (a) the conversion will prevent under-expenditure or improve the level of service delivery in respect of the allocation in question; and 50
  - (b) the affected national or provincial department or municipality has demonstrated the capacity to implement projects,
- the National Treasury may, in its discretion after consultation with the relevant transferring officer and receiving officer or at the request of the transferring officer or the affected receiving officer, convert any portion of— 55
- (i) an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6;
  - (ii) an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5; 60

- (iii) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or
  - (iv) the National Health Insurance Indirect Grant listed in Part A of Schedule 6 to the Health Facility Revitalisation Grant or the National Health Insurance Grant listed in Part A of Schedule 5. 5
- (2) If satisfied that a municipality has failed to follow procurement procedures prescribed in terms of the Municipal Finance Management Act, the National Treasury may, in its discretion after consultation with the relevant transferring officer or at the request of the transferring officer or the affected receiving officer, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6. 10
- (3) Any portion of an allocation converted in terms of subsections (1) or (2) must be utilised for the same province or municipality to which the allocation was originally made.
- (4) The National Treasury must—
- (a) give notice in the *Gazette* of a conversion in terms of subsection (1) or (2); and 15
  - (b) provide a copy of the notice to the transferring officer and each affected receiving officer.
- (5) A conversion in terms of subsection (1) or (2) takes effect on the date of publication of the notice in terms of subsection (4)(a).
- (6) If an allocation listed in Part B of Schedule 7 is insufficient for a disaster referred to in section 26(3)(a), the National Treasury may, after consultation with or on the request of the relevant transferring officer, convert any portion of an allocation listed in— 20
- (a) Part A of Schedule 7 to one listed in Part B of Schedule 7; or
  - (b) Part B of Schedule 7 to one listed in Part A of Schedule 7. 25
- (7) The National Treasury must—
- (a) in the notice published in terms of section 26(3)(c), include notification of the conversion in terms of subsection (6) and the effective date referred to in subsection (8); or
  - (b) provide a copy of the notice to the transferring officer. 30
- (8) A conversion in terms of subsection (6) takes effect on the date that the National Treasury approves it.

### Unspent conditional allocations

22. (1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the 2016/17 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2). 35
- (2) The National Treasury may, at the request of a transferring officer, receiving officer or provincial treasury, approve a roll-over of a conditional allocation to the 2017/18 financial year if the unspent funds are committed to identifiable projects. 40
- (3) (a) The receiving officer must ensure that any funds that must revert to the National Revenue Fund in terms of subsection (1), are paid into that Fund by the date determined by the National Treasury.
- (b) The receiving officer must— 45
- (i) in the case of a provincial department, request the roll-over of unspent funds through its provincial treasury; and
  - (ii) inform the transferring officer of all processes regarding the request.
- (4) The National Treasury may, subject to subsection (5), offset any funds that must revert to the National Revenue Fund in terms of subsection (1), but not paid into that Fund by the date determined in terms of subsection (3)(a)— 50
- (a) in the case of a province, against future advances for conditional allocations to that province; or
  - (b) in the case of a municipality, against future advances for the equitable share or conditional allocations to that municipality. 55
- (5) Before any funds are offset in terms of subsection (4), the National Treasury must give the relevant transferring officer, province or municipality—
- (a) notice of the intention to offset amounts against future advances for allocations, the intended amount to be offset against allocations and the reasons for the offsetting; and 60

- (b) an opportunity, within 14 days of receipt of the notice, to—
  - (i) submit written representations and other written proof that the allocation, or a portion thereof, was either spent in terms of the relevant framework or is committed to identifiable projects;
  - (ii) propose alternative means acceptable to the National Treasury by which the unspent allocations can be paid into the National Revenue Fund; and
  - (iii) propose an alternative payment schedule in terms of which the unspent allocations will be paid into the National Revenue Fund.

## CHAPTER 4

### MATTERS RELATING TO ALL ALLOCATIONS 10

#### Payment requirements

- 23.** (1) (a) The National Treasury must, after consultation with the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation.
- (b) In determining the payment schedule, the National Treasury must take into account the monthly expenditure commitments of provinces and seek to minimise risk and debt servicing costs for national and provincial government.
- (c) Despite paragraph (a), the National Treasury may advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in terms of the payment schedule—
- (i) for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution takes place; and
  - (ii) on such conditions as it may determine.
- (d) Any advances in terms of paragraph (c) must be offset against transfers to the province which would otherwise become due in terms of the payment schedule.
- (2) (a) The National Treasury must, after consultation with the national department responsible for local government, determine the amount of a municipality's equitable share allocation to be transferred on each date referred to in section 5(3) and, if applicable, section 38(3).
- (b) Despite paragraph (a), the National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of section 5(3) or 38(3), be advanced to a municipality—
- (i) after consultation with the national department responsible for local government;
  - (ii) for purposes of cash management in the municipality or an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act; and
  - (iii) on such conditions as it may determine.
- (c) Any advance in terms of paragraph (b) must be offset against transfers to the municipality which would otherwise become due in terms of section 5(3) or 38(3).
- (3) (a) Subject to section 28(1), the National Treasury must, within 14 days after this Act takes effect, approve the payment schedule for the transfer of an allocation listed in Schedule 4 or 5 to a province or municipality.
- (b) The transferring officer of a Schedule 4 or 5 allocation must submit a payment schedule to the National Treasury for approval before the first transfer is made.
- (c) Before the submission of a payment schedule in terms of paragraph (b), the transferring officer must, in relation to a Schedule 4 or 5 allocation, consult the relevant receiving officer.
- (4) The transferring officer of a Schedule 4 or 5 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule before making the first transfer in terms thereof.
- (5) The transfer of a Schedule 4 or 5 allocation to a municipality must accord with the financial year of the municipality.
- (6) Each transfer of an equitable share or a conditional allocation to a municipality in terms of this Act must be made through a payment system provided by the National Treasury.

**Amendment of payment schedule**

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

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

(2) For purposes of better management of debt and cash-flow or addressing financial mismanagement or financial misconduct or slow or accelerated expenditure, the National Treasury may amend any payment schedule for an allocation listed in Schedule 2, 4 or 5, after notifying, in the case of— 10

(a) an allocation to a province, the provincial treasury in question;

(b) an allocation to a municipality, the national department responsible for local government;

(c) a Schedule 4 or 5 allocation, the relevant transferring officer. 15

(3) The amendment of a payment schedule in terms of subsection (1) or (2) must take into account—

(a) the monthly expenditure commitments of provinces or municipalities;

(b) the revenue at the disposal of provinces or municipalities; and

(c) the minimisation of risk and debt servicing costs for all three spheres of government. 20

(4) The transferring officer must immediately inform the receiving officer of any amendment to a payment schedule in terms of subsection (1) or (2).

**Transfers made in error or fraudulently**

**25.** (1) Despite a provision of other legislation to the contrary, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be. 25

(2) The responsible transferring officer must, without delay, recover an overpayment referred to in subsection (1), unless an instruction has been issued in terms of subsection (3). 30

(3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule.

**New allocations during financial year and Schedule 7 allocations** 35

**26.** (1) If further allocations are made to provinces or municipalities, as envisaged in section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable—

(a) amend any allocation or framework published in terms of section 16;

(b) publish the allocation per municipality for any new Part B of Schedule 5 allocation or the indicative allocation per municipality for any new Part B of Schedule 6 allocation; or 40

(c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation.

(2) Section 16(2) to (5) applies with the necessary changes to allocations and frameworks published in terms of subsection (1). 45

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a disaster within 100 days after the date of the declaration of the disaster.

(b) The transferring officer must notify the relevant provincial treasury and the National Treasury within 14 days of a transfer of a Schedule 7 allocation to a province or municipality. 50

(c) The National Treasury must, within 21 days after the end of the 100 day period referred to in paragraph (a), by notice in the *Gazette* publish all transfers of a Schedule 7 allocation made for a disaster.

(d) A Schedule 7 allocation transferred to a province or municipality must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

### **Preparations for 2017/18 financial year and 2018/19 financial year**

27. (1) (a) A category C municipality that receives a conditional allocation in terms of this Act must, using the indicative conditional allocations to that municipality for the 2017/18 financial year and the 2018/19 financial year as set out in Column B of the Schedules to this Act, by 3 October 2016—

- (i) agree on the provisional allocations and the projects to be funded from those allocations in the 2017/18 financial year and the 2018/19 financial year with each category B municipality within the category C municipality's area of jurisdiction; and
- (ii) submit to the transferring officer—
  - (aa) the provisional allocations referred to in subparagraph (i); and
  - (bb) the projects referred to in subparagraph (i), listed per municipality.

(b) If a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring officer to facilitate agreement.

(c) The transferring officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph (b).

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 30(3)(b) must be agreed with the relevant category B municipality, the transferring officer and the National Treasury, before publication and the submission of the allocations referred to in paragraph (a)(ii).

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) before 3 October 2016, the National Treasury may determine the provisional allocations and provide those provisional allocations to the affected municipalities and the transferring officer.

(f) (i) The transferring officer must submit the final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) and (e) to the National Treasury by 2 December 2016.

(ii) If the transferring officer fails to submit the allocations referred to in subparagraph (i) by 2 December 2016, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the 2017/18 financial year.

(2) (a) The transferring officer of a conditional allocation, using the indicative conditional allocations for the 2017/18 financial year and the 2018/19 financial year as set out in Column B of the affected Schedules to this Act, must, by 3 October 2016, submit to the National Treasury—

- (i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the 2017/18 financial year;
- (ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the affected Schedules in respect of existing conditional allocations; and
- (iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii);
- (iv) electronic copies of any guidelines, business plan templates and other documents referred to in the draft frameworks referred to in subparagraph (iii).

(b) When a document, referred to in a draft framework, that is submitted in terms of paragraph (a)(iii), is amended, the transferring officer must immediately provide the National Treasury and each receiving officer with electronic copies of the revised document.

(c) The National Treasury must approve any proposed amendment or adjustment for the 2017/18 financial year of the allocation criteria of an existing conditional allocation before the submission of the provisional allocations and draft frameworks.

(d) (i) The transferring officer must, under his or her signature, submit the final allocations and frameworks based on the provisional allocations and frameworks to the National Treasury by 2 December 2016.

(ii) The transferring officer may in writing delegate to an employee of his or her department the signing off envisaged in subparagraph (i), and, in the event of such delegation, a copy of the written delegation must accompany the allocations and frameworks submitted in terms of subparagraph (i).

(e) If the transferring officer fails to comply with paragraph (a) or (d), the National Treasury may determine the appropriate draft or final allocations and frameworks taking into consideration the indicative allocations for the 2017/18 financial year. 5

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

(ii) The National Treasury must give notice to the transferring officer of the intention to amend frameworks and allocations and invite the submission of written comment within seven days after the date of the notification. 10

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

(3) The National Treasury may instruct transferring officers, accounting officers of the provincial treasuries and receiving officers to submit to it such plans and information for any conditional allocation as it may determine at specified dates before the start of the 2017/18 financial year. 15

(4) (a) For purposes of the Education Infrastructure Grant or Health Facility Revitalisation Grant in the 2017/18 financial year, the receiving officer of the relevant provincial department must, in the format and on the date determined by the National Treasury, submit to the transferring officer, the relevant provincial treasury and the National Treasury— 20

(i) a user asset management plan for all infrastructure programmes for a period of at least 10 years; 25

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

(iii) project proposals and concept reports for all projects in the planning stage envisaged to commence construction within the medium term expenditure framework period; and 30

(iv) a document that outlines how the infrastructure delivery management system will be implemented in the province and that is approved by the Executive Council of the province before or after the commencement of this Act. 35

(b) If any substantive change is made to the document, referred to in paragraph (a)(iv) during the 2016/17 financial year, the amended document must be approved by the Executive Council of the province before submission to the National Treasury within 14 days after such approval.

(c) The National Treasury must notify the transferring officer and the affected provincial departments of the infrastructure programmes and projects it will propose for full or partial funding through the grant before 2 December 2016. 40

#### **Transfers before commencement of Division of Revenue Act for 2017/18 financial year**

**28.** (1) Despite sections 3(2), 7(2) and 8(2), if the Division of Revenue Act for the 2017/18 financial year has not commenced before or on 1 April 2017, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of section 3(1), 7(1) or 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 45

(2) If an amount of an allocation, made in terms of section 7(1) or 8(1), is transferred in terms of subsection (1), the amount is, with the necessary changes, subject to the applicable framework for the 2016/17 financial year and the other requirements of this Act as if it is an amount of an allocation for the 2016/17 financial year. 50

## CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES  
AND NATIONAL TREASURY

## Duties of municipalities

29. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, within 10 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2016/17 financial year, the 2017/18 financial year and the 2018/19 financial year, except if submitted in terms of any other legislation before the end of the 10 day period. 5 10

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 15

(2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project will be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 20

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

(a) the category C municipality retains the function in terms of the Municipal Structures Act; and 25

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

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without— 30

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

(b) obtaining authorisation to perform the function in terms of the Municipal Structures Act. 35

(5) (a) A category C municipality and a category B municipality must, before the commencement of a financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit that payment schedule to the National Treasury before the commencement of the financial year. 40

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

(6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to— 45

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

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

(iii) submit a payment schedule in accordance with subsection (5)(a). 50

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

(i) Section 216 of the Constitution;

(ii) in the case of withholding an allocation, section 18(4)(a) of this Act, with the necessary changes; 55

(iii) in the case of stopping an allocation, section 19(2)(a), (3), (4) and (5) of this Act, with the necessary changes.

(c) If an allocation is stopped in terms of this subsection, the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation that will not be spent, be reallocated to one or more municipalities, on condition that the 60

allocation will be spent by the end of the 2016/17 financial year or the 2017/18 financial year.

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act. 5

### Duties and powers of provincial treasuries

**30.** (1) A provincial treasury must reflect allocations listed in Part A of Schedule 5 to the province separately in the appropriation Bill of the province. 10

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

- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds; 15
- (ii) the indicative allocation to be made per school and per hospital in the province in a format determined by the National Treasury;
- (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme; 20
- (iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the 2017/18 financial year and the 2018/19 financial year; and
- (v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs. 25

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

(c) If the provincial legislature amends its appropriation Bill, the provincial treasury must publish amended allocations and budgets by notice in the *Gazette* within 14 days after the appropriation Act takes effect, and those allocations and budget must be regarded as final. 30

(3) (a) Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (2). 35

(b) Any amendments to the allocations published in terms of subsection (2)(a) or (c) must be published by notice in the *Gazette* not later than 10 February 2017 and takes effect on the date of the publication. 40

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

- (a) actual transfers received by the province from national departments;
- (b) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
- (c) actual transfers made by the province to municipalities and public entities, and actual expenditure by municipalities and public entities on such allocations, based on the latest information available from municipalities and public entities at the time of reporting. 50

(5) (a) A provincial treasury must—

- (i) ensure that a payment schedule is agreed between each provincial department and receiving institution envisaged in subsection (2)(a);
- (ii) ensure that transfers are made promptly to the relevant receiving officer in terms of the agreed payment schedule; and 55
- (iii) submit the payment schedules to the National Treasury within 14 days after this Act takes effect.

(b) If a provincial department and receiving institution do not agree to a payment schedule in time for submission to the National Treasury, the provincial treasury must, after consultation with the transferring officer, determine the payment schedule. 60

(6) If a provincial treasury fails to make a transfer in terms of subsection (5)(a), the relevant receiving officer may request the provincial treasury to immediately make the transfer or to provide written reasons within three working days as to why the transfer has not been made.

(7) If a provincial treasury fails to make the transfer requested by the receiving officer or provide reasons in terms of subsection (6), or the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, the receiving officer may request the National Treasury to investigate the matter. 5

- (8) On receipt of a request in terms of subsection (7), the National Treasury must—
- (a) consult the transferring officer on the matter; 10
  - (b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made;
  - (c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and 15
  - (d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer.

### **Duties and powers of National Treasury**

**31.** (1) The National Treasury must, within 14 days after this Act takes effect, submit a notice to all transferring officers containing the details of the primary bank accounts of each province and municipality. 20

(2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 26.

(3) The National Treasury may include a report on the equitable share and conditional allocations in terms of this Act in any report it publishes— 25

- (a) that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act; and
- (b) in respect of municipal finances.

## **CHAPTER 6** 30

### **GENERAL**

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

**32.** (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation. 35

(2) If a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ of state in approaching the court must be regarded as fruitless and wasteful. 40

(3) The amount of any such fruitless and wasteful expenditure must, in terms of the applicable procedures in the Public Finance Management Act or the Municipal Finance Management Act, be recovered without delay from every person who caused the organ of state not to comply with subsection (1). 45

#### **Irregular expenditure**

**33.** The following transfers must be regarded as irregular expenditure in terms of the Public Finance Management Act or the Municipal Finance Management Act, as the case may be: 50

- (a) A transfer prohibited in terms of section 17(2);
- (b) a transfer by a transferring officer to a bank account of a province or municipality that is not the primary bank account;
- (c) a transfer envisaged in section 25(1); or
- (d) a transfer made or expenditure of an allocation in contravention of this Act. 55

### Financial misconduct

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

(2) Section 84 of the Public Finance Management Act or section 171 of the Municipal Finance Management Act, as the case may be, applies in respect of financial misconduct envisaged in subsection (1). 5

### Delegations and assignments

**35.** (1) The Minister may, in writing, delegate any of the powers entrusted to, and assign any of the duties imposed on, the National Treasury in terms of this Act, to an official of the National Treasury. 10

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

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to any other official of the National Treasury; and 15
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty.

(3) The Minister may vary or revoke any decision taken by an official as a result of a delegation or assignment, subject to any rights that may have vested as a consequence of the decision. 20

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

(b) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of paragraph (a). 25

### Exemptions

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

(2) For purposes of subsection (1), good grounds include the fact that the provision of the framework, regulation or condition— 30

- (a) cannot be implemented in practice;
- (b) impedes the achievement of any object of this Act;
- (c) impedes an immediate response to a disaster; or
- (d) undermines the financial viability of the affected national or provincial 35  
department or municipality.

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

### Regulations

**37.** The Minister may, by notice in the *Gazette*, make regulations regarding— 40

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

### Transitional measures for municipal election in 2016 45

**38.** (1) In this section—

- (a) “**post-election municipality**” means a municipality existing with effect from the election date and is affected by a boundary determination in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), with effect from the election date; 50
- (b) “**pre-election municipality**” means a municipality which is in existence before the election date and is affected by a boundary determination in terms of the Local Government: Municipal Demarcation Act, 1998, with effect from the election date;

- (c) “**the election announcement date**” means the date of the notice in the *Gazette* which sets the date for an election of all municipal councils in 2016 in terms of section 24(2) of the Municipal Structures Act; and
- (d) “**the election date**” means the date set in the notice in the *Gazette* for an election of all municipal councils in 2016 in terms of section 24(2) of the Municipal Structures Act. 5
- (2) (a) Despite section 5(1), read with Schedule 3, if the election date is after 1 July 2016, the National Treasury must, within 14 days after this Act takes effect or the election announcement date, whichever is later, determine by notice in the *Gazette*, the first transfer of the equitable share for each pre-election municipality. 10
- (b) The notice takes effect on the date of its publication in the *Gazette*.
- (c) If a transfer is determined for a pre-election municipality in terms of paragraph (a), the transfers to all post-election municipalities sharing any part of the municipal area of that pre-election municipality must be adjusted proportionally.
- (3) If the election date is after 1 July 2016, the National Treasury may, after consultation with the national department responsible for local government and by notice in the *Gazette*— 15
- (a) amend the date of 4 July 2016, referred to in section 5(3);
- (b) on or after the election date, in addition to the three transfers referred to in section 5(3), approve a fourth transfer on a date before 30 November 2016 for any post-election municipality. 20
- (4) (a) If the election date is after 1 July 2016, the National Treasury may, by notice in the *Gazette*, determine for a pre-election municipality—
- (i) a conditional allocation referred to in Part B of Schedule 4; or
- (ii) a conditional allocation referred to in Part B of Schedule 5 published in terms of section 16(1)(a). 25
- (b) If a conditional allocation is determined for a pre-election municipality in terms of paragraph (a), the conditional allocation to all post-election municipalities sharing any part of the municipal area of that pre-election municipality must be adjusted proportionally. 30
- (c) Before making any amendments in terms of paragraph (a), the National Treasury must consult the relevant transferring officer.
- (d) An amendment in terms of paragraph (a) takes effect on the date of publication of the notice in the *Gazette*.
- (5) (a) The transferring officer of a Schedule 4 or 5 allocation may, after consultation with the national department responsible for local government, request a coordinating structure established by the provincial department responsible for local government for a post-election municipality to prepare a draft business plan for the allocation, in accordance with the framework for that allocation. 35
- (b) All transfers for the 2016/17 financial year must be based on the draft business plan until the receiving officer approves a business plan in terms of paragraph (c). 40
- (c) The receiving officer of a Schedule 4 or 5 allocation must within two months after the election of all municipal councils submit to the transferring officer the business plan, as approved by the receiving officer.
- (d) All subsequent transfers must be based on the business plan approved by the relevant receiving officer. 45
- (6) (a) A category C municipality (herein called “the releasing municipality”) from which a particular area or a category B municipality is transferred from the election date to another category C municipality (herein called “the receiving municipality”), must continue to spend its allocations, in that particular area or category B municipality, as if that area or category B municipality was not transferred to the receiving municipality, unless the municipalities have entered into an agreement that ensures that the relocated area or category B municipality is not negatively affected. 50
- (b) The transferring officer of an allocation and the receiving municipality must monitor that the releasing municipality complies with paragraph (a). 55
- (c) The releasing municipality must, at the request of the transferring officer, the receiving municipality or the National Treasury, demonstrate compliance with paragraph (a).
- (7) (a) Sections 18 and 19 apply, with the necessary changes, if a releasing municipality fails to comply with subsection (6)(a) or (c) in respect of a conditional allocation. 60

(b) If an allocation is stopped in terms of paragraph (a), the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation be reallocated to the receiving municipality.

(8) If a releasing municipality fails to comply with subsection (6)(a) or (c), the National Treasury may reallocate a portion of the releasing municipality's equitable share allocation referred to in section 5(1) to the receiving municipality. 5

(9) If the election date is after 1 July 2016, transitional measures in addition to the measures in this section may be prescribed.

### Repeal of laws and savings

**39.** (1) Subject to subsection (2)— 10

(a) the Division of Revenue Act, 2015 (Act No. 1 of 2015), except sections 16 and 26, is hereby repealed; and

(b) sections 16 and 26 of the Division of Revenue Act, 2015, is hereby repealed with effect from 1 July 2016 or the date that this Act takes effect, whichever is the later date. 15

(2) Any repeal referred to in subsection (1), does not affect—

(a) any duty to be performed in terms of any provision of an Act referred to in subsection (1) after the end of the 2016/17 financial year; and

(b) any obligation in terms of any provision of an Act referred to in subsection (1), the execution of which is outstanding. 20

(3) Any framework published in terms of section 16 of the Division of Revenue Act, 2015, as amended in terms of section 16 or 26 of that Act, applies to funds of a conditional allocation approved for roll-over in terms of section 22(2) of that Act, if that conditional allocation does not continue to exist in terms of this Act.

### Short title and commencement 25

**40.** This Act is called the Division of Revenue Act, 2016, and takes effect on 1 April 2016 or the date of publication in the *Gazette*, whichever is the later date.

## SCHEDULE 1

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

Spheres of Government	Column A	Column B	
	2016/17	Forward Estimates	
		2017/18	2018/19
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
National <sup>1,2</sup>	855 070 793	922 857 273	1 003 451 247
Provincial <sup>3</sup>	410 698 585	441 831 122	474 851 942
Local	52 568 706	57 012 141	61 731 845
<b>TOTAL</b>	<b>1 318 338 084</b>	<b>1 421 700 536</b>	<b>1 540 035 034</b>

- National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs and the contingency reserve*
- The direct charges for the provincial equitable share are netted out*
- Provincial share includes an unallocated amount of R5.8 billion in 2018/19 that is not included in the forward estimates of provincial allocations in Schedule 2*

## SCHEDULE 2

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

Province	Column A	Column B	
	2016/17	Forward Estimates	
		2017/18	2018/19
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Eastern Cape	58 060 456	61 969 363	65 844 586
Free State	22 994 762	24 590 994	26 134 741
Gauteng	79 599 868	86 412 496	92 199 524
KwaZulu-Natal	87 897 580	94 051 218	99 449 582
Limpopo	48 708 568	52 086 555	55 176 261
Mpumalanga	33 449 947	36 207 867	38 505 835
Northern Cape	10 862 660	11 733 117	12 421 596
North West	28 062 307	30 361 426	32 311 062
Western Cape	41 062 437	44 418 086	47 007 952
<b>TOTAL</b>	<b>410 698 585</b>	<b>441 831 122</b>	<b>469 051 139</b>

## SCHEDULE 3

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

Number Municipality			National Financial Year			
			Column A		Column B	
			2016/17	Forward Estimates		
2017/18	2018/19					
			R'000	R'000	R'000	
<b>EASTERN CAPE</b>						
A	BUF	Buffalo City	678 197	703 602	760 226	
A	NMA	Nelson Mandela Bay	798 043	843 509	921 857	
B	EC101	EC101	84 241	78 096	83 220	
B	EC102	Blue Crane Route	44 713	45 793	48 298	
B	EC104	Makana	77 008	80 465	86 244	
B	EC105	Ndlambe	76 824	83 298	89 683	
B	EC106	Sundays River Valley	59 318	65 608	71 249	
B	EC108	Kouga	91 622	103 959	114 565	
B	EC109	Kou-Kamma	39 760	42 981	46 102	
C	DC10	Sarah Baartman District Municipality	82 014	84 890	87 985	
<b>Total: Sarah Baartman Municipalities</b>			<b>555 500</b>	<b>585 090</b>	<b>627 346</b>	
B	EC121	Mbhashe	210 060	223 148	233 352	
B	EC122	Mnquma	221 906	232 277	242 148	
B	EC123	Great Kei	39 457	34 267	35 616	
B	EC124	Amahlathi	113 780	98 507	102 403	
B	EC126	Ngqushwa	76 828	75 545	78 487	
B	EC129	EC129	147 445	151 530	158 177	
C	DC12	Amathole District Municipality	730 990	780 614	845 394	
<b>Total: Amatole Municipalities</b>			<b>1 540 466</b>	<b>1 595 888</b>	<b>1 695 577</b>	
B	EC131	Inxuba Yethemba	39 424	38 565	40 889	
B	EC135	Intsika Yethu	145 314	153 925	161 037	
B	EC136	Emalahleni	114 599	121 843	127 950	
B	EC137	Engcobo	130 882	139 012	145 476	
B	EC138	Sakhisizwe	57 906	60 843	63 522	
B	EC139	EC139	167 232	165 668	175 285	
C	DC13	Chris Hani District Municipality	485 308	529 946	573 337	
<b>Total: Chris Hani Municipalities</b>			<b>1 140 665</b>	<b>1 209 802</b>	<b>1 287 496</b>	
B	EC141	Elundini	129 070	137 811	144 722	
B	EC142	Senqu	129 802	136 745	143 348	
B	EC145	EC145	51 948	49 452	52 683	
C	DC14	Joe Gqabi District Municipality	223 621	244 055	264 128	
<b>Total: Joe Gqabi Municipalities</b>			<b>534 441</b>	<b>568 063</b>	<b>604 881</b>	
B	EC153	Ngquza Hill	195 945	208 426	218 193	
B	EC154	Port St Johns	117 662	124 989	130 753	
B	EC155	Nyandeni	213 070	226 424	237 439	
B	EC156	Mhlontlo	154 313	161 607	167 789	
B	EC157	King Sabata Dalindyebo	249 468	265 719	280 838	
C	DC15	O.R. Tambo District Municipality	669 303	733 445	792 645	
<b>Total: O.R. Tambo Municipalities</b>			<b>1 599 761</b>	<b>1 720 610</b>	<b>1 827 657</b>	
B	EC441	Matatiele	170 266	179 725	187 547	
B	EC442	Umzimvubu	162 992	170 765	177 467	
B	EC443	Mbizana	175 910	185 021	192 873	
B	EC152	Ntabankulu	93 327	97 382	101 010	
C	DC44	Alfred Nzo District Municipality	387 047	417 686	448 072	
<b>Total: Alfred Nzo Municipalities</b>			<b>989 542</b>	<b>1 050 579</b>	<b>1 106 969</b>	
<b>Total: Eastern Cape Municipalities</b>			<b>7 836 615</b>	<b>8 277 143</b>	<b>8 832 009</b>	

## SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2016/17	Forward Estimates	
2017/18	2018/19				
			R'000	R'000	R'000
<b>FREE STATE</b>					
A	MAN	Mangaung	629 731	644 493	709 316
B	FS161	Letsemeng	47 402	45 691	48 269
B	FS162	Kopanong	70 650	63 453	66 846
B	FS163	Mohokare	54 472	55 601	59 560
C	DC16	Xhariep District Municipality	29 739	30 821	32 032
<b>Total: Xhariep Municipalities</b>			<b>202 263</b>	<b>195 566</b>	<b>206 707</b>
B	FS181	Masilonyana	83 362	82 724	87 491
B	FS182	Tokologo	43 424	43 086	45 581
B	FS183	Tswelopele	59 589	57 728	60 911
B	FS184	Matjhabeng	385 851	373 021	400 033
B	FS185	Nala	108 273	97 238	102 251
C	DC18	Lejweleputswa District Municipality	111 727	114 789	118 760
<b>Total: Lejweleputswa Municipalities</b>			<b>792 226</b>	<b>768 586</b>	<b>815 027</b>
B	FS191	Setsoto	158 775	155 327	165 239
B	FS192	Dihlabeng	124 304	126 276	136 743
B	FS193	Nketoana	79 054	79 656	85 568
B	FS194	Maluti-a-Phofung	458 097	492 281	526 299
B	FS195	Phumelela	59 830	60 669	64 597
B	FS196	Mantsopa	67 748	67 920	72 602
C	DC19	Thabo Mofutsanyana District Municipality	97 724	101 663	105 705
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>1 045 532</b>	<b>1 083 792</b>	<b>1 156 753</b>
B	FS201	Moqhaka	158 519	160 019	171 963
B	FS203	Ngwathe	157 639	161 424	173 705
B	FS204	Metsimaholo	125 978	140 738	155 882
B	FS205	Mafube	77 214	77 900	83 448
C	DC20	Fezile Dabi District Municipality	142 178	144 270	148 875
<b>Total: Fezile Dabi Municipalities</b>			<b>661 528</b>	<b>684 351</b>	<b>733 873</b>
<b>Total: Free State Municipalities</b>			<b>3 331 280</b>	<b>3 376 788</b>	<b>3 621 676</b>

## SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2016/17	Forward Estimates	
			2017/18	2018/19	
			R'000	R'000	R'000
<b>GAUTENG</b>					
A	EKU	Ekurhuleni	2 381 367	2 662 137	2 950 523
A	JHB	City of Johannesburg	3 182 318	3 607 991	4 017 148
A	TSH	City of Tshwane	1 864 838	2 148 143	2 404 418
B	GT421	Emfuleni	608 581	628 257	684 683
B	GT422	Midvaal	76 401	86 719	96 825
B	GT423	Lesedi	92 186	104 537	116 468
C	DC42	Sedibeng District Municipality	250 882	256 414	264 770
<b>Total: Sedibeng Municipalities</b>			<b>1 028 050</b>	<b>1 075 927</b>	<b>1 162 746</b>
B	GT481	Mogale City	285 456	320 490	355 627
B	GT484	Merafong City	162 952	159 408	173 714
B	GT485	GT485	216 728	233 219	255 651
C	DC48	West Rand District Municipality	188 872	194 034	200 923
<b>Total: West Rand Municipalities</b>			<b>854 008</b>	<b>907 151</b>	<b>985 915</b>
<b>Total: Gauteng Municipalities</b>			<b>9 310 581</b>	<b>10 401 349</b>	<b>11 520 750</b>

## SCHEDULE 3

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

		National Financial Year		
		Column A	Column B	
Number	Municipality	2016/17	Forward Estimates	
			2017/18	2018/19
		R'000	R'000	R'000
<b>KWAZULU-NATAL</b>				
A	ETH eThekweni	2 319 380	2 576 367	2 829 662
B	KZN212 KZN212	121 144	116 787	124 276
B	KZN213 Umzumbhe	119 488	123 267	127 910
B	KZN214 uMuziwabantu	76 377	81 848	86 301
B	KZN216 KZN216	165 774	180 940	195 507
C	DC21 Ugu District Municipality	384 729	426 030	466 113
<b>Total: Ugu Municipalities</b>		<b>867 512</b>	<b>928 872</b>	<b>1 000 107</b>
B	KZN221 uMshwathi	83 479	89 253	94 699
B	KZN222 uMngeni	49 326	54 910	60 244
B	KZN223 Mpofana	27 693	28 818	30 313
B	KZN224 Impendle	31 349	32 128	33 615
B	KZN225 Msunduzi	432 307	480 046	527 315
B	KZN226 Mkhambathini	50 183	51 099	54 184
B	KZN227 Richmond	55 625	60 619	64 690
C	DC22 Umkungundlovu District Municipality	428 362	468 036	512 298
<b>Total: Umkungundlovu Municipalities</b>		<b>1 158 324</b>	<b>1 264 909</b>	<b>1 377 358</b>
B	KZN235 Okhahlamba	96 932	102 293	107 030
B	KZN237 KZN237	134 763	142 700	150 620
B	KZN238 KZN238	183 739	189 339	200 109
C	DC23 Uthukela District Municipality	332 370	361 841	392 513
<b>Total:Uthukela Municipalities</b>		<b>747 804</b>	<b>796 173</b>	<b>850 272</b>
B	KZN241 Endumeni	36 413	36 906	39 936
B	KZN242 Nquthu	110 256	116 695	122 462
B	KZN244 Msinga	131 035	138 537	146 554
B	KZN245 Umvoti	94 786	105 514	113 165
C	DC24 Umzinyathi District Municipality	263 532	292 854	320 683
<b>Total: Umzinyathi Municipalities</b>		<b>636 022</b>	<b>690 506</b>	<b>742 800</b>
B	KZN252 Newcastle	306 952	324 247	350 776
B	KZN253 Emadlangeni	23 572	25 281	26 447
B	KZN254 Dannhauser	75 694	80 181	83 977
C	DC25 Amajuba District Municipality	129 160	139 337	150 938
<b>Total: Amajuba Municipalities</b>		<b>535 378</b>	<b>569 046</b>	<b>612 138</b>

## SCHEDULE 3

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

Number Municipality		National Financial Year		
		Column A	Column B	
		2016/17	Forward Estimates	
2017/18	2018/19			
		R'000	R'000	R'000
B	KZN261 eDumbe	57 900	61 387	64 417
B	KZN262 uPhongolo	97 800	104 530	110 401
B	KZN263 Abaqulusi	107 884	115 710	123 222
B	KZN265 Nongoma	121 046	128 549	134 781
B	KZN266 Ulundi	124 460	131 159	136 958
C	DC26 Zululand District Municipality	347 834	380 691	413 855
<b>Total: Zululand Municipalities</b>		<b>856 924</b>	<b>922 026</b>	<b>983 634</b>
B	KZN271 Umhlabuyalingana	122 458	133 785	142 392
B	KZN272 Jozini	134 845	144 859	152 832
B	KZN275 Mtubatuba	120 328	132 738	141 977
B	KZN276 KZN276	79 379	83 025	87 821
C	DC27 Umkhanyakude District Municipality	292 146	327 467	359 612
<b>Total: Umkhanyakude Municipalities</b>		<b>749 156</b>	<b>821 874</b>	<b>884 634</b>
B	KZN281 Mfolozi	98 724	107 868	114 489
B	KZN282 KZN282	263 487	291 465	319 112
B	KZN284 uMlalazi	148 417	159 664	168 611
B	KZN285 KZN285	63 687	67 763	70 547
B	KZN286 Nkandla	79 169	82 877	86 010
C	DC28 uThungulu District Municipality	433 405	464 457	506 461
<b>Total: Uthungulu Municipalities</b>		<b>1 086 889</b>	<b>1 174 094</b>	<b>1 265 230</b>
B	KZN291 Mandeni	122 874	134 039	143 306
B	KZN292 KwaDukuza	116 642	132 042	146 463
B	KZN293 Ndwedwe	108 709	116 578	122 741
B	KZN294 Maphumulo	71 404	74 451	77 236
C	DC29 iLembe District Municipality	373 996	420 163	463 652
<b>Total: iLembe Municipalities</b>		<b>793 625</b>	<b>877 273</b>	<b>953 398</b>
B	KZN433 Greater Kokstad	45 887	44 006	46 219
B	KZN434 Ubuhlebezwe	90 491	97 558	102 551
B	KZN435 Umzimkhulu	152 393	163 981	173 501
B	KZN436 KZN436	94 288	99 474	104 242
C	DC43 Harry Gwala District Municipality	260 069	284 205	308 451
<b>Total: Harry Gwala Municipalities</b>		<b>643 128</b>	<b>689 224</b>	<b>734 964</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>10 394 142</b>	<b>11 310 364</b>	<b>12 234 197</b>

## SCHEDULE 3

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

Number		Municipality		National Financial Year		
				Column A	Column B	
				2016/17	Forward Estimates	
			2017/18	2018/19		
		R'000	R'000	R'000		
<b>LIMPOPO</b>						
B	LIM331	Greater Giyani	219 308	234 487	247 581	
B	LIM332	Greater Letaba	206 299	219 352	231 224	
B	LIM333	Greater Tzaneen	291 141	312 958	333 719	
B	LIM334	Ba-Phalaborwa	110 235	119 502	127 315	
B	LIM335	Maruleng	91 329	97 904	103 437	
C	DC33	Mopani District Municipality	686 633	760 874	832 073	
<b>Total: Mopani Municipalities</b>			<b>1 604 945</b>	<b>1 745 077</b>	<b>1 875 349</b>	
B	LIM341	LIM341	87 434	99 288	107 938	
B	LIM343	LIM343	337 132	362 797	385 202	
B	LIM344	Makhado	275 985	296 533	315 879	
B	LIM345	LIM345	247 247	306 392	324 347	
C	DC34	Vhembe District Municipality	743 976	830 185	910 167	
<b>Total: Vhembe Municipalities</b>			<b>1 691 774</b>	<b>1 895 195</b>	<b>2 043 533</b>	
B	LIM351	LIM351	155 178	164 476	172 603	
B	LIM353	LIM353	118 756	124 652	130 555	
B	LIM354	LIM354	675 714	757 286	830 052	
B	LIM355	Lepelle-Nkumpi	202 533	215 623	226 945	
C	DC35	Capricorn District Municipality	522 710	536 271	582 579	
<b>Total: Capricorn Municipalities</b>			<b>1 674 891</b>	<b>1 798 308</b>	<b>1 942 734</b>	
B	LIM361	Thabazimbi	61 051	62 830	68 436	
B	LIM362	Lephalale	94 514	104 374	115 258	
B	LIM366	Bela-Bela	68 411	76 060	83 392	
B	LIM367	Mogalakwena	348 115	374 756	400 616	
B	LIM368	LIM368	92 547	94 268	101 220	
C	DC36	Waterberg District Municipality	113 277	117 310	121 822	
<b>Total: Waterberg Municipalities</b>			<b>777 915</b>	<b>829 598</b>	<b>890 744</b>	
B	LIM471	Ephraim Mogale	117 556	127 003	135 210	
B	LIM472	Elias Motsoaledi	210 385	226 153	240 397	
B	LIM473	Makhuduthamaga	225 123	240 496	254 456	
B	LIM476	LIM476	307 760	335 688	360 690	
C	DC47	Sekhukhune District Municipality	600 889	675 180	743 764	
<b>Total: Sekhukhune Municipalities</b>			<b>1 461 713</b>	<b>1 604 520</b>	<b>1 734 517</b>	
<b>Total: Limpopo Municipalities</b>			<b>7 211 238</b>	<b>7 872 698</b>	<b>8 486 877</b>	

## SCHEDULE 3

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

Number Municipality		National Financial Year		
		Column A	Column B	
		2016/17	Forward Estimates	
2017/18	2018/19			
		R'000	R'000	R'000
<b>MPUMALANGA</b>				
B	MP301 Albert Luthuli	233 446	252 915	269 960
B	MP302 Msukaligwa	121 443	132 341	145 011
B	MP303 Mkhondo	166 350	183 804	198 712
B	MP304 Pixley Ka Seme	91 996	94 143	99 914
B	MP305 Lekwa	86 239	91 625	99 329
B	MP306 Dipaleseng	54 345	58 169	62 746
B	MP307 Govan Mbeki	199 430	210 061	231 674
C	DC30 Gert Sibande District Municipality	275 755	280 414	289 248
<b>Total: Gert Sibande Municipalities</b>		<b>1 229 004</b>	<b>1 303 472</b>	<b>1 396 594</b>
B	MP311 Victor Khanye	72 949	81 159	89 261
B	MP312 Emalaheni	255 989	291 115	326 355
B	MP313 Steve Tshwete	136 037	157 665	178 776
B	MP314 Emakhazeni	51 837	57 026	62 041
B	MP315 Thembisile Hani	313 317	343 875	370 908
B	MP316 Dr JS Moroka	314 608	335 539	356 458
C	DC31 Nkangala District Municipality	333 667	341 509	352 641
<b>Total: Nkangala Municipalities</b>		<b>1 478 404</b>	<b>1 607 888</b>	<b>1 736 440</b>
B	MP321 Thaba Chweu	115 054	129 268	142 895
B	MP324 Nkomazi	447 689	494 138	534 377
B	MP325 Bushbuckridge	647 298	701 918	752 721
B	MP326 MP326	556 020	621 740	683 247
C	DC32 Ehlanzeni District Municipality	221 660	230 632	239 970
<b>Total: Ehlanzeni Municipalities</b>		<b>1 987 721</b>	<b>2 177 696</b>	<b>2 353 210</b>
<b>Total: Mpumalanga Municipalities</b>		<b>4 695 129</b>	<b>5 089 056</b>	<b>5 486 244</b>

## SCHEDULE 3

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

Number Municipality		National Financial Year		
		Column A	Column B	
		2016/17	Forward Estimates	
		R'000	2017/18	2018/19
			R'000	R'000
<b>NORTHERN CAPE</b>				
B	NC061 Richtersveld	13 498	14 121	15 228
B	NC062 Nama Khoi	38 318	40 620	43 792
B	NC064 Kamiesberg	18 175	19 424	20 555
B	NC065 Hantam	20 774	21 123	22 656
B	NC066 Karoo Hoogland	16 678	17 976	19 342
B	NC067 Khâi-Ma	15 552	16 753	18 053
C	DC6 Namakwa District Municipality	35 436	36 038	37 303
<b>Total: Namakwa Municipalities</b>		<b>158 431</b>	<b>166 055</b>	<b>176 929</b>
B	NC071 Ubuntu	25 817	27 867	29 807
B	NC072 Umsobomvu	36 658	39 317	42 376
B	NC073 Emthanjeni	36 197	36 886	39 607
B	NC074 Kareeberg	18 919	20 539	22 002
B	NC075 Renosterberg	18 733	19 936	21 212
B	NC076 Thembelihle	19 367	20 676	21 982
B	NC077 Siyathemba	25 732	27 709	29 818
B	NC078 Siyancuma	39 977	40 622	42 724
C	DC7 Pixley Ka Seme District Municipality	35 824	37 353	38 849
<b>Total: Pixley Ka Seme Municipalities</b>		<b>257 224</b>	<b>270 905</b>	<b>288 377</b>
B	NC082 !Kai !Garib	54 787	57 965	62 559
B	NC084 !Kheis	20 223	21 359	22 524
B	NC085 Tsantsabane	30 151	32 515	35 639
B	NC086 Kgatelopele	17 858	19 385	21 210
B	NC087 NC087	69 707	70 917	77 173
C	DC8 Z.F. Mgcawu District Municipality	51 034	52 765	54 726
<b>Total: Z.F. Mgcawu Municipalities</b>		<b>243 760</b>	<b>254 906</b>	<b>273 831</b>
B	NC091 Sol Plaatje	144 171	146 972	159 833
B	NC092 Dikgatlong	60 379	64 768	69 100
B	NC093 Magareng	35 300	36 883	38 948
B	NC094 Phokwane	79 307	83 288	88 002
C	DC9 Frances Baard District Municipality	105 416	112 225	115 790
<b>Total: Frances Baard Municipalities</b>		<b>424 573</b>	<b>444 136</b>	<b>471 673</b>
B	NC451 Joe Morolong	115 068	123 042	129 952
B	NC452 Ga-Segonyana	117 413	130 941	143 078
B	NC453 Gamagara	25 352	28 577	32 601
C	DC45 John Taolo Gaetsewe District Municipality	66 326	69 303	74 709
<b>Total: John Taolo Gaetsewe Municipalities</b>		<b>324 159</b>	<b>351 863</b>	<b>380 340</b>
<b>Total: Northern Cape Municipalities</b>		<b>1 408 147</b>	<b>1 487 865</b>	<b>1 591 150</b>

## SCHEDULE 3

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

Number Municipality		National Financial Year			
		Column A	Column B		
		2016/17	Forward Estimates		
		R'000	2017/18	2018/19	
			R'000	R'000	
<b>NORTH WEST</b>					
B	NW371	Moretele	263 905	284 189	300 583
B	NW372	Madibeng	506 149	576 167	638 352
B	NW373	Rustenburg	451 980	521 872	585 878
B	NW374	Kgetlengrivier	62 494	68 606	74 308
B	NW375	Moses Kotane	333 265	356 936	378 817
C	DC37	Bojanala Platinum District Municipality	302 943	314 955	327 482
<b>Total: Bojanala Platinum Municipalities</b>			<b>1 920 736</b>	<b>2 122 725</b>	<b>2 305 420</b>
B	NW381	Ratlou	96 861	101 654	106 254
B	NW382	Tswaing	85 712	90 202	94 890
B	NW383	Mafikeng	178 390	191 051	202 578
B	NW384	Ditsobotla	89 941	94 228	99 879
B	NW385	Ramotshere Moiloa	126 139	134 073	141 077
C	DC38	Ngaka Modiri Molema District Municipality	551 315	602 830	655 044
<b>Total: Ngaka Modiri Molema Municipalities</b>			<b>1 128 358</b>	<b>1 214 038</b>	<b>1 299 722</b>
B	NW392	Naledi	41 201	43 350	46 003
B	NW393	Mamusa	45 162	48 260	51 186
B	NW394	Greater Taung	164 554	174 128	181 984
B	NW396	Lekwa-Teemane	39 260	42 003	44 677
B	NW397	Kagisano-Molopo	99 646	104 763	109 346
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	282 287	311 460	336 816
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>			<b>672 110</b>	<b>723 964</b>	<b>770 012</b>
B	NW403	City of Matlosana	342 855	352 222	381 749
B	NW404	Maquassi Hills	94 022	98 632	104 790
B	NW405	NW405	187 990	210 644	232 712
C	DC40	Dr Kenneth Kaunda District Municipality	169 319	173 593	179 390
<b>Total: Dr Kenneth Kaunda Municipalities</b>			<b>794 186</b>	<b>835 091</b>	<b>898 641</b>
<b>Total: North West Municipalities</b>			<b>4 515 390</b>	<b>4 895 818</b>	<b>5 273 795</b>

## SCHEDULE 3

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

Number Municipality			National Financial Year		
			Column A	Column B	
			2016/17	Forward Estimates	
2017/18	2018/19				
			R'000	R'000	R'000
<b>WESTERN CAPE</b>					
A	CPT	City of Cape Town	2 012 945	2 283 323	2 512 279
B	WC011	Matzikama	44 100	47 521	51 433
B	WC012	Cederberg	37 173	40 782	44 122
B	WC013	Bergrivier	33 341	37 095	40 634
B	WC014	Saldanha Bay	62 832	71 386	78 880
B	WC015	Swartland	59 275	69 364	77 708
C	DC1	West Coast District Municipality	82 194	84 904	87 900
<b>Total: West Coast Municipalities</b>			<b>318 915</b>	<b>351 052</b>	<b>380 677</b>
B	WC022	Witzenberg	59 734	66 184	72 400
B	WC023	Drakenstein	106 240	118 687	130 011
B	WC024	Stellenbosch	95 982	110 707	122 558
B	WC025	Breede Valley	88 524	97 573	106 043
B	WC026	Langeberg	60 461	64 381	69 413
C	DC2	Cape Winelands District Municipality	220 870	224 336	231 221
<b>Total: Cape Winelands Municipalities</b>			<b>631 811</b>	<b>681 868</b>	<b>731 646</b>
B	WC031	Theewaterskloof	69 861	76 742	83 058
B	WC032	Overstrand	72 950	83 030	91 433
B	WC033	Cape Agulhas	23 075	25 256	27 334
B	WC034	Swellendam	24 012	26 156	28 424
C	DC3	Overberg District Municipality	52 163	54 179	56 194
<b>Total: Overberg Municipalities</b>			<b>242 061</b>	<b>265 363</b>	<b>286 443</b>
B	WC041	Kannaland	22 940	23 893	25 178
B	WC042	Hessequa	34 558	37 736	40 850
B	WC043	Mossel Bay	70 874	79 267	86 544
B	WC044	George	109 872	122 075	134 007
B	WC045	Oudtshoorn	58 194	63 037	67 635
B	WC047	Bitou	64 235	74 567	83 036
B	WC048	Knysna	62 982	71 037	77 629
C	DC4	Eden District Municipality	142 094	146 043	150 876
<b>Total: Eden Municipalities</b>			<b>565 749</b>	<b>617 655</b>	<b>665 755</b>
B	WC051	Laingsburg	12 526	13 360	14 178
B	WC052	Prince Albert	16 192	17 634	18 923
B	WC053	Beaufort West	46 569	50 393	53 988
C	DC5	Central Karoo District Municipality	19 416	20 412	21 258
<b>Total: Central Karoo Municipalities</b>			<b>94 703</b>	<b>101 799</b>	<b>108 347</b>
<b>Total: Western Cape Municipalities</b>			<b>3 866 184</b>	<b>4 301 060</b>	<b>4 685 147</b>
<b>National Total</b>			<b>52 568 706</b>	<b>57 012 141</b>	<b>61 731 845</b>

**SCHEDULE 4, PART A**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B					
					2016/17	Forward Estimates	2018/19				
<b>Basic Education (Vote 14)</b>	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 caused by natural disasters; 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	1 505 088	1 432 581	1 514 084				
				Gauteng	695 122	661 635	699 276				
				KwaZulu-Natal	1 385 737	1 318 980	1 394 020				
				Limpopo	1 958 321	1 843 980	1 948 887				
				Mpumalanga	830 532	810 523	856 634				
				Northern Cape	788 153	750 184	792 863				
				North West	486 538	463 100	489 446				
				Western Cape	971 989	925 164	977 799				
				Unallocated	992 212	944 413	998 143				
				<b>TOTAL</b>	<b>9 613 692</b>	<b>12 780 435</b>	<b>13 511 560</b>				
				<b>Health (Vote 16)</b>	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical teaching and training of health science trainees on the public service platform.	Nationally assigned function to provinces	Eastern Cape	213 212	226 566	239 707
								Free State	156 189	165 971	175 597
Gauteng	865 244	919 438	972 765								
KwaZulu-Natal	312 377	331 943	351 196								
Limpopo	123 960	131 724	139 364								
Mpumalanga	101 646	108 013	114 278								
Northern Cape	81 815	86 939	91 981								
North West	111 565	118 552	125 428								
Western Cape	510 716	542 703	574 180								
<b>TOTAL</b>	<b>2 476 724</b>	<b>2 631 849</b>	<b>2 784 496</b>								
<b>Health (Vote 16)</b>	(b) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals); to compensate tertiary facilities for the additional costs associated with provision of these services.	Nationally assigned function to provinces					Eastern Cape	838 458	890 973	942 650
								Free State	958 021	1 018 025	1 077 070
								Gauteng	3 727 048	3 960 484	4 190 192
				KwaZulu-Natal	1 596 286	1 696 266	1 794 649				
				Limpopo	344 723	366 314	387 560				
				Mpumalanga	103 597	110 086	116 471				
				North West	318 661	338 620	358 260				
Western Cape	253 096	268 948	284 547								
<b>TOTAL</b>	<b>10 846 778</b>	<b>11 526 145</b>	<b>12 194 661</b>								

## SCHEDULE 4, PART A

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B					
					2016/17	Forward Estimates	2017/18	2018/19				
Transport (Vote 35)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for routine, periodic and special maintenance; to ensure all roads are classified as per Road Infrastructure Strategic Framework For South Africa and the Technical Recommendations for Highways Road Classification and Access Management guidelines; to implement and maintain Road Asset Management Systems as per Technical Methods for Highways; to supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000				
				Free State	1 279 725	1 355 208	1 433 805	1 409 519				
				Gauteng	1 258 030	1 332 239	1 409 519	562 207				
				KwaZulu-Natal	501 784	531 383	562 207	2 157 227				
				Limpopo	1 925 378	2 038 952	2 038 952	1 114 955				
				Mpumalanga	995 109	1 053 832	1 053 832	938 702				
				Northern Cape	1 638 865	887 286	887 286	1 014 383				
				North West	905 359	958 766	958 766	971 989				
				Western Cape	867 524	918 698	918 698	930 698				
				Unallocated	830 729	879 671	879 671	1 002 183				
				TOTAL	10 202 503	10 753 664	10 753 664	11 535 668				
				Social Development (Vote 17)	(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	218 217	231 252	231 252	242 058
								Free State	241 257	255 669	255 669	267 617
Gauteng	2 033 590	2 155 063	2 155 063					2 255 767				
KwaZulu-Natal	1 011 046	1 071 439	1 071 439					1 121 507				
Limpopo	326 129	345 610	345 610					361 761				
Mpumalanga	549 132	581 934	581 934					609 128				
Northern Cape	49 096	52 029	52 029					54 460				
North West	1 000 925	1 069 954	1 069 954					1 111 952				
Western Cape	870 900	922 921	922 921					966 048				
TOTAL	5 400 292	5 722 871	5 722 871					5 990 298				
Social Development (Vote 17)	Early Childhood Development Grant	To extend access to early childhood development to South Africa's children	General conditional allocation to provinces					Eastern Cape	-	56 322	56 322	86 694
								Free State	-	19 863	19 863	30 670
								Gauteng	-	50 139	50 139	78 530
				KwaZulu-Natal	-	92 380	92 380	144 947				
				Limpopo	-	46 765	46 765	72 008				
				Mpumalanga	-	18 050	18 050	26 118				
				Northern Cape	-	3 671	3 671	5 110				
				North West	-	17 364	17 364	25 884				
				Western Cape	-	15 274	15 274	23 104				
				Unallocated	-	-	-	-				
				TOTAL	-	319 828	319 828	493 065				

**SCHEDULE 4, PART B**

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

Vote	Name of allocation	Purpose	City	Column A	Column B	
				2016/17	Forward Estimates	2017/18
<b>Human Settlements (Vote 38)</b>	Urban Settlements Development Grant	Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.	Buffalo City	R'000 731 499	R'000 774 202	R'000 813 335
			City of Cape Town	1 423 504	1 506 605	1 582 760
			City of Johannesburg	1 775 809	1 879 476	1 974 478
			City of Tshwane	1 539 334	1 629 196	1 711 548
			Ekurhuleni	1 890 352	2 000 706	2 101 836
			eThekweni	1 885 685	1 995 766	2 096 646
			Mangaung	725 003	767 326	806 113
			Nelson Mandela Bay	868 282	918 970	965 421
			<b>TOTAL</b>	<b>10 839 468</b>	<b>11 472 247</b>	<b>12 052 137</b>
			<b>National Treasury (Vote 7)</b>	Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.	Buffalo City
City of Cape Town	44 805	53 629				56 740
City of Johannesburg	64 746	63 592				67 281
City of Tshwane	42 652	41 892				44 322
Ekurhuleni	38 078	45 577				48 221
eThekweni	50 256	49 361				52 224
Mangaung	10 912	10 718				11 339
Nelson Mandela Bay	9 276	16 521				17 478
<b>TOTAL</b>	<b>266 805</b>	<b>292 119</b>				<b>309 062</b>

## SCHEDULE 5, PART A

## SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
					R'000	2017/18	2018/19
<b>Agriculture, Forestry and Fisheries</b> (Vote 24)	(a) Comprehensive Agriculture Support Programme	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 damage to infrastructure caused by floods.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	263 490	277 510	289 660
				Gauteng	174 289	189 769	200 701
				KwaZulu-Natal	85 079	93 063	98 568
				Limpopo	222 155	235 712	249 472
				Mpumalanga	260 576	272 194	286 616
				Northern Cape	172 414	177 885	185 098
				North West	128 364	135 020	141 857
				Western Cape	171 258	183 867	197 073
				<b>TOTAL</b>	<b>1 641 824</b>	<b>1 738 740</b>	<b>1 833 647</b>
	(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	63 876	67 356	71 263
				Gauteng	59 447	63 178	66 843
				KwaZulu-Natal	26 061	27 673	30 278
				Limpopo	63 876	67 356	71 263
				Mpumalanga	63 876	67 356	71 263
				Northern Cape	49 136	52 213	58 242
				North West	55 050	58 480	60 766
				Western Cape	59 448	63 178	66 843
				<b>TOTAL</b>	<b>491 363</b>	<b>522 139</b>	<b>552 423</b>
	(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	R'000	R'000	R'000
				Free State	10 632	11 330	12 016
				Gauteng	5 506	5 851	6 190
				KwaZulu-Natal	4 802	5 103	5 399
				Limpopo	10 632	11 330	12 016
				Mpumalanga	10 438	11 092	11 736
				Northern Cape	6 208	6 597	6 980
				North West	9 320	9 840	10 353
				Western Cape	7 621	8 099	8 568
				<b>TOTAL</b>	<b>69 265</b>	<b>73 604</b>	<b>77 873</b>

## SCHEDULE 5, PART A

## SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2016/17	2017/18	2018/19	Forward Estimates
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	
					149 320	158 417	167 348	
				Free State	157 758	161 329	170 430	
				Gauteng	163 339	174 740	184 619	
				KwaZulu-Natal	163 162	175 404	185 322	
				Limpopo	115 295	123 495	130 405	
				Mpumalanga	155 289	165 087	174 404	
				Northern Cape	152 313	165 312	174 642	
				North West	136 494	143 402	151 464	
				Western Cape	164 162	173 574	183 386	
	<b>TOTAL</b>			<b>1 357 132</b>	<b>1 440 760</b>	<b>1 522 020</b>		
Basic Education (Vote 14)	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned and vulnerable children.	Conditional allocation	Eastern Cape		41 936	44 368	
				Free State	12 967	13 980	14 790	
				Gauteng	32 449	34 436	36 433	
				KwaZulu-Natal	53 096	56 115	59 369	
				Limpopo	33 310	35 339	37 388	
				Mpumalanga	18 798	20 102	21 267	
				Northern Cape	5 281	5 547	5 874	
				North West	16 629	17 825	18 858	
				Western Cape	18 728	20 028	21 189	
					<b>TOTAL</b>	<b>230 849</b>	<b>245 308</b>	<b>259 536</b>
	(b) Maths, Science and Technology Grant	To improve access, equity, efficiency and quality Mathematics, Science and Technology education in the country by providing support and resources to schools, teachers and learners for the improvement of Mathematics, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape		46 898	51 744	
				Free State	33 466	35 963	38 049	
				Gauteng	49 810	53 493	56 596	
				KwaZulu-Natal	62 453	63 883	67 587	
				Limpopo	42 553	45 018	47 629	
				Mpumalanga	41 639	41 978	44 413	
				Northern Cape	23 030	25 858	27 358	
				North West	34 754	37 606	39 787	
				Western Cape	27 841	32 439	34 320	
					<b>TOTAL</b>	<b>362 444</b>	<b>385 145</b>	<b>407 483</b>



**SCHEDULE 5, PART A**

**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	2017/18
					R'000	R'000	R'000
<b>Health (Vote 16)</b>	(d) National Health Insurance Grant	Test innovations in health service delivery and provision for implementing NHI, allowing for each district to interpret and design innovations relevant to its specific context, in line with the vision for realising universal health coverage for all; to undertake health system strengthening activities in identified focus and priority areas; to assess the effectiveness of interventions/activities undertaken in the districts funded through this grant.	Conditional allocation	Eastern Cape	7 546	-	-
				Free State	7 543	-	-
				Gauteng	7 543	-	-
				KwaZulu-Natal	15 083	-	-
				Limpopo	7 543	-	-
				Mpumalanga	7 546	-	-
				Northern Cape	7 543	-	-
				North West	7 543	-	-
				Western Cape	17 337	-	-
				<b>TOTAL</b>	<b>85 227</b>	-	-
<b>Human Settlements (Vote 38)</b>	Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	1 991 457	2 460 660	2 477 121
				Free State	1 098 411	1 226 608	1 306 077
				Gauteng	5 022 669	5 967 208	6 353 813
				KwaZulu-Natal	3 124 702	3 843 228	4 092 224
				Limpopo	1 208 370	1 368 289	1 456 938
				Mpumalanga	1 314 645	1 394 636	1 484 992
				Northern Cape	371 109	412 682	439 419
				North West	2 151 817	1 926 133	2 050 923
				Western Cape	2 000 811	2 460 899	2 620 336
				<b>TOTAL</b>	<b>18 283 991</b>	<b>21 060 343</b>	<b>22 281 843</b>
<b>Public Works (Vote 11)</b>	(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 and waste management.	Conditional allocation	Eastern Cape	77 370	-	-
				Free State	25 641	-	-
				Gauteng	32 820	-	-
				KwaZulu-Natal	104 066	-	-
				Limpopo	18 745	-	-
				Mpumalanga	42 855	-	-
				Northern Cape	17 876	-	-
				North West	51 021	-	-
				Western Cape	31 615	-	-
				Unallocated	-	423 802	448 383
<b>TOTAL</b>	<b>402 009</b>	<b>423 802</b>	<b>448 383</b>				

## SCHEDULE 5, PART A

## SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A	Column B	
					2016/17	Forward Estimates	
					R'000	2017/18	2018/19
<b>Public Works (Vote 11)</b>	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2015 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Conditional allocation	Eastern Cape	-	-	-
				Free State	21 460	-	-
				Gauteng	21 979	-	-
				KwaZulu-Natal	49 969	-	-
				Limpopo	61 553	-	-
				Mpumalanga	36 802	-	-
				Northern Cape	59 554	-	-
				North West	26 769	-	-
				Western Cape	42 053	-	-
				Unallocated	39 523	-	-
					385 583	407 948	
				<b>TOTAL</b>	<b>359 662</b>	<b>385 583</b>	<b>407 948</b>
<b>Social Development (Vote 17)</b>	Substance Abuse Treatment Grant	To provide funding for the construction of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West.	Conditional allocation	Eastern Cape	-	14 236	17 708
				Free State	42 500	14 238	17 709
				Gauteng	-	-	-
				KwaZulu-Natal	-	-	-
				Limpopo	-	-	-
				Mpumalanga	-	-	-
				Northern Cape	43 000	14 238	17 708
				North West	-	14 238	17 708
				Western Cape	-	-	-
<b>Sport and Recreation South Africa (Vote 40)</b>	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	68 347	71 923	75 901
				Free State	43 019	45 538	48 131
				Gauteng	101 084	106 954	113 031
				KwaZulu-Natal	90 785	95 778	101 143
				Limpopo	61 075	62 246	65 200
				Mpumalanga	49 043	52 237	55 155
				Northern Cape	33 642	35 750	37 824
				North West	46 514	49 377	52 195
				Western Cape	62 199	66 025	69 806

**SCHEDULE 5, PART B**  
**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	2018/19
			R'000	R'000	R'000
<b>RECURRENT GRANTS</b>					
<b>Cooperative Governance and Traditional Affairs (Vote 4)</b>	Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.	297 422	111 856	52 900
<b>Energy (Vote 26)</b>	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.	185 625	203 236	215 024
<b>National Treasury (Vote 7)</b>	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained as per the requirements of the relevant statutory councils within the built environment.	130 471	140 774	148 939
	(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.	465 264	502 006	531 122
<b>Public Works (Vote 11)</b>	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme Guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure), other economic and social infrastructure, tourism and cultural industries, waste management, parks and beautification, sustainable land-based livelihoods, social services programmes and community safety programmes.	663 991	716 427	757 979
<b>TOTAL</b>			<b>1 742 773</b>	<b>1 674 299</b>	<b>1 705 964</b>

**SCHEDULE 5, PART B**  
**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES**

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates	2018/19
			R'000	R'000	R'000
<b>INFRASTRUCTURE GRANTS</b>					
<b>Cooperative Governance and Traditional Affairs (Vote 4)</b>	(a) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	140 000	-	-
	(b) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	14 914 028	15 991 252	16 893 685
	(c) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation.	-	-	-
<b>Energy (Vote 26)</b>	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure.	1 946 246	2 087 048	2 204 477
<b>National Treasury (Vote 7)</b>	Neighbourhood Development Partnership Grant	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 the levels of access to opportunity for residents in South Africa's under-served neighbourhoods, generally townships.	624 000	663 390	701 867
<b>Transport (Vote 35)</b>	(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.	5 592 691	6 359 895	6 793 269
	(b) Rural Roads Asset Management Systems Grant	To assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	101 514	107 309	113 533
<b>Water and Sanitation (Vote 36)</b>	(a) Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.	2 844 982	3 729 864	3 959 056
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing infrastructure 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 develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance; to pilot regional 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.	1 850 000	1 865 000	2 060 000
<b>TOTAL</b>			<b>28 013 461</b>	<b>30 803 758</b>	<b>32 725 887</b>

**SCHEDULE 6, PART A**

**ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES**

Vote	Name of allocation	Purpose	Column A	Column B		
			2016/17	Forward Estimates	2017/18	2018/19
			R'000	R'000	R'000	R'000
<b>Basic Education (Vote 14)</b>	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	2 374 867	-	-	-
<b>Health (Vote 16)</b>	National Health Insurance Indirect Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery; to develop and pilot innovative models for purchasing services from health practitioners and other service providers in National Health Insurance pilot districts; to improve spending, performance, monitoring and evaluation on National Health Insurance pilots and infrastructure projects; to fund the introduction of the Human Papillomavirus vaccination programme in schools; to enable the health sector to address deficiencies in the primary health care facilities systematically to yield big fast results; to fund development and roll-out of new health information systems in preparation for National Health Insurance	1 261 230	1 663 037	1 663 037	1 764 859
		<b>TOTAL</b>	<b>3 636 097</b>	<b>1 663 037</b>	<b>1 663 037</b>	<b>1 764 859</b>

**SCHEDULE 6, PART B**

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES**

Vote	Name of allocation	Purpose	Column A		Column B	
			2016/17	2017/18	2018/19	Forward Estimates
			R'000		R'000	
<b>Cooperative Governance and Traditional Affairs (Vote 4)</b>	(a) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.	-	-	-	-
	(b) Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.	-	-	-	-
	(c) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation.	84 349	103 249	115 116	
<b>Energy (Vote 26)</b>	Integrated National Electrification Programme (Eskom) Grant	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.	3 526 334	3 876 154	3 995 031	
<b>National Treasury (Vote 7)</b>	Neighbourhood Development Partnership Grant	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.	22 209	27 744	29 353	
<b>Water and Sanitation (Vote 36)</b>	(a) Bucket Eradication Programme Grant	To provide funding for the eradication of bucket sanitation in formal areas.	350 000	-	-	
	(b) Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.	311 545	587 122	608 175	
	(c) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing infrastructure 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 develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	3 478 829	2 806 279	2 931 443	
<b>TOTAL</b>			<b>7 773 266</b>	<b>7 400 548</b>	<b>7 679 118</b>	

**SCHEDULE 7, PART A**

**UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE**

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates 2017/18	Forward Estimates 2018/19
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	R'000 111 545	R'000 123 432	R'000 130 591
		<b>TOTAL</b>	<b>111 545</b>	<b>123 432</b>	<b>130 591</b>

**SCHEDULE 7 PART B**

**UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE**

Vote	Name of allocation	Purpose	Column A	Column B	
			2016/17	Forward Estimates 2017/18	Forward Estimates 2018/19
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response.	R'000 269 922	R'000 300 281	R'000 317 697
		<b>TOTAL</b>	<b>269 922</b>	<b>300 281</b>	<b>317 697</b>

## MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE BILL, 2016

### 1. BACKGROUND

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996, (“the Constitution”) requires that an Act of Parliament must provide for—
  - (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
  - (b) the determination of each province’s equitable share of the provincial share of that revenue; and
  - (c) any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and for any conditions on which those allocations may be made.
- 1.2 Section 10 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), requires that, as part of the process of the enactment of the Act of Parliament referred to in paragraph 1.1, each year when the annual budget is introduced, the Minister of Finance must introduce in the National Assembly a Division of Revenue Bill (“the Bill”) for the financial year to which that budget relates.
- 1.3 The Intergovernmental Fiscal Relations Act, 1997, requires that the Bill be accompanied by a memorandum explaining—
  - (a) how the Bill takes account of each of the matters listed in section 214(2)(a) to (j) of the Constitution;
  - (b) the extent to which account was taken of any recommendations of the Financial and Fiscal Commission (“the FFC”) that were submitted to the Minister of Finance or were raised during consultations with the FFC; and
  - (c) any assumptions or formulae used in arriving at the respective shares of the three spheres of government and the division of the provincial share between the nine provinces.
- 1.4 In terms of section 7(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), when tabling the budget, a report must also be tabled that responds to the recommendations made in the reports by the Parliamentary Committees on Finance on the proposed fiscal framework in the Medium Term Budget Policy Statement and the reports by the Committees on Appropriations regarding the proposed division of revenue and the conditional grant allocations to provinces and local government as contained in the Medium Term Budget Policy Statement. The report must explain how the Bill and the national budget give effect to, or the reasons for not taking into account, the recommendations contained in the Committee reports.
- 1.5 The memorandum referred to in paragraph 1.3 is attached to this Memorandum and will also be attached as “Annexure W1” to the Budget Review, and the report referred to in paragraph 1.4 will be tabled with the budget.
- 1.6 The Bill is introduced in compliance with the Constitution, the Intergovernmental Fiscal Relations Act, 1997, and the Money Bills Amendment Procedure and Related Matters Act, 2009, as set out in paragraphs 1.1 to 1.4.
- 1.7 The allocations contemplated in section 214(1) of the Constitution are set out in the following Schedules to the Bill:
  - *Schedule 1* contains the equitable shares of the three spheres of government;
  - *Schedule 2* sets out provincial equitable share allocations;
  - *Schedule 3* sets out local government equitable share allocations per municipality;

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

## 2. SUMMARY OF BILL

2.1 The following is a brief summary of the Bill:

- *Clause 1* contains definitions;
- *Clause 2* sets out the objects of the Bill, which are to provide for the equitable division of revenue raised nationally among the three spheres and to promote predictability and certainty in respect of allocations to provinces and municipalities as well as transparency and accountability in the resource allocation process;
- *Clause 3* provides for the equitable division of anticipated revenue raised nationally among the national, provincial and local spheres of government, which is set out in Schedule 1;
- *Clause 4* provides for each province's equitable share, which is set out in Schedule 2, and that it must be transferred in terms of a payment schedule;
- *Clause 5* provides for each municipality's equitable share of revenue, which is set out in Schedule 3 and that it must be transferred on dates specified in clause 5 in amounts as determined in terms of clause 23(2);
- *Clause 6* determines what must happen if actual revenue raised falls short or is in excess of anticipated revenue for the financial year, and allows for additional conditional and unconditional allocations to be made from the national government's portion of the equitable share or excess revenue;
- *Clause 7* provides for conditional allocations to provinces in Part A of Schedules 4 to 7;
- *Clause 8* provides for conditional allocations to municipalities in Part B of Schedules 4 to 7;
- *Clauses 9 and 10* set out the duties of a transferring national officer in respect of Schedules 4, 5 and 6 allocations;
- *Clauses 11 and 12* set out the duties of a receiving officer in respect of Schedules 4, 5 and 7 allocations;
- *Clauses 13 and 14* set out the additional duties of a receiving officer in respect of infrastructure conditional allocations to provinces and to metropolitan municipalities;
- *Clause 15* prescribes the duties in respect of annual financial statements and annual reports for the 2016/17 financial year;
- *Clause 16* requires the publication of certain allocations and all conditional grant frameworks in the *Government Gazette*;
- *Clause 17* requires that spending must only be in accordance with the purpose and subject to the conditions set out in the grant frameworks for Schedule 4 to 7 allocations, and sets out funding related arrangements if a function partially or fully funded by a conditional grant is assigned by a province to a municipality;

- *Clauses 18 and 19* provide for the withholding and stopping of allocations;
- *Clause 20* provides for the reallocation of funds;
- *Clause 21* provides for the possible conversion of certain allocations in order to prevent under-spending on the allocation, if the affected national or provincial department has demonstrated the capacity to implement projects;
- *Clause 22* provides for the management of unspent conditional allocations;
- *Clauses 23 and 24* provide for payment schedules and their amendment;
- *Clause 25* provides for the recovery of any allocation transferred in error or fraudulently;
- *Clause 26* provides for allocations not listed in the Schedules;
- *Clause 27* provides for preparations for the 2017/18 and 2018/19 financial years;
- *Clause 28* deals with transfers before the commencement of the Division of Revenue Act for the 2016/17 financial year and the conditions attached to such transfers;
- *Clause 29* sets out the duties of municipalities;
- *Clause 30* sets out the duties and powers of provincial treasuries;
- *Clause 31* sets out the duties and powers of the National Treasury;
- *Clauses 32 to 37* provide for general matters such as liability for costs incurred in violation of principles of cooperative governance and inter-governmental relations, irregular expenditure, financial misconduct, delegations and assignments, exemptions and the power of the Minister of Finance to make regulations;
- *Clause 38* provides for transitional measures to cater for local government elections scheduled for 2016.
- *Clauses 39 and 40* provide for the repeal of laws and the short title and commencement.

### **3. ORGANISATIONS AND INSTITUTIONS CONSULTED**

3.1 The following institutions were consulted on the Bill—

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

### **4. FINANCIAL IMPLICATIONS TO THE STATE**

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

### **5. CONSTITUTIONAL IMPLICATIONS**

The Bill gives effect to section 214 of the Constitution.

## 6. PARLIAMENTARY PROCEDURE

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

# DIVISION OF REVENUE ATTACHMENTS

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**EXPLANATORY MEMORANDUM  
TO THE DIVISION OF REVENUE**

**(Website “Annexure W1” to the 2016 Budget Review)**

W1

# Explanatory memorandum to the division of revenue

## ■ Background

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 257 municipalities (278 municipalities prior to the 2016 local government elections). The tabled allocations are published with the new municipal demarcations even though the elections will be held later in the year.

The division of revenue takes into account the powers and functions assigned to each sphere of government. The process fosters transparency and is at the heart of constitutional cooperative governance.

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

This explanatory memorandum to the 2016 Division of Revenue Bill fulfils the requirement set out in section 10(5) of the Intergovernmental Fiscal Relations Act that the bill be accompanied by an explanation of how it takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities. This explanatory memorandum has six sections:

- Part 1 lists the factors that inform the division of resources between national, provincial and local government.
- Part 2 describes the 2016 division of revenue.
- Part 3 sets out how the FFC's recommendations on the 2016 division of revenue have been taken into account.

- Part 4 explains the formula and criteria for the division of the provincial equitable share and conditional grants among provinces.
- Part 5 sets out the formula and criteria for the division of the local government equitable share and conditional grants among municipalities.
- Part 6 summarises issues that will form part of subsequent reviews of provincial and local government fiscal frameworks.

The Division of Revenue Bill and its underlying allocations are the result of extensive consultation between national, provincial and local government. The Budget Council deliberated on the matters discussed in this memorandum at several meetings during the year. The approach to local government allocations was discussed with organised local government at technical meetings with the South African Local Government Association (SALGA), culminating in meetings of the Budget Forum (the Budget Council and SALGA). An extended Cabinet meeting involving ministers, provincial premiers and the SALGA chairperson was held in October 2015. The division of revenue, and the government priorities that underpin it, was agreed for the next three years.

## **Part 1: Constitutional considerations**

The annual Division of Revenue Act is enacted after factors in sections 214(2)(a) to (j) of the Constitution are taken into account. These include national interest, debt provision, the needs of national government, flexibility in responding to emergencies, resource allocation for basic services and developmental needs, the fiscal capacity and efficiency of provincial and local government, the reduction of economic disparities, and the promotion of stability and predictability. The constitutional principles taken into account in deciding on the division of revenue are briefly noted below.

### **National interest and the division of resources**

The national interest is encapsulated by governance goals that benefit the nation as a whole. The National Development Plan, endorsed by Cabinet in November 2012, sets out a long-term vision for the country's development. This is complemented by the strategic integrated projects overseen by the Presidential Infrastructure Coordinating Council and the 14 priority outcomes adopted by Cabinet in 2014 for the 2014–2019 medium-term strategic framework. In the 2015 *Medium Term Budget Policy Statement*, the Minister of Finance outlined how the resources available to government over the 2016 medium-term expenditure framework (MTEF) would be allocated to help achieve these goals. Chapter 4 of the 2015 *Medium Term Budget Policy Statement* and Chapters 5 and 6 of the 2016 *Budget Review* discuss how funds have been allocated across government based on these priorities. The frameworks for each conditional grant allocated as part of the division of revenue also note how the grant is linked to the 14 priority outcomes.

### **Provision for debt costs**

The resources shared between national, provincial and local government include proceeds from national government borrowing used to fund public spending. National government provides for the resulting debt costs to protect the country's integrity and credit reputation. A more detailed discussion can be found in Chapter 7 of the 2016 *Budget Review*.

### **National government's needs and interests**

The Constitution assigns exclusive and concurrent powers and functions to each sphere of government. National government is exclusively responsible for functions that serve the national interest and are best centralised. National and provincial government have concurrent responsibility for a range of functions. Provincial and local government receive equitable shares and conditional grants to enable them to provide basic services and perform their functions. Functions may shift between spheres of government to better meet its needs. The division of revenue responds to this by modifying the funding arrangements.

Changes continue to be made to various national transfers to provincial and local government to improve their efficiency, effectiveness and alignment with national strategic objectives.

### **Provincial and local government basic services**

Provinces and municipalities are assigned service delivery functions such as education, health, social development, housing, roads, provision of electricity and water, and municipal infrastructure. They have significant autonomy to allocate resources to meet basic needs and respond to provincial and local priorities, while giving effect to national objectives. The division of revenue provides equitable shares to provinces and local government, together with conditional grants for basic service delivery.

Strong growth in allocations to provincial and local government reflects government's emphasis on priority services such as health, education and basic services, as well as the rising costs of these services due to higher wages, and bulk electricity and water costs. Transfers to local government have grown significantly in recent years, providing municipalities with greater resources to deliver basic services. This is in addition to local government's substantial revenue-raising powers.

The 2016 division of revenue has prioritised the rollout of water and sanitation infrastructure. In addition, a grant to municipalities affected by the 2016 boundary changes will help minimise any negative effects that the transition may have on service delivery. The division of revenue also gives expression to the National Development Plan's prioritisation of early childhood development.

### **Fiscal capacity and efficiency**

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

Local government's share of nationally raised revenue has increased from 3 per cent in 2000/01 to 9.1 per cent over the 2016 MTEF period. A review of the local government equitable share was completed in 2012 and a new formula is being phased in from 2013/14 to 2017/18. The new formula incorporates a revenue adjustment factor that considers the fiscal capacity of the recipient municipality (full details of the formula are provided in part 5 of this annexure). The mechanisms for allocating funds to provinces and municipalities are continuously reviewed to improve their efficiency. A new approach to the funding of provincial infrastructure is being introduced to promote better planning and implementation, and to improve efficiency in the delivery of health and education infrastructure. To maximise the effect of allocations, many provincial and local government conditional grants use criteria that consider the recipient's efficient use of previous allocations.

### **Developmental needs**

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

### **Economic disparities**

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

### **Obligations in terms of national legislation**

The Constitution confers autonomy on provincial governments and municipalities to determine priorities and allocate budgets. National government is responsible for policy development, national mandates, setting national norms and standards for provincial and municipal functions, and monitoring implementation for concurrent functions. The 2016 MTEF and division of revenue provide additional funding for municipalities affected by significant boundary changes due to take effect after the 2016 local government elections. To support the newly amalgamated municipalities and ensure a smooth transition, the *municipal demarcation transition grant* was established in 2015/16 for a period of three years (to 2017/18). National government will also ensure that baseline reductions do not affect important obligations that are already funded through existing provincial and local government allocations.

### **Predictability and stability**

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

### **Flexibility in responding to emergencies**

Government has a contingency reserve that provides a cushion for emergencies and unforeseeable events. In addition, two conditional grants for disasters allow for the swift allocation and transfer of funds to affected provinces and municipalities in the immediate aftermath of a declared disaster. Sections 16 and 25 of the Public Finance Management Act (1999) make specific provision for the allocation of funds to deal with emergency situations. Section 30(2) deals with adjustment allocations for unforeseeable and unavoidable expenditure. Section 29 of the Municipal Finance Management Act (2003) allows a municipal mayor to authorise unforeseeable and unavoidable expenditure in an emergency. Section 20(6) of the 2016 Division of Revenue Bill also allows conditional grant funds to be reprioritised to respond to a disaster.

## **Part 2: The 2016 division of revenue**

Government's central fiscal objective over the MTEF period is to stabilise the growth of debt as a share of GDP and strictly adhere to the planned expenditure ceiling (see Chapters 1, 3 and 5 of the *Budget Review*). The most important public spending programmes that help poor South Africans, contribute to growth and generate employment have been protected from major reductions. The 2016 division of revenue reprioritises existing funds to ensure these objectives are met despite the lower expenditure ceiling. Parts 4 and 5 of this annexure set out in more detail how the baseline reductions have been applied to provincial and local government transfers.

Excluding debt-service costs and the contingency reserve, allocated expenditure shared between the three spheres amounts to R1.165 trillion, R1.250 trillion and R1.347 trillion over each of the MTEF years. These allocations take into account government's spending priorities, each sphere's revenue-raising capacity and responsibilities, and input from various intergovernmental forums and the FFC. The provincial and local

equitable share formulas are designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

### Government's policy priorities for the 2016 MTEF period

Following the reductions to the baseline, existing budgets need to be reprioritised to meet government's policy priorities outlined in the medium-term strategic framework. Priorities over the 2016 MTEF period that are funded through reprioritisations in the division of revenue include:

- Introducing appropriate incentives to upgrade and maintain provincial and municipal infrastructure.
- Extending HIV/AIDS intervention spending to include tuberculosis.
- Completing the eradication of bucket sanitation systems in formal residential areas.
- Extending access to early childhood development centres through a new grant.

### The fiscal framework

Table W1.1 presents the medium-term macroeconomic forecasts for the 2016 Budget. It sets out the growth assumptions and fiscal policy targets on which the fiscal framework is based.

**Table W1.1 Medium-term macroeconomic assumptions, 2015/16 – 2018/19**

R billion/percentage of GDP	2015/16		2016/17		2017/18		2018/19
	2015 Budget	2016 Budget	2015 Budget	2016 Budget	2015 Budget	2016 Budget	2016 Budget
Gross domestic product	4 191.8	4 073.2	4 538.8	4 388.4	4 926.1	4 750.7	5 161.3
<i>Real GDP growth</i>	2.0%	0.9%	2.6%	1.2%	2.9%	1.9%	2.5%
<i>GDP inflation</i>	5.9%	5.1%	5.5%	6.4%	5.4%	6.3%	6.0%
<b>National budget framework</b>							
<b>Revenue</b>	<b>1 049.3</b>	<b>1 074.5</b>	<b>1 166.0</b>	<b>1 162.0</b>	<b>1 265.4</b>	<b>1 264.3</b>	<b>1 388.7</b>
<i>Percentage of GDP</i>	25.0%	26.4%	25.7%	26.5%	25.7%	26.6%	26.9%
<b>Expenditure</b>	<b>1 222.3</b>	<b>1 247.3</b>	<b>1 309.9</b>	<b>1 318.3</b>	<b>1 420.9</b>	<b>1 421.7</b>	<b>1 540.0</b>
<i>Percentage of GDP</i>	29.2%	30.6%	28.9%	30.0%	28.8%	29.9%	29.8%
<b>Main budget balance<sup>1</sup></b>	<b>-173.1</b>	<b>-172.8</b>	<b>-144.0</b>	<b>-156.3</b>	<b>-155.5</b>	<b>-157.4</b>	<b>-151.3</b>
<i>Percentage of GDP</i>	-4.1%	-4.2%	-3.2%	-3.6%	-3.2%	-3.3%	-2.9%

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

Source: National Treasury

Table W1.2 sets out the division of revenue for the 2016 MTEF period after accounting for new policy priorities. The division of revenue includes an amount of R17.8 billion provisionally allocated in 2018/19, which will only be assigned to specific programmes during the 2017 budget process, subject to the approval of spending proposals. Of this amount, R5.8 billion has indicatively been allocated to the provincial equitable share and R4.5 billion to local government conditional grants. These amounts are not discussed in the rest of this explanatory memorandum because they will only be allocated to specific grants and programmes during the 2017 budget process.

**Table W1.2 Division of nationally raised revenue, 2012/13 – 2018/19**

R million	2012/13	2013/14 Outcome	2014/15	2015/16 Revised estimate	2016/17	2017/18	2018/19
<b>Division of available funds</b>					<b>Medium-term estimates</b>		
<b>National departments</b>	<b>420 246</b>	<b>453 406</b>	<b>490 039</b>	<b>546 788</b>	<b>559 849</b>	<b>594 090</b>	<b>637 755</b>
<i>of which:</i>							
<i>Indirect transfers to provinces</i>	2 315	2 693	5 808	3 150	3 636	1 663	1 765
<i>Indirect transfers to local government</i>	5 050	5 945	8 895	10 525	7 773	7 401	7 679
<b>Provinces</b>	<b>380 929</b>	<b>410 572</b>	<b>439 544</b>	<b>471 768</b>	<b>499 844</b>	<b>542 344</b>	<b>582 913</b>
Equitable share <sup>1</sup>	310 741	336 495	359 922	386 500	410 699	441 831	474 852
Conditional grants	70 188	74 077	79 623	85 268	89 146	100 513	108 061
<b>Local government</b>	<b>76 200</b>	<b>82 595</b>	<b>87 656</b>	<b>99 650</b>	<b>104 925</b>	<b>113 340</b>	<b>125 811</b>
Equitable share	37 139	38 964	41 592	50 507	52 569	57 012	61 732
Conditional grants <sup>2</sup>	30 021	34 018	35 874	38 485	41 132	44 543	51 611
General fuel levy sharing with metros	9 040	9 613	10 190	10 659	11 224	11 785	12 469
<b>Non-interest allocations</b>	<b>877 374</b>	<b>946 574</b>	<b>1 017 239</b>	<b>1 118 206</b>	<b>1 164 618</b>	<b>1 249 774</b>	<b>1 346 479</b>
<i>Percentage increase</i>	7.9%	7.9%	7.5%	9.9%	4.2%	7.3%	7.7%
Debt-service costs	88 121	101 185	114 798	129 111	147 720	161 927	178 556
Contingency reserves	–	–	–	–	6 000	10 000	15 000
<b>Main budget expenditure</b>	<b>965 496</b>	<b>1 047 759</b>	<b>1 132 037</b>	<b>1 247 317</b>	<b>1 318 338</b>	<b>1 421 701</b>	<b>1 540 035</b>
<i>Percentage increase</i>	8.5%	8.5%	8.0%	10.2%	5.7%	7.8%	8.3%
<i>Percentage shares</i>							
<i>National departments</i>	47.9%	47.9%	48.2%	48.9%	48.1%	47.5%	47.4%
<i>Provinces</i>	43.4%	43.4%	43.2%	42.2%	42.9%	43.4%	43.3%
<i>Local government</i>	8.7%	8.7%	8.6%	8.9%	9.0%	9.1%	9.3%

1. Includes unallocated amounts

2. Includes unallocated amounts

Source: National Treasury

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

**Table W1.3 Changes over baseline,<sup>1</sup> 2016/17 – 2017/18**

R million	2016/17	2017/18
National departments	6 071	8 003
Provinces	3 585	15 962
Local government	989	3 323
<b>Allocated expenditure</b>	<b>10 645</b>	<b>27 287</b>

Source: National Treasury

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

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

<b>2016/17 – 2018/19</b>			
<b>R million</b>	<b>2016/17 Allocation</b>	<b>2017/18 Forward estimates</b>	<b>2018/19 Forward estimates</b>
National <sup>1, 2</sup>	855 071	922 857	1 003 451
Provincial <sup>3</sup>	410 699	441 831	474 852
Local	52 569	57 012	61 732
<b>Total</b>	<b>1 318 338</b>	<b>1 421 701</b>	<b>1 540 035</b>

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

2. Direct charges for the provincial equitable share are netted out

3. Provincial share includes an unallocated amount of R5.8 billion in 2018/19 that is not included in the forward estimates of provincial allocations in tables W1.6 and W1

Source: National Treasury

The 2016 *Budget Review* sets out in detail how constitutional issues and government's priorities are taken into account in the 2016 division of revenue. It describes economic and fiscal policy considerations, revenue issues, debt and financing considerations, and expenditure plans. Chapter 6 focuses on provincial and local government financing.

### **Part 3: Response to the FFC's recommendations**

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

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

The act requires that the FFC table these recommendations at least 10 months before the start of each financial year. The FFC tabled its *Submission for the Division of Revenue 2016/17* to Parliament in May 2015. These recommendations cover the following areas: macro-micro and fiscal aspects of public investment management; the proliferation of indirect grants, as well as design and accountability in public infrastructure management; and state capacity improvements through education and productivity interventions.

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

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

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

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

## **Recommendations that apply directly and indirectly to the division of revenue**

### *Chapter 1: Responding to South Africa's infrastructure challenges*

Infrastructure-led growth that provides the conditions for the future prosperity of all South Africans

The FFC recommends that government “redesigns capital conditional grants by:

- (a) Allowing for payment of infrastructure upstream costs of provinces and municipalities;
- (b) Making capital grants pledgeable where a long-term capital strategy is in place; and
- (c) Extending the existing incentive/support for long-term capital planning.”

#### **Government response**

Government continuously evaluates conditional grants to both provincial and local government. Its responses to the three points raised are detailed below.

Several grants allow for upstream costs (for example, transport planning or project management capacity). However, government is cautious of diverting excessive funds away from capital investment, which is why the need for upstream costs is evaluated on a grant-by-grant and differentiated basis.

The Division of Revenue Act does allow for pledging of municipal grants when a long-term capital strategy is in place. However, because borrowing should largely fund infrastructure that contributes to future revenues, municipal own revenues should be used to borrow against more than grants.

Given that provinces invest in capital projects that serve as public goods, and they have limited revenue-raising potential, borrowing is not encouraged, but is approved under special circumstances.

Several provincial infrastructure grants (including grants for health, education and roads) are allocated based on the submission of plans two years in advance to encourage longer-term planning.

The built environment performance plans required by the *integrated city development grant* already incentivise cities to engage in long-term planning. The review of local government infrastructure grants will introduce a number of reforms to enhance longer-term planning. Government will work with the FFC to implement the proposed solutions.

#### **Efficiency and alignment of infrastructure procurement and management**

The FFC recommends that government “enhance efficiency by ensuring alignment between infrastructure procurement planning, contract awards and management and other elements of infrastructure management.”

#### **Government response**

Government agrees that conditional grants can and should incentivise improved practices beyond the transfer of funds.

Each province has to develop an approved framework to implement the infrastructure delivery management system, and several provincial grants make funding provisions to capacitate infrastructure units.

In local government, an incentive grant to metropolitan municipalities encourages integration across infrastructure management. In addition, the review of local government infrastructure grants has introduced reforms to improve asset management practices under the municipal infrastructure grant.

But building capacity and improving infrastructure management practices takes time, and grants are just one way to achieve these goals. There are many other interventions that aim to strengthen institutions and enhance capacity across government, including the Office of the Chief Procurement Officer and the Municipal Infrastructure Support Agent.

## *Chapter 2: Economic growth effects of municipal capital spending*

### Improving economic growth effects of municipal capital expenditure

The FFC recommends that, “Grant allocations for infrastructure investment reflect the prioritisation (or weighting) of growth-enhancing infrastructure programmes, to enable municipalities to play their (envisaged critical) role in promoting economic development and growth.”

#### Government response

Conditional grants are primarily allocated to subsidise capital costs on behalf of the poor, who cannot afford to pay rates and tariffs. Economic infrastructure should largely be funded from own revenues through the use of cost-reflective tariffs and debt-financing.

Government does acknowledge the substantial growth-enhancing effects of infrastructure investments and has emphasised the importance of economic growth in recent reforms to urban grants and the *municipal infrastructure grant*. Government is also working with municipalities to increase their ability to access long-term financing so they can increase their own funding of infrastructure investments.

### Long-term sustainability of infrastructure for local economic growth

The FFC recommends that “Government establishes either an incentive grant or a reserve fund for asset management, to ensure the long-term sustainability of critical socioeconomic infrastructure and enhance local economic growth.”

#### Government response

Government agrees that improved municipal asset management is necessary to continue the gains made in service delivery in recent years. The local government equitable share includes a 10 per cent maintenance allocation on behalf of indigent households, while all other consumers are expected to pay fully cost-reflective tariffs to cover the capital, operations, maintenance and depreciation costs of infrastructure. This means that additional maintenance funding would be double-funding. Government is therefore proposing to incentivise better prioritisation of existing maintenance funds.

Grants, however, are increasingly shifting towards investment in both new and existing infrastructure. A more appropriate mix of capital funding will help address the difficulties experienced in asset management and ensure the long-term sustainability of infrastructure.

### Transitional capacity-building grant

The FFC recommends that government “establish a transitional capacity-building grant to fund technical assistance to enable municipalities to prepare and implement credible infrastructure asset management plans.”

#### Government response

Government agrees that technical assistance is often required to develop these plans and while there are municipalities that may need this support, many have already developed appropriate asset management strategies and should not be disincentivised. The Municipal Infrastructure Support Agent, the Department of Cooperative Governance and the local government infrastructure grant review are developing changes to the 2016 municipal infrastructure grant framework that will promote better use of the technical assistance and project management funding available in the grant.

Assistance need not be financial. Government has many initiatives to improve municipal asset management practices. For example, the Municipal Infrastructure Support Agent not only assigns engineers to municipalities to improve these systems, but it has also developed a municipal infrastructure performance management information system, rolled out the infrastructure delivery management system and will introduce a municipal standard chart of accounts from 1 July 2017.

### *Chapter 3: A review of direct and indirect conditional grants – the case of selected conditional grants*

#### Management of direct and indirect grants

The FFC recommends that, “National Treasury and line departments consider the use of indirect grants as a measure of last resort while continuing to build capacity in provinces and municipalities.”

#### Government response

Government agrees that indirect grants are not always a sustainable or effective way of improving service delivery. They must be seen as a last resort and transitional in nature. In recent years, direct grant spending has proven to be higher than indirect grant spending in several cases, leading to a number of provincial and local government grants shifting from indirect to direct grants.

#### Criteria to guide scheduling of grants

The FFC recommends that, “Clear criteria that will guide scheduling of conditional grants should be developed and must take into account (a) the historical financial performance, (b) non-financial performance and (c) the time period before converting a direct grant to an indirect grant.”

#### Government response

Government agrees that criteria to guide the appropriate scheduling of conditional grants would be a useful tool. Historical performance and non-financial data would be needed to determine scheduling, while a time period for the conversion of a grant from direct to indirect would ensure stability. Government supports a differentiated approach, which has led to increasing splits in grants and shifts between direct and indirect grants in recent years. In collaboration with the FFC, government aims to develop clear guidelines on the appropriate scheduling of grants from inception.

### *Chapter 4: Accountability in infrastructure delivery – the case of the local government sphere*

#### Accountability in local government infrastructure delivery

The FFC recommends that, “National Treasury and the Department of Cooperative Governance develop an accountability framework for indirect infrastructure grants to identify accountability lines, accountability mechanisms, accountability enforcement mechanisms, and spell out the consequences for undermining the accountability arrangements.”

#### Government response

Government welcomes this recommendation and is seeking to establish such a framework. Although clear guidance on budget preparation, allocation and evaluation for both direct and indirect grants exists, accountability lines are not as explicit for indirect grants as they are for direct grants. Ensuring that appropriate monitoring and evaluation systems and a legal framework to manage indirect grants are in place is a priority.

### *Chapter 5: Fiscal arrangements for financing early childhood development infrastructure*

#### Capital subsidy for constructing and upgrading early childhood development facilities

The FFC recommends that, “Government provides a full or partial capital subsidy for constructing and/or upgrading community- and non-profit-organisation-based early childhood development facilities, through the municipal infrastructure grant. The funding will facilitate compliance with the required infrastructure norms and standards, ensure that capital expenditure for early childhood development is carried out through municipalities and minimise inequities in quality standards and service levels.”

### *Government response*

The research and recommendations on this vital, complex sector are well received. However, the absence of clarity around the functional arrangements and the law regarding spending on non-state assets limits government's options in providing an effective capital subsidy for early childhood development facilities.

Government has indicatively allocated funds from 2017/18 for a new provincial conditional grant to support improved early childhood development services, including improved infrastructure. Government also supports the potential use of the community services component of the municipal infrastructure grant to fund the provision of facilities for early childhood development. Further work is needed to guide municipalities on how best to invest in early childhood development facilities.

### *Chapter 6: Public-sector productivity – the case of secondary education*

#### Improving public-sector productivity

The FFC recommends that, “The Division of Revenue Act implements the finalised framework on measuring productivity. This may require the implementing agent of a conditional grant to report on the attainment of both quantitative and qualitative indicators of an output, including productivity indicators that track improvements of the service over time.”

### *Government response*

Government agrees that improvements in productivity are necessary to deliver value for money and enhanced service delivery. Reporting requirements for conditional grants can be useful sources of information on productivity. Once a productivity framework, as proposed in another FFC recommendation, is finalised, government will review how it can best be applied to the Division of Revenue Act's clauses and grant frameworks.

## **Part 4: Provincial allocations**

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

National transfers to provinces increase from R471.8 billion in 2015/16 to R499.8 billion in 2016/17. Over the MTEF period, provincial transfers will grow at an average annual rate of 6.9 per cent to R577.1 billion in 2018/19. Table W1.5 sets out the total transfers to provinces for 2016/17. A total of R410.7 billion is allocated to the provincial equitable share and R89.1 billion to conditional grants, which includes an unallocated R111.5 million for the *provincial disaster grant*.

**Table W1.5 Total transfers to provinces, 2016/17**

<b>R million</b>	<b>Equitable share</b>	<b>Conditional grants</b>	<b>Total transfers</b>
Eastern Cape	58 060	10 243	<b>68 304</b>
Free State	22 995	6 816	<b>29 811</b>
Gauteng	79 600	18 839	<b>98 439</b>
KwaZulu-Natal	87 898	17 489	<b>105 387</b>
Limpopo	48 709	7 120	<b>55 829</b>
Mpumalanga	33 450	6 987	<b>40 437</b>
Northern Cape	10 863	3 751	<b>14 614</b>
North West	28 062	7 041	<b>35 103</b>
Western Cape	41 062	10 749	<b>51 811</b>
Unallocated	-	112	<b>112</b>
<b>Total</b>	<b>410 699</b>	<b>89 146</b>	<b>499 844</b>

Source: National Treasury

### Changes to provincial allocations

The baseline reductions discussed in Chapter 5 of the *Budget Review* were shared across the three spheres of government in proportion to the division of revenue. A weaker-than-expected economic and fiscal environment has meant that the budget needs to be reprioritised to fund new and changing government priorities. In 2016/17, provincial baselines are reduced by R3.6 billion compared to indicative figures published in the 2015 *Medium Term Budget Policy Statement*. To protect basic services funded by the provincial equitable share, such as health and education, only 40 per cent (R1.5 billion) of this reduction was taken from the equitable share, despite its accounting for more than 80 per cent of transfers to provinces. The remaining 60 per cent (R2.1 billion) of this reduction comes from provincial conditional grants. Several grants funding essential services, such as the *national school nutrition programme grant*, the *land care grant*, and the *provincial roads maintenance grant*, were not reduced. In spite of these reductions to the baseline, the provincial equitable share grows at an average annual rate of 6.7 per cent over the MTEF period, while conditional grant allocations grow by 8.2 per cent per year. Where possible, baseline reductions have been weighted towards grants that have a history of underspending or grants involving infrastructure implementation that can be deferred, or that is still only in feasibility phase. The amount reduced on each grant is detailed in Table W1.6.

During the 2015 budget process, funds and functions under the National Health Laboratory Service (NHLS) were shifted to the national Department of Health. The Budget Council agreed to the shift provided that an audit is conducted after the first year to ensure that the change is revenue-neutral for provinces. The audit has revealed that this shift has not affected provincial revenue.

In addition to these baseline reductions, there were also several other reprioritisations and technical changes to conditional grants during the budget process that will be implemented over the 2016 MTEF period. These are shown in Table W1.6.

**Table W1.6 Net changes to baseline provincial allocations, 2016/17 – 2018/19**

<b>R million</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2016 MTEF</b>
<b>Provincial equitable share</b>	<b>5 434</b>	<b>12 939</b>	<b>15 283</b>	<b>33 655</b>
Provincial equitable share	5 434	12 939	15 283	33 655
<b>Direct transfers</b>	<b>-1 849</b>	<b>3 023</b>	<b>4 917</b>	<b>6 091</b>
Comprehensive agricultural support programme	-60	-70	-80	-210
Community library services	-10	-12	-15	-37
Education infrastructure	-160	2 450	2 582	4 872
Comprehensive HIV, Aids and TB	-176	220	1 580	1 624
Health facility revitalisation	-200	-47	-118	-365
Human papillomavirus vaccine	–	–	200	200
National health insurance	10	-80	-85	-155
Human settlements development	-1 600	–	–	-1 600
Substance abuse treatment	38	57	71	166
Early childhood development	–	320	493	813
Mass participation and sport development	-5	-10	-12	-27
Provincial roads maintenance	65	-54	101	111
Public transport operations	250	250	200	700
<b>Indirect transfers</b>	<b>40</b>	<b>-2 304</b>	<b>-2 432</b>	<b>-4 696</b>
National health insurance indirect	40	316	340	696
School infrastructure	–	-2 620	-2 772	-5 392
<b>Total changes to provincial allocations</b>				
Changes to provincial equitable share	5 434	12 939	15 283	33 655
Changes to direct conditional grants	-1 849	3 023	4 917	6 091
Changes to indirect conditional grants	40	-2 304	-2 432	-4 696
<b>Net change to provincial allocations</b>	<b>3 626</b>	<b>13 658</b>	<b>17 767</b>	<b>35 051</b>

Source: National Treasury

During the MTEF period, two education grants will merge into one grant to improve performance. The *school infrastructure backlogs grant* is absorbed into the *education infrastructure grant* from 2017/18, but the *school infrastructure backlogs grant* remains unallocated in these two years to allow for a proper conclusion of backlog projects. These projects will be reviewed in 2016 to ensure that all Accelerated Schools Infrastructure Development Initiative backlog projects have been added to the merged grant. As a result, the full value of the *school infrastructure backlogs grant* (R2.6 billion in 2017/18 and R2.8 billion in 2018/19) is added to the *education infrastructure grant* in the outer years of the MTEF period. The coverage of the *comprehensive HIV and Aids grant*, one of the largest in the system, will be extended to include tuberculosis intervention. Although the grant's baseline is reduced by 1.1 per cent in 2016/17, this will not adversely affect service delivery. The grant does, however, benefit from an injection of R1.6 billion in 2018/19.

Over the 2016 MTEF period, the provincial equitable share increases by R33.7 billion. After accounting for additions and reductions, the net revisions to the provincial direct and indirect allocations amount to an addition of R3.6 billion in 2016/17 and R13.7 billion in 2017/18.

### The provincial equitable share

The equitable share is the main source of revenue for meeting provincial expenditure responsibilities. To ensure that allocations are fair, the equitable share is allocated through a formula using objective data on the context and demand for services in each of the nine provinces.

This brings the equitable share allocations to R411 billion, R442 billion and R469 billion respectively for each year of the 2016 MTEF period. These revisions result in the provincial equitable share increasing by 14.3 per cent between 2015/16 and 2017/18, and growing at an average annual rate of 6.7 per cent over the MTEF period.

### *Allocations calculated outside the equitable share formula*

The equitable share includes an amount of R2.3 billion in 2016/17 that was previously part of the *devolution of property rate funds grant*. This grant, which funded provinces' municipal charges on provincial properties that were previously administered by national government, has been transferred as part of the provincial equitable share since 2013/14. These funds will be fully phased-in during 2016/17 and will be allocated using the provincial equitable share formula.

Over the 2016 MTEF period, funds from the provincial equitable share will be used to extend the human papillomavirus component of the *national health insurance indirect grant* and ensure the programme continues.

### **The equitable share formula**

The provincial equitable share formula is reviewed and updated with new data annually. For the 2016 MTEF, the formula has been updated with data from the 2015 mid-year population estimates published by Statistics South Africa; the Department of Basic Education's preliminary 2015 data on school enrolment; data from the 2014 General Household Survey for medical aid coverage; and data from the health sector and the Risk Equalisation Fund for the risk-adjusted capitation index. Because the formula is largely population-driven, the allocations capture shifts in population across provinces, which results in changes in the relative demand for public services across these areas. The effect of these updates on the provincial equitable share is phased in over three years (2016/17 to 2018/19).

### *Full impact of data updates on the provincial equitable share*

Table W1.7 shows the full impact of the data updates on the provincial equitable share per province. It compares the target shares for the 2015 and 2016 MTEF periods. The details of how the data updates affect each component of the formula are described in detail in the subsections below.

**Table W1.7 Full impact of data updates on the equitable share**

	<b>2015 MTEF weighted average</b>	<b>2016 MTEF weighted average</b>	<b>Difference</b>
Eastern Cape	14.0%	14.0%	0.00%
Free State	5.6%	5.6%	-0.05%
Gauteng	19.5%	19.7%	0.14%
KwaZulu-Natal	21.3%	21.2%	-0.06%
Limpopo	11.8%	11.8%	0.00%
Mpumalanga	8.2%	8.2%	0.02%
Northern Cape	2.7%	2.6%	-0.00%
North West	6.9%	6.9%	-0.00%
Western Cape	10.1%	10.0%	-0.04%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.00%</b>

Source: National Treasury

### *Phasing in the formula*

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

The equitable share formula data is updated every year and a new target share for each province is calculated, as shown in Table W1.8. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF period. It takes the difference between the target weighted share for each province at the end of the MTEF period and the indicative allocation for 2016/17 that was published in the 2015 MTEF, and closes the gap between these shares by a third in each year of

the 2016 MTEF period. As a result, one-third of the data updates are implemented in 2016/17, two-thirds in the indicative allocations for 2016/17, and the updates are fully implemented in the indicative allocations for 2018/19.

**Table W1.8 Implementation of the equitable share weights,  
2016/17 – 2018/19**

Percentage	2016/17	2016/17	2017/18	2018/19
	Indicative weighted shares from 2015 MTEF	2016 MTEF weighted shares 3-year phasing		
Eastern Cape	14.1%	14.1%	14.1%	14.0%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	19.4%	19.5%	19.6%	19.7%
KwaZulu-Natal	21.3%	21.3%	21.2%	21.2%
Limpopo	11.8%	11.8%	11.8%	11.8%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.6%
North West	6.9%	6.9%	6.9%	6.9%
Western Cape	10.0%	10.0%	10.0%	10.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: National Treasury

*Provision for cushioning the impact of 2011 Census data updates and baseline reductions*

The provincial equitable share formula was updated with 2011 Census data in 2013/14. The incorporation of new Census data for the first time in a decade resulted in significant changes to certain components of the formula. To give provinces time to adjust to their new allocations, the Census updates were phased in over three years and R4.2 billion was added as a “top-up” for provinces with declining shares over the 2013 MTEF period. This cushioning, which was due to come to an end in 2015/16, was extended for an additional year to 2016/17.

The same provinces that required support for the Census reductions will experience the slowest growth in their allocations due to the baseline reductions. As a result, provinces agreed that R2.1 billion should be taken out of the equitable share as a whole (from all nine provinces) and allocated to the four affected provinces as cushioning for 2016/17. Table W1.9 shows how these funds are allocated to the Eastern Cape, the Free State, KwaZulu-Natal and Limpopo in 2016/17.

**Table W1.9 Cushioning for 2011 Census impact on provinces  
with declining shares in the 2016 MTEF**

R thousand	2016/17	2017/18	2018/19
	Medium-term estimates		
Eastern Cape	685 628	–	–
Free State	171 261	–	–
Gauteng	–	–	–
KwaZulu-Natal	773 075	–	–
Limpopo	487 036	–	–
Mpumalanga	–	–	–
Northern Cape	–	–	–
North West	–	–	–
Western Cape	–	–	–
<b>Total</b>	<b>2 117 000</b>	<b>–</b>	<b>–</b>

Source: National Treasury

### *Provincial equitable share allocations*

The final equitable share allocations per province for the 2016 MTEF are detailed in Table W1.10. These allocations include the full impact of the data updates, phased in over three years, as well as the cushioning amounts for 2016/17 described above.

**Table W1.10 Provincial equitable share, 2016/17 – 2018/19**

	2016/17	2017/18	2018/19
<b>R million</b>			
Eastern Cape	58 060	61 969	65 845
Free State	22 995	24 591	26 135
Gauteng	79 600	86 412	92 200
KwaZulu-Natal	87 898	94 051	99 450
Limpopo	48 709	52 087	55 176
Mpumalanga	33 450	36 208	38 506
Northern Cape	10 863	11 733	12 422
North West	28 062	30 361	32 311
Western Cape	41 062	44 418	47 008
<b>Total</b>	<b>410 699</b>	<b>441 831</b>	<b>469 051</b>

Source: National Treasury

### *Summary of the formula's structure*

The formula, shown in Table W1.11 below, consists of six components that capture the relative demand for services between provinces and take into account specific provincial circumstances. The formula's components are neither indicative budgets nor guidelines as to how much should be spent on functions in each province or by provinces collectively. Rather, the education and health components are weighted broadly in line with historical expenditure patterns to indicate relative need. Provincial executive councils have discretion regarding the determination of departmental allocations for each function, taking into account the priorities that underpin the division of revenue.

For the 2016 Budget, the formula components are set out as follows:

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

**Table W1.11 Distributing the equitable shares by province, 2016 MTEF**

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	<b>48.0%</b>	<b>27%</b>	<b>16%</b>	<b>3%</b>	<b>1%</b>	<b>5%</b>	<b>100%</b>
Eastern Cape	15.1%	13.5%	12.6%	16.2%	7.7%	11.1%	14.0%
Free State	5.3%	5.3%	5.1%	5.3%	5.1%	11.1%	5.6%
Gauteng	17.8%	21.7%	24.0%	17.2%	33.8%	11.1%	19.7%
KwaZulu-Natal	22.4%	21.8%	19.9%	22.3%	16.0%	11.1%	21.2%
Limpopo	13.1%	10.3%	10.4%	13.6%	7.3%	11.1%	11.8%
Mpumalanga	8.5%	7.4%	7.8%	9.1%	7.6%	11.1%	8.2%
Northern Cape	2.3%	2.1%	2.2%	2.2%	2.0%	11.1%	2.6%
North West	6.5%	6.7%	6.7%	8.0%	6.8%	11.1%	6.9%
Western Cape	9.0%	11.1%	11.3%	6.1%	13.7%	11.1%	10.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: National Treasury

#### *Education component (48 per cent)*

The education component uses the school-age population (5 to 17 years), based on the 2011 Census, and enrolment data drawn from the Department of Basic Education's 2015 School Realities Survey. Each of these elements is assigned a weight of 50 per cent.

Table W1.12 shows the effect of updating the education component with new enrolment data on the education component share.

**Table W1.12 Impact of changes in school enrolment on the education component share**

	Age cohort 5 – 17	School enrolment		Changes in enrolment	Weighted average		Difference in weighted average
		2014	2015		2015 MTEF	2016 MTEF	
Eastern Cape	1 856 317	1 916 285	1 948 855	32 570	15.1%	15.1%	-0.00%
Free State	657 489	671 139	681 310	10 171	5.3%	5.3%	-0.00%
Gauteng	2 231 793	2 178 282	2 247 389	69 107	17.7%	17.8%	0.13%
KwaZulu-Natal	2 758 594	2 865 984	2 875 074	9 090	22.5%	22.4%	-0.16%
Limpopo	1 536 294	1 719 134	1 752 451	33 317	13.0%	13.1%	0.01%
Mpumalanga	1 053 846	1 055 243	1 077 372	22 129	8.5%	8.5%	0.02%
Northern Cape	288 839	287 904	289 233	1 329	2.3%	2.3%	-0.01%
North West	824 724	798 894	813 161	14 267	6.5%	6.5%	0.00%
Western Cape	1 174 625	1 074 161	1 094 752	20 591	9.0%	9.0%	0.01%
<b>Total</b>	<b>12 382 521</b>	<b>12 567 026</b>	<b>12 779 597</b>	<b>212 571</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

#### *Health component (27 per cent)*

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

The health component is presented in three parts below. Table W1.13 shows the shares of the risk-adjusted component, which accounts for 75 per cent of the health component.

**Table W1.13 Risk-adjusted sub-component shares**

Thousand	Mid-year population estimates	Insured population	Risk-adjusted index	Weighted population	Risk-adjusted shares		Change
	2015	2014			2015	2016	
Eastern Cape	6 916	10.5%	96.9%	5 993	13.4%	13.3%	-0.05%
Free State	2 818	17.9%	103.3%	2 388	5.4%	5.3%	-0.11%
Gauteng	13 200	28.2%	105.4%	9 994	21.9%	22.2%	0.34%
KwaZulu-Natal	10 919	12.9%	98.9%	9 410	20.8%	20.9%	0.07%
Limpopo	5 727	8.6%	91.6%	4 795	10.7%	10.7%	-0.01%
Mpumalanga	4 284	14.9%	95.7%	3 487	7.8%	7.7%	-0.01%
Northern Cape	1 186	19.8%	100.7%	957	2.1%	2.1%	-0.00%
North West	3 707	14.8%	102.2%	3 228	7.2%	7.2%	-0.03%
Western Cape	6 200	26.3%	104.0%	4 752	10.7%	10.6%	-0.18%
<b>Total</b>	<b>54 957</b>			<b>45 004</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

The risk-adjusted sub-component estimates a weighted population in each province using the risk-adjusted capitation index, which is calculated using data from the Council for Medical Schemes' Risk Equalisation Fund. The percentage of the population with medical aid insurance, based on the 2014 General Household Survey, is deducted from the 2015 mid-year population estimates to estimate the uninsured population per province. The risk-adjusted index, which is an index of each province's health risk profile, is applied to the uninsured population to estimate the weighted population. Each province's share of this weighted population is used to estimate their share of the risk-adjusted sub-component. Table W1.13 shows the change in this sub-component between 2015 and 2016.

The output sub-component is shown in Table W1.14 below.

**Table W1.14 Output sub-component shares<sup>1</sup>**

Thousand	Primary healthcare visits				Hospital workload patient-day equivalents			
	2013/14	2014/15	Average	Share	2013/14	2014/15	Average	Share
Eastern Cape	17 379	17 907	17 643	13.7%	4 572	4 637	4 605	14.2%
Free State	6 894	6 792	6 843	5.3%	1 750	1 706	1 728	5.3%
Gauteng	23 647	23 743	23 695	18.3%	6 722	6 701	6 711	20.7%
KwaZulu-Natal	31 885	31 233	31 559	24.4%	8 043	7 911	7 977	24.6%
Limpopo	14 256	14 343	14 300	11.1%	2 922	2 883	2 902	8.9%
Mpumalanga	9 144	9 483	9 313	7.2%	1 931	1 963	1 947	6.0%
Northern Cape	3 421	3 308	3 365	2.6%	526	595	561	1.7%
North West	8 047	8 364	8 206	6.4%	1 674	1 721	1 697	5.2%
Western Cape	14 308	14 257	14 282	11.1%	4 283	4 341	4 312	13.3%
<b>Total</b>	<b>128 981</b>	<b>129 430</b>	<b>129 206</b>	<b>100.0%</b>	<b>32 424</b>	<b>32 457</b>	<b>32 440</b>	<b>100.0%</b>

1. Some provincial numbers for patient-days and healthcare visits for 2013/14 have been restated, resulting in small variances from numbers published in 2015

Source: National Treasury

The output sub-component uses patient load data from the District Health Information Services. The average number of visits at primary healthcare clinics in 2013/14 and 2014/15 is calculated to estimate each province's share of this part of the output component, which makes up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2013/14 and 2014/15 is used to estimate their share of this part of the output sub-component, making up 20 per cent of the health component. In total, the output component is 25 per cent of the health component.

Table W1.15 shows the updated health component shares for the 2016 MTEF period.

**Table W1.15 Health component weighted shares**

Weight	Risk-adjusted	Primary healthcare	Hospital component	Weighted shares		Change
	75.0%	5.0%	20.0%	2015	2016	
Eastern Cape	13.3%	13.7%	14.2%	13.5%	13.5%	-0.02%
Free State	5.3%	5.3%	5.3%	5.4%	5.3%	-0.14%
Gauteng	22.2%	18.3%	20.7%	21.4%	21.7%	0.26%
Kw aZulu-Natal	20.9%	24.4%	24.6%	21.8%	21.8%	-0.03%
Limpopo	10.7%	11.1%	8.9%	10.4%	10.3%	-0.03%
Mpumalanga	7.7%	7.2%	6.0%	7.3%	7.4%	0.03%
Northern Cape	2.1%	2.6%	1.7%	2.1%	2.1%	0.02%
North West	7.2%	6.4%	5.2%	6.7%	6.7%	0.02%
Western Cape	10.6%	11.1%	13.3%	11.3%	11.1%	-0.12%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

#### Basic component (16 per cent)

The basic component is derived from the proportion of each province's share of the national population. This component constitutes 16 per cent of the total equitable share. For the 2016 MTEF, population data is drawn from the 2015 mid-year population estimates produced by Statistics South Africa. Table W1.16 shows the impact on the basic component's revised weighted shares.

**Table W1.16 Impact of the changes in population on the basic component shares**

Thousand	Mid-year population estimates	Mid-year population estimates	Population change	% population change	Basic component shares		Change
	2014	2015			2015 MTEF	2016 MTEF	
Eastern Cape	6 787	6 916	129	1.9%	12.6%	12.6%	0.02%
Free State	2 787	2 818	31	1.1%	5.2%	5.1%	-0.03%
Gauteng	12 915	13 200	286	2.2%	23.9%	24.0%	0.10%
KwaZulu-Natal	10 694	10 919	225	2.1%	19.8%	19.9%	0.06%
Limpopo	5 631	5 727	96	1.7%	10.4%	10.4%	-0.01%
Mpumalanga	4 229	4 284	55	1.3%	7.8%	7.8%	-0.04%
Northern Cape	1 167	1 186	19	1.6%	2.2%	2.2%	-0.00%
North West	3 676	3 707	31	0.8%	6.8%	6.7%	-0.06%
Western Cape	6 116	6 200	84	1.4%	11.3%	11.3%	-0.04%
<b>Total</b>	<b>54 002</b>	<b>54 957</b>	<b>955</b>	<b>1.8%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

#### Institutional component (5 per cent)

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

#### Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The poor population includes people who fall in the lowest 40 per cent of household incomes in

the 2010/11 Income and Expenditure Survey. The estimated size of the poor population in each province is calculated by multiplying the proportion in that province that fall into the poorest 40 per cent of South African households by the province's population figure from the 2015 mid-year population estimates. Table W1.17 shows the proportion of the poor in each province from the Income and Expenditure Survey, the 2015 mid-year population estimates and the weighted share of the poverty component per province.

**Table W1.17 Comparison of current and new poverty component weighted shares**

	Income and Expenditure Survey 2010/11	Current (2015 MTEF)			New (2016 MTEF)			Difference in weighted shares
		Mid-year population estimates 2014	Poor population	Weighted shares	Mid-year population estimates 2015	Poor population	Weighted shares	
<b>Thousand</b>								
Eastern Cape	52.0%	6 787	3 531	16.2%	6 916	3 599	16.2%	0.0%
Free State	41.4%	2 787	1 154	5.3%	2 818	1 167	5.3%	-0.0%
Gauteng	28.9%	12 915	3 728	17.1%	13 200	3 811	17.2%	0.1%
KwaZulu-Natal	45.3%	10 694	4 845	22.2%	10 919	4 947	22.3%	0.1%
Limpopo	52.9%	5 631	2 976	13.6%	5 727	3 027	13.6%	-0.0%
Mpumalanga	47.3%	4 229	1 998	9.2%	4 284	2 024	9.1%	-0.0%
Northern Cape	40.8%	1 167	476	2.2%	1 186	483	2.2%	-0.0%
North West	47.9%	3 676	1 761	8.1%	3 707	1 775	8.0%	-0.1%
Western Cape	21.9%	6 116	1 337	6.1%	6 200	1 356	6.1%	-0.0%
<b>Total</b>		<b>54 002</b>	<b>21 807</b>	<b>100%</b>	<b>54 957</b>	<b>22 189</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

#### *Economic activity component (1 per cent)*

The economic activity component is a proxy for provincial tax capacity and expenditure assignments. Given that these assignments are a relatively small proportion of provincial budgets, the component is assigned a weight of 1 per cent. For the 2016 MTEF, 2014 GDP-R data is used. Table W1.18 shows the weighted shares of the economic activity component.

**Table W1.18 Current and new economic activity component weighted shares**

	Current (2015 MTEF)		New (2016 MTEF)		Difference in weighted shares
	GDP-R, 2012 (R million)	Weighted shares	GDP-R, 2013 (R million)	Weighted shares	
Eastern Cape	234 536	7.5%	272 714	7.7%	0.24%
Free State	162 601	5.2%	179 776	5.1%	-0.09%
Gauteng	1 089 535	34.7%	1 194 144	33.8%	-0.92%
KwaZulu-Natal	496 431	15.8%	565 226	16.0%	0.18%
Limpopo	223 090	7.1%	256 896	7.3%	0.16%
Mpumalanga	222 149	7.1%	269 863	7.6%	0.56%
Northern Cape	70 203	2.2%	71 142	2.0%	-0.22%
North West	201 736	6.4%	239 020	6.8%	0.34%
Western Cape	438 700	14.0%	485 545	13.7%	-0.24%
<b>Total</b>	<b>3 138 981</b>	<b>100.0%</b>	<b>3 534 326</b>	<b>100.0%</b>	<b>-</b>

Source: National Treasury

### **Conditional grants to provinces**

There are four types of provincial conditional grants:

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

#### *Changes to conditional grants*

Despite the baseline reductions, overall growth in direct conditional transfers to provinces is strong, averaging 8.2 per cent over the MTEF period. Direct conditional grant baselines total R89.1 billion in 2016/17, R100.5 billion in 2017/18 and R108.1 billion in 2018/19. Indirect conditional grants amount to R3.6 billion, R1.7 billion and R1.8 billion respectively for each year of the same period.

Table W1.19 provides a summary of conditional grants by sector for the 2016 MTEF period. More detailed information, including the framework and allocation criteria for each grant, is provided in Annexure W2 of the 2016 Division of Revenue Bill. The frameworks provide the conditions for each grant, the outputs expected, the allocation criteria used for dividing each grant between provinces, and a summary of the grant's audited outcomes for 2014/15.

**Table W1.19 Conditional grants to provinces, 2015/16 – 2018/19**

R million	2015/16	2016/17	2017/18	2018/19	MTEF total
<b>Agriculture, Forestry and Fisheries</b>	<b>2 171</b>	<b>2 202</b>	<b>2 334</b>	<b>2 464</b>	<b>7 001</b>
Comprehensive agricultural support programme	1 640	1 642	1 739	1 834	5 214
Ilima/Letsema projects	467	491	522	552	1 566
Land care programme: poverty relief and infrastructure development	65	69	74	78	221
<b>Arts and Culture</b>	<b>1 274</b>	<b>1 357</b>	<b>1 441</b>	<b>1 522</b>	<b>4 320</b>
Community library services	1 274	1 357	1 441	1 522	4 320
<b>Basic Education</b>	<b>15 632</b>	<b>16 213</b>	<b>19 717</b>	<b>20 851</b>	<b>56 781</b>
Education infrastructure	9 354	9 614	12 780	13 512	35 906
HIV and Aids (life skills education)	209	231	245	260	736
Maths, science and technology	317	362	385	407	1 155
National school nutrition programme	5 685	6 006	6 306	6 672	18 984
Occupational-specific dispensation for education sector therapists	66	–	–	–	–
<b>Cooperative Governance and Traditional Affairs</b>	<b>103</b>	<b>112</b>	<b>123</b>	<b>131</b>	<b>366</b>
Provincial disaster	103	112	123	131	366
<b>Health</b>	<b>31 905</b>	<b>33 972</b>	<b>37 588</b>	<b>41 247</b>	<b>112 808</b>
Comprehensive HIV and Aids	13 671	15 291	17 660	20 032	52 983
Health facility revitalisation	5 417	5 273	5 770	6 036	17 079
Health professions training and development	2 375	2 477	2 632	2 784	7 893
Human papillomavirus vaccine	–	–	–	200	200
National tertiary services	10 381	10 847	11 526	12 195	34 568
National health insurance	61	85	–	–	85
<b>Human Settlements</b>	<b>18 303</b>	<b>18 284</b>	<b>21 060</b>	<b>22 282</b>	<b>61 626</b>
Human settlements development	18 303	18 284	21 060	22 282	61 626
<b>Public Works</b>	<b>552</b>	<b>762</b>	<b>809</b>	<b>856</b>	<b>2 427</b>
Expanded public works programme integrated grant for provinces	326	402	424	448	1 274
Social sector expanded public works programme incentive for provinces	226	360	386	408	1 153
<b>Social Development</b>	<b>48</b>	<b>86</b>	<b>377</b>	<b>564</b>	<b>1 026</b>
Substance abuse treatment	48	86	57	71	213
Early childhood development	–	–	320	493	813
<b>Sport and Recreation South Africa</b>	<b>533</b>	<b>556</b>	<b>586</b>	<b>618</b>	<b>1 760</b>
Mass participation and sport development	533	556	586	618	1 760
<b>Transport</b>	<b>14 747</b>	<b>15 603</b>	<b>16 477</b>	<b>17 526</b>	<b>49 605</b>
Provincial roads maintenance	9 807	10 203	10 754	11 536	32 492
Public transport operations	4 939	5 400	5 723	5 990	17 113
<b>Total direct conditional allocations</b>	<b>85 268</b>	<b>89 146</b>	<b>100 513</b>	<b>108 061</b>	<b>297 720</b>
<b>Indirect transfers</b>	<b>3 150</b>	<b>3 636</b>	<b>1 663</b>	<b>1 765</b>	<b>7 064</b>
<b>Basic Education</b>	<b>2 047</b>	<b>2 375</b>	–	–	<b>2 375</b>
School infrastructure backlogs	2 047	2 375	–	–	2 375
<b>Health</b>	<b>1 103</b>	<b>1 261</b>	<b>1 663</b>	<b>1 765</b>	<b>4 689</b>
National health insurance indirect	1 103	1 261	1 663	1 765	4 689

Source: National Treasury

### *Agriculture grants*

The *comprehensive agricultural support programme* is a grant for newly established and emerging farmers, particularly subsistence, smallholder and previously disadvantaged farmers. The grant supports production of both livestock and crops. It also aims to expand farm infrastructure and provide support for dipping, fencing and rehabilitating viable irrigation schemes. The grant's 2016/17 allocations include

R76.7 million to repair flood-damaged agricultural infrastructure. The baseline reduction in 2016/17 is R60 million. The grant is allocated R5.2 billion over the medium term.

The *land care programme grant: poverty relief and infrastructure development* aims to improve productivity and the sustainable use of natural resources. Provinces are also encouraged to use this grant to create jobs through the Expanded Public Works Programme. Over the medium term, R220.7 million is allocated to this grant.

The *Ilima/Letsema projects grant* aims to boost food production by helping previously disadvantaged farming communities. The Department of Agriculture, Forestry and Fisheries is still testing the new approach, following which it will subject the grant to the standard operating procedure for farmer support. The grant's baseline is protected, with a R491.4 million allocation for 2016/17. It is allocated R1.6 billion over the MTEF period.

#### *Arts and culture grant*

The *community library services grant*, administered by the Department of Arts and Culture, aims to help South Africans access knowledge and information to improve their socioeconomic situation. The grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial departments of basic education, the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to shift the libraries function between provinces and municipalities. The baseline reduction on this grant in 2016/17 is R10 million. The grant is allocated R4.3 billion over the next three years.

#### *Basic education grants*

Provinces use the *education infrastructure grant* to construct, maintain and refurbish education infrastructure and schools. The baseline reduction on this grant in 2016/17 is R160 million. The reduction to the baseline over the MTEF amounts to R520 million. The grant totals R35.9 billion over the MTEF period, which includes a ring-fenced amount of R112.9 million in 2016/17 to repair school infrastructure damaged by natural disasters.

The *school infrastructure backlogs grant* is an indirect grant to provinces that was introduced in 2011 as a temporary, high-impact grant. The Department of Basic Education uses this grant to build and upgrade schools on behalf of provinces to address inappropriate structures and access to basic services. To address the grant's disappointing performance, it will be merged with the *education infrastructure grant* from 2017/18. However, the baseline allocation under this grant will remain unallocated in 2017/18 and 2018/19, subject to a review of pipeline projects in 2016. In 2016/17, the last year of its current form, the grant is allocated R2.4 billion. The baseline of the *education infrastructure grant* is R9.6 billion in 2016/17, R12.8 billion in 2017/18 and R13.5 billion in 2018/19. Over the MTEF period, R3.6 billion in 2017/18 and R3.8 billion in 2018/19 will remain unallocated.

Infrastructure grant reforms to improve planning were introduced in 2013 after a decade of provincial capacity building through the Infrastructure Delivery Improvement Programme. Under the requirements introduced in the 2013 Division of Revenue Act, provincial education departments had to go through a two-year planning process to be eligible to receive incentive allocations in 2016/17. The departments had to meet certain prerequisites in 2014/15 and have their infrastructure plans approved in 2015/16. The Department of Basic Education and the National Treasury assessed the provinces' infrastructure plans. A moderation process was undertaken between the national department, provincial treasuries and provincial departments of basic education to agree on the final scores. From 2015/16, provinces needed to obtain a minimum score of 60 per cent to qualify for the incentive. Table W1.20 shows the final score and incentive allocation for each province.

**Table W1.20 Education infrastructure grant allocations**

R thousand	Planning assessment results from 2015	2016/17			Final allocation for 2016/17
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	62%	1 443 538	–	61 550	1 505 088
Free State	54%	695 122	–	–	695 122
Gauteng	64%	1 252 428	133 309	–	1 385 737
KwaZulu-Natal	64%	1 825 012	133 309	–	1 958 321
Limpopo	46%	830 532	–	–	830 532
Mpumalanga	27%	788 153	–	–	788 153
Northern Cape	69%	353 229	133 309	–	486 538
North West	60%	787 249	133 309	51 431	971 989
Western Cape	78%	858 903	133 309	–	992 212
<b>Total</b>		<b>8 834 165</b>	<b>666 546</b>	<b>112 981</b>	<b>9 613 692</b>

Source: National Treasury

The *national school nutrition programme grant* seeks to improve the nutrition of poor school children, enhance active learning capacity and increase school attendance. It provides a free daily meal to pupils in the poorest 60 per cent of schools (quintile 1 to 3). In a handful of provinces, the shift from provincial quintile classification to the national quintile system meant a number of schools that were previously benefiting from the programme could no longer benefit, although the need remained. This gap has now been rectified, without diluting the benefits of the programme. The grant is allocated R19 billion over the MTEF period. The baseline has not been reduced.

The *maths, science and technology grant*, a grant that resulted from the merging of the *Dinaledi schools grant* and the *technical secondary schools recapitalisation grant*, is providing targeted interventions to improve outcomes in maths and science learning, and grant administration has been streamlined. The baseline is maintained at R1.2 billion over the MTEF period.

The *HIV and Aids (life skills education) programme grant* provides for life skills training and sexuality and HIV/AIDS education in primary and secondary schools. It is fully integrated into the school system, with learner and teacher support materials provided for Grades 1 to 9. The grant's baseline is preserved and allocated R735.7 million over the MTEF period.

The *occupational-specific dispensation for education sector therapists grant* provided funds for provinces to implement the occupation-specific dispensation agreement for therapists, counsellors and psychologists in the education sector. The grant was allocated for two years (2014/15 and 2015/16) while back-pay was funded and new remuneration levels were normalised. The grant no longer exists.

#### *Cooperative governance grant*

The *provincial disaster grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance and is unallocated at the start of the financial year. The grant allows for an immediate (in-year) release of funds to be disbursed by the National Disaster Management Centre after a disaster is declared, without the need for the transfers to be gazetted first. The reconstruction of infrastructure damaged by disasters is funded separately through ring-fenced allocations in sector grants.

The grant has partly funded mitigation strategies to address the ongoing drought. Since the effects of the drought are likely to persist into 2016/17, the grant's baseline is preserved, with an allocation of R365.6 million over the MTEF period. To ensure that sufficient funds are available in the event of a disaster, section 26 of the 2016 Division of Revenue Bill allows for funds allocated to the *municipal disaster grant* to be transferred to provinces if funds in the *provincial disaster grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters so that an initial payment for emergency aid can be made before a full assessment of damages and costs has been completed.

### Health grants

The *national tertiary services grant* provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. The grant operates in 33 hospitals across the nine provinces. The urban areas of Gauteng and the Western Cape receive the largest shares of the grant because they provide the largest proportion of high-level, sophisticated services for the benefit of the country's health sector. In light of previous baseline reductions, coupled with the pressures that tertiary services face, this grant's baseline is preserved over the 2016 MTEF period. The grant is allocated R35 billion over the medium term.

The *health facility revitalisation grant* funds the construction and maintenance of health infrastructure. It was created in 2013/14 through the merger of three previous grants. The grant funds a wide range of health infrastructure projects, including large projects to modernise hospital infrastructure and equipment, general maintenance and infrastructure projects at smaller hospitals, and the refurbishment and upgrading of nursing colleges and schools. This grant's baseline is reduced by R200 million in 2016/17, and R365 million over the 2016 MTEF period. A total of R17 million has been ring-fenced to repair clinics damaged by natural disasters.

Similar to the reforms to the *education infrastructure grant* discussed above, a two-year planning process is now required for provinces to access this grant. The national Department of Health and the National Treasury conducted an assessment of the provinces' infrastructure plans, followed by a moderation process between the national department, provincial treasuries and provincial departments of health to agree on the final scores. Provinces had to obtain a minimum score of 60 per cent to qualify for the incentive. Table W1.21 sets out the final score and the incentive allocation per province.

**Table W1.21 Health facility revitalisation grant allocations**

R thousand	Planning assessment results from 2015	2016/17			Final allocation for 2016/17
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	64%	509 587	109 454	-	619 041
Free State	52%	474 692	-	-	474 692
Gauteng	63%	668 364	109 454	-	777 818
KwaZulu-Natal	67%	1 005 239	109 454	-	1 114 693
Limpopo	43%	379 089	-	-	379 089
Mpumalanga	31%	281 174	-	-	281 174
Northern Cape	61%	362 813	109 454	-	472 267
North West	56%	480 434	-	-	480 434
Western Cape	84%	564 018	109 454	-	673 472
<b>Total</b>		<b>4 725 412</b>	<b>547 268</b>	<b>-</b>	<b>5 272 680</b>

Source: National Treasury

The *health professions training and development grant* funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The grant's baseline is protected over the 2016 MTEF period. It is allocated R7.9 billion over the medium term.

The *comprehensive HIV, Aids and TB grant* supports HIV/AIDS prevention programmes and specific interventions, including voluntary counselling and testing, prevention of mother-to-child transmission, post-exposure prophylaxis, antiretroviral treatment and home-based care. Over the 2016 MTEF period, the scope of the grant will be extended to include tuberculosis (the grant was previously called the *comprehensive HIV and Aids grant*). In 2016/17, this grant is reduced by R176 million, partly due to effective programme delivery and fewer-than-budgeted patients added to the antiretroviral therapy treatment programme. However, to cater for the grant's extended scope and additional priorities, R1.6 billion is added in 2018/19.

The *national health insurance grant* funds the national health insurance pilots introduced in 2012/13, which aim to strengthen primary healthcare for the implementation of national health insurance. Ten districts were selected as pilot sites to test interventions that aim to strengthen health systems and improve performance. However, this grant has performed poorly, with little evidence of impact. As such, 2016/17 is the final year for this grant, after which a close-out report will review the reasons for its conclusion. In 2016/17, the baseline allocation for this grant is R85 million. However, the vision that underpinned this grant will continue through the *national health insurance indirect grant*. This grant will use targeted programmes to prepare the health sector for the rollout of national health insurance.

The *national health insurance indirect grant*, introduced in 2013/14, is spent by the Department of Health on behalf of provinces. The grant has five components, which target national health insurance scheme pilot sites in preparation for the eventual rollout of national health insurance in the country. The components of the grant are: health facility revitalisation, health professionals contracting, human papillomavirus vaccine, ideal clinics, and information systems (this component will come into effect in 2017/18).

Under this grant, the health facility revitalisation component will be used to accelerate construction, maintenance, upgrades and rehabilitation for new and existing health infrastructure, while the health professionals contracting component will pilot the contracting of general practitioners from the private sector for national health insurance sites. It will also support hospitals to strengthen their patient information systems and develop and pilot alternative hospital reimbursement tools. The human papillomavirus vaccine component is allocated for three additional years, and will be used to support provincial health departments with the vaccine's rollout. In the last year of the 2016 MTEF period, this component will become a direct grant to provinces. The *national health insurance indirect grant* is allocated R4.7 billion over the MTEF period.

#### *Human settlements grant*

The *human settlements development grant* seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. This grant is allocated using a formula with three components:

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

In addition to the allocations determined through the formula, a total of R3.6 billion is ring-fenced over the 2016 MTEF period to upgrade human settlements in mining towns in six provinces. These allocations respond to areas with significant informal settlement challenges, with a high proportion of economic activity based on the natural resources sector. A total of R329.3 million is also ring-fenced over the medium term to repair infrastructure damaged by natural disasters.

The grant's baseline is reduced by R1.6 billion in 2016/17, but it is protected for the remainder of the MTEF period. The grant's allocation totals R61.6 billion over the medium term.

### *Public works grants*

The *expanded public works programme integrated grant for provinces* incentivises provincial departments to use labour-intensive methods in infrastructure, environmental and other projects. Grant allocations are determined upfront based on the performance of provincial departments in meeting job targets in the preceding financial year. It is allocated R1.3 billion over the MTEF period.

The *social sector expanded public works programme incentive grant for provinces* rewards provinces for creating jobs in the preceding financial year in the areas of home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. The grant's allocation model incentivises provincial departments to participate in the Expanded Public Works Programme and measures the performance of each province relative to its peers, providing additional incentives to those that perform well. The grant is allocated R1.2 billion over the MTEF period.

### *Social development grant*

The *substance abuse treatment grant* aims to build public substance abuse treatment facilities in the four provinces that do not already have such facilities: the Eastern Cape, the Free State, the Northern Cape and the North West. The grant, which is administered by the Department of Social Development, funds the construction of treatment centres. After 2016/17, however, it will no longer operate in its current form. For the remainder of the 2016 MTEF period, allocations to this grant will supplement the operationalisation of these treatment centres. The grant's baseline has not been reduced. It has been allocated R213.3 million over the MTEF period.

From 2017/18, the new *early childhood development grant* will be introduced to the provincial fiscal framework. The grant will play a part in government's prioritisation of early childhood development, as envisioned in the National Development Plan. Over the MTEF period, the grant baseline totals R812.9 million.

### *Sport and recreation South Africa grant*

The *mass participation and sport development grant* aims to increase and sustain mass participation in sport and recreational activities in the provinces, with greater emphasis on provincial and district academies. The baseline reduction on this grant in 2016/17 is R10 million. It is allocated R1.8 billion over the MTEF period.

### *Transport grants*

The *public transport operations grant* subsidises commuter bus services. It supports provinces to ensure that contractual obligations are met and services are efficiently provided. The public transport contracting and regulatory functions may be assigned to certain metropolitan municipalities during 2016/17. If this takes place, grant funds will be transferred directly to the assigned municipality. Given the pressures this sector faces, R700 million is added to the grant's baseline over the medium term. The grant is allocated R5.4 billion in 2016/17, R5.7 billion in 2017/18 and R6 billion in 2018/19.

The *provincial roads maintenance grant* consists of three components. The largest component enables provinces to expand their maintenance activities. The other components allow provinces to repair roads damaged by floods and rehabilitate roads that are heavily used in support of electricity production. Grant allocations are determined using a formula based on provincial road networks, road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province. The grant requires provinces to follow best practices for planning and to use and regularly update roads asset management systems.

In preparation for the grant's performance-based allocation, the model's indicators – vehicle operating costs and remaining asset lifespan – have been finalised and the performance component will inform future grant allocations. An amount of R10 million has been reprioritised within this grant for 2016/17 to fund

preparations for the incentive measure. The total allocation for the MTEF period is R32.5 billion, including a ring-fenced allocation of R298 million in 2016/17 for the repair of infrastructure damaged by floods.

## **Part 5: Local government fiscal framework and allocations**

The local government fiscal framework responds to the constitutional assignment of powers and functions to this sphere of government. The framework – including all transfers and own revenues – is structured to support the achievement of the National Development Plan’s goals.

The framework refers to all resources available to municipalities to meet their expenditure responsibilities. National transfers account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their substantial revenue-raising powers, including property rates and service charges. However, the proportion of revenue from transfers and own revenues varies dramatically across municipalities, with poor rural municipalities receiving most of their revenue from transfers, while urban municipalities raise the majority of their own revenues. This differentiation in the way municipalities are funded will continue in the period ahead.

The 2016 division of revenue includes several important changes that will affect municipalities, including changes to accommodate the effect of a series of major boundary changes that will come into effect following the 2016 local government elections, and changes as a result of the review of local government infrastructure grants.

Boundary changes will see the total number of municipalities in the country reduced from 278 to 257. Allocations published in the 2016 Division of Revenue Bill are based on the new municipal boundaries because these new demarcations will be in effect for the majority of the 2016/17 municipal financial year. In addition, the infrastructure grant review will reduce the number of grants to municipalities, helping to decrease the burden of reporting on municipalities and make the grant system more efficient.

This section outlines the transfers made to local government and how these funds are distributed between municipalities. Funds raised by national government are transferred to municipalities through conditional and unconditional grants. National transfers to municipalities are published to enable them to plan fully for their 2016/17 budgets, and to promote better accountability and transparency by ensuring that all national allocations are included in municipal budgets.

### **Transfers to local government**

Over the 2016 MTEF period, R339.6 billion will be transferred directly to local government and a further R22.9 billion has been allocated to indirect grants. Direct transfers to local government over the 2016 MTEF period account for 9.1 per cent of national government’s non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.8 per cent of national non-interest expenditure.

**Table W1.22 Transfers to local government, 2012/13 – 2018/19**

R million	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Outcome			Revised estimate	Medium-term estimates		
<b>Direct transfers</b>	<b>76 200</b>	<b>82 595</b>	<b>87 656</b>	<b>99 650</b>	<b>104 925</b>	<b>113 340</b>	<b>121 311</b>
<b>Equitable share and related</b>	<b>37 139</b>	<b>38 964</b>	<b>41 592</b>	<b>50 507</b>	<b>52 569</b>	<b>57 012</b>	<b>61 732</b>
Equitable share formula <sup>1</sup>	32 747	34 268	36 512	45 351	47 141	51 313	55 710
RSC levy replacement	3 733	3 930	4 146	4 337	4 567	4 795	5 073
Support for councillor remuneration and ward committees	659	766	935	819	862	904	949
<b>General fuel levy sharing with metros</b>	<b>9 040</b>	<b>9 613</b>	<b>10 190</b>	<b>10 659</b>	<b>11 224</b>	<b>11 785</b>	<b>12 469</b>
<b>Conditional grants</b>	<b>30 021</b>	<b>34 018</b>	<b>35 874</b>	<b>38 485</b>	<b>41 132</b>	<b>44 543</b>	<b>47 111</b>
Infrastructure	28 485	32 412	34 167	36 842	39 120	42 568	45 087
Capacity building and other	1 536	1 606	1 707	1 643	2 013	1 975	2 024
<b>Indirect transfers</b>	<b>5 050</b>	<b>5 945</b>	<b>8 895</b>	<b>10 525</b>	<b>7 773</b>	<b>7 401</b>	<b>7 679</b>
Infrastructure	4 819	5 705	8 643	10 274	7 689	7 297	7 564
Capacity building and other	230	240	252	251	84	103	115
<b>Total</b>	<b>81 250</b>	<b>88 541</b>	<b>96 551</b>	<b>110 175</b>	<b>112 698</b>	<b>120 740</b>	<b>128 990</b>

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

Source: National Treasury

### Changes to local government allocations

Direct transfers to local government grow at an annual average rate of 6.8 per cent over the 2016 MTEF period. Transfers to local government tabled in the 2016 MTEF have been reduced to make funding available for other government priorities. As outlined in the 2015 *Medium Term Budget Policy Statement*, additions of R2 billion in 2017/18 and R4 billion in 2018/19 were proposed for the local government equitable share to compensate for the effect of the rising costs of bulk water and electricity. These additions are now being reduced to R1.5 billion in 2017/18 and R3 billion in 2018/19. The local government equitable share allocation will also be reduced by R300 million in 2016/17. Since the 2015 *Medium Term Budget Policy Statement*, the allocations for direct and indirect conditional grants have also been reduced by a further R4.9 billion over the MTEF period.

In order to support the continued delivery of basic services, some conditional grants have been reprioritised, while others have been realigned and merged. Grant administrators and municipalities should maximise efficient spending to minimise the effect of these reductions on service delivery. These changes are summarised in Table W1.23.

**Table W1.23 Revisions to direct and indirect transfers to local government,  
2016/17 – 2018/19**

R million	2016/17	2017/18	2018/19	2016 MTEF Total revisions
<b>Technical adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Direct transfers</b>	<b>3 116</b>	<b>3 397</b>	<b>3 685</b>	<b>10 198</b>
Municipal infrastructure grant	-14	-14	-15	-43
Urban settlements development	14	14	15	43
Water services infrastructure	2 965	3 900	4 139	11 004
Municipal water infrastructure	-1 186	-1 773	-1 876	-4 835
Rural household infrastructure	-113	-124	-131	-369
Water services operating subsidy	-466	-502	-532	-1 500
Regional bulk infrastructure	2 000	2 000	2 200	6 200
Municipal systems improvement	-84	-103	-115	-302
<b>Indirect transfers</b>	<b>-3 116</b>	<b>-3 397</b>	<b>-3 685</b>	<b>-10 198</b>
Regional bulk infrastructure	-2 000	-2 000	-2 200	-6 200
Water services infrastructure	312	587	608	1 507
Municipal water infrastructure	-1 512	-2 087	-2 208	-5 807
Municipal systems improvement	84	103	115	303
<b>Additions to baselines</b>	<b>752</b>	<b>1 562</b>	<b>3 000</b>	<b>5 314</b>
<b>Direct transfers</b>	<b>247</b>	<b>1 562</b>	<b>3 000</b>	<b>4 809</b>
Local government equitable share	–	1 500	3 000	4 500
Municipal demarcation transition	247	62	–	309
<b>Indirect transfers</b>	<b>505</b>	<b>–</b>	<b>–</b>	<b>505</b>
Regional bulk infrastructure	155	–	–	155
Bucket eradication programme	350	–	–	350
<b>Reductions to baseline</b>	<b>-2 524</b>	<b>-1 806</b>	<b>-1 952</b>	<b>-6 282</b>
<b>Direct transfers</b>	<b>-2 374</b>	<b>-1 636</b>	<b>-1 772</b>	<b>-5 782</b>
Local government equitable share	-300	–	–	-300
Municipal infrastructure grant	-620	-430	-480	-1 530
Municipal human settlements	-100	-115	-122	-337
Water services infrastructure	-120	-170	-180	-470
Urban settlements development	-250	-250	-350	-850
Integrated national electrification programme	-90	-110	-120	-320
Public transport network	-570	-250	-200	-1 020
Regional bulk infrastructure	-150	-135	-140	-425
Municipal systems improvement	-174	-176	-180	-530
<b>Indirect transfers</b>	<b>-150</b>	<b>-170</b>	<b>-180</b>	<b>-500</b>
Integrated national electrification programme	-150	-170	-180	-500
<b>Total change to local government allocations</b>				
Change to direct transfers	989	3 323	4 913	9 226
Change to indirect transfers	-2 761	-3 567	-3 865	-10 192
<b>Net change to local government allocations</b>	<b>-1 772</b>	<b>-244</b>	<b>1 048</b>	<b>-967</b>

Source: National Treasury

Technical adjustments in Table W1.23 reflect the merging of the previous *municipal water infrastructure grant*, the *water services operating subsidy grant* and the *rural household infrastructure grant* to create a new *water services infrastructure grant*. There is also a significant shift of resources in water infrastructure grants from indirect to direct grant allocations. Over the MTEF period, R4.3 billion is shifted from the *water services infrastructure grant's* indirect component to its direct component, and R6.2 billion is shifted from the *regional bulk infrastructure grant's* indirect component to its newly created direct component. This will enable the Department of Water and Sanitation to transfer funds to municipalities to build and refurbish their own infrastructure. The remaining allocation for the *municipal systems*

*improvement grant* will become an indirect grant, which will enable the Department of Cooperative Governance to implement capacity-building initiatives in a targeted group of municipalities. There is also a small shift of funds from the *municipal infrastructure grant* to the *urban settlements development grant* to account for the absorption of Naledi Local Municipality (which receives the *municipal infrastructure grant*) into Mangaung Metropolitan Municipality (which receives the *urban settlements development grant*).

A total of R5.3 billion is added to local government allocations over the MTEF period. Of this, R4.5 billion is added to the local government equitable share to assist municipalities with the rising costs of providing free basic services to their residents. To support the implementation of the Municipal Demarcation Board's major boundary changes, the *municipal demarcation transition grant* will be increased by R247.4 million in 2016/17 and R61.9 million in 2017/18 to subsidise the additional institutional and administrative costs arising from municipal mergers. A total of R350 million is added to the *bucket eradication programme grant* in 2016/17 to complete the eradication of bucket sanitation systems in formal residential areas. The *urban settlements development grant*, the *human settlements development grant* and the *municipal infrastructure grant* will continue to fund the upgrade of sanitation in informal settlements through various projects focused on improving these areas. An amount of R155 million is also reprioritised into the *regional bulk infrastructure grant*.

Reductions to transfers total R6.2 billion over the MTEF period, including reductions of 3.1 per cent of the *municipal infrastructure grant*, 2.4 per cent of the *urban settlements development grant*, 5.2 per cent of the *public transport network grant*, 4.3 per cent of the *direct water services infrastructure grant*, 6.9 per cent of the *direct regional bulk infrastructure grant*, 4.9 per cent of the *direct integrated national electrification programme grant* and 4.2 per cent of the *indirect integrated national electrification programme grant*. There is also a reduction of R485 million over the MTEF period from the *municipal systems improvement grant* and R530 million from the *municipal human settlements capacity grant*. The remainder of the *municipal systems improvement grant* will become an indirect grant to support the objectives of the Back to Basics strategy, while the *municipal human settlements capacity grant* will be discontinued. In future, the *urban settlements development grant* will fund built environment capacity building.

After accounting for all reductions and additions, direct transfers to local government increase by R9.2 billion over the MTEF period. This is primarily due to the shifting of indirect transfers to direct transfers in the water sector and the additions to the local government equitable share over the MTEF period. Indirect transfers to local government (allocations spent by national departments on behalf of municipalities) decrease by R10.1 billion over the medium term. Total allocations to local government (including direct and indirect transfers) decrease by R1.8 billion in 2016/17 and R244 million in 2017/18, followed by an increase of R1 billion in 2018/19. Over the MTEF period, local government allocations decrease by R967 million. Despite these reductions, total allocations to local government still grow at an annual average rate of 6.7 per cent over the MTEF period.

### **Demarcation effects**

The Municipal Demarcation Board has announced several major boundary changes that will come into effect on the date of the 2016 local government elections, reducing the total number of municipalities in the country from 278 to 257. This is the most wide-ranging re-demarcation since the current system of wall-to-wall municipalities was introduced in 2000. It will have significant implications on allocations to municipalities in the Division of Revenue Act.

All formula-based allocations, including for the local government equitable share and the *municipal infrastructure grant*, have been updated with data that reflects the new municipal boundaries. Grant administrators for all project-based grants have assessed the location and needs of re-demarcated municipalities and taken this into account in determining their allocations for the 2016 MTEF period, so that funds are allocated to municipalities where projects will be implemented. Support to re-demarcated municipalities is provided through the *municipal demarcation transition grant*.

The date of the 2016 local government elections has not yet been declared, which means that it is also not yet known when the new demarcations will come into effect. The re-demarcation could take place before or after the start of the 2016/17 municipal financial year, which begins on 1 July 2016.

Allocations published in the 2016 Division of Revenue Bill are based on the new municipal boundaries because these new demarcations will be in effect for the majority of the 2016/17 municipal financial year. In terms of the guidance provided in the Municipal Financial Management Act (2003) Circular 78, if the elections are held before 1 July 2016, municipalities will be expected to complete the remaining weeks of the financial year on their existing budget structures (and existing demarcations). The allocations published in the 2016 Division of Revenue Bill will then be transferred to the re-demarcated municipalities from 1 July 2016.

However, additional clauses have been added to section 36 of the 2016 Division of Revenue Bill to enable the National Treasury to gazette revised allocations if the elections take place after 1 July 2016. These revised allocations will allow funds to be transferred to the current 278 municipalities for the period between 1 July 2016 and the date of the elections (when the re-demarcated municipal boundaries will come into effect). The remaining allocations will be transferred to the re-demarcated municipalities after the elections.

### **The local government equitable share**

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

Over the 2016 MTEF period, the local government equitable share, including the *RSC/JSB levies replacement grant* and *special support for councillor remuneration and ward committees*, amounts to R171.3 billion – R52.6 billion in 2016/17, R57 billion in 2017/18 and R61.7 billion in 2018/19.

To help compensate for the rising costs of free basic service provision in municipalities, amounts of R1.5 billion in 2017/18 and R3 billion in 2018/19 will be added to the local government equitable share. However, in 2016/17 the local government equitable share is reduced by R300 million due to the need to reprioritise funds to urgent government priorities while reducing the expenditure ceiling. This reduction amounts to only 0.6 per cent of the value of the local government equitable share in 2016/17.

#### *Formula for allocating the local government equitable share*

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

A new formula for the local government equitable share was introduced in 2013/14, following a review of the previous formula by the National Treasury, the Department of Cooperative Governance and SALGA, in partnership with the FFC and Statistics South Africa. The new formula is based on data from the 2011 Census. Statistics South Africa has updated the data from the 2011 Census to align with the geography of the new municipal boundaries, which resulted in small changes to some allocations. The local government equitable share formula's principles and objectives were set out in detail in the Explanatory Memorandum to the 2013 Division of Revenue.

### *Structure of the local government equitable share formula*

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

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

Each of these components is described in detail in the subsections that follow. The formula's structure is summarised in the box.

#### **Structure of the local government equitable share formula**

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

where

**LGES** is the local government equitable share

**BS** is the basic services component

**I** is the institutional component

**CS** is the community services component

**RA** is the revenue adjustment factor

**C** is the correction and stabilisation factor

### *The basic services component*

This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold. Following municipal consultation, the formula's affordability measure (used to determine how many households need free basic services) is based on the level of two state old age pensions. When the 2011 Census was conducted, the state old age pension was worth R1 140 per month, which means that two old age pensions were worth R2 280 per month. A monthly household income of R2 300 per month (in 2011) has therefore been used to define the formula's affordability threshold. Statistics South Africa has calculated that 59 per cent of all households in South Africa fall below this income threshold. The threshold is not an official poverty line or a required level to be used by municipalities in their own indigence policies – if municipalities choose to provide fewer households with free basic services than they are funded for through the local government equitable share, then their budget documentation should clearly set out why they have made this choice and how they have consulted with their community during the budget process.

The number of households per municipality, and the number below the poverty threshold, is updated annually based on the growth experienced in the period between the 2001 and 2011 Censuses. Provincial growth rates are then rebalanced to match the average annual provincial growth reported between 2002 and 2014 in the annual General Household Survey. Statistics South Africa has advised the National Treasury that, in the absence of official municipal household estimates, this is a credible method of estimating the household numbers per municipality needed for the formula. Statistics South Africa is researching methods

for producing municipal-level data estimates, which may be used to inform equitable share allocations in future.

The basic services component provides a subsidy of R334.97 per month in 2016/17 for the cost of providing basic services to each of these households. The subsidy includes funding for the provision of free basic water (six kilolitres per poor household per month), energy (50 kilowatt-hours per month) and sanitation and refuse (based on service levels defined by national policy). The monthly amount provided for each service is detailed in Table W1.24 and includes an allocation of 10 per cent for service maintenance costs.

**Table W1.24 Amounts per basic service allocated through the local government equitable share**

	Allocation per household below affordability threshold (R per month)			Total allocation per service (R million)
	Operations	Maintenance	Total	
Energy	63.87	7.10	70.97	7 830
Water	96.58	10.73	107.31	11 839
Sanitation	76.72	8.52	85.24	9 403
Refuse	64.30	7.15	71.45	7 882
<b>Total basic services</b>	<b>301.47</b>	<b>33.50</b>	<b>334.97</b>	<b>36 953</b>

Source: National Treasury

The formula uses the fairest estimates of the average costs of providing each service that could be derived from available information. More details of how the costs were estimated can be found in the discussion paper on the proposed structure of the new local government equitable share formula. The per household allocation for each of the basic services in Table W1.24 is updated annually based on the following:

- The electricity cost estimate is made up of bulk and other costs. Bulk costs are updated based on the multi-year price determination approved by the National Energy Regulator of South Africa (NERSA). The NERSA-approved bulk electricity tariff for the multi-year price determination period from 2014/15 to 2018/19 allows for increases of 8 per cent per year. If any variations to this increase are approved for 2016/17, funding will be considered during the adjustments budget process. Other electricity costs are updated based on the National Treasury's inflation projections in the 2015 *Medium Term Budget Policy Statement*.
- The water cost estimate is also made up of bulk and other costs. Bulk costs are updated based on the average increase in bulk tariffs charged by water boards (although not all municipalities purchase bulk water from water boards, their price increases serve as a proxy for the cost increases for all municipalities). The approved average tariff increase for bulk water from water boards in 2015/16 was 8.9 per cent. Other costs are updated based on the National Treasury's inflation projections in the 2015 *Medium Term Budget Policy Statement*.
- The costs for sanitation and refuse are updated based on the National Treasury's inflation projections in the 2015 *Medium Term Budget Policy Statement*.

The basic services component allocation to each municipality is calculated by multiplying the monthly subsidy per household by the updated number of households below the affordability threshold in each municipal area. In 2016/17, a total of 9.2 million households are funded through the basic services subsidy. The subsidy is allocated to 99.3 per cent of households below the affordability threshold of two old age pensions, instead of the 100 per cent funded in previous years. This change ensures that the effect of reductions to the equitable share in 2016/17 is spread across all components of the formula. Although the proportion of poor households funded has been reduced in 2016/17, the number of households provided with free basic services should not be affected because municipalities have not yet extended the provision of free basic services to reach all poor households.

### The basic services component

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

Funding for each basic service is allocated to the municipality (metro, district or local) that is authorised to provide that service. If another municipality provides a service on behalf of the authorised municipality, it must transfer funds to the provider in terms of section 29 of the Division of Revenue Act. The basic services component is worth R37 billion in 2016/17 and accounts for 78.4 per cent of the value of the local government equitable share.

#### *The institutional component*

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

This component consists of a base allocation of R5.9 million, which goes to every municipality, and an additional amount that is based on the number of council seats in each municipality. This reflects the relative size of a municipality's administration and is not intended to fund the costs of councillors only (the number of seats recognised for the formula is determined by the Minister of Cooperative Governance and Traditional Affairs). The base component acknowledges that there are some fixed costs that all municipalities face.

### The institutional component

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

The institutional component accounts for 8.6 per cent of the equitable share formula and is worth R4.1 billion in 2016/17. This component is also complemented by special support for councillor remuneration in poor municipalities, which is not part of the equitable share formula (described in more detail later).

#### *The community services component*

This component funds services that benefit communities rather than individual households (which are provided for in the basic services component). It includes funding for municipal health services, fire services, municipal roads, cemeteries, planning, storm water management, street lighting and parks. To ensure this component assists municipalities with limited revenue-raising abilities, a revenue adjustment factor is applied so that these municipalities receive a larger proportion of the allocation.

The allocation for this component is split between district and local municipalities, because both provide community services. In 2016/17, the allocation to district and metropolitan municipalities for municipal health and related services is R8.28 per household per month. The component's remaining funds are allocated to local and metropolitan municipalities based on the number of households in each municipality.

### The community services component

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

The community services component accounts for 13 per cent of the equitable share formula and is worth R6.1 billion in 2016/17.

#### *The revenue adjustment factor*

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

To account for the varying fiscal capacities of municipalities, this component is based on a per capita index using the following factors from the 2011 Census (all data has been updated to reflect new municipal boundaries):

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

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

The revenue adjustment factor is not based on the actual revenues municipalities collect. This component therefore does not create any perverse incentive for municipalities to under-collect potential own revenues to receive a higher equitable share.

Because district municipalities do not collect own revenues from property rates, the revenue adjustment factor applied to these municipalities is based on the *RSC/JSB levies replacement grant* allocations. This grant replaces a source of own revenue previously collected by district municipalities and it is still treated as an own-revenue source in many respects. Similar to the revenue adjustment factor for local and metropolitan municipalities, the factor applied to district municipalities is based on their per capita *RSC/JSB levies replacement grant* allocations. District municipalities are given revenue adjustment factors on a sliding scale – those with a higher per capita *RSC/JSB levies replacement grant* allocation receive a lower revenue adjustment factor, while those with lower allocations receive a larger revenue adjustment factor.

#### *Correction and stabilisation factor*

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

The changes to municipal boundaries result in some significant changes to municipal allocations in 2016/17. To cushion the impact of these changes, all municipalities will receive at least 95 per cent of the equitable share formula allocation indicatively allocated to them in 2016/17 in the 2015 Division of Revenue Act. For merged municipalities, this guarantee will be based on the sum of the equitable share allocations to the previously separate municipalities. In cases where a municipality has been split, the guarantee is applied to an area's share of the former municipality's equitable share, based on its portion of the population in the former municipality.

A new equitable share formula was introduced in 2013/14 using updated 2011 Census data. As a result, some municipalities will experience large changes in their equitable share allocations. To smooth the impact of these changes and give municipalities time to adjust (both for municipalities with increasing and decreasing allocations), the new allocations are being phased in over five years, from 2013/14 to 2017/18. For municipalities with smaller allocations under the new formula, the phase-in mechanism measures the difference between the municipality's old and new allocations and closes this gap by 20 per cent each year. This means that in the first year, a municipality only experienced a change equivalent to 20 per cent of the gap between their allocations under the old and new formulas; in the second year, it completed 40 per cent of the change; in the third year (2015/16), it completed 60 per cent; and in 2016/17 it will complete 80 per cent. In 2017/18, the allocation will be determined entirely through the new formula.

To provide for this phase-in approach, while staying within the limits of the equitable share, municipalities with larger allocations will also have their increases phased in over five years. The total top-up amount needed to fund the phasing in for municipalities with declining allocations is calculated and deducted from those that do not require a top-up in proportion to their "surplus". This means that municipalities with larger allocations will have some of those gains delayed over the phase-in period.

#### *Ensuring the formula balances*

The formula is structured so that all of the available funds are allocated. The basic services component is determined by the number of poor households per municipality and the estimated cost of free basic services, so it cannot be manipulated. This means that the balancing of the formula to the available resources must take place in the second part of the formula, which includes the institutional and community services components. The formula automatically determines the value of the allocation per council seat in the institutional component and the allocation per household for other services in the community services component to ensure that it balances. Increases in the cost of providing basic services can result in lower institutional and community services allocations. To ensure that the amounts allocated through the institutional and basic services components do not decline by more than 10 per cent, the proportion of households funded for free basic services has been reduced from 100 per cent of households below the affordability threshold (equivalent to two old age pensions) to 99.3 per cent in 2016/17.

#### *Potential future refinements to the formula*

Although the local government equitable share formula has been through extensive consultations and technical work, national government continues to work with stakeholders to improve the formula. Areas of work include:

- Developing differentiated cost variables to take account of the costs of services in various circumstances, including costs related to the size of the land area served and settlement types in municipalities. SALGA and the FFC have undertaken a research project that could provide the basis for calculating such variables in future.
- Refining the methodology used to update household growth estimates, taking account of updated data from Statistics South Africa, and possibly including the 2016 Community Survey.

Government is committed to considering all proposed refinements to the formula, but another full review is not envisaged until the current formula has been fully phased in and municipalities have had time to adjust to the new allocations.

### *Details of new allocations*

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

### **Other unconditional allocations**

#### *RSC/JSB levies replacement grant*

Before 2006, district municipalities raised levies on local businesses through an RSC or JSB levy. This source of revenue was replaced in 2006/07 with the *RSC/JSB levies replacement grant*, which was allocated to all district and metropolitan municipalities based on the amounts they had previously collected through the levies (the *RSC/JSB levies replacement grant* for metropolitan municipalities has since been replaced by the sharing of the general fuel levy). The grant's value increases every year. In 2016/17, the grant increases by 8.5 per cent a year for district municipalities authorised for water and sanitation and 2.8 per cent for unauthorised district municipalities. The different rates recognise the various service delivery responsibilities of these district municipalities.

#### *Special support for councillor remuneration and ward committees*

Councillors' salaries are subsidised in poor municipalities. The total value of the support provided in 2016/17 is R861.7 million, calculated separately to the local government equitable share and in addition to the funding for governance costs provided in the institutional component. The level of support for each municipality is allocated based on a system gazetted by the Minister of Cooperative Governance and Traditional Affairs, which classifies municipal councils into six grades based on their total income and population size. Special support is provided to the lowest three grades of municipal councils (the smallest and poorest municipalities).

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

All data used in these calculations was updated to take account of new demarcations and councillor numbers. The new grades for municipalities affected by boundary re-determinations will only be confirmed once the new municipalities have been formally established. For 2016/17 allocations, it was assumed that the grade of a new municipality would be equal to the highest grade of the existing municipalities being merged to form the new municipality. Because grades are based on municipal income and population, merging municipalities can only increase the grade. The new municipality created in Limpopo, formed by merging part of Thulamela Local Municipality and part of Makhado Local Municipality, is assumed to be a grade 3 municipality based on its population size.

### **Conditional grants to local government**

National government allocates funds to local government through a variety of conditional grants. These grants fall into two main groups: infrastructure and capacity building. The total value of conditional grants directly transferred to local government increases from R41.1 billion in 2016/17 to R44.5 billion in 2017/18 and R47.1 billion in 2018/19.

There are four types of local government conditional grants:

- Schedule 4B sets out general grants that supplement various programmes partly funded by municipalities.
- Schedule 5B grants fund specific responsibilities and programmes implemented by municipalities.

- Schedule 6B grants provide in-kind allocations through which a national department implements projects in municipalities.
- Schedule 7B grants provide for the swift allocation and transfer of funds to a municipality to help it deal with a disaster.

### **Local government infrastructure grant review**

The National Treasury, in collaboration with the Department of Cooperative Governance, the Department of Planning, Monitoring and Evaluation, SALGA and the FFC, has reviewed the system of local government infrastructure grants. The process has involved wide consultation, including many engagements with municipalities and national officials responsible for managing grants. The review proposes several changes that will be implemented in the 2016 Budget. The structure of grants allocated to different types of municipalities will be changed to increase their differentiation and reduce grant proliferation; improve asset management over the lifespan of municipal infrastructure; and enhance national grant support and oversight.

Following the implementation of the initial changes emerging from the review in 2015/16, further reforms will be phased in over the 2016 MTEF period in the following areas:

#### *Asset management*

The grant review has proposed several changes to incentivise asset management practices that improve functionality and reliability over the full lifecycle of municipal infrastructure. This includes allowing grant funds to be used to refurbish infrastructure (in the past, the focus was largely on constructing new infrastructure) and establish asset maintenance plans. Over time, stronger conditions will be put in place to require municipalities to use these asset management systems to prioritise the maintenance and investment needed on their infrastructure.

The quality of rural roads continues to be a major obstacle to mobility in rural communities. Over several years, data has been collected on the extent and condition of roads using the *rural roads asset management systems grant*. This data can be used to guide municipalities on which roads to maintain and upgrade to achieve the best return for their investment. Unlike other basic municipal functions, there is no funding for road maintenance in the local government equitable share. As such, the grant review proposes that municipalities should be allowed to use funds from the *municipal infrastructure grant* to maintain and refurbish roads if they use data from their roads asset management systems to prioritise their investments.

#### *Differentiation and grant proliferation*

The review acknowledged that the infrastructure needs of cities and rural areas are very different, which is why the grant system for these areas must be structured differently. While metropolitan municipalities already receive specialist urban grants such as the *urban settlements development grant*, secondary cities largely receive the same grants and are subject to the same rules as rural municipalities. In 2016/17, new planning requirements will be introduced for secondary cities as the first step towards introducing differentiation in the grant system to better respond to urban development challenges. Cities that meet the criteria will be eligible for a separate grant in the outer years of the MTEF period. The consolidation of infrastructure grants for metropolitan municipalities is also intended to be phased in over the medium term and eventually extended to secondary cities.

Major investments in urban public transport continue to be made through the grant system. Following the merging of two public transport grants in the 2015 Budget, the grant review engaged in further analysis and consultation to continue the reform. The Department of Transport will introduce a new formula-based allocation methodology for the *public transport network grant* over the 2016 MTEF period. This should increase municipalities' certainty about the national funding they can expect when planning for their public transport networks, and encourage cities to plan and develop systems that they can afford to operate in the long term.

In rural areas, the multiple grants in the water and sanitation sector will be merged to form two grants, the *regional bulk infrastructure grant*, which funds large bulk projects, and the *water services infrastructure grant*, which funds the building and refurbishment of water and sanitation schemes in municipalities with weaker capacity.

#### *Grant management*

The review concluded that there is substantial scope to improve the outcomes of the infrastructure conditional grants by enhancing the oversight and support provided to municipalities by the sector departments transferring conditional grants. Departments have been asked to identify and prioritise the resources they allocate to manage grants in their departments. The Municipal Infrastructure Support Agent will also play a greater role in helping municipalities improve their delivery of infrastructure, including through new regional management support contracts, which will be piloted in 2016/17. The Department of Cooperative Governance will work to strengthen the municipalities and their project management units that are funded using the *municipal infrastructure grant*. Each municipality will have to submit a plan for how they plan to use their project management unit funds and demonstrate how this will lead to improved performance. Performance can then be monitored against these plans and municipalities held accountable for their implementation.

Municipalities have raised many complaints about the extensive reporting required of them, including through the grant system. The Cities Support Programme is leading a project to reduce overlaps and simplify reporting requirements that may feed into grant requirements in future. In 2016/17, the reporting burden should be reduced because several grants have been consolidated, thereby reducing the number of grants on which municipalities have to report.

#### **Infrastructure conditional grants to local government**

National transfers for infrastructure, including indirect or in-kind allocations to entities executing specific projects in municipalities, amount to R149.3 billion over the 2016 MTEF period.

**Table W1.25 Infrastructure grants to local government, 2012/13 – 2018/19**

R million	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Outcome			Revised estimate	Medium-term estimates		
<b>Direct transfers</b>	<b>28 485</b>	<b>32 412</b>	<b>34 167</b>	<b>36 842</b>	<b>39 120</b>	<b>42 568</b>	<b>45 087</b>
Municipal infrastructure	13 879	14 224	14 745	14 956	14 914	15 991	16 894
Water services infrastructure	562	1 129	1 051	2 255	2 845	3 730	3 959
Urban settlements development	7 392	9 077	10 285	10 554	10 839	11 472	12 052
Integrated national electrification programme	1 151	1 635	1 105	1 980	1 946	2 087	2 204
Public transport network	4 884	5 550	5 871	5 953	5 593	6 360	6 793
Neighbourhood development partnership	578	586	590	607	624	663	702
Integrated city development	–	40	255	251	267	292	309
Regional bulk infrastructure	–	–	–	–	1 850	1 865	2 060
Rural roads asset management systems	37	52	75	97	102	107	114
Municipal disaster recovery	–	118	190	189	140	–	–
<b>Indirect transfers</b>	<b>4 819</b>	<b>5 705</b>	<b>8 643</b>	<b>10 274</b>	<b>7 689</b>	<b>7 297</b>	<b>7 564</b>
Integrated national electrification programme	1 879	2 141	2 948	3 613	3 526	3 876	3 995
Neighbourhood development partnership	80	55	58	26	22	28	29
Regional bulk infrastructure	2 523	3 261	4 005	4 858	3 479	2 806	2 931
Water services infrastructure	337	247	732	802	312	587	608
Bucket eradication programme	–	–	899	975	350	–	–
<b>Total</b>	<b>33 305</b>	<b>38 117</b>	<b>42 810</b>	<b>47 116</b>	<b>46 809</b>	<b>49 865</b>	<b>52 651</b>

Source: National Treasury

### *Municipal infrastructure grant*

The largest infrastructure transfer is made through the *municipal infrastructure grant*, which supports government's aim to expand service delivery and alleviate poverty. The grant funds the provision of infrastructure for basic services, roads and social infrastructure for poor households in all non-metropolitan municipalities. Although the grant's baseline is reduced by R620.2 million in 2016/17, R430 million in 2017/18 and R480 million in 2018/19, total allocations amount to R47.8 billion over the MTEF period.

The Department of Cooperative Governance, which administers the *municipal infrastructure grant*, conducted a policy review of the grant during 2014. This review collaborated with the review of local government infrastructure grants to make proposals on the grant's future direction. In the 2016 MTEF period, the Department of Cooperative Governance will strengthen the grant's coordination structures and ensure that all departments responsible for sectors funded through the grant participate actively in the review of project proposals. Sector departments need to ensure that they dedicate sufficient capacity to fulfil their grant management role. The conditions for the use of *municipal infrastructure grant* funds for project management units will be expanded to include providing support to all grant-funded infrastructure projects in the municipality and will be subject to a plan against which expenditure can be monitored. The provisions introduced in 2015/16 that allow funds to be used for road refurbishment if certain conditions are met will be strengthened, and linked to the use of road condition and usage data collected through the *rural roads asset management grant*. The condition introduced in the 2014 Budget that municipalities with households served by bucket systems must prioritise sanitation upgrades is retained.

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

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

<b>C</b>	Constant to ensure increased minimum allocation for small municipalities (this allocation is made to all municipalities)
<b>B</b>	Basic residential infrastructure (proportional allocations for water supply and sanitation, roads and other services such as street lighting and solid waste removal)
<b>P</b>	Public municipal service infrastructure (ring-fenced for municipal sport infrastructure)
<b>E</b>	Allocation for social institutions and micro-enterprises infrastructure
<b>N</b>	Allocation to the 27 priority districts identified by government

For the 2016 MTEF, the *municipal infrastructure grant* allocation formula uses data from the 2011 Census (updated to reflect municipal boundary changes). Allocations for basic services sub-components are based on the proportion of the national backlog for that service in each municipality. Other components are based on the proportion of the country's poor households located in each municipality. Table W1.26 sets out the proportion of the grant accounted for by each component of the formula. The C-component provides a R5 million base to all municipalities receiving *municipal infrastructure grant* allocations.

**Table W1.26 Municipal infrastructure grant allocations per sector**

Municipal infrastructure grant (formula)	Component weights	Value of component 2016/17 (R millions)	Proportion of municipal infrastructure grant per sector
<b>B-component</b>	<b>75.0%</b>	<b>10 113</b>	<b>67.8%</b>
Water and sanitation	72.0%	7 281	48.8%
Roads	23.0%	2 326	15.6%
Other	5.0%	506	3.4%
<b>P-component</b>	<b>15.0%</b>	<b>2 023</b>	<b>13.6%</b>
Sports	33.3%	674	4.5%
<b>E-component</b>	<b>5.0%</b>	<b>674</b>	<b>4.5%</b>
<b>N-component</b>	<b>5.0%</b>	<b>674</b>	<b>4.5%</b>
<b>Constant</b>		<b>1 130</b>	<b>7.6%</b>
<b>Ringfenced funding for sport infrastructure</b>		<b>300</b>	<b>2.0%</b>
<b>Total</b>		<b>14 914</b>	<b>100.0%</b>

Source: National Treasury

A total of R300 million of *municipal infrastructure grant* funds is allocated outside of the grant formula and earmarked for specific sport infrastructure projects identified by Sport and Recreation South Africa. In addition, municipalities are required to spend a third of the P-component (equivalent to 4.5 per cent of the grant) on sport and recreation infrastructure identified in their own integrated development plans. Municipalities are also encouraged to increase their investment in other community infrastructure, including cemeteries, community centres, taxi ranks and marketplaces.

#### *Urban settlements development grant*

The *urban settlements development grant* is an integrated source of funding to provide infrastructure for municipal services and upgrade urban informal settlements in the eight metropolitan municipalities. The grant is allocated as a supplementary grant to cities (schedule 4 of the Division of Revenue Act), which means that municipalities are expected to use a combination of grant funds and their own revenue to develop urban infrastructure and integrated human settlements. Cities report their progress on these projects against the targets set in their service delivery and budget implementation plans.

The *municipal human settlements capacity grant* was introduced in 2014/15 to build capacity in anticipation of the devolution of the housing function to metropolitan municipalities, which has not taken place. As a result, the 2016 Budget is concluding this grant. Instead, up to three per cent of the *urban settlements development grant* may be used to fund municipal capacity in the built environment.

As part of the demarcation process, *municipal infrastructure grant* funds previously allocated to Naledi Municipality have been shifted to the *urban settlements development grant* allocation for Mangaung Metropolitan Municipality, because the two municipalities are merging. The grant is allocated a total of R34.4 billion over the 2016 MTEF period.

#### *Integrated city development grant*

The grant provides a financial incentive for metropolitan municipalities to focus their use of infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. Cities are required to submit built environment performance plans for this grant, including a brief strategic overview of the city's plans for the built environment, with a focus on the infrastructure grants that form part of the capital budget. The plan should show how the municipality will ensure alignment between its different grant-funded programmes and how it will address related policy and regulatory matters. All projects funded by sector-specific infrastructure grants, including the *urban settlements development grant*, the *public transport network grant*, the *neighbourhood development partnership grant* and the *integrated national electrification programme grant*, must form part of a metropolitan municipality's built environment performance plan. The grant is allocated R868 million over the 2016 MTEF period.

#### *Public transport network grant*

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

A new formula-based allocation methodology will be phased in over the medium term. This formula aims to increase certainty about the extent of national funding that municipalities expect when planning their public transport networks, and encourage cities to shift towards more sustainable transport investments. Cities need to plan within a realistic envelope of support from national government, without additional subsidies. By 2017/18, strict eligibility conditions will be enforced, including requirements that cities demonstrate that their planned public transport systems will be financially sustainable. The formula is made up of three components, which account for the number of people in a city; the number of public transport users in a city (the weighting of train commuters is reduced as trains are subsidised separately through the Passenger Rail Authority of South Africa); and the size of a city's economy.

**Table W1.27 Formula for the public transport network grant**

	Population component shares	Regional gross value added component shares	Public transport users component shares	Grant formula shares
<b>Non-formula-based allocations account for 20% of the grant</b>				
<b>Formula-based allocations account for 80% of the grant</b>				
<b>Formula shares for each city:</b>				
Buffalo City	3.3%	2.8%	3.0%	<b>3.0%</b>
Nelson Mandela Bay	5.0%	4.7%	3.5%	<b>4.4%</b>
Mangaung	3.3%	2.4%	3.1%	<b>2.9%</b>
Ekurhuleni	13.8%	9.5%	15.2%	<b>12.8%</b>
City of Johannesburg	19.3%	25.2%	20.3%	<b>21.6%</b>
Tshwane	12.7%	15.0%	13.9%	<b>13.9%</b>
eThekweni	15.0%	15.8%	17.6%	<b>16.1%</b>
Msunduzi	2.7%	1.5%	2.3%	<b>2.2%</b>
MP326	2.6%	1.9%	2.2%	<b>2.2%</b>
Polokwane	2.7%	1.5%	1.2%	<b>1.8%</b>
Rustenburg	2.4%	3.5%	2.2%	<b>2.7%</b>
George	0.8%	0.5%	0.2%	<b>0.5%</b>
Cape Town	16.3%	15.8%	15.2%	<b>15.8%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: National Treasury

The grant has separate operational and capital windows based on cities' implementation plans. The grant is allocated R18.7 billion over the 2016 MTEF period.

#### *Neighbourhood development partnership grant*

The *neighbourhood development partnership grant* supports cities in developing and implementing urban network plans. The aim is to create a platform for third-party public and private investment, which will improve the quality of life in township urban hubs. Projects in towns and rural areas are implemented in conjunction with the Department of Rural Development and Land Reform to support catalytic projects in these areas. The grant is allocated R2.1 billion over the MTEF period, which consists of R2 billion for the direct capital grant and R79.3 million for the indirect technical assistance grant.

#### *Water services infrastructure grant*

The Department of Water and Sanitation administers several grants, including the *regional bulk infrastructure grant*, the *municipal water infrastructure grant*, the *water services operating subsidy grant*, the *rural household infrastructure grant* and the *bucket eradication programme grant*. Following extensive consultation with the Department of Water and Sanitation in 2015 as part of the review of local government infrastructure grants, it was agreed that there is a need to rationalise overlapping grants, ensure greater alignment between water and sanitation projects, and strengthen the alignment between different projects in the sector.

The *water services infrastructure grant* has been created through the merger of the *municipal water infrastructure grant*, the *water services operating subsidy grant*, and the *rural household infrastructure grant*. This grant aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. The grant, administered by the Department of Water and Sanitation, provides funding for various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds will be transferred through a direct grant. In other areas, the Department of Water and Sanitation will implement projects on behalf of municipalities through an indirect grant. As with other indirect grants, the national department is required to transfer skills to the municipalities benefiting from the indirect grant so that they will be able to

implement projects themselves in future. Over the 2016 MTEF period, the total allocation for the direct portion of the grant is R10.5 billion and an additional R1.5 billion will be made available for the indirect component.

#### *Regional bulk infrastructure grant*

This grant supplements the financing of the social component of regional bulk water and sanitation infrastructure. It targets projects that cut across several municipalities or large bulk projects within one municipality. The grant funds the bulk infrastructure needed to provide reticulated water and sanitation services to individual households. It may also be used to appoint service providers to carry out feasibility studies, related planning or management studies for infrastructure projects. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds will be transferred through a direct grant. In other areas, the Department of Water and Sanitation will implement projects on behalf of municipalities through an indirect grant. A parallel programme, funded by the Department of Water and Sanitation, also funds water boards for the construction of bulk infrastructure. Though not part of the division of revenue, these projects still form part of the Department of Water and Sanitation's larger programme of subsidising the construction of regional bulk infrastructure for water and sanitation. The grant has a total allocation of R15 billion over the 2016 MTEF period, consisting of R5.8 billion and R9.2 billion for the direct and indirect components respectively.

#### *Bucket eradication programme grant*

The *bucket eradication programme grant* is an indirect grant to municipalities administered by the Department of Water and Sanitation. It funds the eradication of bucket sanitation systems in formal residential areas. This indirect grant was due to end in 2015/16, but it has been extended by one year to allow the grant to complete its eradication work (implementation was delayed in 2014/15 due to a sanitation function shift between departments). The *human settlement development grant*, *urban settlements development grant* and *municipal infrastructure grant* will prioritise the upgrade of sanitation in informal areas as part of their funding for informal settlement upgrades. The programme will be reviewed in 2016/17 to inform the close-out (or extension) of this grant. It is allocated R350 million in 2016/17.

#### *Integrated national electrification programme grants*

The national electrification programme has been instrumental in providing 85 per cent of all households with access to electricity, as reported in the 2011 Census. To sustain progress in connecting poor households to electricity, government will spend R17.6 billion on the programme over the next three years. Of this, municipalities are allocated R6.2 billion and Eskom is allocated R11.4 billion to spend on behalf of municipalities through an indirect grant.

#### *Rural roads asset management systems grant*

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

The Department of Transport has committed to working with the *municipal infrastructure grant* administrators to ensure that municipal roads projects are chosen, prioritised and approved using roads asset management systems data wherever possible. The data already collected suggests that as much as

30 per cent of investment required is for maintenance. A total of R322.4 million is allocated to this grant over the 2016 MTEF period.

#### *Municipal disaster recovery grant*

This grant, administered by the National Disaster Management Centre in the Department of Cooperative Governance, is used to rehabilitate and reconstruct municipal infrastructure damaged by disasters. R140 million is allocated in 2016/17 to repair infrastructure damaged by natural disasters.

#### **Capacity-building grants and other current transfers**

Capacity-building grants help to develop municipalities' management, planning, technical, budgeting and financial management skills. Other current transfers include the *expanded public works programme integrated grant for municipalities*, which promotes increased labour intensity in municipalities, and the *municipal demarcation transition grant*, which assists municipalities with the additional costs associated with significant boundary changes. A total of R6.3 billion is allocated to capacity-building grants and other current transfers to local government over the 2016 MTEF period.

**Table W1.28 Capacity building and other current grants to local government, 2012/13 – 2018/19**

R million	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	Outcome			Revised estimate	Medium-term estimates		
<b>Direct transfers</b>	<b>1 536</b>	<b>1 606</b>	<b>1 707</b>	<b>1 643</b>	<b>2 013</b>	<b>1 975</b>	<b>2 024</b>
Local government financial management	403	425	449	452	465	502	531
Municipal human settlements capacity	–	–	300	100	–	–	–
2013 African Cup of Nations host city operating	123	–	–	–	–	–	–
2014 African Nations Championship host city operating	–	120	–	–	–	–	–
Expanded public works programme	662	611	595	588	664	716	758
Infrastructure skills development	75	99	104	124	130	141	149
Energy efficiency and demand-side	200	181	137	178	186	203	215
Municipal demarcation transition	–	–	–	39	297	112	53
Municipal disaster	73	171	121	161	270	300	318
<b>Indirect transfers</b>	<b>230</b>	<b>240</b>	<b>252</b>	<b>251</b>	<b>84</b>	<b>103</b>	<b>115</b>
Municipal systems improvement	230	240	252	251	84	103	115
<b>Total</b>	<b>1 766</b>	<b>1 846</b>	<b>1 959</b>	<b>1 894</b>	<b>2 097</b>	<b>2 078</b>	<b>2 139</b>

Source: National Treasury

#### *Municipal demarcation transition grant*

The *municipal demarcation transition grant*, administered by the Department of Cooperative Governance, assists municipalities with additional costs that may arise during the transition to the new municipal boundaries. This grant was introduced in 2015/16 to subsidise the costs involved in implementing major boundary re-determinations announced by the Municipal Demarcation Board in 2013. A further 12 major boundary re-determinations were subsequently approved by the board in 2015. Each major re-demarcation is eligible for an allocation, and the grant has been expanded to include these new cases from 2016/17.

For municipal re-demarcations announced in 2013, some funds have already been transferred in 2015/16 to enable municipalities to do preparatory work ahead of the mergers. As a result, they will receive smaller allocations in the 2016 MTEF period. A total of R309.3 million has been added to the *municipal demarcation transition grant* in 2016/17 and 2017/18. In line with the FFC's recommendations, the grant will conclude at the end of 2017/18 because it is only intended to fund transitional costs and it will not form a permanent part of the intergovernmental transfer system.

### *Local government financial management grant*

The *local government financial management grant*, managed by the National Treasury, funds the placement of financial management interns and the modernisation of financial management systems. This includes building in-house municipal capacity to implement multi-year budgeting, linking integrated development plans to budgets, and producing quality and timely in-year and annual reports. The grant supports municipalities in the implementation of the Municipal Finance Management Act and also provides funds for the implementation of the municipal standard chart of accounts. Total allocations amount to R1.5 billion over the 2016 MTEF period.

### *Infrastructure skills development grant*

The *infrastructure skills development grant* develops capacity within municipalities by creating a sustainable pool of young professionals with technical skills related to municipal services, such as water, electricity and town planning. The grant places interns in municipalities, so they can complete the requirements of the relevant statutory council within their respective built environment fields. The interns can be hired by any municipality at the end of their internship. The grant is allocated R420.2 million over the 2016 MTEF period.

### *Municipal systems improvement grant*

The *municipal systems improvement grant* will be implemented as an indirect grant in the 2016 MTEF period. It will fund a range of projects in municipalities in support of the Back to Basics strategy, including helping municipalities set up adequate records management systems, drawing up organograms for municipalities and reviewing their appropriateness relative to their assigned functions, and assisting municipalities with revenue collection plans. The indirect grant will be complemented by the Department of Cooperative Governance's work to develop an integrated consumer database that municipalities can draw data from, as well as a performance management system to track municipal performance. Over the MTEF period, R302.7 million is allocated to this grant.

### *Expanded public works programme integrated grant for municipalities*

This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. It is allocated through a formula based on past performance, which creates an incentive for municipalities. The formula has an extra weighting to give bigger allocations to poor, rural municipalities. The grant is allocated R664 million in 2016/17, and R2.1 billion over the 2016 MTEF period.

### *The energy efficiency and demand-side management grant*

The *energy efficiency and demand-side management grant* funds selected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure. In the 2016 MTEF period, the Department of Energy will monitor and verify grant-funded projects to ensure greater consistency in the procurement of accredited verification services. The grant is allocated R603.9 million over the 2016 MTEF period.

### *Municipal disaster grant*

The *municipal disaster grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance as an unallocated grant to local government. The centre is able to disburse disaster-response funds immediately, without the need for the transfers to be gazetted first. To ensure that sufficient funds are available in the event of disasters, section 21 of the Division of Revenue Bill allows for funds allocated to the *provincial disaster grant* to be transferred to municipalities if funds in the *municipal disaster grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters, so that initial emergency aid can be provided before a full assessment of damages and costs is complete. Over the MTEF period, R887.9 million is available for disbursement through this grant. To ensure that sufficient funds will be available for disaster

relief, section 20 of the Division of Revenue Bill has been revised to allow funds from other conditional grants to be reallocated to fund disaster relief, subject to the National Treasury's approval.

## **Part 6: Future work on provincial and municipal fiscal frameworks**

The fiscal frameworks for provincial and local government encompass all their revenue sources and expenditure responsibilities. As underlying social and economic trends evolve and the assignment of intergovernmental functions change, so must the fiscal frameworks. The National Treasury, together with relevant stakeholders, conducts continuous reviews to ensure that provinces and municipalities have an appropriate balance of available revenues and expenditure responsibilities, while taking account of the resources available and the principles of predictability and stability. This part of the annexure describes the main areas of work to be undertaken during 2016/17 as part of the ongoing review and refinement of the intergovernmental fiscal framework. Provinces and municipalities will be consulted on all proposed changes to the fiscal frameworks.

### **Review of the provincial equitable share formula**

The Constitution stipulates that provinces are entitled to a share of nationally raised revenue to deliver on their mandates. The current process of dividing up provincial funds uses a formula that considers the spread of the burden of service delivery across provinces. The provincial equitable share formula contains weighted elements that reflect government priorities and incorporates elements to redress inequality and poverty across provinces. Over time, the formula, like any budgetary allocation tool, may no longer mirror the realities provinces face. As such, there is a need for periodic review of the formula to assess its continued appropriateness and equity. In 2016, the National Treasury will start a detailed review of the equitable share formula. The Technical Committee on Finance and the Budget Council will be consulted as part of this work.

### **The role of provinces in promoting economic development**

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

Government in all three spheres must work with businesses and other relevant stakeholders to provide an enabling environment for the faster and more inclusive economic growth called for in the National Development Plan. Since 2015, national and provincial treasuries have been working together through a task team of the Technical Committee on Finance to better define the role provinces should play in promoting economic development. This will enable provinces to maximise their impact on provincial economies in future.

### **National health insurance policy work**

The National Health Insurance White Paper was released on 11 December 2015 for public comment. The Technical Committee on Finance will review the white paper, with a focus on the impact it will have on provinces. The aim is to assess the restructuring of the health system, particularly primary healthcare, necessary to ensure the success of national health insurance in South Africa.

### **Local government grants**

The system of transfers to local government is continuously being reviewed and refined to improve the effectiveness and value for money achieved from the funds transferred to municipalities. The local government equitable share was reviewed in 2012 and local government infrastructure grants were reviewed between 2013 and 2015. In 2016, the National Treasury will lead the continued implementation of the previous reviews' recommendations, and make further improvements to the effectiveness of local government capacity-building allocations.

Reforms to infrastructure grants in the period ahead will focus on:

- Improving asset management incentives and enhancing the new provisions in infrastructure grants that allow funds to be spent on refurbishment.
- Strengthening grant management practices in national departments.
- Continuing to consolidate urban infrastructure grants.

### **Supporting cities to promote urban spatial transformation and economic growth**

Cities, through delivery of infrastructure and services, play an important role in creating a conducive environment for inclusive growth, job creation and poverty eradication. To achieve this will require well-managed spatial transformation of cities. Government is exploring changes to the fiscal and regulatory structures for urban municipalities to ensure that they have sufficient and effective instruments to mobilise revenue for financing municipal strategic infrastructure capable of promoting growth.

Potential changes to the structure of the fiscal framework include:

- Consolidating urban grants and enhancing the use of performance incentives with transfers, such as with the *integrated cities development grant* (this work will form part of the review of local government infrastructure grants).
- Enabling greater flexibility in the use of grants to accelerate the implementation of catalytic investments.
- Enabling cities to leverage grant and own-revenue funds over a longer period for strategic projects.

These measures will be complemented by reviews of, and potential changes to, the regulatory structures for development charges, municipal borrowing and metropolitan municipalities' own-revenue powers.

Any potential changes to the fiscal and regulatory systems will also be accompanied by additional technical support to further strengthen the capacity of cities to take advantage of these changes. The Cities Support Programme is coordinating initiatives in this area. Cities are already receiving expanded project preparation support to help them build a pipeline of strategic investment projects that can attract private finance. In addition, the Development Bank of Southern Africa is increasing its assistance to give cities better access to funding for strategic projects by enhancing their appraisal and supervision arrangements or extending the average debt maturity.

#### *Regulating development charges*

Municipalities charge developers a once-off fee before approving land development applications. The National Treasury has consulted with stakeholders on the draft policy framework for municipal development charges. The draft policy will be published for public comment following Cabinet's approval. The Municipal Fiscal Powers and Functions Amendment Bill has been drafted to make provision for the regulation of development charges. Due to a new requirement to conduct a socio-impact analysis on new legislation or amendments to existing legislation, the amendment bill will be published at the beginning of 2016/17.

### *Reforming municipal borrowing*

Long-term borrowing can be an effective way for municipalities to finance infrastructure development. However, responsible borrowing requires an appropriate institutional framework and financial controls. The Policy Framework for Municipal Borrowing and Financial Emergencies (1999) and the Municipal Finance Management Act set out a range of measures to facilitate responsible municipal borrowing. These measures deal with issues such as sovereign risk, credit enhancements, maturities, avoidance of direct government assistance, and liquidity through the development of secondary markets.

However, there are still some bottlenecks that impede municipalities' full participation in the debt market to mobilise resources for infrastructure development. In August 2015, the National Treasury and the Department of Cooperative Governance organised the Urban Investment Partnership Conference, which aimed to renew and strengthen collaboration between government and the private sector on urban investment needs and opportunities. A working group has since been established as a platform for regular engagements between metropolitan municipalities, commercial banks, institutional investors, the National Treasury, the Development Bank of Southern Africa, development finance institutions and SALGA. The platform aims to jointly develop practical solutions for funding infrastructure in metropolitan municipalities that will support inclusive growth.

The working group will focus on:

- Finding innovative infrastructure financing instruments and mechanisms
- Updating the municipal borrowing policy framework.

### *Reviewing own-revenue sources for metropolitan municipalities*

The review of metropolitan municipalities' own-revenue sources, led by the National Treasury in collaboration with the Department of Cooperative Governance, SALGA, the FFC and metropolitan municipalities, is ongoing. The review's first phase was completed in October 2015. The final report on the socioeconomic profile of metropolitan municipalities can be accessed on the National Treasury's website ([www.treasury.gov.za](http://www.treasury.gov.za)).

The second phase of the review has started, with a focus on assessing whether the own-revenue sources of metropolitan municipalities are adequate to meet their service delivery and development mandates. The review aims to understand the underlying challenges faced by cities, which will inform the appropriate support to improve municipal revenue and/or the necessity for an additional local tax instrument to complement property rates. The review's outcomes and recommendations will be presented to the Budget Forum in October 2016 for adoption and approval.

**ANNEXURE W2:**  
**FRAMEWORKS FOR CONDITIONAL**  
**GRANTS TO PROVINCES**

## **Annexure W2: Frameworks for Conditional Grants to Provinces**

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

### **Introduction**

This annexure provides a brief description of the framework for the grants set out in Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A of the 2016 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2016 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2017/18

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2016 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2016/17 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

<b>Comprehensive Agricultural Support Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 24)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, smallholder and black commercial farmers</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• 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 exports</li> <li>• To address damage to infrastructure caused by floods</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Broadened access to agricultural support for subsistence, smallholder and black commercial farmers</li> <li>• Improved household and national food security</li> <li>• Improved farming efficiency</li> <li>• Increased wealth creation and sustainable employment in rural areas</li> <li>• Increased access to markets by beneficiaries of Comprehensive Agriculture Support Programme (CASP)</li> <li>• Reliable and accurate agricultural information available for management decision making</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Farmers supported per category (subsistence, smallholder and black commercial farmers)</li> <li>• Youth, women and farmers with disabilities supported through CASP</li> <li>• On - and off - farm infrastructure provided and repaired</li> <li>• Land under agricultural production (crop and livestock)</li> <li>• Yields per unit area</li> <li>• Beneficiaries of CASP trained on farming methods or opportunities along the value chain</li> <li>• Beneficiaries of CASP accessing markets</li> <li>• Jobs created</li> <li>• Extension personnel recruited and maintained in the system</li> <li>• Extension officers upgrading qualifications at various institutions</li> <li>• Agriculture Information Management System (AIMS) implemented in all 9 provinces</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth</li> <li>• Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> <li>• Outcome 7: Comprehensive rural development and land reform</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring framework</li> <li>• Risks and mitigation strategies</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The funding for this grant can be spent using the following prescription: <ul style="list-style-type: none"> <li>○ at most 20 per cent of project allocation to support Fetsa Tlala initiatives</li> <li>○ at most 55 per cent of project allocation to support the Agriculture Policy Action Plan (APAP)</li> <li>○ at most 5 per cent of project allocation on Agricultural Information Management System (AIMS)</li> <li>○ at least 10 per cent of project allocation on market access and development</li> <li>○ at most 10 per cent of project allocation on training and capacity building of farmers</li> </ul> </li> <li>• A central (AIMS) to be implemented by eight provinces (Western Cape is already implementing the system) to ensure a harmonised system that integrates and collates information to the national and provincial level (vice versa). 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"> <li>○ Eastern Cape R9 million</li> <li>○ Free State R9 million</li> <li>○ Gauteng R9 million</li> <li>○ KwaZulu-Natal R9 million</li> <li>○ Limpopo R9 million</li> <li>○ Mpumalanga R9 million</li> <li>○ Northern Cape R4.5 million (R4.5 million contribution already made)</li> <li>○ North West (full contribution made)</li> </ul> </li> <li>• Provinces must adhere to the CASP standard operating procedure (SOP) framework when implementing projects</li> <li>• Only business plans approved by established committees and authorities will receive funds from the CASP grant</li> <li>• All assisted farmers should be listed in the provincial and national farm registers</li> <li>• The provincial departments must confirm human resources capacity to implement CASP business plan by 28 March 2016</li> <li>• All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2016 Division of Revenue Act (DoRA) when executing projects and for reporting purposes</li> </ul>

<b>Comprehensive Agricultural Support Programme Grant</b>	
	<ul style="list-style-type: none"> <li>• Funds will be transferred as per the disbursement schedule approved by National Treasury</li> <li>• Provinces to inform the national transferring officer of any changes from plans and allocations approved by the transferring officer of the Department of Agriculture, Forestry and Fisheries (DAFF), within seven days of such change, and such changes must be approved by the transferring officer before they are implemented</li> <li>• The provincial business plans must be signed off by the Heads of Departments of the provincial agriculture department in collaboration with Chief Financial Officers or their representatives</li> <li>• The signed business plan for CASP must be submitted to DAFF for approval</li> <li>• Allocation for agricultural colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan</li> <li>• Allocations for natural disasters must only 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). The allocations for 2016/17, for infrastructure damaged by floods are as follows: <ul style="list-style-type: none"> <li>○ Limpopo: R16 million</li> <li>○ Mpumalanga: R20 million</li> <li>○ Western Cape: R41 million</li> </ul> </li> <li>• 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</li> <li>• Quarterly performance reports on disaster allocations must be submitted to the NDMC and DAFF</li> <li>• The CASP grant will be top sliced by R60 million over the 2016 MTEF (R10 million 2016/17 R20 million 2017/18, and R30 million 2018/19) in order for DAFF to provide an oversight and monitoring function for the grant</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The formula used to allocate funds is a weighted average of the following variables: previous CASP performance, agricultural land area, restituted and redistributed land delivered, households involved in agriculture (General Household Survey 2014), and current benchmarks on production and national policy imperatives</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing agents</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R1.9 billion to provinces, of which R1.8 billion (96.6 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 114 102 beneficiaries were supported from 783 implemented projects</li> <li>• 5 673 jobs created</li> <li>• 19 204 farmers trained in targeted training programmes</li> <li>• A total of 101 extension officers were recruited nationally</li> <li>• A total of 437 extension officers registered for qualification upgrading</li> <li>• 11 agricultural colleges with ongoing infrastructure upgrading</li> <li>• 155 farmers benefited from repair of infrastructure damaged by flood disasters (114 agricultural infrastructure, 6 soil rehabilitation and 35 production inputs)</li> <li>• 211 jobs created through implementation of flood disaster scheme</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R1.6 billion; 2017/18: R1.7 billion; and 2018/19: R1.8 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments: 25 April 2016, 22 August 2016, 24 October 2016 and 23 January 2017</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2016/17</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Provide template for project registration and reporting</li> <li>• Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly</li> <li>• Submit monthly financial reports to National Treasury 20 days after the end of the month</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year</li> <li>• Oversee and monitor implementation of the grant during ministerial technical committee on agriculture and quarterly review meetings</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces to adhere to the conditions of this framework and DORA</li> <li>• Provinces to submit detailed project list as per DAFF's project list template</li> <li>• Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme</li> <li>• Provinces to implement the approved CASP business plans</li> <li>• All receiving departments must abide by the PFMA, Treasury Regulations and the 2016 DoRA when executing projects as well as for reporting purposes</li> </ul>

<b>Comprehensive Agricultural Support Programme Grant</b>	
	<ul style="list-style-type: none"> <li>• Provinces to inform the transferring officer of any changes from plans and allocations approved by the Director-General for DAFF, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented</li> <li>• Assign and delegate officials to manage and monitor the implementation of the programme before April 2017</li> <li>• Keep record of projects supported and a farmer register</li> <li>• Monitor project implementation on a quarterly basis and evaluate the impact of projects in achieving CASP goals</li> <li>• Submit quarterly performance reports on disaster allocations to the provincial disaster management centres and DAFF, within 20 days after the end of each quarter</li> <li>• Submit quarterly project performance reports to DAFF</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 30 May 2016</li> <li>• Submission of provincial CASP business plans by provinces on 30 September 2016</li> <li>• Engagement with provinces (pre-national assessment panel) on submitted business plans between October and November 2016 prior to final national assessment panel meeting</li> <li>• Evaluation and recommendation of business plans by the national assessment panel between November 2016 and February 2017</li> <li>• Send funding agreements to provinces between February and March 2017 to be signed by Heads of Departments, Chief Financial Officers and CASP coordinators</li> <li>• Approval of business plans by the transferring officer before 31 March 2017</li> <li>• Inform provinces of approval of the business plans in March or April 2017</li> <li>• Approval by the transferring officer regarding 2017 business planning process compliance during April 2017, and send to National Treasury by end April 2017</li> </ul>

<b>Ilima/Letsema Projects Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 24)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce poverty through increased food production initiatives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased agricultural production at both household and national level</li> <li>• Improved household and national food security</li> <li>• Improved farm income</li> <li>• Maximised job opportunities</li> <li>• Reduced poverty</li> <li>• Rehabilitated and expanded irrigation schemes</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Land under agricultural production (crop and livestock)</li> <li>• Yields per hectares of land planted</li> <li>• Jobs created</li> <li>• Beneficiaries/farmers supported by the grant per category</li> <li>• Hectares of rehabilitated and expanded irrigation schemes</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth</li> <li>• Outcome 7: Comprehensive rural development and land reform</li> <li>• Outcome 10: Protect and enhance our environmental assets and natural resources</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring framework</li> <li>• Risks and mitigation strategies</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• 100 per cent of this grant should be allocated to support food production (crop and livestock production) in support of the Fetsa Tlala initiative, this will also include infrastructure that unlocks production e.g. rehabilitation of irrigation schemes in Northern Cape, Taung, and KwaZulu-Natal</li> <li>• Only vulnerable households, subsistence, smallholder and black commercial farmers not qualifying for a loan should be supported by this grant</li> <li>• Provincial departments to confirm human resources capacity to implement Ilima/Letsema business plans on or before 28 March 2016</li> <li>• All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2016 Division of Revenue Act (DoRA) when executing projects as well as for reporting purposes</li> <li>• All assisted farmers should be listed in the provincial and national farm registers</li> <li>• Provinces to inform the transferring officer of any changes from plans and allocations approved by the Director-General of Agriculture, Forestry and Fisheries, within seven days of such change and such changes must be approved by the transferring officer before they are implemented</li> <li>• The provincial business plans must be signed off by the Head of Department of the provincial agriculture department in collaboration with the Chief Financial Officer or their representative and co-signed by the Head of provincial treasuries</li> <li>• The business plans must be submitted to the Department of Agriculture, Forestry and Fisheries (DAFF)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The formula used to allocate funds is a weighted average of the following variables: agricultural land available, previous homeland areas, households involved in agriculture (General Household Survey 2014), food insecure areas and national priority areas targeted for increased food production</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The funding originated with the special poverty allocations made by national government for a specific purpose and requires tight conditionality to achieve the goals of the programme</li> <li>• The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing agents</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R461 million, of which R484 million (99.2 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 22 335 jobs were created</li> <li>• 191 396 beneficiaries were supported by the programme</li> <li>• 56 939 households were supported with starter packs and production inputs</li> <li>• 128 080 hectares ploughed and 136 252 hectares of land planted</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R491 million; 2017/18: R522 million; and 2018/19: R552 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments: 25 April 2016, 22 August 2016, 24 October 2016 and 23 January 2017</li> </ul>

<b>Ilima/Letsema Projects Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2016/17</li> <li>• Monitor implementation of the grant during ministerial technical committee on Agriculture and quarterly review meetings</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly</li> <li>• Submit monthly financial reports to the National Treasury 20 days after the end of the month</li> <li>• Submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter</li> <li>• Submit annual performance reports to the National Treasury within four months after the end of the financial year</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces to adhere to the conditions of this framework and DoRA</li> <li>• Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 30 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme</li> <li>• Provinces to implement the Ilima/Letsema business plans as approved</li> <li>• All receiving departments must abide by the Public Finance Management Act, Treasury regulations and the DoRA when executing projects as well as for reporting purposes</li> <li>• Provinces to inform the transferring officer of any changes from plans and allocations approved by the Director-General for Agriculture, Forestry and Fisheries, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented</li> <li>• Assign and delegate officials to manage and monitor the implementation of the programme</li> <li>• Monitor project implementation and evaluate the impacts of projects in achieving Ilima/Letsema goals</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of provincial and individual Ilima/Letsema business plans by provinces on 30 September 2016</li> <li>• Engagement with provinces on submitted business plans during October 2016 prior to national assessment panel</li> <li>• Evaluation and recommendation of business plans by national assessment panel between November 2016 and February 2017</li> <li>• Send funding agreements to provinces by February/March 2017 to be signed by Head of Departments, Chief Financial Officers, and Ilima/Letsema coordinators</li> <li>• Approval of business plans by the Director-General before 31 March 2017</li> <li>• Inform provinces of approval of the business plans in March or April 2017</li> <li>• Approval by the transferring officer regarding 2017 business planning process compliance during April 2017, and send to National Treasury by end April 2017</li> </ul>

<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 24)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To optimise productivity and sustainability of natural resources leading to greater productivity, food security, job creation and better quality of life for all</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved veld carrying capacity and livestock productivity</li> <li>• Improved production potential of arable land leading to increased yield</li> <li>• Improved quantity and quality of South Africa's water resources by mitigating disaster risks for the sector</li> <li>• Improved youth participation in the agricultural sector and intergenerational transfer of skills</li> <li>• Improved custodianship and stewardship of natural resources through community based ownership</li> <li>• Improved livelihoods of rural communities within the ambit of the green economy</li> <li>• Improved partnerships with private, public and community sectors that are responsible for natural resources</li> <li>• Improved knowledge and skills base in the sustainable use and management of natural resources</li> <li>• Enhanced ecosystem services for current and future generations</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Hectares of rangeland protected and rehabilitated</li> <li>• Hectares of land protected and rehabilitated</li> <li>• Number of Junior Care participants involved in the programme</li> <li>• Number of hectares of land where water resources are protected and rehabilitated</li> <li>• Number of capacity building initiatives conducted for Junior Care</li> <li>• Number of capacity building initiatives conducted for Land Carers</li> <li>• Number of awareness campaigns conducted and attended by Land Carers</li> <li>• Number of Land Care committees/Land Care groups established</li> <li>• Hectares of land where weeds and invader plants are under control</li> <li>• Number of kilometres of fence erected</li> <li>• Number of green jobs created expressed as Full Time Equivalents (FTEs)</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth</li> <li>• Outcome 7: Comprehensive rural development and land reform</li> <li>• Outcome 10: Protect and enhance our environmental assets and natural resources</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Cash flow projections and statement of work</li> <li>• Key activities/implementation plan</li> <li>• Monitoring and evaluation</li> <li>• Risk and mitigation</li> <li>• Exit strategy</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provinces must confirm capacity to implement projects and operational funding before funds can be transferred</li> <li>• Provincial departments' annual performance plans for 2016/17 must clearly indicate measurable objectives and performance targets as per business plans approved by the Department of Agriculture, Forestry and Fisheries (DAFF)</li> <li>• The impact of the Land Care programme should also be quantified (before and after) during initiation, implementation and handing over phases of the projects</li> <li>• Provinces should report their financial performance per project on a monthly basis as per Division of Revenue Act (DoRA) deadlines</li> <li>• Provinces should on a monthly basis report on the number of jobs created in line with Expanded Public Works Programme (EPWP) reporting requirements. The report should, amongst other requirements, indicate for each participant their name, surname, identity number, gender, project name, wage and duration of employment</li> <li>• Projects should adhere to the reporting dates as stipulated in the DoRA, and furthermore adhere to the agreed dates as approved by the natural resource management working group (NRMWG) and provide beneficiary evidence on work done</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• 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"> <li>○ nodes of the most deprived wards in comprehensive rural development programme</li> <li>○ land capability = total hectares class I, II and III (spatial analysis - land capability data)</li> <li>○ size = hectares (new boundaries from the Municipal Demarcations Board)</li> <li>○ poverty = poverty gap based on food poverty line (Statistics South Africa Living Conditions Survey 2008/9)</li> <li>○ degradation = hectares (National Land Cover 2000)</li> </ul> </li> </ul>

<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The funding originated with the special poverty allocations made by national government for a specific purpose</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated R68 million and transferred R68 million (100 per cent) to provinces, of which provinces spent R67 million (98.7 per cent) by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>13 761 youth participated in the Junior Care management sub-programme</li> <li>11 661 hectares of land on which alien invasive plants were eradicated</li> <li>27 603 hectares of grazing area improved</li> <li>103 hectares of wetlands protected</li> <li>35 water sources developed or protected against over-utilisation</li> <li>69 gabion structures constructed</li> <li>374 hectares of farm land improved through conservation measures in all nine provinces</li> <li>11 974 beneficiaries have improved capacity and skill levels via capacity building initiatives</li> <li>1 068 Full Time Equivalent jobs created through Land Care programme</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R69 million; 2017/18: R74 million; and 2018/19: R78 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>10 per cent, 25 April 2016; 35 per cent, 22 August 2016; 35 per cent, 24 October 2016 and 20 per cent: 23 January 2017</li> </ul>
<b>Responsibilities of the transferring and receiving officers</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2016/17</li> <li>Review norms and standards for the implementation of the grant during the NRMWG meeting held quarterly</li> <li>Provide the guidelines and criteria for the development and approval of business plans</li> <li>Monitor implementation through project site visits and provide support to provinces</li> <li>Submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter</li> <li>Submit evaluation reports to the National Treasury within four months after the end of the financial year</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provincial departments to report monthly (financial) and quarterly (non-financial) on the progress of the projects as prescribed by DoRA. Provinces should further adhere to agreements approved by the NRMWG on performance reporting and any other matter related to natural resource management</li> <li>Provincial departments to report monthly jobs created as part of the EPWP. These reports should be submitted to the Department of Public Works using the approved reporting system</li> <li>Provinces should further report jobs created to the DAFF using the prescribed Department of Public Works reporting template/format on or before the 15<sup>th</sup> of every month</li> <li>Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated to DAFF in writing and approved by DAFF before implementation</li> <li>Provinces must hold provincial assessment panels that are inclusive of relevant partners before submission of preliminary individual and provincial business plans to DAFF by 30 September 2016</li> <li>Provincial departments should monitor project implementation and evaluate the impacts of projects in achieving Land Care goals</li> <li>Provinces to submit evaluation reports to DAFF two months after the end of the financial year</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>DAFF provides provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury and DAFF by June 2016</li> <li>Submission of signed preliminary provincial and individual Land Care business plans by provinces on or before 30 September 2016</li> <li>Engagement by DAFF with provinces on business plans submitted before provincial assessment panel and prior to the national assessment panel</li> <li>Evaluation and recommendation of business plans by national assessment panel before end of February 2017</li> <li>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 transferring officer of DAFF</li> <li>Approval of business plans by the DAFF transferring officer before end of March 2017</li> <li>Notify provinces of the approval of business plans before 31 March 2017</li> <li>Send funding agreements to provinces by March 2017 to be signed by the Heads of Departments, Chief Financial Officers and Land Care coordinators</li> </ul>

## ARTS AND CULTURE GRANT

<b>Community Library Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Arts and Culture (Vote 37)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable the South African society to gain access to knowledge and information that will improve their socio-economic status</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved coordination and collaboration between national, provincial and local government on library services</li> <li>Equitable access to transformed library and information services delivered to all rural and urban communities</li> <li>Improved library infrastructure and services that reflect the specific needs of the communities they serve</li> <li>Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs</li> <li>Improved culture of reading</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>410 000 items of library materials (books, periodicals, toys etc) purchased</li> <li>Library Information and Communication Technology (ICT) infrastructure and systems using open source software in all provinces</li> <li>Library material and services for the visually impaired at community libraries in five provinces (Eastern Cape, KwaZulu-Natal, Mpumalanga, North West and Western Cape)</li> <li>23 new library structures completed</li> <li>15 new library services established for dual-purpose libraries</li> <li>55 upgraded and maintained library structures</li> <li>1 676 existing contract library staff maintained in all provinces</li> <li>40 new staff appointed for dual-purpose libraries</li> <li>80 new staff appointed at public libraries to support the shifting of the function to provinces</li> <li>Capacity building programmes for public librarians</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Quality basic education</li> <li>Outcome 14: Nation building and social cohesion</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The provincial business plans must be developed in accordance with identified priority areas</li> <li>To qualify for allocations from the grant in 2017/18 provinces must submit progress reports that detail a phased approach towards the full funding of the function, either by assignment to municipalities, or preparation of provinces to take over the function, or a combination of both. This must be done by the end of the 2016 MTEF. Grant funding must not be used to replace funding for items that provinces have previously allocated to community libraries</li> <li>Provinces may use a maximum of five per cent of the total amount allocated to them for capacity building and provincial management of the grant</li> <li>The details of how these funds will be used must be included in the respective business plans</li> <li>Funds added to the grant to address the Schedule 5 function shift imperative in category B municipalities, may only be used to support the function shift and to establish dual purpose facilities. Provinces may use up to 80 per cent of the ring-fenced allocations in the 2016/17 financial year but this funding cannot replace funding for items that provinces have previously allocated to community libraries</li> <li>At least 20 per cent of the additional allocations must be used to establish dual purpose service points in collaboration with provincial departments of Basic Education. The detail of how these funds will be used by provinces must be included in their respective business plans. The total additional allocations per provinces are as follows: <ul style="list-style-type: none"> <li>o Eastern Cape: R61 million</li> <li>o Free State: R77 million</li> <li>o Gauteng: R83 million</li> <li>o KwaZulu-Natal: R74 million</li> <li>o Limpopo: R26 million</li> <li>o Mpumalanga: R58 million</li> <li>o Northern Cape: R63 million</li> <li>o North West: R52 million</li> <li>o Western Cape: R74 million</li> </ul> </li> <li>Service level agreements (SLAs) determining reporting protocols must be signed with receiving municipalities within two months after the 2016 Division of Revenue Act (DoRA) takes effect</li> <li>The SLAs must include financial commitments over the MTEF in addition to the payment schedules to</li> </ul>

<b>Community Library Services Grant</b>	
	municipalities and reporting protocols which outline measurable performance targets for each municipality
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The allocation criteria is based on an evaluation report for 2014/15 conducted by the national Department of Arts and Culture (DAC) which identified community library needs and priorities</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This funding is intended to address backlogs and disparities in the ongoing provision and maintenance of community library services across provinces, and enable the DAC to provide strategic guidance and alignment with national priorities</li> </ul>
<b>Past performance</b>	<b>2014/15 audited financial outcomes</b> <ul style="list-style-type: none"> <li>Allocated R1 billion, R1.1 billion (100 per cent of allocation) was transferred to provinces inclusive of provincial roll-overs, of which R906 million (86.2 per cent) was spent by provinces by the end of the national financial year</li> </ul>
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>20 libraries upgraded</li> <li>17 libraries built</li> <li>255 new staff appointed</li> <li>54 bursaries maintained</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The projected life will be informed by evaluation reports and should become part of the provincial equitable share in 2018/19 if provinces have completed the function shift and completed a process that leads to the full funding of the service</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R1.4 billion; 2017/18: R1.4 billion; and 2018/19: R1.5 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments: 22 April 2016; 15 July 2016; 14 October 2016 and 31 January 2017</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Finalise a framework for planning the allocation of library funding at the provincial level by 31 March 2017 that must prescribe minimum norms and standards for the provision of public libraries</li> <li>Establish an intergovernmental forum with provinces that meets at least twice a year to discuss issues related to the provision of community library services</li> <li>Participate in at least one intergovernmental forum meeting per province between provinces and municipalities</li> <li>Identify challenges and risks and prepare mitigation strategies</li> <li>Monitor and evaluate implementation</li> <li>Evaluate annual performance of the grant for the previous financial year, for submission to National Treasury within four months after the end of the financial year</li> <li>Submit monthly financial and quarterly reports to the National Treasury</li> <li>Determine outputs and targets for 2017/18 with provincial departments</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Provinces must establish intergovernmental forums with municipalities within their province that are funded through this grant, that meet at least three times a year to discuss issues related to the provision of community library services</li> <li>Provincial departments must establish capacity to monitor and evaluate SLAs with municipalities</li> <li>Submit evaluation reports to the DAC within two months after the end of the financial year</li> <li>Submit signed monthly financial reports including the quarterly expenditure reports of municipalities to the DAC</li> <li>Submit quarterly performance reports to the DAC within 30 days after the end of the quarter</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Provinces must submit a draft progress report for comment to DAC by 5 August 2016. A final report must be submitted by 3 October 2016</li> <li>Progress reports must detail at least the following: <ul style="list-style-type: none"> <li>criteria that will be used to evaluate the capacity of municipalities to administer the function on behalf of the province</li> <li>a policy framework for funding municipalities that administer the service</li> <li>this framework must provide for funding the service over a six year time horizon</li> </ul> </li> <li>Provinces to submit draft business plans to DAC by 7 September 2016. Business plans must be aligned to their strategies for full funding of the function</li> <li>DAC to evaluate provincial business plans and provide feedback to provinces by 28 October 2016</li> <li>Provinces to submit final provincial business plans to DAC by 13 January 2017</li> <li>DAC approves business plans and submits them to National Treasury by 31 March 2017</li> </ul>

## BASIC EDUCATION GRANTS

<b>Education Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 14)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To supplement provinces to fund provincial education infrastructure</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation</li> <li>• To enhance capacity to deliver infrastructure in education</li> <li>• To address damage to infrastructure caused by natural disasters</li> <li>• To address achievement of the targets set out in the minimum norms and standards for school infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved quality education service delivery by provincial departments as a result of an improved and increased stock of schools infrastructure</li> <li>• Aligned and coordinated approach to infrastructure development at the provincial sphere</li> <li>• Improved education infrastructure expenditure patterns</li> <li>• Improved response to the rehabilitation of school infrastructure affected by natural disasters</li> <li>• Improved rates of employment and skills development in the delivery of infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided</li> <li>• Number of existing schools' infrastructure upgraded and rehabilitated</li> <li>• Number of new and existing schools maintained</li> <li>• Number of work opportunities created</li> <li>• Number of new special schools provided and existing special and full service schools upgraded and maintained</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Quality basic education</li> </ul>
<b>Documents to be assessed as per the Performance Based Approach System guidelines</b>	<ul style="list-style-type: none"> <li>• This grant uses a user asset management plan (U-AMP): <ul style="list-style-type: none"> <li>○ the infrastructure programme management plan (IPMP)</li> <li>○ the construction procurement strategy (CPS)</li> <li>○ the capacitation strategy</li> <li>○ the Infrastructure Reporting Model (IRM)</li> <li>○ the year-end evaluation report</li> <li>○ the project proposals and concept reports</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provinces may use a maximum of R38 million of this grant in 2016/17 for the appointment of public servants to their infrastructure units in line with the human resource capacitation circular published by National Treasury</li> <li>• 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"> <li>○ approved and signed-off U-AMP with prioritised project lists for the 2016 medium term expenditure framework (MTEF) and a comprehensive maintenance plan by no later than 31 March 2016. The U-AMP must also include the implementation plans for schools affected by natural disasters</li> </ul> </li> <li>• 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"> <li>○ monthly infrastructure reports in a format determined by the National Treasury and DBE</li> <li>○ National Education Infrastructure Management System (NEIMS) assessment forms for the fourth quarter of the 2015/6 financial year no later than 22 April 2016</li> <li>○ submit 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 2015/16 financial year no later than 22 April 2016</li> <li>○ submit quarterly performance reports on disaster allocations, to the relevant Provincial Disaster Management Centre (PDMC) and DBE</li> </ul> </li> <li>• 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"> <li>○ U-AMP for all infrastructure programmes for a period of at least 10 years (including the initial list of prioritised projects and a comprehensive maintenance plan). The 2016/17 project list must be drawn from the prioritised project list for the MTEF tabled in 2015/16 not later than 30 June 2016</li> <li>○ monthly infrastructure reports in the format determined by National Treasury and the DBE</li> <li>○ NEIMS assessment forms for the first quarter of 2016/17 by 27 July 2016</li> <li>○ submit 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 2016/17 financial year no later than 22 July 2016</li> <li>○ the conditional grant year-end evaluation report on financial and non-financial performance no later than 31 May 2016</li> <li>○ submission of quarterly performance reports on disaster allocations for the first quarter of 2016/17 to the PDMC and DBE</li> </ul> </li> </ul>

<b>Education Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>• The flow of the fourth instalment is conditional upon receipt by the DBE and relevant provincial treasuries of the approved and signed off: <ul style="list-style-type: none"> <li>○ monthly infrastructure reports in the format determined by National Treasury and the DBE</li> <li>○ NEIMS assessment forms for the second quarter of 2016/17 by 26 October 2016</li> <li>○ Infrastructure Programme Management Plan (IPMP) for infrastructure programmes envisaged to commence within the period for the medium term expenditure framework not later than 31 August 2016</li> <li>○ construction procurement strategy for infrastructure programmes envisaged to commence within the period of the medium term expenditure framework not later than 31 August 2016</li> <li>○ submit 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 2016/17 financial year not later than 21 October 2016</li> <li>○ submission of quarterly performance reports on disaster allocations for the second quarter of 2016/17 to the PDMC and DBE</li> </ul> </li> <li>• 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"> <li>○ monthly infrastructure reports in the format determined by National Treasury and the DBE</li> <li>○ NEIMS assessment forms for the third quarter of 2016/17 to DBE not later than 23 January 2017</li> <li>○ submit 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 2016/17 financial year not later than 20 January 2017</li> <li>○ submission of quarterly performance reports on disaster allocations for the second quarter of 2016/17 to the PDMC and DBE</li> </ul> </li> <li>• 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</li> <li>• PEDs must: <ul style="list-style-type: none"> <li>○ establish and maintain updated immovable asset registers</li> <li>○ provide all the necessary equipment and furniture in the spaces provided when constructing new projects</li> <li>○ seek approval from DBE, in consultation with the National Treasury, for the procurement of any mobile classrooms to be funded by this grant</li> <li>○ seek approval from the DBE, in consultation with the National Treasury, for the use this grant for any purpose other than what it is intended for as prescribed in this framework</li> </ul> </li> <li>• Minor maintenance functions must be budgeted and planned for at the provincial level and carried out through the district offices for non-section 21 schools. A monitoring and evaluation tool must be developed by PEDs for maintenance in section 21 schools that receive a budget through the section 21 allocation for maintenance</li> <li>• Funds have been earmarked within this grant for the reconstruction 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"> <li>○ Eastern Cape: R61.6 million</li> <li>○ North West: R51.4 million</li> </ul> </li> <li>• Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports submitted to the NDMC</li> <li>• 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</li> <li>• Quarterly performance reports on disaster allocations must be submitted to the NDMC</li> <li>• PEDs must adhere to the prescripts of the National Treasury Instruction number 2 of 2015/16 on the implementation of the school cost norms</li> <li>• Compliance with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the Division of Revenue Act (DoRA)</li> <li>• Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of this grant</li> </ul>

<b>Education Infrastructure Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations for 2016/17 are based on historical allocations for this grant</li> <li>• Allocations also include incentive based allocations as described in annexure W1 for the 2016 Division of Revenue Bill</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Past performance</b>	<b>2014/15 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Transferred R7.3 billion to provinces (including R398 million Accelerated Schools Infrastructure Delivery Initiatives converted allocation for the Western Cape), of which R7 billion (93 per cent) was spent by the end of the national financial year</li> </ul>
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>• 2 395 teaching spaces, 856 administrative spaces, 605 maintenance or upgrading projects</li> <li>• 640 water, 643 sanitation, 175 electricity and 238 fencing infrastructure projects</li> <li>• 41 sports facilities were provided</li> <li>• The sector has provided a total of 121 new and replacement schools in respective provinces</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R9.6 billion; 2017/18: R12.8 billion; and 2018/19 R13.5 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• DBE will visit selected infrastructure sites in provinces</li> <li>• DBE and National Treasury will support provinces to improve infrastructure delivery capacity and systems</li> <li>• DBE must provide guidance to provinces in planning and prioritisation</li> <li>• DBE must issue guidelines on the capacitation process of infrastructure units as well as the conditions attached to the utilisation of the funding</li> <li>• DBE and National Treasury must jointly evaluate progress with the capacitation of Provincial Infrastructure Units and provide feedback to all provinces in terms of the guidelines</li> <li>• 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</li> <li>• Submit quarterly performance reports on disaster allocations to NDMC and National Treasury within 45 days after the end of each quarter</li> <li>• DBE needs to assess the reports submitted by PEDs and provide feedback before transferring the instalment.</li> <li>• Submit reports to the National Treasury in terms of quarterly achievements by PEDs</li> <li>• Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the DoRA</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• PEDs must 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</li> <li>• Submit quarterly performance reports on disaster allocations, to the PDMC and DBE</li> <li>• Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes in DoRA</li> <li>• PEDs must submit quarterly capacitation reports within 45 days after the end of each quarter</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• The process for approval for the 2017 MTEF allocation will be in line with the performance based incentive approach guidelines published by National Treasury</li> </ul>

<b>HIV and AIDS (Life Skills Education) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 14)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enhance awareness programmes offered by schools to prevent and mitigate the impact of human immunodeficiency virus (HIV) and tuberculosis (TB)</li> <li>• To increase knowledge, skills and confidence amongst learners and educators to take self-appropriate sexual and reproductive health decisions</li> <li>• To increase access to sexual and reproductive health services including HIV as well as TB services for learners and educators, with a specific focus on schools that are located in or near peri-mining and coastal areas</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators</li> <li>• To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators</li> <li>• To ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse</li> <li>• To reduce the vulnerability of children to HIV, TB and sexually transmitted infections (STIs), with a particular focus on orphaned and vulnerable children</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased HIV, STI and TB knowledge and skills amongst learners, educators and officials</li> <li>• Decrease in higher risk sexual behaviour among learners, educators and officials</li> <li>• Decreased barriers to retention in schools, in particular for vulnerable learners</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 1 200 master trainers trained in the integration of sexual and reproductive health (SRH) and TB programmes into the school curriculum. Specific focus will be on the prevention of learner pregnancy, reduction of the burden of the twin epidemics of HIV and TB</li> <li>• 19 500 educators trained to implement SRH and TB programmes for learners to be able to protect themselves from HIV and TB, and their associated key drivers including alcohol and drug use, leading to unsafe sex, learner pregnancy and HIV infection, prioritising schools located in or near peri-mining and coastal areas with a high burden of HIV and TB infections</li> <li>• 6 900 school management teams and governing bodies trained to develop policy implementation plans focusing on keeping mainly young girls in school, ensuring that SRH and TB education is implemented for all learners in schools, and ensuring access to SRH and TB services. A component of training will also address multiple sexual partners among boys</li> <li>• Co-curricular activities on SRH and TB implemented in schools including a focus on prevention of alcohol and drug use, learner pregnancy, targeting 210 950 learners. Priority will be in the 8 education collaboration framework districts as well as schools located in or near peri-mining and coastal areas</li> <li>• Care and support programmes implemented to reach 186 500 learners and 19 450 educators. Expand the appointment of learner support agents to support vulnerable learners, with a specific focus on keeping girls in school, using the Care and Support for Teaching and Learning framework</li> <li>• 550 000 copies of curriculum and assessment policy statement compliant material, including material for learners with barriers to learning, printed and distributed to schools</li> <li>• Advocacy and social mobilisation events hosted with 526 250 learners, educators and school communities to review and change societal norms and values on SRH and TB including a focus on key risk behaviours such as alcohol and drug use, learner pregnancy, inter-generational and transactional sex amongst girls and to advocate for the integrated school health programmes including HIV testing and improved understanding of the transformative nature of education</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Quality basic education</li> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provincial Education Departments (PEDs) must distribute the grant allocation in accordance with the following weights for the key performance areas: <ul style="list-style-type: none"> <li>○ training and development (15 per cent)</li> <li>○ co-curricular activities (20 per cent)</li> <li>○ care and support (25 per cent)</li> <li>○ learning and teaching support material (15 per cent)</li> <li>○ advocacy and social mobilisation (10 per cent)</li> <li>○ monitoring and support (8 per cent)</li> <li>○ management and administration (7 per cent)</li> </ul> </li> <li>• PEDs must report on expenditure according to the above seven key performance areas per quarter</li> <li>• Instalments are dependent on the Department of Basic Education (DBE) receiving these reports, adherence to approved business plans and attendance at the biannual inter-provincial meetings</li> <li>• The above percentages are guidelines and may be deviated from in accordance with provincial needs with the approval of the national transferring officer. However, provinces must prioritise areas with high rates of HIV, TB, and learner pregnancy</li> <li>• These deviations should be informed and motivated by achievements and/or critical challenges relating to the trends in the epidemic as relevant to respective provinces and PEDs</li> <li>• PEDs must ensure that they have the necessary capacity and skills to manage the implementation of the grant</li> </ul>

<b>HIV and AIDS (Life Skills Education) Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The education component of the provincial equitable share formula, as explained in Annexure W1 of the 2016 Division of Revenue Bill, is used to allocate the grant amongst provinces</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with: <ul style="list-style-type: none"> <li>the National Strategic Plan for HIV, STIs and TB (2012–2016)</li> <li>DBE's Integrated Strategy on HIV, STIs and TB (2012–2016)</li> <li>draft National Policy on HIV, STIs and TB</li> </ul> </li> <li>This enables DBE to exercise an oversight role in the implementation of the HIV and AIDS Life Skills Education programme in schools</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>From the total allocation of R252 million (including provincial roll-overs: R21 million), provinces spent R225 million (89.1 per cent) of the 91.9 per cent of the transferred funds by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>425 master trainers, 18 950 life orientation educators and 8 907 educators were trained in the integration of life skills in the curriculum</li> <li>84 053 functional peer education programmes were undertaken, 79 475 learners enrolled on the learner retention and learner pregnancy programme, 44 703 learners enrolled in the substance use programme and 8 405 educators trained to mentor peer education in primary schools</li> <li>14 520 school based support teams established, 8 028 school management teams trained to develop policy implementation plans, and 157 340 vulnerable learners identified and referred for services</li> <li>673 647 sets of learning and teaching support material delivered to 16 905 schools and 11 118 first aid kits distributed to 2 070 schools</li> <li>Advocacy reached 277 623 learners and educators as well as 259 109 members of the school communities and 25 190 schools reaching 106 244 learners through advocacy activities focusing on the prevention of TB</li> <li>11 712 schools reached through monitoring and support visits and 632 meetings held</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will be reviewed on an ongoing basis to respond to the nature and trends in the HIV and TB epidemics</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R231 million; 2017/18: R245 million; and 2018/19: R260 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments: 18 April 2016; 25 July 2016; 31 October 2016; and 30 January 2017</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Identify risks and challenges impacting on provincial implementation</li> <li>Develop risk management strategies to address these risks</li> <li>Ensure synergy with national strategies and processes aimed at reducing HIV and the related chronic illnesses such as TB infection in the country together with their risk factors such as alcohol and drug use</li> <li>Agree on outputs and targets with PEDs in line with grant objectives and national imperatives for 2017/18 by 30 September 2016</li> <li>Provide evidence-based guidance for the development of business plans based on monitoring and findings from international and national research</li> <li>Monitor implementation of the programme and provide support to provinces</li> <li>Develop partnerships with key stakeholders</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Ensure synergy with national strategies and processes aimed at reducing HIV and TB infections and all other related issues including their risk factors such as alcohol and drug use</li> <li>Identify risks and challenges impacting on implementation</li> <li>Develop risk management strategies and implementation plans to address these risks</li> <li>Submit monthly expenditure reports and quarterly and annual performance reports to the DBE in line with the Division of Revenue Act (DoRA) and Public Finance Management Act</li> <li>Agree with the DBE on outputs and targets to ensure effective implementation of the programme</li> <li>Monitor implementation of the programme and provide support to districts and schools</li> <li>PEDs to implement the projects according to the approved business plans</li> <li>Any deviation should first be communicated, in writing, and approved by DBE before implementation</li> <li>Evaluate and submit a provincial evaluation report on the performance of the conditional grant to the DBE by 30 May 2016</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Communication and meeting with provinces to inform targets for the next financial year by 13 October 2016</li> <li>PEDs submit draft business plans to DBE for evaluation by 28 November 2016</li> <li>DBE evaluates provincial business plans from 7 December 2016</li> <li>Comments sent to PEDs to amend the plans by 12 January 2017</li> <li>PEDs submit amended and signed plans to DBE by 27 February 2017</li> <li>DBE approves provincial business plans by 31 March 2017</li> </ul>

<b>Maths, Science and Technology Grant</b>	
<b>Transferring Department</b>	<ul style="list-style-type: none"> <li>Basic Education (Vote 14)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic Goal</b>	<ul style="list-style-type: none"> <li>To strengthen the implementation of the National Development Plan (NDP) and the Action Plan 2019 by increasing the number of learners taking Mathematics, Sciences and Technology subjects, improving the success rates in the subjects and improving teachers' capabilities</li> </ul>
<b>Grant Purpose</b>	<ul style="list-style-type: none"> <li>To improve access, equity, efficiency and quality Mathematics, Science and Technology (MST) education in the country by providing support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools</li> </ul>
<b>Outcome Statements</b>	<ul style="list-style-type: none"> <li>Improved access, equity, efficiency and quality Mathematics, Sciences and Technology education in the country</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>School Support</li> <li>Information, Communication and Technology (ICT) resources: <ul style="list-style-type: none"> <li>1000 schools supplied, with computer hardware in accordance with the minimum specifications</li> <li>1000 schools supplied with subject related software in accordance with the minimum specifications</li> <li>50 schools supplied with broadcasting equipment in accordance with the minimum specifications</li> <li>50 schools supplied with internet connectivity infrastructure (Local Area Network and or Wide Area Network) in accordance with the minimum specifications</li> </ul> </li> <li>Workshop Equipment, Machinery and Tools: <ul style="list-style-type: none"> <li>200 Technical Schools' workshops supplied with equipment for technology subjects in accordance with the minimum specifications</li> <li>200 Technical Schools' workshops supplied with machinery for technology subjects in accordance with the minimum specifications</li> <li>200 Technical Schools' workshops supplied with tools for technology subjects in accordance with the minimum specifications</li> <li>500 schools supplied with Mathematics and Science kits for each phase</li> </ul> </li> <li>Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> <li>500 laboratories supplied with apparatus for Mathematics and Science subjects in accordance with the minimum specifications</li> <li>371 laboratories supplied with CAT and IT computer hardware, software and supporting accessories</li> <li>1000 laboratories and workshops supplied with consumables for Mathematics, Sciences and Technology subjects in accordance with the minimum specifications</li> </ul> </li> <li>Learner Support <ul style="list-style-type: none"> <li>90 000 learners registered for participation in Mathematics, Science and Technology Olympiads/Fairs/Expos and other competitions</li> </ul> </li> <li>Teacher Support <ul style="list-style-type: none"> <li>1 500 participants attending specific 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</li> <li>500 participants attending targeted training in teaching methodologies and subject content for Mathematics, Physical, Life, Natural and Agricultural Sciences, Technology, Computer Applications Technology, Information Technology, Agricultural Management and Technology subjects</li> <li>1000 participants in training and support in integrating ICT in the learning and teaching environment</li> </ul> </li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 1: Quality basic education</li> </ul>
<b>Details contained in the Business Plan</b>	<ul style="list-style-type: none"> <li>Outcome Indicators</li> <li>Output Indicators</li> <li>Inputs</li> <li>Key Activities</li> <li>Annual Budget and Resource Allocation Schedules</li> <li>Monitoring and Reporting</li> <li>Risk Management Plan</li> <li>Cash flow projections</li> <li>Participating schools list (separate annexure)</li> </ul>
<b>Conditions</b>	<p><b>Grant Structure and Allocation</b></p> <ul style="list-style-type: none"> <li>The grant is utilised on an interventional basis and is not a general roll-out for all schools</li> <li>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</li> <li>The grant will support a total of 1000 schools across all provinces, which are based on the previous financial period allocation</li> <li>The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> <li>20 per cent for ICT resources</li> <li>15 per cent for workshop equipment, machinery and tools</li> </ul> </li> </ul>

<b>Maths, Science and Technology Grant</b>	
	<ul style="list-style-type: none"> <li>○ 15 per cent for laboratories and workshop apparatus and consumables</li> <li>○ 10 per cent for learner support</li> <li>○ 15 per cent for Technical schools CAPS teachers and subject advisors training and orientation</li> <li>○ 15 per cent for targeted teacher training in teaching methodologies and subject content</li> <li>○ 10 per cent for training and support in ICT integration for end-users</li> <li>○ provinces may deviate from the prescribed guidelines provided the transferring officer approves all deviations</li> </ul> <ul style="list-style-type: none"> <li>● The subjects' coverage for support through the grant in MST include all MST subjects from grades R-12</li> <li>● The transferring and receiving departments must appoint or identify 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</li> </ul> <p><b>Business Planning Process</b></p> <ul style="list-style-type: none"> <li>● Provinces shall submit lists of schools to Department of Basic Education (DBE) as per the timeframes set by the grant framework</li> </ul> <p><b>Monitoring</b></p> <ul style="list-style-type: none"> <li>● The national and provincial grant managers shall conduct monitoring at all levels on a monthly and quarterly basis or as and when required</li> </ul> <p><b>Priorities</b></p> <ul style="list-style-type: none"> <li>● All the grant outputs are prioritised in accordance with the allocation percentages unless the province has requested a deviation</li> </ul> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>● Information, Communication and Technology (ICT) resources items should be procured as per the minimum specifications defined by the DBE and in line with CAPS. The grant also support the training of all end-users in the utilisation of all ICT resources provided to a school</li> <li>● Workshop equipment, machinery and tools items should be procured as per the minimum specifications defined by the DBE and in line with CAPS</li> <li>● 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</li> <li>● Learner support items should be procured and provided to all identified learners in line with provincial needs in support of curriculum delivery</li> <li>● Teacher support items should be procured and provided to all identified teachers in line with provincial needs in support of curriculum delivery. The training of teachers in preparation for the implementation of CAPS for technical schools forms part of teacher support during the Medium-Term Expenditure Framework (MTEF)</li> <li>● The grant does not include any output for compensation of employees</li> </ul> <p><b>Procurement Matters</b></p> <ul style="list-style-type: none"> <li>● Transversal tenders will be developed 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</li> <li>● The grant funds and implementation (procurement, delivery and payment) to 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</li> <li>● Before funds can be transferred to schools, there should be assurance that systems, controls and capacity to manage the implementation and delivery processes of the grant are in place</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● Participating schools should be identified according to the following criteria: <ul style="list-style-type: none"> <li>○ the schools must be classified between quintile 1-3</li> <li>○ provinces may include schools in quintile 4 and 5 subject to the approval of the transferring officer</li> <li>○ the average learner performance in all subjects including MST at the level below 60 per cent at Grade 8-12</li> <li>○ 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</li> <li>○ at least 30 learners are enrolled for each grade in Mathematics and Sciences subjects at General Education and Training and Further Education and Training band and 15 learners are enrolled for Technology subjects in Further Education and Training band</li> <li>○ 50 per cent of all learners in the school must be enrolled for Mathematics or Technical Mathematics in the case of technical school</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● 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</li> </ul>
<b>Past performance</b>	<ul style="list-style-type: none"> <li>● New Grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● Grant continues until 2018/19 thereafter subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R362 million; 2017/18: R385 million; and 2018/19: R407 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● 13 May 2016; 19 August 2016; 18 November 2016; and 10 February 2017</li> </ul>

<b>Maths, Science and Technology Grant</b>	
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Identify and analyse areas requiring support in Mathematics, Science and Technology</li> <li>● Evaluate, approve and submit provincial business plans to National Treasury</li> <li>● Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels)</li> <li>● Develop and provide capacity building programmes for provincial implementation teams to assist them in implementing the grant</li> <li>● Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school resource</li> <li>● Ensure compliance with reporting requirements in line with the provisions of the 2016 Division of Revenue Act (DoRA), as amended</li> <li>● Monitor implementation at provincial, district and school level on a monthly and quarterly basis or as and when required in line with the grant framework</li> <li>● Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2016 DoRA</li> <li>● Establish and strengthen partnerships with relevant stakeholders in Mathematics, Science and Technology</li> <li>● Ensure that focus schools are improved and increased and they deliver on value for money on an annual basis</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>● Identify and analyse areas requiring support in Mathematics, Science and Technology</li> <li>● Provinces to submit targeted schools lists and their needs to DBE</li> <li>● Develop and submit approved business plans to DBE</li> <li>● 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</li> <li>● Manage and implement the programme in line with the 2016 DoRA and the Public Finance Management Act</li> <li>● 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</li> <li>● Monitor and provide support to districts/regions, circuits and schools on a monthly basis or as and when required</li> <li>● 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</li> <li>● Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial period</li> <li>● 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</li> </ul>
	<p><b>Responsibilities of the schools</b></p> <ul style="list-style-type: none"> <li>● Submit schools needs on Mathematics, Science and Technology to the districts based on the performance of the school in all grades</li> <li>● Submit annual operational plans for selected schools to the provincial department of education</li> <li>● Ensure that capacity, systems and controls are in place to implement the grant, to receive funds where a transfer to school has been agreed upon</li> <li>● Receive funds from provincial departments of education and manage the procurement, delivery and payment processes where necessary</li> <li>● Participate in relevant structures that have been put in place to support implementation of the grant</li> <li>● Report to the province on the implementation of the grant on a monthly and quarterly basis and to the DBE (as and when necessary)</li> <li>● Monitor and ensure quality of work of the service providers and sign-off on the completeness of the service delivery processes</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>● DBE to collate and distribute to provinces the list of areas requiring support in Mathematics, Science and Technology by 22 July 2016</li> <li>● The first draft of the consolidated provincial business plans and school lists to be submitted to DBE for appraisal by 31 October 2016</li> <li>● The DBE team will meet to evaluate the consolidated business plans by 16 November 2016</li> <li>● The comments on the business and procurement plans will be sent to provinces for amendments by 14 December 2016</li> <li>● Provinces will be required to submit the provincially approved amended business and procurement plans to DBE by 02 February 2017</li> <li>● DBE will approve the final business plans by 10 March 2017</li> <li>● DBE's transferring officer approves business plans to be submitted to the National Treasury by 20 March 2017</li> </ul>

<b>National School Nutrition Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 14)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enhance learning capacity and improve access to education</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide nutritious meals to targeted schools</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Enhanced learning capacity and improved access to education</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of schools that prepare nutritious meals for learners</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Quality basic education</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Risk Management Plan</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Spending must be in line with national and provincial business plans</li> <li>• The budget allocation must be distributed in terms of the following weightings for both secondary and primary schools: <ul style="list-style-type: none"> <li>○ school feeding (inclusive of cooking utensils): minimum of 96 per cent</li> <li>○ administration: maximum of 3.5 per cent</li> <li>○ nutrition education and de-worming: minimum of 0.5 per cent</li> </ul> </li> <li>• Minimum feeding requirements: <ul style="list-style-type: none"> <li>○ provide nutritious meals to all learners in quintile 1 - 3 primary and secondary schools (as per gazetted national quintiles) as well as identified special schools on all school days</li> <li>○ annual meal costs per learner will increase at a minimum of four per cent in all benefiting primary schools and two per cent for all benefiting secondary schools, far-flung farm and rural schools that are receiving funds directly should be allocated a higher meal cost to cover higher transport costs</li> <li>○ pay an honorarium of a minimum of R1 000 per person per month, in line with a food handler to learner ratio of 1:200. A ratio of 1:120 is recommended for schools where learner enrolment is 250 or fewer</li> <li>○ comply with recommended food specifications and approved menu consisting of meals containing starch, protein and fresh vegetable/fruit</li> <li>○ fresh fruit/vegetables should be served daily and vary between green and yellow/red vegetables/fruits</li> <li>○ a variety of protein-rich foods should be served per week in line with approved menu options. Raw sugar beans should be packed separately from samp, not mixed in one packet</li> <li>○ Soya mince should not be served more than twice a week</li> <li>○ pilchards should be served at least once a week. High quality protein products can replace pilchards in areas where these are not socially acceptable</li> <li>○ Ultra High Temperature (UHT) pasteurised milk or maas should be served once a week. Milk should be approved in line with dairy standards set by Milk South Africa</li> <li>○ provinces should promote sustainable food production and nutrition education</li> </ul> </li> <li>• Provinces that are transferring funds for meals to schools (Eastern Cape, Free State, Limpopo, Northern Cape and North West) are required to reconcile expenditure by schools against budget transfers on a quarterly basis</li> <li>• The 11 May 2016 budget transfer (as per payment schedule) is for cooking facilities, equipment and utensils as per equipment specifications provided by the Department of Basic Education (DBE)</li> <li>• Provincial business plans will be approved in line with the above minimum requirements and available resources. The following variations may be approved by the transferring officer based on achievements and/or critical challenges in each province: <ul style="list-style-type: none"> <li>○ feeding days reduced to a minimum of 196 days</li> <li>○ feeding cost below the above-stated minimum requirements, provided the quality of meals is not compromised</li> <li>○ number of learners that exceed the gazetted quintiles</li> <li>○ serving of processed vegetables or fruit in remote areas</li> <li>○ targeting of learners in quintile 4 and quintile 5 schools</li> <li>○ quintile 1 - 3 schools that do not feed all learners (Gauteng, KwaZulu-Natal and Western Cape). Letters from schools requesting a deviation from whole school feeding must be provided to the provincial office and kept on record</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The distribution formula is poverty-based in accordance with the poverty distribution table used in the National Norms and Standards for School Funding as gazetted by the Minister of Education on 17 October 2008</li> <li>• The new allocation criteria will be phased in, starting with the 2016 MTEF, due to the updated poverty distribution table</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The National School Nutrition Programme (NSNP) is a government programme for poverty alleviation, specifically initiated to uphold the rights of children to basic food and education</li> <li>• The conditional grant framework enables the DBE to play an oversight role in the implementation of all NSNP activities in schools</li> </ul>

<b>National School Nutrition Programme Grant</b>	
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R5.3 billion of which provinces spent R5.3 billion (99.8 per cent) by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The programme reached 21 025 schools and provided meals to 9.3 million learners nationwide</li> <li>A total of 517 workshops were conducted to enhance programme implementation. The workshops were on financial management, meal planning, nutrition education and basic horticulture</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>It is envisaged that, given the levels of poverty in the country and the impact of various health conditions such as HIV and Aids, diabetes and debilitating chronic conditions, the need for such a grant will persist for at least another 10 years. The programme ensures learners from the poorest communities have decent opportunities to learn</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R6 billion; 2017/18: R6.3 billion; and 2018/19: R6.7 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>The payment schedule will be in line with respective provincial procurement models as follows: <ul style="list-style-type: none"> <li>provinces that transfer funds directly to all schools (Eastern Cape, Free State, North West and Northern Cape) receive five instalments: (7 April 2016, 11 May 2016, 14 June 2016, 8 September 2016, and 8 December 2016)</li> <li>provinces that procure from service providers on behalf of schools receive five instalments: (7 April 2016, 11 May 2016, 4 August 2016, 20 October 2016, and 26 January 2017)</li> </ul> </li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Develop and submit approved national business plans to the National Treasury</li> <li>Evaluate, approve and submit provincial business plans to the National Treasury</li> <li>Manage, monitor and support programme implementation in provinces</li> <li>Ensure compliance with reporting requirements and NSNP guidelines</li> <li>Consolidate and submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter</li> <li>Evaluate performance of the conditional grant and submit an evaluation report to the National Treasury four months after the end of the financial year</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Develop and submit approved business plans to DBE. The business plans should include databases reflecting distribution of volunteer food handlers and cooking fuel per school</li> <li>Monitor and provide support to districts/regions/area project officers and schools</li> <li>Manage and implement the programme in line with the Division of Revenue Act and the Public Finance Management Act</li> <li>Implement monitoring and evaluation plans</li> <li>Provide human resource capacity at all relevant levels</li> <li>Evaluate the performance of the conditional grant annually and submit evaluation reports to the DBE two months after the end of the financial year</li> <li>Submit quarterly financial and performance reports to DBE after the end of each quarter</li> <li>Provinces that are transferring funds to schools are required to reconcile expenditure by schools against budget transfers on a quarterly basis. Reports on actual expenditure should be submitted a month after the quarter being reported upon. Develop and submit transfer schedules reflecting actual dates on which funds will be transferred to schools</li> </ul> <p><b>Responsibilities of the school districts</b></p> <ul style="list-style-type: none"> <li>Monitoring and supporting schools</li> <li>Submitting monthly and quarterly reports (narrative and expenditure reports to the provincial department, as well as reports on expenditure by schools, where applicable)</li> <li>Coordinate all NSNP activities in the district</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Planning meeting by 14 July 2016</li> <li>Consultation with district officials, provincial treasuries, provincial finance sections and National Treasury</li> <li>Provinces submit first draft business plans to DBE by 31 October 2016</li> <li>Inter-provincial meeting held in October 2016 to consult provinces on the 2017/18 conditional grant framework</li> <li>DBE evaluates first draft business plans and sends comments to provinces by 25 November 2016</li> <li>Provinces submit final business plans to DBE by 27 January 2017</li> <li>The Director-General approves national and provincial business plans by 3 April 2017</li> </ul>

<b>School Infrastructure Backlogs Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Basic Education (Vote 14)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The eradication of inappropriate education structures and backlogs in basic services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• Eradication of all inappropriate school infrastructure</li> <li>• Provision of water, sanitation and electricity to schools</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved access to enabling learning and teaching environments</li> <li>• Build the capacity of provinces benefiting from an indirect grant (Schedule 6A) allocation to carry out this function themselves in future</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Sub-programme 1: eradication and replacement of 510 inappropriate schools and provision of related school furniture</li> <li>• Sub-programme 2: 1120 schools provided with water</li> <li>• Sub-programme 3: 741 schools provided with sanitation</li> <li>• Sub-programme 4: 916 schools provided with electricity</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 1: Quality basic education</li> </ul>
<b>Details contained in the infrastructure programme management plan</b>	<ul style="list-style-type: none"> <li>• This grant uses an Infrastructure Programme Management Plan (IPMP) that includes the following: <ul style="list-style-type: none"> <li>○ institutional framework</li> <li>○ procurement and contract management plan</li> <li>○ scope management</li> <li>○ time management plan</li> <li>○ cost management plan</li> <li>○ risk management plan</li> <li>○ quality management plan</li> <li>○ monitoring and reporting details</li> <li>○ budgeting and programme accounting details</li> <li>○ performance management plan</li> <li>○ communication management plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• This is an in-kind grant administered by the national Department of Basic Education (DBE) that may be transferred to a province through the education infrastructure grant if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects</li> <li>• DBE must submit an IPMP</li> <li>• Programme governance will be conducted by the following committees established to ensure that various processes are initiated within the programme: <ul style="list-style-type: none"> <li>○ national steering committee</li> <li>○ technical committee</li> <li>○ project steering committee</li> <li>○ infrastructure bid specification and evaluation committee</li> <li>○ infrastructure bid adjudication committee</li> </ul> </li> <li>• The provincial planning and monitoring teams (PPMTs) or equivalent in each province should meet monthly to: ensure information flows between the stakeholders; unblock processes; monitor progress; and enhance cooperation</li> <li>• DBE must submit monthly project reports with cash flow to National Treasury 15 days after the end of each month, that show how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow</li> <li>• Assets will be transferred to custodians in the respective provinces at final completion. Provincial Education Departments (PEDs) must report in their annual, describe how the schools have been considered in their future maintenance plans</li> <li>• The DBE must agree in writing with the provinces on projects that the DBE will administer on behalf of the province</li> <li>• The department and/or implementing agents must ensure skills transfer takes place as part of the implementation of projects</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant allocation is based on the distribution of inappropriate structures and schools without access to water, sanitation and electricity across provinces</li> <li>• Final allocations will be based on the finalised IPMP of the DBE as approved by the Director-General</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant to eradicate the basic safety norms backlogs in schools without water, sanitation and electricity, and to replace those schools constructed from inappropriate material including mud schools to contribute towards improved learning and teaching. The grant will be administered by the DBE to achieve maximum impact in the shortest time possible</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R2.5 billion of which R2.5 billion (100 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 53 new schools built, 169 schools provided with water, 114 schools provided with sanitation, and 292 schools provided with electricity</li> </ul>

<b>School Infrastructure Backlogs Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant will merge with the Education Infrastructure Grant in 2017/18. In order for the transition to take place, the following documents are needed:               <ul style="list-style-type: none"> <li>○ Submission to National Treasury by DBE of the IPMP</li> <li>○ The skills transfer and capacity building plans must be submitted to National Treasury before the start of the financial year</li> </ul> </li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R2.4 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Payments will be made according to professional service provider's verified invoices or advance payments in line with approved memoranda of agreement, implementation programme implementation plans and reviewed monthly cash flow projections from implementing agents</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Undertake planning of the processes, activities, and Accelerated School Infrastructure Delivery Initiative (ASIDI) programme policies required to realise the outputs and identify required resources</li> <li>• Undertake the necessary procurement to secure the services of implementing agents, professional service providers, contractors and secondary procurement objectives to respond to the scope of work identified in the IPMP</li> <li>• Monitor and evaluate performance of the programme support unit, implementing agents, conduct project site inspections at selected sites to verify progress and quality of the works to secure programme outputs and deliverables</li> <li>• Harness the opportunities offered through the programme to contribute towards skills development</li> <li>• The DBE must submit a draft skills transfer and capacity building plan for Schedule 6A allocations to National Treasury by 1 July 2016; a final plan must be submitted to National Treasury by 1 September 2016. The skills transfer and capacity building plan must set out how the capacity of benefiting provinces will be developed so that they can continue to perform the function after the schedule 6A funded project ends. The plan must set measurable targets that will be achieved over the 2016 medium term expenditure framework. The plan must set out how existing and new capacity building initiatives will be used to achieve these targets</li> <li>• The DBE must submit an annual assessment of progress against its skills transfer and capacity building plan to National Treasury two months after the end of the national financial year</li> <li>• DBE will convene and chair meetings of the national steering committee which will:               <ul style="list-style-type: none"> <li>○ provide strategic direction to the ASIDI programme</li> <li>○ provide general oversight on the programme</li> <li>○ ensure that the management of the programme brings together those players responsible for different elements of project success and ensure a holistic approach in support of the programme</li> <li>○ ensure that standards are in line with different prescripts e.g. norms and standards for school infrastructure are adhered to</li> <li>○ facilitate the establishment of sub-programme management, their membership, reporting modalities and their interaction with the steering committee</li> <li>○ establish the modalities linking the targeted PEDs with DBE</li> <li>○ supervise the programme and ensure appropriate coordination and cooperation between different agencies and departments involved</li> <li>○ facilitate the linkages between national stakeholders such as the National Treasury (infrastructure delivery improvement plan), Construction Industry Development Board, and the national departments of Human Settlements, Water and Sanitation, Energy, and Public Works</li> <li>○ ensure ASIDI strategies and targets are in line with national goals and targets</li> <li>○ monitor progress in terms of national goals and targets</li> <li>○ assist the management of the programme in solving particular issues that may arise and that may require the intervention of the committee</li> <li>○ report to the Minister of Basic Education, Council for Education Ministers, Heads of Education Departments Committee, and senior management</li> </ul> </li> <li>• Develop a sector procurement strategy and procurement strategy for this grant in terms of the practice guide prescribed by the infrastructure delivery management toolkit</li> <li>• The DBE will develop a procurement strategy for this grant that will lead to the quickest possible achievement of the grant objectives which may require the clustering of projects across provincial boundaries</li> <li>• Submit an approved IPMP including projects list to the National Treasury</li> <li>• Ensure compliance with reporting requirements and adherence to projected cash flow schedules</li> <li>• Consolidate and submit quarterly reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter</li> <li>• Conduct site visits to selected projects to assess performance</li> <li>• Create the necessary organisational structures and build capacity within the department to oversee and monitor the implementation of the grant</li> <li>• The DBE must ensure that the Heads of Education Departments Committee meets at least once a month and is provided with sufficient detailed reports to assess project implementation and projected cash flow schedules reconciled at the end of the month preceding the monthly meeting</li> <li>• Provide an operations and maintenance manual to the PEDs</li> </ul>

<b>School Infrastructure Backlogs Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provide the list of schools to be included in the ASIDI programme</li> <li>• Ensure that the list of schools identified includes all the schools in their entirety that were not constructed of appropriate materials in their entirety</li> <li>• Ensure that the list of schools identified includes all the schools that never had basic sanitation, water and electricity</li> <li>• Ensure that, where schools are identified for rationalisation and mergers, DBE is made aware on time, in writing, and that all necessary supporting documents are provided</li> <li>• Establish PPMTs that will provide support to the DBE when implementing projects funded by this grant</li> <li>• Convene the PPMTs and report to the national steering committee</li> <li>• Generate a maintenance plan from the provided operations and maintenance manual</li> </ul>
<b>Process for approval of the 2017/18 infrastructure programme management plan</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## COOPERATIVE GOVERNANCE GRANT

<b>Provincial Disaster Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 7A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable a timely response to immediate needs after a disaster has occurred</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for the immediate release of funds for disaster response</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Immediate consequences of disasters are mitigated</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Emergency repair of critical infrastructure</li> <li>Emergency provision of goods and services</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 12: An efficient, effective and development-oriented public service</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> <li>copy of the classification letter in terms of the Disaster Management Act</li> <li>copy of declaration of disaster in terms of the Disaster Management Act</li> <li>number of people affected and the extent of damages and losses</li> <li>sectors affected</li> <li>total funds required for disaster response</li> <li>resources (both financial and in-kind) allocated by the province to respond and mitigate the effects of the disaster</li> <li>resources (both financial and in-kind) committed by other role players, including municipalities, national departments and non-government organisations</li> <li>funding contribution request from Provincial Disaster Grant</li> <li>costed project and implementation plan, including a consolidated projects cash flow as an annexure, detail, over a three month period, to start upon receipts of funds, on how the funds will be spent</li> </ul> </li> <li>An initial application for a funding contribution from the Provincial Disaster Grant may be based on the initial disaster assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application). The further final application/s must be based on the final disaster assessment and verification</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>A copy of the classification letter and declaration of disaster in terms of the Disaster Management Act must be submitted to the NDMC</li> <li>This grant may only be used to fund the following expenditure as per written request for funding from the Provincial Disaster Management Centres (PDMCs): <ul style="list-style-type: none"> <li>temporary structures and/or shelters that can be fully assembled within three months, which may be required to ensure continued basic services as a result of damage caused by a declared disaster to critical infrastructure that provinces are responsible for</li> <li>mobile classrooms or temporary structures during a declared disaster in the event that the Department of Basic Education is unable to provide these</li> <li>Large scale humanitarian and other relief required that the national sector departments are not responsible for providing or are unable to provide. Proof must be obtained from the relevant department</li> <li>Provision of temporary access roads and bridges in the event the relevant sector is unable to provide the services. Proof must be presented by the relevant sector</li> </ul> </li> <li>The relevant provincial treasury must authorise expenditure on this grant through an adjustments budget if the expenditure occurs prior to the tabling of the province's adjustment budget or through a finance bill following the tabling of the annual report of the province for 2015/16</li> <li>Funds from this grant may be utilised to reimburse provinces for expenditure incurred which could not be accommodated within the province's own budget. In case provinces require reimbursement of funds spent, provinces are to consult NDMC for approval prior to spending the funds. Proof on expenditure in the form of invoices must be availed to PDMCs and NDMC in case reimbursement is required.</li> <li>Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds</li> <li>Emergency procurement system provided for in the National Treasury Regulation should be invoked to ensure immediate assistance to the affected area</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated according to declared disasters and reports from assessments conducted by NDMC, PDMCs and affected sectors assessed for immediate disaster relief needs. Funding may however be released in tranches, with the first tranche based on an initial assessment and verification of the immediate disaster relief needs</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant caters for response and relief from unforeseen and unavoidable disasters</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>Of R197 million allocated, R90 million (46 per cent) was transferred by the end of the national financial year to the following sectors: <ul style="list-style-type: none"> <li>R35.7 million to Mpumalanga Department of Public Works, Roads and Transport</li> <li>R14.7 million to Mpumalanga Department of Agriculture, Rural Development and Land Administration</li> <li>R560 000 to Limpopo Department of Cooperative Governance, Human Settlements and Traditional Affairs</li> </ul> </li> </ul>

<b>Provincial Disaster Grant</b>	
	<ul style="list-style-type: none"> <li>○ R8.9 million to Limpopo Department of Public Works, Roads and Infrastructure</li> <li>○ R15.7 million to Free State Department of Agriculture and Rural Development</li> <li>○ R10.2 million to the KwaZulu-Natal Department of Agriculture, Environmental Affairs and Rural Development</li> </ul>
	<p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● Grants for immediate relief from disasters included transfers to the following sectors: <ul style="list-style-type: none"> <li>○ Mpumalanga Department of Transport to provide access roads and temporary bridges after flooding</li> <li>○ Mpumalanga Department of Agriculture, Rural Development and Administration to repair agricultural related infrastructure</li> <li>○ Limpopo Department of Human Settlements to provide emergency shelter</li> <li>○ Department of Roads and Transport to provide access roads after flooding</li> <li>○ Free State Department of Agriculture and Rural Development to provide relief to farmers who were affected by veld fire</li> <li>○ KwaZulu-Natal Department of Agriculture and Environmental Affairs to provide relief to farmers who were affected by veld fire</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● This grant is expected to continue over the 2016 medium term expenditure framework, but will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R112 million; 2017/18: R123 million; and 2018/19: R131 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Transfers are made subject to approval by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the National Disaster Management Centre:</b></p> <ul style="list-style-type: none"> <li>● Advise PDMCs and relevant national sector departments of the existence of the grant and application process for grant funding</li> <li>● Circulate an updated guideline on the items that qualify for funding through this grant by end June 2016. This guideline must be consistent with the disaster response funding request template agreed to with the National Treasury</li> <li>● Establish procedures for funding items already purchased by provinces</li> <li>● Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days of receiving a written funding request or a submission from the PDMC</li> <li>● Conduct full assessments of disaster impacts, within 35 days of receipt of a written funding request, to verify the final funding application. Assessments are done with affected provinces and should follow requirements of the Disaster Management Act</li> <li>● Confirm support to be provided by national sector departments to ensure no duplication of support</li> <li>● Seek approval from National Treasury for the final disbursement of funds to provincial sector departments within 35 days of receipt of the written final funding request and submission of the preliminary report from the PDMC</li> <li>● Provide written advice on the timing of disbursements to the relevant PDMC and provincial treasury, and transfer these funds to provinces within five days of drawing the funds from the National Revenue Fund</li> <li>● Notify the relevant PDMC and provincial treasury of a transfer at least one day before transfer. Funds must be transferred no later than five days after notification</li> <li>● Build relationships and establish the necessary communication channels with relevant national and provincial departments to ensure the country has a coordinated approach to disaster response</li> <li>● Provide National Treasury with written notification of the transfer within 14 days of a transfer of the grant</li> <li>● Submit financial and non-financial reports to national treasury within 20 days of the end of each month</li> <li>● Provide a performance report, within 45 days of the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury</li> </ul> <p><b>Responsibilities of Provincial Disaster Management Centres</b></p> <ul style="list-style-type: none"> <li>● Advise provincial sector departments and municipalities of the existence of the grant, including funding application processes</li> <li>● Together with the affected provincial departments, conduct initial assessments of disaster impacts to verify the applications for initial funding within 14 days following the occurrence of the incident</li> <li>● Conduct assessments of disaster impacts together with NDMC and the affected provincial departments, to verify final applications for funding, within 35 days of the incident while adhering to the requirements of the Disaster Management Act</li> <li>● Submit requests for disaster funding, monitor the projects and provide reports to the NDMC and Provincial Treasury</li> <li>● Provide financial and non-financial reports to NDMC within 15 days of the end of each month</li> <li>● Provide a performance report which includes evidence on progress implementation of the projects to the NDMC within 30 days of the end of the quarter in which funds are spent</li> </ul> <p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Provide support and guidance to provincial sector departments and NDMC regarding line function related matters in assessments and costing verifications</li> <li>● Provide support and guidance to provincial sector departments and NDMC in the preparation of funding requests</li> <li>● Provide support and guidance to provincial sector departments in the preparation of reports and ensure compliance to the guidelines</li> <li>● Monitor and evaluate implementation by provincial sector departments</li> </ul>

<b>Provincial Disaster Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Cooperate with the NDMC, PDMC and sector departments to conduct damage assessment and cost verification</li> <li>• Submit initial request for funding to the PDMC within 14 days following the declaration of a disaster</li> <li>• Consult with the relevant national sector departments on funding requests before submission to the PDMC</li> <li>• Notify provincial treasury of all submitted requests for funding</li> <li>• Initiate requests for disaster funding and monitor projects</li> <li>• Ensure sectors follow emergency procurement processes when spending the grant funds</li> <li>• Provide a financial and non-financial report to the PDMC and relevant national sector within 15 days of the end of each month. Include evidence in the form of invoices and pictures of the department projects as annexures</li> <li>• Provide a performance report which includes evidence, and progress on implementation of the projects, to the PDMC and relevant National Sector within 30 days of the end of the quarter in which funds are spent</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## HEALTH GRANTS

<b>Comprehensive HIV, AIDS and TB Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The implementation of the national strategic plan on HIV, sexually transmitted infections and tuberculosis (TB) (2012-2016)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To enable the health sector to develop and implement an effective response to HIV and AIDS and TB</li> <li>• To support the national Department of Health (DoH) with the President's Emergency Plan for AIDS Relief (PEPFAR) transition process</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved coordination and collaboration in the implementation of comprehensive HIV, Aids and TB grant between national and provincial government</li> <li>• Improved quality of HIV and AIDS and TB services including access to: <ul style="list-style-type: none"> <li>○ HIV Counseling and Testing (HCT)</li> <li>○ TB case finding, screening and diagnosis</li> <li>○ Antiretroviral Treatment (ART)</li> <li>○ treatment for TB, including drug-resistant TB</li> <li>○ adherence monitoring and support</li> <li>○ prevention of TB</li> <li>○ prevention of mother-to-child-transmission (MTCT)</li> <li>○ medical male circumcision</li> </ul> </li> <li>• Improved health workers' capacity at the three levels of care</li> <li>• Reduce HIV and TB incidence and prevalence</li> <li>• Reduced incidence of multi-drug-resistant (MDR) and extensively drug-resistant (XDR) TB</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of new patients that started on ART</li> <li>• Number of patients on ART remaining in care</li> <li>• Number of male condoms distributed</li> <li>• Number of female condoms distributed</li> <li>• Percentage of exposed infants HIV positive at 10 weeks PCR test</li> <li>• Number of clients tested for HIV (including antenatal)</li> <li>• Number of Medical Male Circumcision performed</li> <li>• Percentage of new patients on ART initiated on isoniazid preventative therapy (IPT)</li> <li>• Number of patients on bedaquiline</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The following priority areas must be supported through the grant: <ul style="list-style-type: none"> <li>○ ART related interventions</li> <li>○ home and community-based care</li> <li>○ condom distribution and high transmission area interventions</li> <li>○ post exposure prophylaxis</li> <li>○ prevention of MTCT</li> <li>○ programme management strengthening</li> <li>○ regional training centres</li> <li>○ HCT</li> <li>○ medical male circumcision</li> <li>○ TB screening, prevention, and treatment</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are based on antenatal HIV prevalence, estimated share of AIDS cases, populations post-demarcation</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• HIV and AIDS is a key national priority and requires a coordinated response for the country as a whole and this is most effectively achieved through a conditional grant</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial performance</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R10.5 billion to provinces of which R10.5 billion (99.8 per cent) was spent by provinces by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 8 104 lay counsellors trained and providing services at service points</li> <li>• 100 per cent of facilities provided HCT services</li> <li>• 10 million people received counselling and 98 per cent were tested for HIV, including pregnant women</li> <li>• 4 million beneficiaries had access to home and community-based care services</li> </ul>

<b>Comprehensive HIV, AIDS and TB Grant</b>	
	<ul style="list-style-type: none"> <li>• 3 327 health facilities offered ART services</li> <li>• 3 million patients were on ART</li> <li>• 996 high transmission intervention sites in operation</li> <li>• 99.9 per cent of PHC facilities offer MTCT services</li> <li>• 5.4 million medical male circumcision performed</li> <li>• 723.8 million male condoms distributed</li> <li>• 21.1 million female condoms distributed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• On-going in line with national strategic plan on HIV and AIDS</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R15.3 billion; 2017/18: R17.7 billion; and 2018/19: R20 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments based on the payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Visit provinces twice a year to monitor implementation and provide support</li> <li>• Meet with National Treasury to review grant performance on a quarterly basis</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the DoH. Submit an electronic version to be followed by a hard copy signed by the receiving officer</li> <li>• Clearly indicate measurable objectives and performance targets as agreed with the DoH in provincial departmental business plans for 2016/17 and over the medium term expenditure framework</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of draft business plans by 31 October 2016</li> <li>• Submission of final business plans to DoH by 28 February 2017</li> <li>• Submission of final business plans to National Treasury by 31 March 2017</li> </ul>

<b>Health Facility Revitalisation Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enable provinces to plan, manage, maintain, and transform health infrastructure in line with national and provincial policy objectives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance</li> <li>• To enhance capacity to deliver health infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved service delivery by provincial departments as a result of an enhanced and better quality of health services</li> <li>• Improved quality and well maintained health infrastructure (backlog and preventative maintenance)</li> <li>• Improved rates of employment and skills development in the delivery of infrastructure</li> <li>• Value for money and cost effective design of facilities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of health facilities, planned, designed, constructed, equipped, operationalised and maintained</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The business plan for this grant will be replaced by the Infrastructure Programme Management Plan (IPMP) over the medium term expenditure framework (MTEF), the User-Asset Management Plan (U-AMP) for at least 10 years, project proposals, concept reports and annual implementation plan (AIP)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• With the exception of funding for costs incurred on a business case and project brief development, all new or replacement hospitals, nursing colleges and nursing schools projects commencing construction in 2016/17 must have business cases and project execution plans (costed project master plans) approved before funds can be released for such projects</li> <li>• Annual Implementation Plans signed-off by the Head of Department with the organisational structure of the infrastructure unit to the national Department of Health (DoH) for approval by 4 March 2016</li> <li>• The 2016/17 MTEF project list as captured in the AIP for both current and capital should cover: <ul style="list-style-type: none"> <li>○ maintenance, rehabilitation, refurbishment, and repair of infrastructure</li> <li>○ new, replacement, upgrades and additions of infrastructure</li> </ul> </li> <li>• Provinces may utilise a portion of the grant funding for the appointment of public servants to their infrastructure units in line with their human resource capacitation circular published by the National Treasury</li> <li>• In instances where the capacity of the Provincial Public Works Department is deemed insufficient, the Provincial Department of Health (PDoH) 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</li> <li>• PDoH must enter into a service delivery agreements with their implementing agents</li> <li>• 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</li> <li>• Projects on planning must follow DoH peer review stages</li> <li>• Completion of new infrastructure projects require that maintenance and operation plans be submitted to PDoH by implementing agents</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations for 2016/17 are project based</li> <li>• Allocations also include the incentive based allocation as described in Annexure W1 to the 2016 Division of Revenue Bill</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of health infrastructure in a coordinated and efficient manner and ensure consistency with national norms, standards and guidelines for health facilities</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Of the total allocation of R5.5 billion, provinces spent R5.5 billion (100 per cent) by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 638 on planning stage to the value of R899 million</li> <li>• 577 on different stages of construction to the value of R5.8 billion</li> <li>• 463 reached completion to the value of R851 million</li> <li>• 1 terminated</li> <li>• 9 placed on hold</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• 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 2017/18 MTEF</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R5.3 billion; 2017/18: R5.8 billion; and 2018/19: R6 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made on quarterly basis in accordance with a payment schedule approved by National Treasury</li> </ul>

<b>Health Facility Revitalisation Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Coordinate and facilitate site visits</li> <li>• Attend quarterly provincial infrastructure progress review meetings with National Treasury</li> <li>• Provide guidance to provinces on planning, prioritisation and evaluating of U-AMP, IPMP, AIP, project proposals and concept reports that provinces develop and submit</li> <li>• Peer review and feedback processes should be undertaken timeously</li> <li>• Issue guidelines on the capacitation process of infrastructure units, as well as the conditions attached to the utilisation of funds</li> <li>• DoH and National Treasury must jointly evaluate progress with capacitation of provincial infrastructure units and provide feedback to all provinces</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provincial departments must establish committees with the relevant implementing agents, and hold monthly meetings that are minuted to review progress on the AIP</li> <li>• Provinces must submit to DoH monthly and quarterly reports for all projects funded in the 2016/17 financial year in this grant through the PMIS and infrastructure reporting model (the two reporting systems would be integrated by 2016/17)</li> <li>• PDoH must align infrastructure plans (U-AMP and IPMP) with their respective Strategic Plans and Annual Performance Plans</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• The process for approval for the 2017 MTEF will be in line with the performance based incentive approach guidelines published by National Treasury</li> <li>• PDoHs must submit 2017/18 IPMP signed-off by the Head of Department with the organisational structure of the infrastructure unit to the DoH by 7 March 2017</li> <li>• Submission of IPMP for 2017/18 by DoH to National Treasury by 31 March 2017</li> </ul>

<b>Health Professions Training and Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To contribute to the implementation of the national human resource plan for health through the clinical teaching and training of health professionals in designated public health facilities in South Africa</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• Support provinces to fund service costs associated with clinical teaching and training of health science trainees on the public service platform</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Progressive realisation of the national human resource plan for health</li> <li>• Clinical teaching and training capacity established in designated developmental provinces (Northern Cape, North West, Limpopo, Mpumalanga and Eastern Cape)</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of post graduate (nursing and allied) health science trainees funded on the public health service delivery platform</li> <li>• Number of registrars funded on the public health service delivery platform</li> <li>• Number of specialists, associated with training, funded on the public health service delivery platform</li> <li>• Number of postgraduate specialists (sub/super-speciality) in training</li> <li>• Number of medical officers undertaking postgraduate diplomas</li> <li>• Number of clinical supervisors associated with clinical training funded on the public health service delivery platform</li> <li>• Number of resource centre staff funded on the public health service delivery platform (Eastern Cape only)</li> <li>• Number of facilities providing an outreach and training platform</li> <li>• Number of grant administration staff</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Cash flow projections</li> <li>• Number of specialists, postgraduate specialists, registrars, postgraduate medical officers, postgraduates (nursing and allied health), and clinical supervisors funded from the grant</li> <li>• Names of facilities providing an outreach and training platform</li> <li>• Number of grant administration staff</li> <li>• Number of resource centre staff</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Submission of an approved 2016/17 business plan in the prescribed format signed by the provincial Head of Department or receiving officer by 26 February 2016, and the national Department of Health (DoH) transferring officer by 24 March 2016</li> <li>• Hiring of personnel for the administration of this grant may only take place after the approval of the national transferring officer, at a cost not exceeding 0.5 per cent of the total of the grant</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Based on historical allocations and spending patterns</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Provinces give effect to the national human resource strategy by training health science trainees on the public health service platform</li> <li>• National coordination needed for health science trainees</li> <li>• The number and type of students in each province does not necessarily align with the proportions of the provincial equitable share</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R2.3 billion to provinces of which R2.3 billion (100 per cent) was spent by the end of the financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Provincial achievements in training and development by discipline: <ul style="list-style-type: none"> <li>○ 24 886 medical students and professional nursing students</li> <li>○ 2 378 registrars</li> <li>○ 2 511 specialists</li> <li>○ 41 registrars/specialists involved in outreach services</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant will remain as long as health science trainees are trained on the public service health platform</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R2.5 billion; 2017/18: R2.6 billion; and 2018/19: R2.8 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per approved payment schedule</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• To convene at least one annual meeting of national, provincial and facility programme managers</li> <li>• Monitor expenditure by economic classification</li> <li>• Monitor the number of registrars, specialists, postgraduates (nursing and allied health), clinical supervisors, postgraduate specialists, postgraduate medical officers, outreach and training platforms, and resource centre staff (Eastern Cape only)</li> <li>• Conduct a minimum of two site visits to provinces and site visits to selected facilities on a rotational basis</li> </ul>

<b>Health Professions Training and Development Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces must gazette allocations to individual facilities/clusters as per the number of agreed upon business plans per province and be facility/cluster specific, by 29 April 2016</li> <li>• Provinces must maintain a separate budget for each benefiting facility/cluster</li> <li>• Each benefiting facility/cluster budget letter must be supplied by the receiving officer to the facility head by 29 April 2016</li> <li>• Provinces to monitor the following categories of health science trainees and clinical supervisors on the public health service delivery platform by category: <ul style="list-style-type: none"> <li>○ registrars</li> <li>○ post graduate health science trainees (nursing and allied)</li> <li>○ specialists</li> <li>○ postgraduate specialists</li> <li>○ postgraduate diploma medical officers</li> <li>○ clinical supervisors</li> <li>○ resource centre staff</li> <li>○ grant management (administrative staff)</li> <li>○ outreach and training platform</li> </ul> </li> <li>• Submission of updated specialist details funded by the grant at facility level by 30 November 2016</li> <li>• Report quarterly on the approved expenditure areas, as follows: <ul style="list-style-type: none"> <li>○ cost of compensation of employees by group of staff category</li> <li>○ cost of goods and services</li> <li>○ cost of capital</li> <li>○ cost of households (where applicable)</li> </ul> </li> <li>• Conduct a minimum of one site visit to each budgeted facility/complex per quarter and submit minutes/reports of these meetings to DoH at the end of each quarter</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Draft business plans for 2017/18 must be submitted in the approved format by 31 October 2016</li> <li>• Submission of an approved business plans, in the prescribed format, signed by each receiving officer by 28 February 2017, and the transferring officer by 24 March 2017</li> </ul>

<b>National Health Insurance Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve and strengthen the performance of the district health management teams through testing service delivery and providing innovations in readiness for the phased implementation of the National Health Insurance (NHI)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Test innovations in health service delivery and provision for implementing NHI, allowing for each district to interpret and design innovations relevant to its specific context, in line with the vision for realising universal health coverage for all</li> <li>To undertake health system strengthening activities in identified focus and priority areas</li> <li>To assess the effectiveness of interventions/activities undertaken in the districts funded through this grant</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Strengthened district capacity for service delivery, planning, monitoring and evaluation in selected districts</li> <li>Support the ideal clinics realisation with a focus on national core standards</li> <li>Strengthened coordination and integration of primary health care (PHC) teams within pilot districts</li> <li>Strengthened supply chain management (SCM) systems and processes improved through innovative interventions at the district level</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Selected PHC teams equipped to provide relevant health services through integrated outreach programmes</li> <li>Selected PHC facilities supported to achieve national core standards as part of the Ideal Clinics realisation project</li> <li>Monitoring and evaluation including impact assessments of the effectiveness of selected PHC teams undertaken</li> <li>SCM processes strengthened and streamlined through innovative interventions in pilot districts</li> <li>Compliance with monitoring and evaluation of targets in operational plans</li> <li>Impact assessment of all pilot interventions undertaken</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the Business Plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Monitoring and evaluation plan</li> <li>Cash flow requirements</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>For the purpose of district interventions, funding from this grant to provinces will be made available after the national Department of Health (DoH) approves the business plans for each of the selected pilot districts</li> <li>The eleven pilot districts selected for 2016/17 are: <ul style="list-style-type: none"> <li>Amajuba (KwaZulu-Natal)</li> <li>OR Tambo (Eastern Cape)</li> <li>Thabo Mofutsanyana (Free State)</li> <li>Tshwane (Gauteng)</li> <li>uMzinyathi (KwaZulu Natal)</li> <li>uMgungundlovu (KwaZulu- Natal)</li> <li>Vhembe (Limpopo)</li> <li>Gert Sibande (Mpumalanga)</li> <li>Pixley ka Seme (Northern Cape)</li> <li>Dr Kenneth Kaunda (North West)</li> <li>Eden (Western Cape)</li> </ul> </li> <li>The selected district must comply with the stipulated provisions relating to monitoring and evaluation of progress in relation to agreed performance indicators as outlined in approved business plans</li> <li>The selected districts must allocate funding towards monitoring, evaluation and grant administration activities and this must not exceed a maximum of three per cent of the annual total grant allocation</li> <li>Municipal ward-based outreach teams to be established in line with national guidelines and health policy priorities</li> <li>The grant cannot be used to employ additional human resources capacity</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Each district is allocated the same amount with the exception of KwaZulu-Natal where allocation for two pilot sites has been reallocated to three pilot sites</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The implementation of NHI will be undertaken through a phased approach over a 14 year period. A conditional grant enables effective roll out of the NHI pilots and allows DoH direct oversight over the pilot sites and the activities thereof</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R77 million to provinces</li> </ul>

<b>National Health Insurance Grant</b>	
	<ul style="list-style-type: none"> <li>• Of the total available, R67 million (83 per cent) was spent</li> </ul>
	<p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Existing ward-based PHC outreach teams equipped to collect relevant data from households</li> <li>• Monitoring and evaluation including impact assessment of the effectiveness of existing ward-based PHC outreach teams undertaken</li> <li>• Monitoring and evaluation of direct delivery of chronic medication to patients undertaken to support efficient and effective provision of health services within the district</li> <li>• Lean management principles for supply chain management in relation to non-negotiables implemented</li> <li>• District capacity for monitoring and evaluation, including research/impact assessment reports of selected interventions, undertaken</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant will come to an end at the end of the 2016/17 financial year</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R85 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per approved payment schedule</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• DoH in consultation with the provinces, will ensure that the approved business plans compliment the activities, focus areas, targets and outcomes outlined in the indirect allocation grant framework</li> <li>• Advise provinces on which interventions will be implemented in each of the selected pilot districts</li> <li>• Monitor and evaluate implementation of pilot projects including visits to provinces and selected districts</li> <li>• Commission independent external expert evaluation of the progress and effectiveness of interventions tested in the pilot districts</li> <li>• Facilitate a partnership with the provinces in the selection of the pilot district and monitoring and evaluation, and impact assessments of interventions in order to ensure their experiences inform further NHI design work</li> <li>• Include in the annual performance evaluation of the grant the lessons learnt including challenges experienced and how these lessons will inform the design of future pilot interventions</li> <li>• Complete and submit the phase out report</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Ensure effective and ongoing monitoring and evaluation of all pilot interventions, including impact assessments where necessary</li> <li>• Submit detailed operational plans to the DoH within 30 days after the start of the financial year</li> </ul>
<b>Process for approval of 2017/18 service level agreement</b>	<ul style="list-style-type: none"> <li>• Provinces to submit first draft business plans for selected pilot sites by 31 October 2016</li> <li>• Provinces to submit final business plans for selected pilot sites by 28 February 2017</li> <li>• DoH submit final business plans to National Treasury by 31 March 2017</li> </ul>

<b>National Health Insurance Indirect Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>This grant has five components which are specific to their respective strategic goals:               <ul style="list-style-type: none"> <li>Health Professionals Contracting;</li> <li>Health Facility Revitalisation;</li> <li>Human Papillomavirus (HPV) vaccination;</li> <li>Ideal Clinic; and</li> <li>Information Systems (implemented from 2017/18)</li> </ul> </li> <li>To accelerate health sector improvement by strengthening the role of the national Department of Health (DoH) in accelerating delivery of infrastructure particularly in order to assist provinces with weaker capacity and performance in the preparatory phase of National Health Insurance (NHI)</li> <li>To reduce the incidence of cancer of the cervix through the introduction of the HPV vaccination to grade four school girls</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery</li> <li>To develop and pilot innovative models for purchasing services from health practitioners and other service providers in NHI pilot districts</li> <li>To improve spending, performance, monitoring and evaluation on NHI pilots and infrastructure projects</li> <li>To fund the introduction of the HPV vaccination programme in schools</li> <li>To enable the health sector to address deficiencies in the primary health care facilities systematically to yield big fast results</li> <li>To fund development and roll-out of new health information systems in preparation for NHI</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>As specified in the five component frameworks</li> <li>Build the capacity of provinces, benefitting from an indirect grant (Schedule 6A) allocation to carry out these functions themselves in future</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>As specified in the five component frameworks</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> <li>The department and/or implementing agents must ensure skills transfer takes place as part of the implementation of projects</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>As specified in the five component frameworks</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The provinces have not demonstrated capacity to deliver on these five components</li> <li>As specified in the five components' frameworks</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>It is likely this will be a temporary grant, with the following five components:               <ul style="list-style-type: none"> <li>the NHI component which will ultimately be phased into the NHI fund once established</li> <li>the Health Facility Revitalisation component which will be progressively phased back to the provinces as provincial capacity improves</li> <li>the HPV vaccination component which will run for two years</li> <li>The ideal clinic component will continue over the 2016 medium term expenditure framework (MTEF), subject to review and policy development</li> <li>The information systems component will continue over the 2016 MTEF, subject to review and policy development</li> </ul> </li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R1.3 billion; 2017/18: R1.7 billion; and 2018/19: R1.8 billion               <ul style="list-style-type: none"> <li>Health Professionals Contracting: 2016/17: R258 million; 2017/18: R318 million; and 2018/19: R337 million</li> <li>Health Facility Revitalisation: 2016/17: R793 million; 2017/18: R949 million; and 2018/19: R988 million</li> <li>HPV: 2016/17: R200 million; and 2017/18: R200 million</li> <li>Ideal clinics: 2016/17: R10 million; 2017/18: R30 million; and 2018/19: R50 million</li> <li>Information Systems: 2016/17: No allocation; 2017/18: R166 million; and 2018/19: R390 million</li> </ul> </li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>As specified in the five components' frameworks</li> <li>The department must submit a draft skills transfer and capacity building plan for Schedule 6A allocations to National Treasury by 1 July 2016. A final plan must be submitted to National Treasury by 1 September 2016. The skills transfer and capacity building plan must set out how the capacity of benefiting provinces will be developed so that they can continue to perform the function after the Schedule 6A funded project ends. The plan must set measurable targets that will be achieved over the 2016 MTEF. The plan must set out how existing and new capacity building initiatives will be used to achieve these targets</li> <li>The department must submit an annual assessment of progress against its skills transfer and capacity building plan to National Treasury two months after the end of the national financial year</li> </ul>

<b>National Health Insurance Indirect Grant</b>	
	<b>Responsibilities of the provincial department</b> <ul style="list-style-type: none"> <li>• As specified in the five components' frameworks</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• As specified in the five components' frameworks</li> <li>• Skills transfer and capacity building plans for Schedule 6A must be based on consultations and an assessment of the capacity needs in each province/municipality. Plans must be submitted to National Treasury before the start of the financial year</li> </ul>

<b>National Health Insurance Indirect Grant: Health Facility Revitalisation Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To ensure that appropriate health infrastructure is in line with national and provincial policy objectives</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To create an alternative track to improve spending, performance, and monitoring and evaluation on infrastructure in National Health Insurance (NHI) pilot districts</li> <li>• To enhance capacity and capability to deliver infrastructure for NHI pilots</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Appropriate procurement of service providers for infrastructure delivery in NHI pilots</li> <li>• Improved spending, performance, monitoring and evaluation of infrastructure projects in NHI pilots</li> <li>• Improved employment and skills development in the delivery of infrastructure in NHI pilots</li> <li>• Value for money and cost effectively designed facilities in NHI pilots</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number and value of health infrastructure projects, initiated, planned, implemented and closed-out NHI pilots</li> <li>• Proportion of infrastructure projects running on schedule according to projected milestones and budgeted amount</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The Infrastructure Programme Management Plan (IPMP) will be submitted on 27 May 2016 and will include the following: <ul style="list-style-type: none"> <li>○ description of how the grant will be managed</li> <li>○ costed project lists for 2016/17, 2017/18 and 2018/19 with annual cash flow projections</li> <li>○ projected milestones</li> <li>○ quarterly cash flow projections by project for 2016/17</li> <li>○ procurement strategies and plans in line with standard for infrastructure procurement and delivery management</li> <li>○ human resource plan</li> <li>○ monitoring and evaluation system</li> </ul> </li> </ul>
<b>Conditions:</b>	<ul style="list-style-type: none"> <li>• The national Department of Health (DoH) must, in consultation with the provinces, develop and submit to the National Treasury by 31 May 2016, an intergovernmental protocol agreement covering the duration of the grant component and outlining how the grant will operate and the responsibility and functions of each sphere</li> <li>• Prior to submitting the IPMP, each provincial department must have signed-off the list of projects funded from the grant. Provinces must also confirm that operational budgets (i.e. personnel, equipment, etc.) and maintenance budgets are affordable and will be made available for all new and replaced assets constructed or acquired</li> <li>• With the exception of funding for costs incurred on a business case and project brief development, all projects exceeding R20 million must have business cases in line with National Treasury capital planning guidelines and project execution plans (costed project master plans) approved before funds can be released for such projects. Approval must be given by the provincial Department of Health and the National Treasury where the facility is located</li> <li>• 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</li> <li>• In instances where the capacity of the DoH and the provincial department is deemed insufficient, they are 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. In those cases service level agreements between DoH and the implementing agent must be in place</li> <li>• Appropriately qualified built environment representatives from the national department must assist in the procurement of professional service providers and contractors by its implementing agent</li> <li>• The provincial departments should report the 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</li> <li>• DoH must maintain an up-to-date database (project management information system), infrastructure reporting model with all contracts that are fully or partially funded by this grant</li> <li>• DoH must convene quarterly progress review committee meetings with all project managers and implementing agents for monitoring and oversight of the performance of all funded projects. National Treasury to be invited to these meetings</li> <li>• All completed projects must have a close-out report with a documented maintenance plan</li> <li>• National Treasury may request copies of any documentation and may withhold grant funding if there is non-compliance with any of the conditions above</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations for 2016/17 are project and performance based</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The grant was allocated R980 million, which was adjusted to R605 million. Of the adjusted allocation, R292 million (48.3 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• By March 2015 there were 240 reported projects funded from the National Health Grant across the country for the 2014/15 financial year; 142 were in construction, 22 reached practical and work completion</li> </ul>

<b>National Health Insurance Indirect Grant: Health Facility Revitalisation Component</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>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 2016 medium term expenditure framework, subject to a review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R793 million; 2017/18: R949 million; and 2018/19: R988 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly payments made according to verified and approved invoices from the services providers</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Build and demonstrate the capacity necessary to manage this grant</li> <li>Ensure alignment between the IPMP and the annual performance plans</li> <li>Undertake the infrastructure development cycle to the extent agreed with the provinces in the implementation protocol agreements</li> <li>For all projects under this grant appoint project level supervision via professional teams for level two and level four supervision on single or a cluster of projects depending on the nature and complexity of projects</li> <li>Convene progress review committees with appropriate reporting</li> <li>Submit all quarterly and annual progress and performance reports</li> <li>Meet with National Treasury to review grant performance on a quarterly basis</li> <li>Collaboration and coordination with provincial departments for the full development cycle of infrastructure development in respect of projects funded by this grant</li> <li>DoH must submit quarterly non-financial infrastructure reports to National Treasury within 45 days after the end of each quarter. These reports must contain: <ul style="list-style-type: none"> <li>expenditure per project against the cash flow projections provided in the business plan</li> <li>explanation of major deviations from the cash flow projections</li> <li>physical progress per project against the milestones projected in the business plan</li> <li>explanation of major deviations from the projected milestones</li> <li>any other challenges experienced and interventions to address these challenges</li> <li>status report on the capacity of the DoH infrastructure unit to manage the grant component</li> </ul> </li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provinces will include completed projects in their asset register</li> <li>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</li> <li>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</li> </ul>
<b>Process for approval of the 2017/18 annual implementation plans</b>	<ul style="list-style-type: none"> <li>Submission of signed implementation protocol by 31 May 2017</li> <li>Submission of IPMP to National Treasury by 31 May 2017</li> </ul>

<b>National Health Insurance Indirect Grant: Health Professionals Contracting Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To strengthen the public healthcare system in preparation for National Health Insurance (NHI)</li> <li>To strengthen the design of NHI through the innovative testing of new reforms</li> <li>To assess the service delivery implications of the proposed NHI reforms</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Assessment of the implications of the NHI reforms on the public sector services</li> <li>To develop and implement innovative models for purchasing services from health practitioners in the 10 NHI pilot districts</li> <li>To develop and implement innovative models for the dispensing and distribution of chronic medication in the 10 NHI pilot districts</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Appropriate and innovative models for purchasing services from health practitioners identified and tested</li> <li>Implement an alternative distribution model for chronic medication</li> <li>Develop a risk-adjusted capitation model for the reimbursement of primary health care (PHC) facilities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Innovative models for the purchasing of health care services, including: <ul style="list-style-type: none"> <li>contracting of health practitioners as defined by need through external service provider organisations</li> <li>establishment of fully constituted and functional district clinical specialist teams linked to the achievement of the millennium development goals (MDGs)</li> <li>strengthening of school health services linked to addressing the learning challenges of learners in identified schools</li> </ul> </li> <li>An alternative chronic medicines dispensing and distribution model implemented</li> <li>A risk-adjusted capitation model for the reimbursement of PHC facilities developed</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Business plan for contracting health professionals should contain the following: <ul style="list-style-type: none"> <li>description of how the project will be managed, including roles and responsibilities of national and provincial departments</li> <li>targets for number of health professionals contracted categorised by discipline</li> <li>output indicators for services provided by contracted health professionals</li> <li>monitoring and evaluation plan</li> <li>cash flow projections</li> </ul> </li> <li>Business plan for the chronic medicines dispensing and distribution model should contain the following: <ul style="list-style-type: none"> <li>description of how the project will be managed, including roles and responsibilities of national and provincial departments</li> <li>milestones with projected dates when these will be achieved</li> <li>targets for number of patients enrolled in the model by province and by service provider</li> <li>cash flow projections</li> <li>monitoring and evaluation plan</li> </ul> </li> <li>Business plan for developing a risk-adjusted capitation model should contain the following: <ul style="list-style-type: none"> <li>description of how the project will be managed, including roles and responsibilities of national and provincial departments</li> <li>milestones with projected dates when these will be achieved</li> <li>cash flow projections</li> <li>monitoring and evaluation plan</li> </ul> </li> <li>Service level agreements (SLAs) will include information on the following: <ul style="list-style-type: none"> <li>outcome indicators</li> <li>output indicators</li> <li>key activities and resource schedule</li> <li>monitoring and evaluation plan</li> <li>cash flow requirements for 2016/17</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Project level administrative expenditure may not exceed three per cent of the total grant funding. No activity that is linked to the responsibility of Department of Health (DoH) but falls outside this scope may be funded through this grant</li> <li>The grant must be used to achieve the objectives of the following areas: <ul style="list-style-type: none"> <li>development and testing of innovative models for purchasing health care services from health practitioners</li> <li>an alternative chronic care medication dispensing and distribution model</li> <li>development of a risk-adjusted capitation model for reimbursement of PHC facilities</li> </ul> </li> <li>The DoH must put in place an evaluation strategy using independent external experts to evaluate the interventions funded through this grant. An evaluation report on lessons learnt from contracting health professionals and their implications for NHI policy development and implementation must be produced and submitted to National Treasury</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Health facilities with the greatest need for health practitioners and where health practitioners are willing to work in the facility will be prioritised</li> <li>The alternative chronic care medication dispensing and distribution model will be implemented across the country in the ten NHI pilot districts, with priority given to previously disadvantaged areas</li> </ul>

<b>National Health Insurance Indirect Grant: Health Professionals Contracting Component</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The importance of central coordination in development of models and the establishment of NHI to inform ongoing NHI designs</li> </ul>
<b>Past performance</b>	<b>2014/15 audited financial outcomes</b> <ul style="list-style-type: none"> <li>R388 million was allocated of which R82 million (21 per cent) was spent by the end of the national financial year</li> </ul>
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>The data extraction from clinical files within the central hospitals has been undertaken at eight out of 10 central hospitals</li> <li>The initial financial and clinical analysis has been undertaken and the draft case mix analysis report prepared</li> <li>Phase two of the programme work-on developing the base diagnosis related grouper has been started</li> <li>Other data sources from private partners are being sourced for the purpose of triangulation and data validation</li> <li>With regards to health practitioner contracting, 256 doctors were placed at various clinics in the NHI pilot districts</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Subject to policy developments that will be finalised as part of the implementation of NHI</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R258 million; 2017/18: R318 million; and 2018/19: R337 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payments will be made according to verified invoices or advance payments in line with approved Programme Implementation Plans from the service providers</li> <li>Monthly instalments which may be altered at the discretion of the National Treasury based on invoices paid</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Convene and chair all meetings of the national technical task team on contracting of health practitioners through implementing innovative models for the purchasing of health care services</li> <li>Establish the necessary organisational structures and build capacity within the DoH to implement, oversee and monitor the execution of all approved projects using the three per cent administrative costs provision</li> <li>Provide the guidance and support for innovative arrangements of engaging public and private sector providers, including methods of contracting (types of contracts and payment mechanisms)</li> <li>Undertake an independent evaluation of the interventions funded through this grant using external experts</li> <li>Manage, monitor and support programme implementation. Prepare and submit a quarterly performance report to the National Treasury. The reports must include: <ul style="list-style-type: none"> <li>expenditure per project against the cash flow projections provided in the business plans</li> <li>explanation of major deviations from the cash flow projections</li> <li>physical progress per project against the milestones and targets projected in the business plan</li> <li>explanation of major deviations from the projected milestones and targets</li> <li>any other challenges experienced and interventions to address these challenges</li> </ul> </li> <li>Meet with the National Treasury to review grant performance on a quarterly basis</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>Facilitate the achievement of grant outputs</li> <li>Ensure compliance with all reporting requirements and adherence to the provisions of SLAs</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>DoH to submit first draft SLAs and business plans to National Treasury by 31 October 2016</li> <li>DoH must submit final SLAs and business plans to National Treasury by 31 March 2017</li> </ul>

<b>National Health Insurance Indirect Grant: Human Papillomavirus Vaccine Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To reduce the incidence of cancer of the cervix through the introduction of the Human Papillomavirus (HPV) vaccination to grade four school girls</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased access to HPV vaccines by grade four school girls in all public and special schools</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 80 per cent of eligible grade four school girls receiving the HPV vaccination</li> <li>• 80 per cent of schools with grade four girls reached by the HPV vaccination team</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key Activities</li> <li>• Risk Management Plans</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Completion of a Service Level Agreement (SLA) in the format determined by the national Department of Health (DoH) between each provincial department and DoH, signed by each receiving officer and transferring officer by 25 March 2016 and submitted to National Treasury by 31 March 2016</li> <li>• Ensure provinces include HPV vaccination indicators in provincial annual performance plans</li> <li>• Grant funding must also be used to strengthen capacity in provinces to manage the programme</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations based on the number of grade four girls and schools with grade four from the education management information system in each province</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• To develop provincial capacity to assume responsibility of the programme from 2018/19</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• Allocated R200 million DoH, of which R189 million (95 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 92 per cent of grade four school girls received the HPV vaccination</li> <li>• 92.6 per cent of schools with grade four girls were reached by the HPV vaccination team</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant is projected to end in 2017/18</li> <li>• Funding for this programme will be converted to a direct conditional grant in 2018/19</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R200 million and 2017/18: R200 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Payment will be made according to verified invoices or advance payments in line with approved HPV programme implementation plans</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Procure and distribute vaccines and other resources as per the provincial HPV vaccination programme</li> <li>• Monitor and support provincial planning and implementation</li> <li>• Meet with National Treasury to review performance of the grant on a quarterly basis</li> <li>• Strengthen the existing capacity in the child, youth and school health cluster for HPV vaccination coordination within the department</li> <li>• Strengthen the capacity of provinces to deliver the HPV vaccination programme</li> <li>• Initiate a draft transition plan for hand-over to provinces</li> </ul> <p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>• Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme</li> <li>• Provinces must submit a HPV vaccination implementation plan and micro plan for each district using standard formats as determined by the DoH</li> <li>• Delegate to a person, the responsibility of managing the HPV vaccination programme</li> <li>• Utilise existing human resource and transport capacity at all relevant levels</li> <li>• Provinces must develop draft implementation plans for taking over this function in 2018/19</li> </ul>
<b>Process for completion of 2017/18 service level agreement</b>	<ul style="list-style-type: none"> <li>• Submission of SLAs signed by each receiving officer, and the transferring national officer by 31 March 2017 to National Treasury</li> </ul>

<b>National Health Insurance Indirect Grant: Ideal Clinics Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To improve quality of services at primary health care facilities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved quality health services in all primary health care facilities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 740 primary health care facilities will be improved through: <ul style="list-style-type: none"> <li>○ completion, design layout printing and distribution of the Ideal Clinics manual</li> <li>○ peer reviewed</li> <li>○ move these clinics from an average compliance score of 60 per cent to 70 per cent. This will include improved administrative processes, integrated clinical services to patients, medicine supplies, support services, communication, district health system support</li> </ul> </li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Input</li> <li>• Output indicators</li> <li>• Outcome indicators</li> <li>• Key activities</li> <li>• Risk management plans</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Completion of a business plan by the national Department of Health (DoH) signed by the national transferring officer by 24 March 2016 and submitted to the National Treasury by 31 March 2016</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are based on the number of identified facilities and their needs in each province</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Ideal clinic is a key national priority and requires systematic implementation in order to achieve 740 ideal clinics and have the desired impact of improving quality health care services</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• New Grant</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• New Grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant is projected to end in 2018/19</li> <li>• The grant will continue over the 2016 medium term expenditure framework (MTEF), subject to review and policy development</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R10 million; 2017/18: R30 million; and 2018/19: R50 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Procurement will be done centrally by DoH based on the approved procurement plan</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Improve patients' experience of care by improving quality in primary health care facilities</li> <li>• Monitor and support provincial planning and implementation</li> <li>• Submit a quarterly performance report to the National Treasury in terms of the Division of Revenue Act</li> <li>• Meet with the National Treasury to review performance of the grant on a quarterly basis</li> <li>• Strengthen the capacity of provinces to realise and maintain ideal clinic status</li> </ul> <p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>• Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme</li> <li>• Provinces must submit provincial needs as per prescribed format by DoH</li> <li>• Include the ideal clinic indicators in the provincial annual performance plans</li> <li>• Delegate a person responsible for managing the Ideal clinic programme</li> <li>• Provinces must develop draft implementation plans for taking over this function in 2019/20</li> <li>• Submit monthly performance reports to DoH</li> </ul>
<b>Process for completion of 2017/18 business plan</b>	<ul style="list-style-type: none"> <li>• Submission of business plan signed by the transferring officer by 31 March 2017 to National Treasury</li> </ul>

<b>National Tertiary Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals)</li> <li>• To compensate tertiary facilities for the additional costs associated with provision of these services</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Modernised and transformed tertiary services that allow for improved access and equity to address the burden of disease</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Provision of designated central and national tertiary services in 28 facilities/complexes as agreed to between the province and the national Department of Health (DoH)</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the service level agreement</b>	<ul style="list-style-type: none"> <li>• This grant uses national service level agreements (SLAs) which are signed between DoH and each province and contains the following: <ul style="list-style-type: none"> <li>○ national guidelines on definitions of tertiary services that may be funded by the grant</li> <li>○ final tertiary services specifications funded by the grant, by facility in each province</li> <li>○ annual targets for inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits per province per year</li> <li>○ monitoring and reporting responsibilities</li> <li>○ validation and revision of data</li> <li>○ deviations or changes to tertiary services</li> <li>○ referral responsibilities</li> <li>○ approved business plan</li> <li>○ specialists funded from the grant</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Completion of a national SLA in the prescribed format, signed by the provincial Head of Department or receiving officer by 29 February 2016, and the transferring officer by 31 March 2016</li> <li>• The grant allocation to each central/provincial tertiary facility must not exceed a maximum of 65 per cent of the total facility budget</li> <li>• Modernisation of tertiary services to be a minimum of 10 per cent of the total provincial grant allocation</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Based on historical allocations and spending patterns</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• There are significant cross boundary flows associated with tertiary services that are not affected by provincial boundaries due to their specialised nature</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R10.1 billion to provinces, of which R 10.1 billion (100 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Provincial tertiary services performance was measured against the SLAs and the total patient activity rendered is as follows: <ul style="list-style-type: none"> <li>○ 787 338 inpatient separations</li> <li>○ 3 909 845 inpatient days</li> <li>○ 303 913 day patient separations</li> <li>○ 1 131 401 outpatient first visits</li> <li>○ 3 033 601 outpatient follow up visits</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Support for tertiary services will continue because of the need to sustain and modernise tertiary services</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R10.8 billion; 2017/18: R11.5 billion; and 2018/19: R12.2 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• To convene at least one annual meeting of national, provincial and facility programme managers</li> <li>• Monitor expenditure by economic classification, and patient activity and provide on-site support to facilities/complexes and provinces</li> <li>• Conduct a minimum of two site visits to provinces and a minimum of one site visit to facilities/complexes, with the first site visit to provinces to include facilities</li> </ul>

<b>National Tertiary Services Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Completion of a provincial SLA or memorandums of understanding signed by the receiving officer and the benefitting institution by 31 March 2016, and submission to DoH by 29 April 2016</li> <li>• Provinces must gazette facility specific allocations to individual facilities/complexes as per the provincial SLA/memorandum of understanding by 29 April 2016</li> <li>• Provinces must maintain a separate budget for each benefitting facility</li> <li>• The receiving officer must supply the head of each benefitting facility/complex with a budget letter which includes the equitable share allocation by 29 April 2016</li> <li>• Conduct a minimum of one site visit to each benefitting facility/complex per quarter and submit minutes/reports of these meetings to DoH at the end of each quarter</li> <li>• Submission of updated specialist details funded by the grant at facility level by 30 November 2016</li> <li>• Submission of service specifications funded at each facility by 30 November 2016</li> <li>• Submission of quarterly reports in the approved expenditure areas in the prescribed format</li> <li>• Provide patient utilisation data (inpatient separations, inpatient days, day case separations, outpatient first visits, outpatient follow up visits and patient-day equivalents) as per the prescribed format</li> </ul>
<b>Process for approval of 2017/18 service level agreements</b>	<ul style="list-style-type: none"> <li>• Submission of draft business plans (provincial and facility) by 31 October 2016</li> <li>• Completion of SLA, in the prescribed format, signed by each receiving officer by 28 February 2017 and submitted to the transferring officer by 31 March 2017</li> </ul>

## HUMAN SETTLEMENTS GRANT

<b>Human Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Human Settlements (Vote 38)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The creation of sustainable and integrated human settlements that enable improved quality of household life and access to basic services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide funding for the creation of sustainable and integrated human settlements</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The facilitation and provision of adequate housing and improved quality living environments</li> <li>• A functionally equitable and integrated residential property market</li> <li>• Enhanced institutional capabilities for effective coordination of spatial investment decisions</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of housing opportunities created; including:               <ul style="list-style-type: none"> <li>○ number of residential units delivered in each housing programme</li> <li>○ number of serviced sites delivered in each housing programme</li> <li>○ number of finance linked subsidies approved and disbursed</li> <li>○ number of units built for military veterans</li> </ul> </li> <li>• Number of individual households in informal settlements provided with access to services/upgraded services</li> <li>• Number of individual households in backyards provided with access to services/upgraded services</li> <li>• Number of properties transferred and/or title deeds issued (pre 1994 and post 1994 backlogs and new developments)</li> <li>• Hectares of well-located land acquired, planned and developed to create housing opportunities</li> <li>• Number of work opportunities created through related programmes</li> <li>• Number of informal settlements upgraded in situ and/or relocated</li> <li>• Number of women and youth service providers contracted and employed in programmes and projects</li> <li>• Number of socio-economic amenities delivered integrated developments in human settlements</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 8: Sustainable human settlements and improved quality of household life</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Medium term strategic framework indicators</li> <li>• Project planning and facilitation</li> <li>• Outputs and targets</li> <li>• Cash flow projections (payment schedule)</li> <li>• Quarterly reporting</li> <li>• Project information</li> <li>• Project readiness matrix</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Funds for this grant should be utilised for the priorities as set out in the 2014-19 Medium term strategic framework for human settlements</li> <li>• The transfer of the first tranche of funds is conditional on approval by the national Department of Human Settlements (DHS) of provincial business plans consistent with the provisions of the Housing Act and in compliance with the National Housing Code</li> <li>• The transfer of subsequent tranches is conditional on provinces capturing the targets and budget and capturing delivery statistics and expenditure monthly on housing subsidy system (HSS) and the basic accounting system (BAS), at sub-sub-programme level, and submit monthly reconciliations</li> <li>• The provinces must ensure alignment between the HSS and BAS on a monthly basis</li> <li>• 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</li> <li>• Provincial Heads of Departments (HoDs) must sign-off and confirm that projects captured in business plans are assessed and approved for implementation in the 2016/17 financial year</li> <li>• Provinces may utilise up to a maximum of five per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects as contained in the business plan</li> <li>• Provinces must make budget allocations consistent with provincial and related municipal backlogs for adequate housing</li> <li>• Provinces must gazette allocations for respective accredited municipalities in terms of the Division of Revenue Act by no later than 31 May 2016</li> <li>• 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</li> <li>• Provinces may utilise a maximum of two per cent of the human settlements development grant (HSDG) for the provision 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 the IDP and municipal budget for provision of such bulk and infrastructure with Municipal Infrastructure Grant funding. The prior approval of the transferring officer is required</li> </ul>

### Human Settlements Development Grant

- The HSDG business plans may only be revised if approval to submit a revised business plan is granted by the accounting officer
- Funds have been included in this grant for the repair of infrastructure for damage incurred in natural disasters as declared in terms of the Disaster Management Act. Should the cost of repairing the affected infrastructure exceed the amounts earmarked below, provinces may not fund any such shortfalls out of this conditional grant. 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):
  - Eastern Cape: R100 million
  - Gauteng: R47 million
  - Limpopo: R30 million
  - Mpumalanga: R18 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 the national department
- 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
- Monthly and quarterly performance reports on disaster allocations must be submitted to the NDMC and national department
- A minimum of 30 per cent of the total HSDG allocation 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 settlement 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 funds projects and related infrastructure (including bulk) for housing and human settlements developments in the following prioritised mining towns:
  - **Free State:**
    - Matjhabeng: R101 million
  - **Gauteng:**
    - Merafong City: R26 million
    - GT485: R77 million
    - Mogale City: R20 million
  - **Limpopo:**
    - Thabazimbi: R27 million
    - Elias Motsoaledi: R12 million
    - Lephalale: R18 million
    - LIM476: R9 million
  - **Mpumalanga:**
    - Emalahleni: R96 million
    - Steve Tshwete: R38 million
    - Thaba Chweu: R28 million
  - **Northern Cape:**
    - Tsantsabane: R11 million
    - Ga-Segonyana: R13 million
    - Gamagara: R10 million
    - Kgatelopele: R2 million
  - **North West:**
    - Kgetleng river: R15 million
    - Madibeng: R240 million
    - Moses Kotane: R60 million
    - Rustenburg: R201 million
    - Matlosana: R69 million
- The following funds are ring-fenced for utilisation in the eradication of the title deed registration backlog linked to provincial title deed registration implementation plans which must be included in the project readiness matrix and business plan. Funds may only be spent in terms of the approved business plan
- These funds cannot be used for current and new projects:
  - Eastern Cape: R39 million
  - Free State: R30 million
  - Gauteng: R62 million
  - KwaZulu-Natal: R60 million
  - Limpopo: R13 million
  - Mpumalanga: R30 million
  - Northern Cape: R12 million
  - North West: R30 million

<b>Human Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>○ Western Cape: R30 million</li> <li>● 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 grants to the approved national priority catalytic projects in line with their projects readiness status</li> <li>● A minimum of 30 per cent of the HSDG allocations should be allocated to contracts awarded to women and youth service providers</li> <li>● At least two 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</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● 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</li> <li>● 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</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● A conditional grant enables the national department to provide effective oversight and ensure compliance with the National Housing Code</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>● Allocated and transferred R17.1 billion of which R17 billion (99 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● 94 566 housing units completed</li> <li>● 49 345 serviced sites completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● 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</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R18.3 billion; 2017/18: R21.1 billion; and 2018/19: R22.3 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Monthly instalments as per the payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● 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</li> <li>● Approve the final national and provincial business plans and issue compliance certificates</li> <li>● Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein</li> <li>● Ensure that provinces align financial and non-financial information in terms of reporting in BAS, HSS, provincial business plans and provincial quarterly reports</li> <li>● Monitor provincial, financial and non-financial grant performance and control systems related to the HSDG</li> <li>● Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input</li> <li>● Provide support to provinces and accredited municipalities with regards to human settlements delivery as may be required</li> <li>● Undertake structured and other visits to provinces and metropolitan municipalities as is necessary</li> <li>● Facilitate regular interaction between DHS and provincial departments of human settlements and accredited municipalities</li> <li>● Submit an annual evaluation report for 2015/16 on the performance of the grant to National Treasury by 29 July 2016</li> <li>● Evaluate the audited provincial annual reports for submission to National Treasury by 15 December 2016</li> <li>● Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>● Provide systems including HSS, that support the administration of the human settlements delivery process</li> <li>● Comply with the responsibilities of the transferring officer outlined in the 2016 DoRA</li> <li>● Publish approved business plans</li> <li>● Provinces should ensure that they implement the programmes only in the approved business plans</li> </ul>

<b>Human Settlements Development Grant</b>	
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Submit 2015/16 annual evaluation reports to DHS by 30 May 2016</li> <li>• Submit 2015/16 audited annual reports to the DHS by 30 September 2016</li> <li>• Prioritise funds in order to build houses to meet the quota set for the military veterans</li> <li>• Support accredited municipalities in carrying out delegated functions as per the accreditation framework</li> <li>• Provinces must utilise the HSS for the administration and related performance reporting of all the human settlement delivery programmes and processes</li> <li>• Any malicious use or non-compliance to the HSS will result in funds being withheld or stopped in terms of DoRA</li> <li>• 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</li> <li>• Ensure effective and efficient utilisation of and access to the HSS by municipalities</li> <li>• Comply with the Housing Act, Housing Code and the national delivery agreements that have been concluded</li> <li>• The monthly expenditure report, as contemplated in section 12(3) of the 2016 DoRA and section 40(4)(c) of the Public Finance Management Act (PFMA), must be submitted by the 15th of every month for the preceding month with work in progress inclusive of expenditure and monthly BAS and HSS reconciliation as stipulated on the Practice Note dated 24 April 2015</li> <li>• The monthly DoRA expenditure and quarterly reports must be signed by both the HoD and the relevant provincial treasury HoD</li> <li>• Submit the reports on the outputs as mentioned on this framework above by the 15th of every month for the preceding month</li> <li>• Provinces should ensure that they only implement the programmes in the approved business plans</li> <li>• Consult with municipalities on the programme and projects submitted for approval in terms of the HSDG business plan</li> <li>• Ensure all projects to be implemented are contained in the municipal IDP</li> <li>• Ensure that the relevant amounts to be applied and transferred to municipalities are gazetted by no later than 31 May 2016</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Draft provincial business plans for 2017/18 financial year and project readiness matrix to be submitted to the national department by 13 October 2016</li> <li>• Submit final provincial business plans, project readiness matrix, including cash flow projections and compliance certificates for 2017/18 financial year to the DHS by 17 February 2017</li> <li>• Business plans for 2016/17 should not include any projects for rectification (pre and post 1994), IDP chapters, blocked projects, CRU (constructed and/or upgraded), project linked, consolidation subsidies (blocked projects)</li> </ul>

## PUBLIC WORKS GRANTS

<b>Expanded Public Works Programme Integrated Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 11)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To provide Expanded Public Works Programme (EPWP) funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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 EPWP guidelines: <ul style="list-style-type: none"> <li>road maintenance and the maintenance of buildings</li> <li>low traffic volume roads and rural roads</li> <li>other economic and social infrastructure</li> <li>tourism and cultural industries</li> <li>sustainable land based livelihoods</li> <li>waste management</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities</li> <li>Reduced level of poverty</li> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive economic growth</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>The programme is implemented through provinces using incentive agreements that contain project lists and targets for the creation of Full Time Equivalents (FTEs) and work opportunities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works (DPW) and the ministerial determination</li> <li>Eligible provincial departments must sign a funding agreement with their final EPWP project list attached, before the first planned disbursement of the grant</li> <li>Provincial departments must report quarterly on all projects via DPW's EPWP reporting system</li> <li>Reports must be loaded on the EPWP reporting system within 15 days after the end of every quarter in order for progress to be assessed</li> <li>The grant cannot be used for departmental personnel costs, however a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods</li> <li>The grant can only be utilised for EPWP purposes and for the projects approved in the incentive agreement signed by each eligible provincial department</li> <li>To receive the first planned grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> <li>submit a final EPWP project list by 29 April 2016</li> <li>sign a grant agreement with DPW</li> </ul> </li> <li>Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> <li>reporting on EPWP performance quarterly within the required timeframes</li> <li>implementing their approved EPWP project list as planned towards the agreed job creation targets</li> </ul> </li> <li>EPWP branding must be incorporated in any existing signage as per corporate identity manual</li> <li>Provincial departments must maintain beneficiary and or payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an EPWP grant allocation in 2016/17, a provincial department must have reported EPWP performance (in either the infrastructure or environment and culture sector) by 14 October 2016</li> <li>The EPWP grant allocations are based on EPWP performance in the past 18 months, number of FTEs created per million rand, and the duration of the work opportunities created</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance</li> <li>The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Out of the R349 million allocated amount, R348 million was transferred (99 per cent) of which R320 million (92 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>257 947 work opportunities reported and 87 496 FTEs created</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until the end of 2018/19 financial year, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R402 million; 2017/18: R424 million; and 2018/19: R448 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments per annum: 25 per cent, 13 May 2016; 45 per cent, 15 August 2016; and 30 per cent, 15 November 2016</li> </ul>

<b>Expanded Public Works Programme Integrated Grant for Provinces</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Determine eligibility and set grant allocations and FTE targets for eligible provincial departments</li> <li>• Publish on the EPWP website all documents relevant for provincial departments to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the ministerial determination</li> <li>• Support provincial departments, in the manner agreed to in the funding agreement, to identify suitable EPWP projects, develop EPWP project lists in accordance with the EPWP project selection criteria, apply the EPWP project selection criteria and EPWP guidelines to project design, report using the EPWP reporting system</li> <li>• Monitor the performance and spending of provincial departments and assess progress towards their implementation of EPWP project lists</li> <li>• Disburse the grant to eligible provinces</li> <li>• Report to National Treasury progress against FTE targets and spending against the grant allocation on a quarterly basis</li> <li>• Conduct data quality assessments on a continuous basis to support good governance and identify areas for administrative improvement</li> <li>• Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions</li> <li>• Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP web-based system</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Develop and submit an EPWP project list to the DPW by 29 April 2016</li> <li>• Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement by 29 April 2016</li> <li>• Agree on the areas requiring technical support from DPW upon signing the grant agreement</li> <li>• Report on all EPWP projects into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Provincial departments must report on performance of EPWP projects for the 2015/16 financial year by 15 April 2016 or report on 2016/17 performance by 14 October 2016 to be eligible for a grant allocation</li> <li>• Provincial departments must submit draft 2017/18 EPWP project lists to DPW by the end of April 2017</li> <li>• Eligible provincial departments must sign the standard funding agreement with an approved 2017/18 EPWP project list by the end of April 2017</li> </ul>

<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 11)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase job creation through the expansion of the social sector Expanded Public Works Programme (EPWP)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise provincial social sector departments, identified in the 2015 social sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery to communities by expanding the reach and quality of social services</li> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> <li>Strengthened capacity of non-government delivery partners through increased access to funds for training, wages and administration</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>15 689 Full Time Equivalents (FTEs) funded through this grant</li> <li>A minimum 15 035 people employed and receiving income through the EPWP</li> <li>A minimum average duration of 200 person days for work opportunities created</li> <li>A minimum of 60 000 households to which services are provided</li> <li>A minimum of 120 000 beneficiaries to whom services are provided</li> <li>A minimum of 1000 beneficiaries who received training</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive economic growth</li> <li>Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial departments must report EPWP expenditure on the monthly In-Year Monitoring (IYM) tool in accordance with section 32 of the Public Finance Management Act</li> <li>Reports on financial and non-financial performance must be loaded on the EPWP reporting system within 15 days after the end of each quarter</li> <li>Provincial departments must adhere to the audit requirements stipulated in the social sector EPWP incentive grant manual</li> <li>The incentive grant allocation must be used to expand job creation programmes in the social sector</li> <li>The incentive grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> <li>to provide stipends to unpaid volunteers at a minimum R78.86 per day and further adjustments as per the Ministerial Determination for EPWP Workers and the prescripts of the Department of Labour</li> <li>to provide additional allocations for prioritising existing programmes that contributed to achieving EPWP targets</li> <li>to expand social sector EPWP programmes as identified in the EPWP social sector log-frame for creation of additional work opportunities</li> </ul> </li> <li>A minimum of 80 per cent of the total incentive allocation must be used to pay stipends or wages</li> <li>Of this 80 per cent, at least 25 per cent must be used for the creation of work opportunities for persons not previously employed in the relevant programme</li> <li>EPWP branding must be incorporated in any existing signage as per corporate identity manual</li> <li>The balance of the overall incentive allocation must be used for capacity-building at the implementation level or the standardisation of wages</li> <li>Maintain beneficiary and payroll records as specified in the audit requirements of the EPWP grant manual</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an incentive allocation in 2016/17, a provincial department must have reported 2014/15 and/or 2015/16 EPWP performance by 15 October 2015</li> <li>Departments receive a participation allocation which depends on the number of FTEs contributed in the preceding 18 months leading up to 30 September 2015</li> <li>For departments that reported in 2014/15, the department's performance is assessed against a set of social sector EPWP standards to determine the size of an additional allocation. These are: <ul style="list-style-type: none"> <li>number of FTEs per million rand per departmental programme as compared to the median value for similar programmes (cost-effectiveness)</li> <li>beneficiary profile consisting of 2 per cent persons with disabilities</li> <li>beneficiary profile consisting of 55 per cent youth</li> <li>beneficiary profile consisting of 55 per cent female beneficiaries</li> <li>10 per cent of days worked spent in training</li> <li>average duration of work opportunities</li> <li>average minimum daily wage of R70.59 from April to October 2014 and R75.10 from November 2014 to March 2015 (per person day of work)</li> </ul> </li> <li>The additional allocation for each eligible provincial department is based on its proportion of the total allocation, which is derived by multiplying a composite score against the above standards with the number of FTEs created in the 18 month period prior</li> </ul>

<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The incentive allocation is based on the performance of programmes in a prior financial year and use of the allocation is specifically earmarked for EPWP programme expansion</li> </ul>
<b>Past performance</b>	<b>2014/15 audited financial outcomes</b> <ul style="list-style-type: none"> <li>Of the total R258 million allocated R247 million (96 per cent) was spent by the end of the national financial year</li> </ul>
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>12 967 FTEs were created</li> <li>705 540 households serviced</li> <li>647 non-profit organisations administratively supported</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R360 million; 2017/18: R386 million; and 2018/19: R408 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments per annum: 25 per cent, 6 May 2016; 45 per cent, 29 July 2016; and 30 per cent, 31 October 2016</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations</li> <li>Revise an incentive manual that will provide provincial departments with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations</li> <li>Develop an incentive agreement outlining the requirements of the incentive grant and ensure that each provincial department signs the agreement by 15 April 2016</li> <li>Reach agreement with national sector departments on their roles in ensuring effective implementation of the incentive grant by 15 April 2016</li> <li>Support provincial departments to develop plans to meet job creation targets</li> <li>Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system</li> <li>Monitor the performance of provincial departments and the use of the incentive grant against the conditions in the framework and report to National Treasury on monthly and quarterly progress</li> <li>Audit the final performance of provincial departments after the end of the financial year</li> <li>Report quarterly to provincial departments on projected eligibility for the incentive grant in the following year</li> <li>Issue guidelines to provincial departments on how to report expenditure by 31 March 2016</li> <li>Identify anomalies in the reported data</li> </ul>
	<b>Responsibilities of the provincial department</b> <ul style="list-style-type: none"> <li>Compile and sign business plans on how to achieve the incentive grant targets by 31 March 2016</li> <li>By 15 April 2016, sign the standard incentive agreement with national Department of Public Works agreeing to comply with the conditions and obligations of the grant before receiving any incentive payment</li> <li>Report EPWP performance onto the EPWP reporting system and update progress monthly and quarterly in accordance with the reporting requirements in the incentive agreement</li> <li>Provide financial and non-financial data on the use of the incentive grant on a monthly and quarterly basis in the format and manner prescribed by National Treasury and DPW</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Provincial departments must have reported EPWP performance by 14 October 2016 to be eligible for an allocation</li> <li>Provincial departments participate in the planning exercise from December to January each year and submit their business plans and targets to DPW during this process in the format prescribed</li> <li>DPW to distribute the incentive agreements for provincial Head of Department endorsement by end of March every year</li> <li>Provincial departments sign the incentive agreement with DPW by 14 April 2017 and agree to comply with the conditions and obligations of the incentive grant</li> </ul>

**SOCIAL DEVELOPMENT GRANT**

<b>Substance Abuse Treatment Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Social Development (Vote 17)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To strengthen the harm reduction programme by providing treatment for substance abuse</li> <li>• To improve access to public substance dependency treatment facilities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide funding for the construction of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Reduction in recurrence of substance abuse</li> <li>• Affordable public treatment programmes</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Four substance dependency treatment facilities</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The business plan in this grant will be replaced by the project implementation plan (PIP) and will include the following: <ul style="list-style-type: none"> <li>○ project schedule</li> <li>○ cost plan</li> <li>○ annual project cash flows and milestones</li> <li>○ risk plan</li> <li>○ project governance structure assigning roles and responsibilities for the management of the project</li> <li>○ detailed project designs</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• All required reports must be signed-off by the relevant delegated official within the provincial department, however final approval needs to be obtained from national Department of Social Development (DSD) in order to commence with the next stage</li> <li>• The PIPs must be approved by DSD</li> <li>• The flow of the first instalment of the grant depends upon receipt by DSD and provincial treasuries of: <ul style="list-style-type: none"> <li>○ monthly progress reports via the infrastructure reporting model (IRM) including a narrative progress report on the project</li> <li>○ PIP signed by the Head of Department of the provincial Department of Social Development</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Provinces were allocated funds according to the cost calculations for a standard design guideline of a substance dependency treatment centre</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This grant enables the DSD to ensure the delivery of substance abuse treatment facilities in the four provinces that do not have these public facilities</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• Eastern Cape: R13 million allocated, R13 million (96.9 per cent) was spent</li> <li>• Free State: R2 million allocated, R2 million (95 per cent) was spent</li> <li>• Northern Cape: R2 million allocated, R2 million (99.9 per cent) was spent</li> <li>• North West: R12 million allocated, R11 million (91.8 per cent) was spent</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• One centre constructed in the Eastern Cape Province, North West province in the construction phase and Northern Cape and Free State in the planning and design phase</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The use of this grant for construction comes to an end in 2016/17. Starting 2017/18 the grant will temporarily support operation of centres, and will be subject to review in 2018/19</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R 86 million; 2017/18: R57 million; and 2018/19: R71 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made on a quarterly basis</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Monitoring compliance to conditional grant framework</li> <li>• Monitor implementation through project site visits and provide appropriate support</li> <li>• Provide the guidelines and criteria for the development and approval of the PIP</li> <li>• Submit an annual evaluation report after the end of the 2015/16 financial year, four months after the financial year</li> <li>• Provide National Treasury with a quarterly report against the project plan 45 days after the end of each quarter</li> <li>• Initiate a process to guide the allocation criteria of funds for operation budgets starting 2017/18</li> </ul> <p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>• Provincial departments must establish committees with the relevant implementing agents, and hold monthly meetings that are minuted to review progress on site</li> <li>• Submit a PIP developed together with the implementing agents</li> <li>• Provinces to implement the project charter as approved by DSD</li> <li>• DSD must be notified in writing about deviations before implementation can take place</li> <li>• Provinces to submit evaluation reports to DSD two months after the end of the financial year</li> <li>• Provinces to report on IRM on a monthly basis</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• National Transferring Officer approves business plans and submits to National Treasury by 31 March 2017</li> </ul>

## SPORT AND RECREATION SOUTH AFRICA CONDITIONAL GRANT

<b>Mass Participation and Sport Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Sport and Recreation South Africa (Vote 40)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Increasing citizens' access to sport and recreation activities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased and sustained participation in sport and recreation</li> <li>• Improved sector capacity to deliver sport and recreation</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• School Sport               <ul style="list-style-type: none"> <li>○ learners supported to participate in national school sport competitions</li> <li>○ learners participating in school sport tournaments at provincial level</li> <li>○ learners participating in school sport tournaments at district level</li> <li>○ educators trained to deliver school sport programmes</li> <li>○ volunteers trained to deliver school sport programmes</li> <li>○ schools provided with equipment and/ or attire</li> <li>○ 48 sport focus schools supported</li> <li>○ school sport coordinators remunerated</li> <li>○ provincial school sport structures supported</li> <li>○ district school Sport structures supported</li> </ul> </li> <li>• Siyadlala: Community Sport and Recreation               <ul style="list-style-type: none"> <li>○ youth participating at youth camps</li> <li>○ sport and recreation events organised and implemented</li> <li>○ people actively participating in sport and recreation events</li> <li>○ sport and recreation projects implemented by the sport councils/confederations</li> <li>○ people trained as part of community sport- recreation</li> <li>○ provincial programmes implemented in line with the main purpose of the grant framework</li> <li>○ hubs provided with equipment and/or attire</li> <li>○ hubs supported</li> </ul> </li> <li>• Club Development               <ul style="list-style-type: none"> <li>○ local leagues supported to foster Club Development - Federations</li> <li>○ clubs supported to participate in local leagues</li> <li>○ people trained as part of club development programme</li> </ul> </li> <li>• Academies               <ul style="list-style-type: none"> <li>○ athletes supported by sport academies</li> <li>○ sports academies supported</li> <li>○ people trained to deliver sports academy programme</li> <li>○ staff appointed on a long term or permanent basis</li> </ul> </li> </ul>
<b>Priority outcome of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 14: Nation building and social cohesion</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<p><b>Provincial compliance</b></p> <ul style="list-style-type: none"> <li>• Provincial departments must ensure that:           <ul style="list-style-type: none"> <li>○ all structures at all levels are aligned to the sports recreation RSA priority codes to contribute to seamless service delivery</li> <li>○ 50 per cent of the clubs and hubs established must be from rural and farm areas</li> <li>○ submit performance evidence of what is reported to be achieved irrespective of the status of the project</li> <li>○ funds from this grant are not used on projects falling outside the scope of the grant unless prior written request and approval to such effect is granted by accounting officer of Sports and Recreation South Africa (SRSA)</li> </ul> </li> </ul>

<b>Mass Participation and Sport Development Grant</b>																			
	<ul style="list-style-type: none"> <li>• Conditional grant must be utilised according to the following allocation:               <table style="margin-left: 20px; border: none;"> <tr> <td>○ Employment of permanent staff</td> <td style="text-align: right;">6 per cent</td> </tr> <tr> <td>○ Branding</td> <td style="text-align: right;">1 per cent</td> </tr> <tr> <td>○ District and provincial Academies</td> <td style="text-align: right;">8 per cent</td> </tr> <tr> <td>○ Provincial Sports Councils/Confederations</td> <td style="text-align: right;">5 per cent</td> </tr> <tr> <td>○ School Sport</td> <td style="text-align: right;">40 per cent</td> </tr> <tr> <td>○ Siyadlala</td> <td style="text-align: right;">18 per cent</td> </tr> <tr> <td>○ Club Development</td> <td style="text-align: right;">18 per cent</td> </tr> <tr> <td>○ Provincial Programmes</td> <td style="text-align: right;">4 per cent</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>100 per cent</b></td> </tr> </table> </li> </ul> <p><b>School Sport: 40 per cent</b></p> <ul style="list-style-type: none"> <li>• Province must ring fence R10 million to provide transport, accommodation, meals, attire and support for the delivery of provincial teams to national sport tournaments hosted by SRSA</li> <li>• The remaining school sport allocation must be allocated in the following proportions:           <ul style="list-style-type: none"> <li>○ 10 per cent to support the training of educators and school sport volunteers</li> <li>○ 10 per cent to purchase equipment and or attire for schools below quintal 3 identified through participation in leagues</li> <li>○ 40 per cent to deliver district and provincial competitions</li> <li>○ 10 per cent to support the implementation of sport focus schools</li> <li>○ 15 per cent to remunerate circuit coordinators who coordinate and support the delivery of school sport programmes and monitor and evaluate at a local level</li> <li>○ 10 per cent to support school sport structures</li> <li>○ 5 per cent for administration costs</li> </ul> </li> </ul> <p><b>Siyadlala Community Sport: 18 per cent</b></p> <ul style="list-style-type: none"> <li>• Provinces must ring fence R3 million per province for Youth Camps at Provincial level to provide transport, accommodation, meals, attire, security, public liability, medical, stationary, plenary meetings and administration</li> <li>• The remaining Siyadlala allocation must be allocated in the following proportions:           <ul style="list-style-type: none"> <li>○ 45 per cent for sport and recreation events</li> <li>○ 15 per cent to purchase equipment</li> <li>○ 10 per cent to purchase attire</li> <li>○ 5 per cent for Minister's outreach programmes (15 per cent for training, 10 per cent for administration costs)</li> </ul> </li> </ul> <p><b>Club Development: 18 per cent</b></p> <ul style="list-style-type: none"> <li>• The portion of the grant ring-fenced for club development must be used in the following proportions:           <ul style="list-style-type: none"> <li>○ 15 per cent for training</li> <li>○ 50 per cent for tournaments and league fixtures</li> <li>○ 25 per cent to purchase equipment and attire</li> <li>○ 10 per cent for administration costs</li> </ul> </li> </ul> <p><b>Sports Council/ Confederations: 5 per cent</b></p> <ul style="list-style-type: none"> <li>• Provinces may transfer funds allocated to provincial sports councils/confederation provided there:           <ul style="list-style-type: none"> <li>○ a prior transfer plan has been included in the approved provincial business plan</li> <li>○ a service level agreement or memorandum of agreement, between the provincial department and the provincial sports councils/confederations is in place and expenditure and performance monitoring mechanisms of the provincial sports council</li> </ul> </li> </ul> <p><b>Provincial Programmes: 4 per cent</b></p> <ul style="list-style-type: none"> <li>• Provincial specific programmes that are implemented must be in line with the main purpose of the grant</li> </ul> <p><b>District and provincial academies: 8 per cent</b></p> <ul style="list-style-type: none"> <li>• This allocation must be used for the establishment and development of district and provincial academies in line with the sports academies framework and guidelines from SRSA:           <ul style="list-style-type: none"> <li>○ 5 per cent for administration</li> <li>○ 20 per cent for training in the following: talent identification and scouting, coaching, medical and scientific service, life skills and counselling</li> <li>○ 40 per cent resourcing of district and provincial academies</li> <li>○ 35 per cent athlete support as documented in the academy framework</li> </ul> </li> </ul>	○ Employment of permanent staff	6 per cent	○ Branding	1 per cent	○ District and provincial Academies	8 per cent	○ Provincial Sports Councils/Confederations	5 per cent	○ School Sport	40 per cent	○ Siyadlala	18 per cent	○ Club Development	18 per cent	○ Provincial Programmes	4 per cent	<b>Total</b>	<b>100 per cent</b>
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○ Siyadlala	18 per cent																		
○ Club Development	18 per cent																		
○ Provincial Programmes	4 per cent																		
<b>Total</b>	<b>100 per cent</b>																		

<b>Mass Participation and Sport Development Grant</b>	
	<ul style="list-style-type: none"> <li>● Provinces may transfer funds allocated to the academies with the following conditions <ul style="list-style-type: none"> <li>○ there must be a plan for the transfer and that must be part of the provincial business plan approved by SRSA</li> <li>○ the transfer agreement must include the allocated breakdown as above and the implementation plan</li> <li>○ there must be a service level agreement or memorandum of agreement, between the provincial department and academies in place</li> </ul> </li> <li>● Provinces based on their provincial dynamics, may apply to the Director-General to change the above sub-allocations</li> <li>● Non adherence to these conditions will result in implementation of penalties set out in the penalty schedule agreed on</li> <li>● National Training Centre, Free State: 4.5 per cent (excludes the ring-fenced amounts): <ul style="list-style-type: none"> <li>○ funds allocated to the national training centre (NTC) must only be used for the construction of the centre that will serve all the national teams</li> </ul> </li> <li>● Club Development Pilot, KwaZulu-Natal and Limpopo: 3 per cent (excludes ring-fenced amounts) <ul style="list-style-type: none"> <li>○ these provinces will pilot the system by identifying no less than 300 clubs in Football, Netball and Athletics to participate. These provinces will have to acquire franchises to ensure sustainability to the supported clubs.</li> <li>○ both KwaZulu-Natal and Limpopo must ring-fence R6 million within the club development allocations for this pilot</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● Funds are distributed among provinces on the basis of baseline allocation of R20 million, needs analysis, and provincial equitable share formula</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● Conditional grant is necessary to ensure national coordination, monitoring and facilitation</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>● Allocated and transferred R525 million to provinces. Of the total available including provincial roll-overs of R1 million, R526 million (98 per cent) was spent</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● Number of people trained in sport and development: 3 849 educators</li> <li>● Number of people participating in the programme: 1 255 296 people participated in schools, hubs and clubs</li> <li>● 8 307 Learners (4 165 males and 4 142 females)</li> <li>● 3 849 educators were trained</li> <li>● 1 580 schools and 887 hubs received equipment and attire</li> <li>● 381 permanent employment opportunities were created</li> <li>● 1 225 296 from sport and recreation hubs actively participated in sport and recreation activities</li> <li>● 3 746 athletes were supported through the sport academy system</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● Ongoing subject to review as agreed with National Treasury</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R556 million; 2017/18: R586 million; and 2018/19: R618 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Four instalments: 31 May 2016; 31 August 2016; 30 November 2016; and 30 January 2017</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Agree on outputs and targets with provincial departments in line with grant objectives for 2017/18 by 30 September 2016</li> <li>● Provide the guidelines and criteria for the development and approval of business plans</li> <li>● Monitor implementation and provide support</li> <li>● Ensure that capacity exists to manage the grant and that there is a grant manager responsible for the grant</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>● Ensure that measurable objectives and performance indicators of the conditional grant (as agreed to by SRSA) are reflected in the respective provincial departments' annual performance plan for 2016/17</li> <li>● Submit the 2015/16 annual evaluation report to SRSA by 31 May 2016</li> <li>● Submit monthly reports as per the requirements contained in the DoRA</li> <li>● Submit quarterly performance reports (as per operational plans) to SRSA</li> <li>● Monitor progress of the grant implementation as per business plan</li> <li>● Ensure that provincial grant managers attend all the national conditional grant meetings</li> <li>● Ensure that capacity exists to manage the grant</li> </ul>

<b>Mass Participation and Sport Development Grant</b>	
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces to provide draft business plans to SRSA by 4 November 2016</li> <li>• SRSA evaluates draft business plans by 19 December 2016</li> <li>• Comments sent to provinces by 30 December 2016</li> <li>• Provinces to submit revised business plans to SRSA by 27 January 2017</li> <li>• SRSA to approve revised business plans by 10 February 2017</li> <li>• Heads of departments to submit signed business plans to SRSA by 31 March 2017</li> <li>• SRSA to sign project implementation agreements and business plans with provincial Heads of Departments by 14 April 2017</li> <li>• SRSA to submit approved business plans to National Treasury by 31 May 2017</li> </ul>

## TRANSPORT GRANTS

<b>Provincial Roads Maintenance Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 35)</li> </ul>
<b>Grant Schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework For South Africa (RISFSA) in line with the S'hamba Sonke road programme and other related road infrastructure asset management programmes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To supplement provincial investments for routine, periodic and special maintenance</li> <li>• To ensure all roads are classified as per RISFSA and the Technical Recommendation for Highways (TRH) 26 Road Classification and Access Management (RCAM) guidelines</li> <li>• To implement and maintain Road Asset Management Systems (RAMS) as per Technical Methods for Highways (TMH) 22</li> <li>• To supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters</li> <li>• To improve the state of the road network serving electricity generation infrastructure</li> <li>• To improve road safety with a special focus on pedestrian safety in rural areas</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improve the condition and lifespan of the assets (provincial roads), thereby improving the level of service</li> <li>• Improved rates of employment, community participation and skills development through the delivery of roads infrastructure projects (Expanded Public Works Programme (EPWP) objective)</li> <li>• Create work opportunities for unemployed people through labour-intensive construction methodologies for the delivery of road infrastructure projects</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Road classification processes are 100 per cent complete and continuously maintained, including all newly proclaimed constructed and upgraded roads</li> <li>• Fully functional RAMS in line with minimum TMH 22 requirements for a provincial road authority</li> <li>• Network condition assessment and determination of project priority list from the RAMS</li> <li>• The following actual delivery related measures against 2016/17 targets defined in the final Road Asset Management Plan (RAMP) for each province: <ul style="list-style-type: none"> <li>○ number of lane kilometres of surfaced roads rehabilitated</li> <li>○ number of lane kilometres of surfaced roads resurfaced (overlay or reseal)</li> <li>○ number of m<sup>2</sup> of blacktop patching (including pothole repairs)</li> <li>○ number of kilometres of gravel roads re-gravelled</li> <li>○ number of kilometres of gravel roads bladed</li> </ul> </li> <li>• The following performance based on national job creation indicators <ul style="list-style-type: none"> <li>○ number of jobs created</li> <li>○ number of full time equivalents (FTEs) created</li> <li>○ number of youths employed (18 – 35)</li> <li>○ number of women employed</li> <li>○ number of people living with disabilities employed</li> </ul> </li> <li>• Updated road condition data as per TMH 22 (paved and unpaved), traffic data, and bridge condition report by 30 November 2016</li> <li>• Number of contractors in the Contractor Development Programme (CDP) <ul style="list-style-type: none"> <li>○ number of contractors graduating through the Construction Industry Development Board grading system</li> </ul> </li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses a RAMP, which contains the following details: <ul style="list-style-type: none"> <li>○ level of service</li> <li>○ network condition and traffic volumes</li> <li>○ project lists for 2016/17 to 2018/19 with a summary of targets as per Key Performance Indicators (KPIs) for preventative, routine and emergency maintenance and road rehabilitation works</li> <li>○ financial summary</li> <li>○ organisational and support plan</li> <li>○ job creation estimates</li> <li>○ emerging contractor opportunities</li> <li>○ linkages to socio economic activities and opportunities</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provinces may use a maximum of R10 million from the Provincial Roads Maintenance Grant (PRMG), subject to approval from Department of Transport (DoT), for: <ul style="list-style-type: none"> <li>○ the completion of road classification as per TRH 26 and updating of the geographic information system (GIS) spatial maps and records for all roads in South Africa by the end of 2016/17</li> <li>○ ensuring that provincial RAMS is kept up to date in accordance with Technical Method for Highways (TMH 9; TMH 19 and TMH 22)</li> <li>○ to build Road Asset Management capacity. This funding is allocated as capacity support and is available until the 2016/17 financial year</li> </ul> </li> <li>• For RISFSA Class R1, R2 and R3 data collection requirements are: <ul style="list-style-type: none"> <li>○ visual condition data according to TMH 9 for pavements not older than 2 years, and TMH 19 for bridges not older than five years</li> <li>○ instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 not older than two years</li> </ul> </li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
	<ul style="list-style-type: none"> <li>○ instrumental pavement data for deflections according to TMH 13 no older than five years</li> <li>○ traffic data according to TMH 3, TMH 8 and TMH 14 not older than three years</li> <li>● For RISFSA Class R4 and R5 data requirements are: <ul style="list-style-type: none"> <li>○ visual condition data according to TMH 9 for pavements not older than three years and TMH 19 for bridges not older than five years</li> <li>○ instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 not older than four years on paved roads only</li> <li>○ traffic data according to TMH 3, TMH 8 and TMH 14 not older than five years</li> </ul> </li> <li>● Provinces must submit above data to the national data repository as per the format described in TMH18</li> <li>● Up to a maximum of R1000 per km per year for paved roads and R500 per km per year for gravel roads of the grant may be allocated towards the road classification and collection of data required by this grant</li> <li>● A draft detailed RAMP for 2016/17 that is compliant with the requirements of the Government Immovable Assets Management Act (2007) and based on the Committee of Transport Officials Road Asset Management Guidelines (RAMG) must be submitted by August 2016 to DoT, relevant provincial treasury and National Treasury</li> <li>● The payment of the first instalment is dependent upon submission to DoT and the relevant provincial treasury of the following: <ul style="list-style-type: none"> <li>○ final RAMP and signed-off project list (categorised format) for the 2016 MTEF in a Table B5 format by 30 March 2016</li> <li>○ generate monthly Infrastructure Reporting Model (IRM) on 15 April 2016 and submit budget sheets by 22 April 2016</li> <li>○ planning IRM for 2016 Medium Term Expenditure Framework (MTEF) by 22 April 2016</li> </ul> </li> <li>● The payment of the second instalment is dependent on submission to DoT of the fourth quarter performance report for 2015/16, updated monthly IRM and signed-off budget sheet by 15 July 2016</li> <li>● The third instalment is dependent on receipt by DoT of the first quarter performance report for 2016/17, updated IRM and signed-off budget sheet for 2016/17 by 17 October 2016</li> <li>● The fourth instalment is dependent on receipt of the second quarter performance report for 2016/17, updated monthly IRM, the submission of updated road condition data and signed-off budget sheet reporting for 2016/17 by 16 January 2017</li> <li>● The PRMG allocation can be allocated to the following projects as identified and prioritised through the provincial Road Asset Management System (RAMS): <ul style="list-style-type: none"> <li>○ routine maintenance (Opex): include day to day routine activities such as cleaning drains &amp; culverts, vegetation control, line marking, guard rail repair, road sign repair, crack sealing, patching, edge repair, spot regravelling, blading</li> <li>○ periodic maintenance (Opex): include periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays &lt; 50mm in thickness. For gravel roads it includes re-gravelling up to 100mm thick</li> <li>○ special maintenance (Opex): includes the repair of selected pavement areas up to maximum of 25 per cent of project length followed by application of surface seal or functional asphalt overlay &lt; 50mm. Also includes reinstatement of slope stability, repairs to existing structures and the repair of damaged caused by floods or accidents</li> <li>○ rehabilitation (Capex): includes increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays &gt; 80mm thick. For gravel roads it is gravel layer &gt; 100mm thick. These rehabilitation activities are however limited to maximum of 25 per cent of the PRMG allocation</li> </ul> </li> <li>● The PRMG allocation cannot be allocated to the following projects: <ul style="list-style-type: none"> <li>○ improvements (Capex): this comprises works that aim to improve the quality of service on roads with an unacceptable quality of service. These include measures of improving quality of service on existing roads such as increases the width in selected areas (i.e. addition of climbing/passing lanes), increases in the width over the total length of the project i.e. addition of paved shoulder and localised geometric and intersection improvements. These activities could in some instances include complete rehabilitation of the existing pavement structure</li> <li>○ new Facilities (Capex): this comprises works that aim to improve network capacity and includes the upgrading of earth (dirt) road to an engineered gravel road, the upgrading of a gravel road to a surfaced road and upgrading of single carriageway road to 4-lane or dual carriageway road. The construction of new gravel or surfaced road where previously no road existed (brown/green fields construction). The construction of new bridge to replace existing bridge or new interchange to replace intersection</li> </ul> </li> <li>● Deviations from this must be by application to the national DoT, and motivated through a Road Asset Management System (RAMS). These projects include multi-year projects that are continuing since inception of the grant</li> <li>● The upgrading of gravel roads to surface roads, the construction of new roads and new interchanges do not qualify for funding under this grant</li> <li>● The following amounts per province must be used in 2016/17 for the repair of infrastructure damaged by the natural disaster during 2013/14 and 2014/15 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): <ul style="list-style-type: none"> <li>○ Eastern Cape: R90 million</li> <li>○ Limpopo: R100 million</li> <li>○ Mpumalanga: R50 million</li> </ul> </li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
	<ul style="list-style-type: none"> <li>○ Western Cape: R58 million</li> <li>● Should the cost of repairing the disaster affected infrastructure exceed the amounts earmarked above provinces must fund that shortfall from their provincial equitable share</li> <li>● Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC and DoT prior to the transfer of the allocation</li> <li>● 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</li> <li>● Quarterly performance reports on disaster allocations must be submitted to the NDMC and DoT</li> <li>● All new provincial roads infrastructure projects funded through the grant must be branded on the contract sign boards with the S'hamba Sonke logo</li> <li>● Provinces may participate in the S'hamba Sonke Programme Technical Support Services of the DoT through PFMA and Treasury Regulations</li> <li>● R60 million is ring-fenced for the collection and submission of data on traffic volumes and road condition that can be used to assist in measuring the efficiency of investments in roads</li> <li>● Provinces and the national department will submit the efficiency indicators and supporting data to the National Treasury by 30 June 2016</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● Allocations are based on the PRMG formula, which takes into account the extent of the provincial road network (gravel/paved), the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors</li> <li>● The funding for road networks supporting electricity generation infrastructure are subject to separate allocation criteria based on the programme schedule: <ul style="list-style-type: none"> <li>○ Mpumalanga must allocate R801 million in 2016/17 to coal haulage road projects</li> </ul> </li> <li>● The funding for rehabilitation and repair of roads and bridges that were assessed by the NDMC is subject to separate allocation criteria</li> <li>● A new performance component will be introduced in 2017/18</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● This grant is intended to ensure that provinces give priority to road infrastructure maintenance and promote efficiency in road investment</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>● Of the total R9.4 billion allocated and transferred, R9.4 billion (98.4 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● 7 905 020 m<sup>2</sup> of roads re-sealed</li> <li>● 4 069 km of roads re-gravelled</li> <li>● 1 929 757 m<sup>2</sup> of roads patched</li> <li>● 326 175 km bladed</li> <li>● 1 142 km rehabilitated</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● The grant is ongoing, but will be subject to periodic review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R10.2 billion; 2017/18: R10.8 billion; and 2018/19: R11.5 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Payment will be made in accordance with a payment schedule agreed to with provinces and approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Submit to National Treasury by 30 June 2016 a proposal on how RAMS data collected through the grant can be used to allocate an outcome-based incentive component of the grant (to be allocated from 2017/18)</li> <li>● Assess and evaluate all provinces' RAMPs and give feedback to provincial departments</li> <li>● DoT in partnership with the national Department of Public Works (DPW) will assess business plans to ensure compliance to S'hamba Sonke and EPWP guidelines. In addition, the two departments will monitor and assess the performance on the S'hamba Sonke and EPWP by provincial departments</li> <li>● Assess and approve the submissions from provinces regarding the use of the maximum of R10 million for RAMS and capacity building of their infrastructure units</li> <li>● Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>● Submit a grant evaluation report to National Treasury 120 days after the end of the financial year</li> <li>● Develop a performance based allocation mechanism for use in determining future allocations</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>● Provincial departments must submit quarterly infrastructure reports to DoT and the relevant provincial treasury that comply with the IRM and quarterly performance report templates 30 days after the end of each quarter</li> <li>● Provincial departments must implement their projects in line with the S'hamba Sonke and EPWP guidelines</li> <li>● Provincial departments should report on the EPWP job creation data to DoT and DPW on the EPWP reporting system</li> <li>● Provinces must report all infrastructure expenditure partially or fully funded by this grant on the IRM provided by National Treasury</li> <li>● Ensure projects are selected using RAMS as the primary source of information</li> <li>● Ensure ongoing stakeholder communication and engagement, regarding planning and implementation of road projects</li> <li>● Ensure that approved PRMG funded projects are gazetted through the provincial legislative system and processes. DoT's approval is needed on the PRMG project list before it is tabled at the provincial legislature</li> <li>● Design and implement projects in compliance with the S'hamba Sonke and EPWP guidelines</li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"><li>• Provinces submit a draft business plan in the prescribed RAMP format, with projects selected using RAMS as the primary source, by 30 November 2016</li><li>• RAMPs, including PRMG project lists, are assessed and reviewed by DoT and feedback is provided by 30 January 2017</li><li>• Provinces to submit final 2017/18 RAMP to DoT, relevant provincial treasury and National Treasury by 30 March 2017</li></ul>

<b>Public Transport Operations Grant</b>																			
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 35)</li> </ul>																		
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4A</li> </ul>																		
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Subsidised road based public transport services</li> </ul>																		
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide supplementary funding towards public transport services provided by provincial departments of transport</li> </ul>																		
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The provision of public transport services in terms of contracts which are kilometre based and affordable to the users of the services</li> </ul>																		
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of vehicles subsidised</li> <li>• Number of cumulative annual vehicles subsidised</li> <li>• Number of scheduled trips</li> <li>• Number of trips operated</li> <li>• Number of passengers</li> <li>• Number of kilometres</li> <li>• Number of employees</li> </ul>																		
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> </ul>																		
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>																		
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• This conditional grant, which is supplementary, is a national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised transport services</li> <li>• The contracting authority must supervise, monitor and verify the correctness of the operators' claim in terms of the kilometres of service provided and provide a monthly summary report to the national transferring officer</li> <li>• If the contracting function is devolved to any municipality before the 2016/17 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality</li> <li>• The implementation of the devolution should be in terms of section 17(5) of the 2016 Division of Revenue Act (DoRA)</li> <li>• The municipality and province will have to make transitional arrangements to ensure payments to operators meet contractual commitments. Should contracts be devolved during 2016/17, a service level agreement between the province and the municipality must be signed and funds must flow in line with DoRA requirements. Provinces must take all reasonable measures to assist the transition within a framework to be prescribed by the national Department of Transport (DoT) and National Treasury</li> <li>• In cases where contracts are transferred as part of the integrated public transport network (IPTN) of the municipality, the funds allocated to such contracts must be ring-fenced and transferred to the municipalities taking over the contracts from provinces</li> <li>• All new contracts, including designs and operators' business plans detailing subsidised services, must be approved by the Public Transport Integration Committee, and be in line with relevant legislation and in compliance with the public transport strategy, here an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act (NLTA), the functions of the two committees must be consolidated to ensure integration of planning, services and modes</li> </ul>																		
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The allocations are based on 2009 DoRA allocation baseline, weighted for the average shares of historical contribution that supplement the grant. Provinces/contracting authorities should determine individual operator's budgets and ensure that the operation stays within the allocation or provide supplementary funds from the provincial budget</li> </ul>																		
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Subsidies are earmarked for the provision of public transport services</li> </ul>																		
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R4.9 billion to provinces of which R4.8 billion, 98 per cent, was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <table> <tbody> <tr> <td>• Number of cumulative annual vehicles subsidised:</td> <td>79 847</td> </tr> <tr> <td>• Number of vehicles subsidised:</td> <td>6 654</td> </tr> <tr> <td>• Number of kilometres subsidised:</td> <td>250 524 647</td> </tr> <tr> <td>• Subsidy per passenger:</td> <td>R14.32</td> </tr> <tr> <td>• Subsidy per kilometre operated:</td> <td>R19.62</td> </tr> <tr> <td>• Kilometres operated per vehicle:</td> <td>3 138</td> </tr> <tr> <td>• Passengers per vehicle:</td> <td>4 300</td> </tr> <tr> <td>• Passengers per trip operated:</td> <td>47</td> </tr> <tr> <td>• Employees per vehicle:</td> <td>2.0</td> </tr> </tbody> </table>	• Number of cumulative annual vehicles subsidised:	79 847	• Number of vehicles subsidised:	6 654	• Number of kilometres subsidised:	250 524 647	• Subsidy per passenger:	R14.32	• Subsidy per kilometre operated:	R19.62	• Kilometres operated per vehicle:	3 138	• Passengers per vehicle:	4 300	• Passengers per trip operated:	47	• Employees per vehicle:	2.0
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<b>Public Transport Operations Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Subject to the devolution of funds to local government as part of the operationalisation of the NLTA</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R5.4 billion; 2017/18: R5.7 billion; and 2018/19: R6 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Eleven monthly instalments according to a payment schedule approved by National Treasury: 4 May 2016; 8 June 2016; 13 July 2016; 10 August 2016; 14 September 2016; 12 October 2016; 9 November 2016; 14 December 2016; 11 January 2017; 8 February 2017; and 8 March 2017</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Improve efficiencies in public transport spending</li> <li>• Maintain national database with key performance indicators of public transport services as per data received from contracting authorities</li> <li>• Advise contracting authorities regarding the design of contracted services</li> <li>• Draft of public transport operational subsidy policy</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Any contractual agreement entered into by a contracting authority in relation to this grant will be the responsibility of the contracting authority</li> <li>• As a supplementary grant, provincial departments remain responsible for the shortfall on provision of this service funded through the provincial equitable share</li> <li>• Ensure that contracted operators' certified claims are paid within 30 days from the date of receipt</li> <li>• Certify and submit monthly performance reports to DoT within 25 days after the month following the operation, and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT</li> <li>• Provinces must assist municipalities in the process of devolving the contracting function as set out in the NLTA</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

**ANNEXURE W3:**  
**FRAMEWORKS FOR CONDITIONAL**  
**GRANTS TO MUNICIPALITIES**

## **Annexure W3: Frameworks for Conditional Grants to Municipalities**

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

### **Introduction**

This annexure provides a brief description for each grant in Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B of the 2016 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2016 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2017/18

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2016 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2016/17 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

## COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

<b>Municipal Disaster Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 7B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable a timely response to immediate needs after a disaster has occurred</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for the immediate release of funds for disaster response</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Immediate consequences of disasters are mitigated</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Emergency repair of critical infrastructure</li> <li>Emergency provision of goods and services</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Applications for funding from this grant use the National Disaster Management Centre (NDMC) Disaster Grant guideline which includes the following: <ul style="list-style-type: none"> <li>copy of the classification letter in terms of the Disaster Management Act</li> <li>copy of declaration of disaster in terms of the Disaster Management Act</li> <li>number of people affected and the extent of damage and losses</li> <li>sectors affected</li> <li>total funds required for disaster response</li> <li>resources (both financial and in-kind) allocated by the municipality to respond and mitigate the effects of the disaster</li> <li>resources (both financial and in-kind) committed by other role players, including provinces, national departments and Non-Government Organisations</li> <li>funding contribution request from the Municipal Disaster Grant (MDG)</li> <li>costed project and implementation plan over a six month period on how the funds will be spent</li> <li>consolidated projects cash flow as an annexure</li> </ul> </li> <li>An initial application for a funding contribution from the MDG may be based on the initial disaster assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application). The further final application/s must be based on the final disaster assessment and verification</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Copies of the declaration and classification documents signed-off by the relevant authorities in terms of the Disaster Management Act must be submitted to the NDMC</li> <li>Funds from this grant must be used to support the provision of basic municipal services, including: <ul style="list-style-type: none"> <li>the provision of temporary shelter in the event that the Department of Human Settlements is unable to make provision for immediate housing, with evidence that they are unable to make such provisions</li> <li>the provision of humanitarian relief, in the event that the Department of Social Development is unable to make provision, with evidence that they are unable to make such provisions</li> </ul> </li> <li>Municipalities must fund a portion of the costs of the disaster response and recovery from their own budget; if unable to do so, proof must be provided</li> <li>Funds from this grant may be utilised to reimburse municipalities for expenditure incurred which could not be accommodated within the municipality's own budget. In cases where municipalities require reimbursement of funds spent, municipalities are to consult the NDMC through the Provincial Disaster Management Centres (PDMCs) for approval prior to spending the funds. Proof of expenditure in the form of invoices must be availed to the relevant PDMC and NDMC in case reimbursement is required</li> <li>Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds to the municipality</li> <li>Emergency procurement system provided for Treasury Regulations should be invoked to ensure immediate assistance by the affected municipalities</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated based on declared municipal disasters and reports of immediate disaster relief needs. Funding may however be released in tranches, with the first tranche being based on an initial assessment and verification of the immediate disaster relief needs</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant provides funding for responding to and providing relief for unforeseeable and unavoidable disasters</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R363 million was allocated and R36 million was transferred to municipalities in Limpopo, KwaZulu-Natal and Mpumalanga provinces</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Emergency relief was provided to municipalities as follows: <ul style="list-style-type: none"> <li>Umjindi Local Municipality to repair a bridge and water pipelines</li> <li>Mbombela Local Municipality to repair a water plant, damaged roads, storm water drainage, culverts and bridges</li> <li>Nkomazi Local Municipality to repair damaged culverts, bridges, water treatment works and replacement of water pumps</li> <li>Bela-Bela Local Municipality to repair a water pump station</li> <li>uThukela District Municipality (Imbabazane, Ukhahlamba and Indaka Local Municipalities) to drill boreholes to respond to drought</li> <li>uMzinyathi District Municipality (Msinga, Nquthu, Umvoti, Endumeni Local Municipalities) to drill boreholes to respond to drought</li> </ul> </li> </ul>

<b>Municipal Disaster Grant</b>	
	<ul style="list-style-type: none"> <li>○ uMgungudlovu District Municipality (Mpofana, Umngeni, Impendle and Umshawathi Local Municipalities) to drill boreholes to respond to drought</li> <li>○ iLembe District Municipality (KwaDukuza, Ndwedwe and Maphumulo Local Municipalities) to drill boreholes to respond to drought</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● This grant is expected to continue over the medium term, and will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R270 million; 2017/18: R300 million; and 2018/19: R318 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of National Disaster Management Centre</b></p> <ul style="list-style-type: none"> <li>● Advise municipalities and PDMCs about the existence of the grant and how grant funding can be applied for</li> <li>● Circulate an updated guideline on the items that will qualify for funding through this grant by end June 2016. This guideline must be consistent with the disaster response funding request template agreed to with the National Treasury</li> <li>● Establish procedures for funding items already purchased by municipalities</li> <li>● Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days following receipt of the written initial funding request from the PDMC and municipality</li> <li>● Together with the affected municipalities and provinces, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the receipt of written funding requests and as per the requirements of the Disaster Management Act</li> <li>● Seek approval from National Treasury for the final disbursement of funds to municipalities within 35 days following the receipt of the written final funding request and submission of the preliminary report from the PDMC and municipality</li> <li>● Confirm what support national sector departments are providing and ensure there is no duplication</li> <li>● Provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund</li> <li>● Notify the relevant municipality of a transfer at least one day before transfer and transfer the funds no later than five days after notification</li> <li>● Notify the relevant PDMC copying relevant sector departments and the provincial treasury of a transfer and reason for transfer within five days of the transfer of funds to municipalities</li> <li>● Build relationships and establish the necessary communication channels with relevant national and provincial departments to ensure the country has a coordinated approach to disaster response</li> <li>● Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant</li> <li>● Provide expenditure reports to National Treasury in line with the Division of Revenue Act (DoRA) and the Public Finance Management Act (PFMA) within 20 days after the end of each month</li> <li>● Provide a performance report to National Treasury in the disaster allocation monitoring template agreed to with the National Treasury within 45 days after the end of the quarter in which funds are spent. Purchase invoices to be an annexure to the reports</li> </ul> <p><b>Responsibilities of Provincial Disaster Management Centres</b></p> <ul style="list-style-type: none"> <li>● Advise municipalities and relevant provincial sector departments about the existence of the grant and how grant funding can be applied for</li> <li>● Together with the affected municipalities, conduct initial assessments of disaster impacts to verify the applications for initial funding within 14 days following the occurrence of the incident</li> <li>● Together with the NDMC and the affected municipalities, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the occurrence of the incident, and as per the requirements of the Disaster Management Act</li> <li>● Assist municipalities with requests for disaster funding, and monitor projects to ensure that the funds are used for intended purposes and provide reports to the NDMC and relevant provincial treasury</li> <li>● Coordinate, analyse and submit expenditure reports on progress regarding the implementation of the projects to NDMC within 15 days after the end of each month in which funds are spent. Purchase invoices to be included as an annexure to the reports</li> <li>● Coordinate, analyse and submit performance reports which include evidence, on the implementation progress of the projects to the NDMC within 35 days after the end of the quarter in which funds are spent. Purchase invoices to be included as an annexure to the reports</li> <li>● All reports must be signed off by the head of the PDMC</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>● Cooperate with the NDMC, relevant PDMC and provincial and national sector departments to conduct damage assessment and cost verification</li> <li>● Submit initial request for funding within 14 days following the declaration of a disaster</li> <li>● Initiate requests for disaster funding and monitor projects</li> <li>● Municipalities must follow emergency procurement processes when spending the grant funds</li> <li>● Municipalities must monitor all projects and ensure funds allocated are spent for their intended purposes</li> <li>● Submit expenditure reports which include evidence (such as purchase invoices) of implementation progress on the projects to the relevant PDMC within 10 days after the end of each month in which funds are spent</li> <li>● Submit a performance report which includes evidence of implementation progress on the projects to the PDMC within 30 days after the end of the quarter in which funds are spent</li> <li>● All reports must be signed off by the Accounting Officer</li> </ul>
<b>Process for approval of 2017/18 MTEF allocations</b>	<ul style="list-style-type: none"> <li>● Not applicable</li> </ul>

<b>Municipal Disaster Recovery Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To restore functionality of municipal infrastructure following a disaster</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To rehabilitate and reconstruct municipal infrastructure damaged by a disaster</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Municipal infrastructure damaged by a disaster rehabilitated and reconstructed</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Municipal infrastructure damaged by a disaster reconstructed and rehabilitated</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>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"> <li>list of projects to be implemented in order of priority</li> <li>timeframes within which the projects will be implemented</li> <li>estimated costs of projects</li> <li>disaster risk reduction measures for the proposed reoccurrence of disaster related damage in the future</li> <li>number of households to benefit from the projects and estimated jobs to be created</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>Quarterly financial and non-financial performance reports on disaster allocations must be submitted to the NDMC through the relevant Provincial Disaster Management Centres (PDMC)</li> <li>Municipalities liaise and align the disaster recovery projects with the Municipal Infrastructure Grant projects to ensure proper monitoring and reporting of projects</li> <li>Transfers will only be made if municipalities have submitted financial and non-financial reports required in terms of the 2016 Division of Revenue Act for this financial year and the previous financial year (if funds for disaster recovery were allocated in that year)</li> <li>Funds will be transferred in tranches, the transfer of tranches will depend on the compliance from municipalities with the rules of the grant, particularly the submission of performance reports (including evidence) for this financial year and the previous financial year (if funds for disaster recovery were allocated in that year)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated based on approved post-disaster reconstruction and rehabilitation assessment reports</li> <li>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</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant caters for recovery after unforeseen disasters</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R191 million was allocated, and the R191 million (100 per cent of the allocation) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Following disasters, the grant was provided for the repair and replacement of infrastructure in the following municipalities: <ul style="list-style-type: none"> <li>City of Tshwane: repair damaged municipal clinics, sports facilities and electrical infrastructure</li> <li>Giyani Local Municipality: repair damaged municipal roads and bridges</li> <li>Vulamehlo Local Municipality: repair of roads and bridges, crèches and halls</li> <li>Umdoni Local Municipality: repair of roads and bridges</li> <li>Ugu Municipality: repair of roads, bridges and storm water infrastructure</li> <li>Umzumbe Local Municipality: repair of roads and bridges</li> <li>EThekweni Metropolitan Municipality: repair of roads, bridges and municipal houses</li> <li>Emnambithi Local Municipality: repair of storm water infrastructure, roads, bridges and streetlights</li> <li>Okhahlamba Local Municipality: repair of roads, bridges and storm water infrastructure</li> <li>Bushbuckridge Local Municipality: repair of roads and bridges</li> <li>Mbombela Local Municipality: repair of culverts</li> <li>Umjindi Local Municipality: repair of culverts</li> <li>Dr Pixley ka Seme Local Municipality: repair of culverts and roads</li> <li>Hessequa Local Municipality: repair of municipal infrastructure, roads, storm water infrastructure</li> <li>Kannaland Local Municipality: repair of roads and bridges</li> <li>Mosselbay Local Municipality: repair of roads</li> <li>Overstrand Local Municipality: repair of municipal buildings</li> <li>Swellendam Local Municipality: repair of storm water infrastructure</li> <li>Overberg Local Municipality: repair of roads and bridges</li> <li>Laingsburg Local Municipality: repair of roads</li> <li>Langeberg Local Municipality: repair of roads</li> <li>Breede Valley Local Municipality: repair of roads</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is projected to end in 2016/17 but will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R140 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>

<b>Municipal Disaster Recovery Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of National Disaster Management Centre</b></p> <ul style="list-style-type: none"> <li>• Advise municipalities about the existence of the grant and its conditions</li> <li>• 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</li> <li>• Monitor the implementation of projects together with the affected municipalities and provinces</li> <li>• Make payments to municipalities in accordance with the approved payment schedule</li> <li>• Transfer funds only when evidence on project performance and expenditure reports are submitted</li> </ul> <p><b>Responsibilities of Provincial Disaster Management Centres</b></p> <ul style="list-style-type: none"> <li>• Advise municipalities about the existence of the grant and its conditions</li> <li>• Assist municipalities with the rapid assessment reports to be submitted to the NDMC</li> <li>• Provide support to municipalities with regard to the final post-disaster verification report</li> <li>• Ensure that the final post-disaster verification report is signed-off by both the accounting officer in the municipality and the provincial department</li> <li>• Provide a copy of the final post-disaster verification report to municipalities</li> <li>• Assist municipalities with business plans incorporating the implementation plan and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damages in future</li> <li>• Conduct on-site visits to monitor and report on the implementation of projects and provide reports of progress to the NDMC</li> <li>• 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</li> <li>• 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</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Utilise the funds in line with the approved post-disaster verification assessment report</li> <li>• 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</li> <li>• 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</li> </ul>
<b>Process for approval of 2017/18 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<b>Municipal Demarcation Transition Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Facilitate the successful implementation of major boundary changes due to come into effect at the time of the 2016 local government elections</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Municipalities affected by major boundary changes have administrations that are responsive, accountable, effective, efficient and developmental</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of policies, systems, procedures and plans prepared to facilitate the smooth transition to a new municipality in 2016</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> <li>Financial implications</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>To receive transfers from this grant, municipalities must participate in a Change Management and Transitional Committees (CMTC) with the provincial departments and other municipality/municipalities impacted by the same boundary change</li> <li>Funds may only be used in terms of a business plan approved by the national Department of Cooperative Governance (DCoG)</li> <li>The grant may only be used to fund the following administrative costs to the extent that additional costs arise as a result of the impact of major boundary changes: <ul style="list-style-type: none"> <li>consolidation of records management between affected municipalities</li> <li>development of new organograms (including of work study, job evaluation, job description)</li> <li>enactment of a new set of by-laws</li> <li>communication and public participation directly related to the mergers</li> <li>rationalisation and alignment of municipal policies</li> <li>alignment of geographic information system data</li> <li>alignment of valuation rolls</li> <li>tariff restructuring</li> <li>debt reconciliation</li> <li>information technology system amalgamation (infrastructure and systems)</li> <li>merging asset registers</li> <li>financial management systems</li> <li>transitional costs relating to existing staff/personnel, limited to retrenchment packages, relocation costs and salary equalization, only after an organogram has been finalized and all posts evaluated</li> </ul> </li> <li>The new municipality established in Limpopo (LIM345) may also spend grant funds to recruit new staff and construct, refurbish or upgrade municipal office and administrative infrastructure</li> <li>Municipalities may not use grant funds to appoint additional staff</li> <li>Before procuring any professional services or new or upgraded systems, the terms of reference must be reviewed and approved by the provincial department responsible for local government</li> <li>Any systems purchased or upgraded with funding from this grant must comply with the relevant requirements set by national government, including being compatible with the municipal standard chart of accounts</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Funds are only allocated to municipalities affected by major boundary changes</li> <li>Allocations are based on the number of previously existing municipalities affected by major boundary changes (i.e. the number of municipalities being merged or split). Allocations also take into account whether or not municipalities already received transfers from this grant in 2015/16</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant funds the costs associated with major boundary changes due to come into effect at the time of the 2016 local government elections</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial performance</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2015/16</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant introduced in 2015/16</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This is a three year grant to assist municipalities with the 2016 major boundary changes. It came into effect in 2015/16 and will terminate in 2017/18</li> </ul>

<b>Municipal Demarcation Transition Grant</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R297 million; and 2017/18: R112 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the national transferring officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>● Assess business plans in collaboration with provincial departments</li> <li>● Approve business plans by 31 October 2016</li> <li>● Submit quarterly progress reports to the National Treasury</li> <li>● Prescribe a template for business plans</li> <li>● Only transfer funds after consulting with the provincial department responsible for local government</li> </ul>
	<p><b>Responsibilities of provincial departments responsible for local government</b></p> <ul style="list-style-type: none"> <li>● Fulfill all responsibilities in terms of section 14 of the Municipal Structures Act</li> <li>● Monitor and coordinate the resources allocated to municipalities, provinces and national government to ensure there are no duplications and that the grant is only used for additional costs resulting from boundary changes</li> <li>● Assist the national department to assess municipalities' business plans</li> <li>● Assist affected municipalities to jointly plan and manage the process through the CMTC</li> <li>● Assist the national department to coordinate reporting from municipalities</li> <li>● Appoint a transformation manager (funded from the province's own budget)</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>● CMTCs must submit draft business plans by 29 April 2016 in the format prescribed by DCoG</li> <li>● Municipalities must submit final business plans within 30 days after the 2016 elections</li> <li>● Report to the national and relevant provincial department on a monthly basis on financial performance and on a quarterly basis against the performance targets set out in the business plan</li> <li>● Participate in transitional structures</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>● CMTC must agree on proposed business plan</li> <li>● Draft business plans to be submitted to the national DCoG by 14 October 2016</li> <li>● Final business plans must be submitted by 18 November 2016</li> </ul>

<b>Municipal Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidise the capital costs of providing basic services to poor households</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved access to basic services infrastructure for poor communities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> <li>basic water and sanitation services</li> <li>central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites</li> <li>sport and recreation facilities</li> <li>street and community lighting</li> <li>public facilities</li> </ul> </li> <li>Number of kilometres of municipal roads developed and maintained</li> <li>Number of work opportunities and Full-Time Equivalents (FTEs) created using Expanded Public Works Programme (EPWP) guidelines for the above outputs</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Municipal Infrastructure Grant (MIG) registration form as agreed with sector departments, which includes: <ul style="list-style-type: none"> <li>project title</li> <li>sector</li> <li>timeframes for implementation</li> <li>cost of the project</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>To receive the first tranche, municipalities must have followed the process for approval of 2016/17 projects and have confirmed by 7 June 2016 with the Department of Cooperative Governance (DCoG) their programme, project planning and implementation readiness. This should be done prior to the year of implementation and be informed by their Integrated Development Plan (IDP) and three year capital plans</li> <li>MIG priorities set by municipalities (as stated in their three year capital plan) can only be changed with municipal council approval, the concurrence of the sector departments and the approval of DCoG</li> <li>MIG must be allocated and transferred directly to a category B or C municipality that has the powers and functions for basic services referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide basic municipal infrastructure to the poor, in line with their functions</li> <li>Municipalities must prioritise MIG for eligible beneficiaries and infrastructure that includes: <ul style="list-style-type: none"> <li>basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure</li> <li>new or upgrading of municipal bulk, connector and reticulation infrastructure to support existing areas and the formalisation of settlements</li> <li>renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality of how on-going operations and maintenance of the renewed infrastructure will be funded and performed</li> <li>maintenance of roads infrastructure mainly servicing the poor</li> </ul> </li> <li>Municipalities must spend at least 60 per cent of their previous transfer and comply with reporting provisions before the second and subsequent transfers are made</li> <li>Municipalities must spend 40 per cent of their total MIG allocation by December 2016</li> <li>Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes</li> <li>Local municipalities investing in roads infrastructure must utilise data from the Rural Road Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including maintenance</li> <li>Municipalities with bucket sanitation backlogs must prioritise the eradication of these backlogs. Bucket eradication projects must be planned in conjunction with provinces and national government to ensure alignment of projects implemented by each sphere. Transfers may be withheld or stopped if a municipality with substantial bucket sanitation backlogs does not comply with this condition</li> <li>Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> <li>municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA)</li> <li>municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation</li> </ul> </li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>● Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> <li>○ municipalities must submit plans for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects. These plans must be submitted as part of the normal MIG planning process, but will be reviewed and approved by SRSA to ensure they comply with norms and standards before construction can begin</li> </ul> </li> <li>● Municipalities must use the EPWP guidelines to facilitate labour-intensive construction methods on MIG projects and provide information on the number of work opportunities created</li> <li>● Municipalities identified to participate in the regional management support programme must agree to do so as a condition for receiving MIG funds</li> <li>● Municipalities must plan and procure MIG-funded projects in accordance with infrastructure planning and procurement policies (as issued by National Treasury) and must certify to DCoG within 45 days after the appointment of the service provider that their procurement procedures have been followed</li> <li>● A municipality must consider procuring goods and services for water and sanitation projects through nationally set up framework contracts (where available) before utilising municipal procurement processes</li> <li>● A maximum of five per cent of municipalities' MIG allocations may be used for project management costs related to grant funded projects and only if a business plan is approved</li> <li>● At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor</li> <li>● Withholding or stopping of transfers and reallocation of MIG allocations will be instituted where municipalities deviate from and/or do not comply with the conditions above</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● Part 5 of Annexure W1 to the 2016 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data</li> <li>● The ring-fenced R300 million for sport infrastructure is allocated based on estimated costs of projects that: <ul style="list-style-type: none"> <li>○ fill identified gaps and are confirmed with the provincial departments responsible for sports and the municipalities</li> <li>○ align to the National Sport and Recreation Plan and transformation imperatives</li> <li>○ align to priority sport codes</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>● The MIG programme was allocated R14.3 billion in the 2014/15 financial year. An amount of R14.2 billion (99 per cent) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● Additional poor households receiving: <ul style="list-style-type: none"> <li>○ water: 126 456</li> <li>○ sanitation: 135 054</li> </ul> </li> <li>● Number of additional kilometres of municipal roads developed: 1 343 km</li> <li>● Number of additional recycling facilities and solid waste disposal sites: 35</li> <li>● 197 sport and recreation facilities created</li> <li>● Number of additional poor households serviced by street/community lighting: 21 292</li> <li>● 233 public facilities created</li> <li>● Number of work opportunities created using EPWP guidelines for above outputs: 188 291 work opportunities</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● The programme will continue up to 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● 2016/17: R14.9 billion; 2017/18: R16 billion; and 2018/19: R16.9 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer, national departments, provincial departments and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>● The Department of Cooperative Governance (DCoG) administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> <li>○ monitor expenditure and non-financial performance in collaboration with provincial DCoG's</li> <li>○ coordinate overall programme implementation</li> </ul> </li> <li>● The Municipal Infrastructure Support Agent must assist municipalities in the submission of asset management data where available, and provide the necessary training on access and use of the Municipal Infrastructure Performance Management Information System for development of individual municipal asset registers where required</li> <li>● In addition to the sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> <li>○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal Integrated Development Plans</li> <li>○ submit information requested on project registrations to DCoG by 30 September 2016</li> <li>○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes</li> </ul> </li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects</li> <li>○ fulfill a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>○ advise which sphere (provincial or national – even if different across provinces) should sign-off MIG projects</li> <li>○ sign-off on project close out reports, thereby acknowledging the projects have been completed as intended</li> <li>● Department of Water and Sanitation: <ul style="list-style-type: none"> <li>○ support and monitor municipalities to prepare and implement Water Services Development Plans</li> <li>○ monitor and oversee progress on water and sanitation projects implemented through the MIG</li> <li>○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant</li> </ul> </li> <li>● Department of Environmental Affairs: support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector</li> <li>● Department of Energy: support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>● Department of Transport: support municipalities with planning and implementation of municipal roads projects in terms of Rural Roads Asset Management Systems (RRAMS) data and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>● Sport and Recreation South Africa: <ul style="list-style-type: none"> <li>○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula</li> <li>○ award transversal tenders for the procurement of services relating to sport infrastructure</li> <li>○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector</li> </ul> </li> <li>● Department of Public Works: <ul style="list-style-type: none"> <li>○ monitor compliance with the EPWP guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches</li> <li>○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP</li> <li>○ ensure that municipalities register their EPWP projects on the EPWP reporting system and monitor compliance to norms and standards applicable to this sector</li> </ul> </li> </ul>
	<p><b>Responsibilities of provincial departments responsible for local government</b></p> <ul style="list-style-type: none"> <li>● Verify the accuracy of project registration forms, monthly, quarterly and annual reports and forward these to DCoG</li> <li>● Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited</li> <li>● Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG</li> <li>● Coordinate technical support to municipalities</li> <li>● Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG</li> <li>● Monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration</li> <li>● Monitor performance of municipal Project Management Units and recommend relevant sanctions for under-performance to DCoG</li> <li>● Provide assistance to municipalities in managing municipal infrastructure projects</li> </ul> <p><b>Responsibilities of provincial sector departments</b></p> <ul style="list-style-type: none"> <li>● Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>● Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>● Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the IDP and three year capital plan</li> <li>● Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered under the MIG-Management Information System</li> <li>● The municipality must report monthly, quarterly and annually in the prescribed formats and timelines, signed by the municipal manager or the delegated official to national government via the provinces</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>● Over time, secondary cities should be treated in the same way as metros by the grant system as they also face challenges related to developing integrated and dynamic urban economies. In the short term however, the capacity of secondary cities and the scale of urban challenges facing them is sufficiently different to metros and thus cannot be immediately be included in the same grant as metros. Special rules and processes for secondary cities will however be included in the MIG from 2017/18 through a "MIG-2" funding stream</li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<p><b>Under the MIG-1 funding stream:</b></p> <ul style="list-style-type: none"> <li>• Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 29 July 2016, for all projects to be implemented in 2017/18</li> <li>• The responsible sector department must evaluate reports and provide final recommendations to the municipality by 30 September 2016</li> <li>• The municipality must submit all project registration forms by 3 October 2016, for the projects to be implemented in 2017/18, to the provincial department responsible for local government</li> <li>• The provincial departments must provide final recommendations to municipalities by 30 November 2016</li> <li>• Municipalities must submit to DCOG by 31 January 2017, detailed project implementation plans for all the projects to be implemented in the 2017/18 and 2018/19 financial years</li> <li>• Such plans should include timelines regarding project designs, initiation of procurement, and Environmental Impact Assessment (EIA) and/or relevant permit/license approvals in the prescribed format</li> <li>• Municipalities must submit updated implementation plans as mentioned above by 7 June 2017, justifying any changes from the 31 January 2017 detailed plan</li> </ul> <p><b>Under the MIG-2 funding Stream (for secondary cities):</b></p> <ul style="list-style-type: none"> <li>• Eligible municipalities will be identified by relevant stakeholders and communicated by DCoG by 31 May 2016</li> <li>• These eligible municipalities can apply to be part of MIG-2 by 1 August 2016</li> <li>• Applications will be evaluated by DCoG, National Treasury and relevant stakeholders by end of August 2016 to confirm whether these municipalities qualify to participate</li> <li>• The municipal infrastructure programme and reporting matrix must be submitted by the municipality to DCoG by 30 November 2016</li> <li>• DCoG and relevant MIG stakeholders to evaluate submissions and provide a final recommendation to the municipality by 31 January 2017</li> </ul>

<b>Municipal Systems Improvement Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>An efficient and developmental sphere of government capable of delivering services to local communities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A responsive, accountable, effective and efficient local government system</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipalities supported with improved record management systems</li> <li>Number of municipalities supported with improved, functional and integrated performance management systems</li> <li>Number of municipalities benefitting from the rollout and implementation of simplified revenue plans</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a memorandum of understanding that includes: <ul style="list-style-type: none"> <li>outcome indicators</li> <li>output indicators</li> <li>key activities</li> <li>inputs</li> <li>details of how the systems and practices developed will be sustained over the long-term</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The Department of Cooperative Governance and the benefitting municipality must sign a memorandum of understanding that includes: details of the activities and deliverables being funded, responsibilities of each stakeholder, protocols for engagements and feedback, the budget for each activity and timeframes for implementation</li> <li>Municipalities must pass a council resolution supporting the memorandum of understanding</li> <li>Technical support to municipalities must include transfer of skills to municipal officials</li> <li>Grant funds may be spent on building the capacity of municipalities with respect to the purpose and outputs listed for this grant</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>In 2016/17 allocations are targeted to municipalities with a history of poor audit outcomes, municipalities in the 27 priority district municipalities and non-metropolitan municipalities with large outstanding debts owed to creditors</li> <li>Over the MTEF funds may be allocated to municipalities not reached in 2016/17</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is conditional and aimed at building the capacity of targeted municipalities to implement sound institutional and governance systems required in terms of the Local Government: Municipal Systems Act</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The direct grant was allocated R252 million and R252 million (100 per cent) was transferred municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>174 municipalities were supported to strengthen administration systems to enhance effective public/ward committee participation</li> <li>209 municipalities were supported with systems to enable year-on-year improvement in audit outcomes</li> <li>234 municipalities were supported with various information systems that support effective service delivery</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R84 million; 2017/18: R103 million; and 2018/19: R115 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payments are made to contracted implementing agents after verification of work performed</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>Management, monitoring and reporting of the programme</li> <li>Agree on Memorandums of Understanding (MoUs) with participating municipalities</li> <li>Coordinate with National Treasury to ensure that the capacity building activities of the two departments are complimentary</li> <li>Submit reports consistent with the reporting requirements in the 2016 Division of Revenue Act</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Identify municipal officials that will be recipients of skills transfer</li> <li>Ensure that municipal officials participate actively in all activities funded through this grant</li> <li>Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality</li> <li>Submit reports consistent with the reporting requirements in the 2016 Division of Revenue Act</li> </ul>
<b>Process for approval of 2017/18 transfers</b>	<ul style="list-style-type: none"> <li>Targeted municipalities must sign a memorandum of understanding and pass a council resolution in support of this memorandum of understanding</li> </ul>

## ENERGY GRANTS

<b>Energy Efficiency and Demand Side Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 26)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce electricity consumption by promoting energy efficient practices</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide subsidies to municipalities to implement Energy Efficiency and Demand Side Management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>Reduced demand for electricity</li> <li>Increased awareness of energy saving</li> <li>Skills development in energy efficiency</li> <li>Energy management capability enhanced</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Amount of electricity saved in GWh</li> <li>Number of energy efficient street lights</li> <li>Number of energy efficient traffic lights</li> <li>Number of buildings retrofitted</li> <li>Number of units of water services infrastructure retrofitted</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> <li>Outcome 10: Protect and enhance our environmental assets and natural resources</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds can only be used to implement electricity saving projects in municipal infrastructure</li> <li>The focus for implementation of energy efficiency interventions shall be limited to buildings, streetlights, traffic lights, and waste water treatment and pump stations</li> <li>The municipality shall determine a detailed and extended electricity consumption baseline in line with standards set by the South African Bureau of Standards (SABS)</li> <li>Municipalities must respond to the request for proposals issued by the Department of Energy (DoE) in the format provided</li> <li>Municipalities must sign a contractual agreement with the DoE</li> <li>Prepare an EEDSM work plan and business plan in the templates provided for the implementation of the project activities</li> <li>Selected municipalities will employ the services of the accredited or certified service providers as determined by the DoE through an open and fair process</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The following criteria are considered favourably in the selection of municipalities to receive allocations from the grant: <ul style="list-style-type: none"> <li>municipalities that have responded to the request for proposals as issued by the DoE and shown a higher electricity saving potential in their proposal</li> <li>municipalities with clearly defined municipal objectives on energy efficiency improvements</li> <li>proposals that use proven energy efficient technologies with costs that have a minimal pay-back period</li> <li>municipalities that show readiness to implement the EEDSM projects</li> <li>good past performance if a municipality has previously participated in the programme</li> <li>quality, viability and financial feasibility of proposed projects</li> <li>capacity to implement the EEDSM project activities</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional transfer in support of the EEDSM programme</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The total grant allocation of R137 million was transferred to all participating municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>A total electricity saving of 18.45 GWh was reported against the projected savings of 23.57 GWh. These energy savings were reported in line with the prescribed monitoring and evaluation system</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R186 million; 2017/18: R203 million; and 2018/19: R215 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Monitoring and evaluation of the EEDSM programme including measurement and verification of energy savings</li> <li>Provide municipalities with guidance and support through capacity building workshops on best practices and pricing for EEDSM projects</li> <li>Communicate to municipalities the process and requirements for obtaining EEDSM grant funds in 2017/18</li> <li>Develop a fair and open process to accredit and establish a panel of competent service providers with technical expertise to support municipalities during the implementation of EEDSM projects</li> </ul>

<b>Energy Efficiency and Demand Side Management Grant</b>	
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Submit proposals as per the request for proposal issued by transferring officer</li> <li>• Implement the EEDSM programme as per the framework and contractual agreement</li> <li>• In the implementation of EEDSM projects, use service providers accredited by DoE</li> <li>• Submit to the DoE the monthly and quarterly reports approved by the municipal manager</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Allocations for 2017/18 will be based on the proposals submitted in line with the request for proposal issued by the Department of Energy</li> <li>• Proposals must be submitted by 28 October 2016 and shall be evaluated against the criteria set out in the framework</li> </ul>

<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 26)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce the backlogs of un-electrified households and to fund bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, and the installation of bulk infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A reduction in household electrification backlogs</li> <li>Universal access to electricity and improvement in distribution infrastructure reliability</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of connections to households per annum</li> <li>The number of bulk infrastructure installations</li> <li>Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Adhere to labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc</li> <li>Register electrification master plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Energy (DoE) regarding the central planning and co-ordination for such bulk infrastructure</li> <li>Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by DoE</li> <li>Utilise own funding if the subsidy is insufficient (top-up funding must be available)</li> <li>Minimum size of supply of 1.2 KVA, After Diversity Maximum Demand 20 Amp per household connection, in line with the Suite of Supply Policy</li> <li>Municipalities may utilise up to R1.5 million of the total allocation for service fees (pre-engineering and Eskom connection fee) if approved by the DoE in their business plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on an assessment of applications from licensed municipal distributors based on: <ul style="list-style-type: none"> <li>high backlogs</li> <li>rural bias</li> <li>number of occupied households for connection projects</li> <li>past performance</li> <li>integration with other programmes such as 27 priority district municipalities, the National Development Plan, catalytic projects, and mining towns,</li> <li>the financial, technical and staff capabilities to distribute electricity and expand and maintain networks</li> <li>consultation with communities in terms of the Integrated Development Plan process</li> <li>ensuring that universal access objectives are fast tracked</li> <li>infrastructure which is in a state of disrepair, unsafe and which prohibits further connections</li> <li>informal settlements where service delivery has been prioritised</li> <li>new and upgrading of bulk infrastructure projects are allocated based on: (i) future electrification needs; and, (ii) where distribution network reliability adversely impacts economic activity</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer for electrification of households</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>R1.1 billion was allocated and transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>76 828 households were connected, five new bulk substations installed, 15 substations upgraded, 440.6 km of New MV lines installed and 12.3 km of MV lines upgraded</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R1.9 billion; 2017/18: R2.1 billion; and 2018/19: R2.2 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of national department</b></p> <ul style="list-style-type: none"> <li>Agree with municipalities on outputs and targets</li> <li>Continuously monitor implementation and provide support to municipalities</li> <li>Verify reports from municipalities</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Ensure that projects are implemented in line with what is reflected in the Integrated Development Plan of the municipality</li> <li>Report accurately and timeously on the management of this grant</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Application forms are sent to municipalities and the evaluation of all applications and business plan proposals received from municipalities is completed by 12 August 2016</li> </ul>

<b>Integrated National Electrification Programme (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 26)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce the backlogs of un-electrified households and fund bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A reduction in household electrification backlogs</li> <li>Universal access to electricity and improvement in distribution infrastructure reliability</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of household connections per annum</li> <li>The number of bulk infrastructure installations</li> <li>Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Plans need to have undergone pre-engineering and project feasibility approval</li> <li>Projects must be prioritised by municipalities in their Integrated Development Plans (IDPs) and supporting letters must be provided to demonstrate that municipalities are in agreement with projects to be undertaken</li> <li>Eskom to comply with requirements to provide approved bulk projects in their business plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities according to the following criteria: <ul style="list-style-type: none"> <li>high backlogs</li> <li>rural bias</li> <li>integration with other programmes such as 27 priority district municipalities, the National Development Plan and other infrastructure programmes like catalytic projects and mining towns</li> <li>cost of project is within benchmarked norms</li> <li>project is aligned with the IDP for a particular municipality</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer for electrification of households and bulk infrastructure</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The grant was allocated R2.9 billion and the entire amount was transferred to Eskom, of which R1.8 billion (64 per cent) was spent by the end of the financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>150 674 connections were completed at the end of the financial year (includes connections funded from rollovers)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R3.5 billion; 2017/18: R3.9 billion; and 2018/19: R4 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Agree with Eskom on outputs and targets</li> <li>Continuously monitor implementation</li> <li>Provide central coordination for bulk infrastructure</li> <li>Approve submissions for refurbishment of critical infrastructure</li> </ul> <p><b>Responsibilities of Eskom</b></p> <ul style="list-style-type: none"> <li>Minimum size of supply of 2.5 KVA, After Diversity Maximum Demand, 20 Amp per household connection and applicable supply for clinic connections, in line with the Suite of Supply Policy</li> <li>Report to the Department of Energy and National Treasury on monthly and quarterly expenditure for the grant</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Eskom and the Department of Energy must ensure that all planned projects are in line with the municipal IDP and priority list</li> <li>Eskom and the Department of Energy must ensure that planned projects are feasible and have gone through the pre-engineering process</li> </ul>

## HUMAN SETTLEMENTS GRANT

<b>Urban Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 38)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To assist metropolitan municipalities to improve household access to basic services through the provision of bulk, link and internal reticulation infrastructure, with a focus on the poor; and urban land production to support broader urban development, spatial integration and inclusion by supplementing the capital budgets of metropolitan municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The outcomes to be realised in order to promote integrated sustainable human settlements and improved quality of household are: <ul style="list-style-type: none"> <li>increased individual household access to basic services and related infrastructure</li> <li>increased acquisition and availability of well-located land for human settlements development</li> <li>increased access of poor households to public and socio-economic amenities</li> <li>supporting densification and transit oriented development projects connecting existing and new housing developments</li> <li>ensure the provision of infrastructure for mixed income and mixed use developments to support the leveraging of private and non-state sector grants and funding in support of approved human settlements catalytic projects</li> <li>improving the sustainability of the livelihoods of poor households within each municipality's area of jurisdiction</li> </ul> </li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> <li>increase in bulk infrastructure capacity</li> <li>increase in provision of basic services to individual poor households, specifically in informal settlements and back yards, including water, sanitation, solid waste, electricity, refuse removal, roads and access to transport</li> <li>increase in land provision for informal settlement upgrading, subsidy housing, or mixed use developments in support of approved human settlements catalytic projects</li> <li>increase in access to public and socio-economic amenities</li> <li>improved dwelling unit densities within an improved human settlements spatial integration framework</li> <li>increase in number of serviced sites in informal settlements upgrading and/or in-situ projects and green-fields and/or infill developments</li> </ul> </li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Urban Settlements Development Grant (USDG) performance matrix, that is consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plans (SDBIPs) of the receiving municipalities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>A minimum of 50 per cent of the USDG allocation must be spent on the provision of individual basic services to households living in informal settlements either through in-situ upgrades, relocation or integrated development projects</li> <li>Metros must submit an annual Built Environment Performance Plan (BEPP), USDG Performance Matrix and SDBIP aligned to the IDP, the national Department of Human Settlements and National Treasury</li> <li>The flow of the first instalment is subject to: <ul style="list-style-type: none"> <li>submission of the 2015/16 third quarter report, signed-off by the municipal Accounting Officer (AO) including the performance matrix with non-financial information</li> <li>submission of the annual BEPP and USDG performance matrix for 2016/17 that is aligned to the municipal IDP, SDBIP and national priorities by 27 May 2016</li> </ul> </li> <li>The flow of the second instalment will be conditional upon the: <ul style="list-style-type: none"> <li>submission of the 2015/16 fourth quarter report signed-off by the AO of the municipality including the performance matrix with non-financial information</li> <li>submission of the 2016/17 first quarter report signed-off by the AO of the municipality to the Transferring Officer (TO) and the National Treasury</li> </ul> </li> <li>The flow of the third instalment will be conditional upon submission and approval of the signed-off second quarter report by the AO to the TO and the National Treasury including the performance matrix with non-financial information</li> <li>Metros which do not spend 60 per cent of their transferred funds by the end of the second quarter, may have subsequent transfers stopped and reallocated</li> <li>The metros must submit an annual USDG performance matrix containing a project list with project names, project descriptions, classification of infrastructure, Geographic Information System (GIS) coordinates and wards in which projects are being developed. The submission should include motivations of how the projects will benefit poor households and information on spatial targeting, co-funding and other associated investments</li> <li>A maximum of three per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium Term Strategic Framework (MTSF)</li> </ul>

<b>Urban Settlements Development Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2016 Division of Revenue Bill</li> <li>The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) aimed at improving outcomes of the application of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The grant was allocated R10.2 billion, and R10.2 billion (100 per cent) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Delivery performance is indicated in the performance evaluation reports for 2014/15</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The programme will continue until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R10.8 billion; 2017/18: R11.5 billion; and 2018/19: R12 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers will be made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Develop indicators for the outcomes and outputs</li> <li>Convene a structured forum to meet with municipalities on a quarterly basis</li> <li>Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities</li> <li>Provide support to municipalities with regards to human settlement programmes</li> <li>Ensure collaboration between provinces and municipalities to promote area based planning, budget and funding alignment as well as implementation support, where applicable</li> <li>Undertake oversight visits to municipalities as may be necessary</li> <li>Facilitate strategic and spatial planning support related to human settlements development</li> <li>Submit an evaluation report on the 2015/16 municipal grant to National Treasury by 28 October 2016</li> <li>Provide systems, including the Housing Subsidy System that supports the administration of the human settlements delivery process</li> <li>Comply with the responsibilities of the TO outlined in the Division of Revenue Act (DoRA)</li> <li>Coordinate and facilitate interaction between national departments, state owned enterprises, other relevant entities of the state, provincial departments of Human Settlements and participating municipalities</li> <li>When under expenditure and under performance is identified, the department may shift funds within the municipalities in line with DoRA processes and requirements and with the concurrence of donor and receiving municipalities</li> <li>Participating in the budgeting process as and when indicated by National Treasury for benchmarking</li> <li>Review and approve the USDG performance matrix</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Submit 2015/16 evaluation reports in terms of the USDG performance matrix, as contained in SDBIP, to the TO on or before 26 August 2016</li> <li>Metropolitan municipalities may replace non performing projects with performing projects providing similar infrastructure is funded that fulfils the same policy objectives. This replacement should not jeopardise the achievement of the overall MTSF targets committed to by the municipality</li> <li>Changes to the approved project list may only be made once a quarter and the metro must notify the department in writing and provide all the relevant details of the new project within 2 weeks of the end of each quarter</li> <li>Submit monthly financial reports, as contemplated in section 71(5) of the Municipal Finance Management Act (MFMA), within 10 working days after the end of each month indicating reasons for deviation and remedial action. Such reports to be submitted to the national department, provincial departments and National Treasury</li> <li>Ensure that their USDG performance matrix is consistent and aligned with national priorities and provincial human settlements plans</li> <li>Comply with the terms and conditions of the receiving officer outlined in the DoRA</li> <li>Municipalities should request the roll-over of unspent funds through National Treasury and inform the transferring officer of all processes regarding the request</li> <li>Ensure effective and efficient utilisation of the grant and ensure it is aligned to the purpose and output of the grant</li> <li>Ensure compliance with required intergovernmental forums and reporting and accountability frameworks for human settlements</li> <li>Ensure that the USDG is used to ensure that the municipality meets its MTSF targets as contained in Outcome 8</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Municipalities must submit a comprehensive USDG performance matrix as included in the BEPP which shall include indicators and targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget</li> <li>Municipalities must submit their first draft of the USDG performance matrix to the TO by 10 March 2017 and the final USDG performance matrix should be submitted by 12 May 2017</li> </ul>

## NATIONAL TREASURY GRANTS

<b>Local Government Financial Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• National Treasury (Vote 7)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To secure sound and sustainable management of the fiscal and financial affairs of municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved capacity in financial management of municipalities</li> <li>• Improved and sustained skills development including the appointment of at least five interns per municipality supporting the implementation of financial management reforms focusing on the gaps identified in Financial Management Grant (FMG) support plans</li> <li>• Appropriately skilled financial officers appointed in municipalities, consistent with the minimum competency regulations</li> <li>• Improvement in budget practices consistent with the budget reforms</li> <li>• Improvement in management of revenue and expenditure, assets and liabilities</li> <li>• Improvement in supply chain management (SCM) practices</li> <li>• Timely submission of financial statements and improved audit outcomes</li> <li>• Improvement in municipal financial governance and oversight</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of municipal officials registered for financial management training</li> <li>• Number of interns serving on the internship program per municipality</li> <li>• Submission of the FMG support plans</li> <li>• Preparation and implementation of multi-year budgets</li> <li>• Improved submission of financial management reports</li> <li>• Number of municipalities that reviewed or adopted a system of delegations</li> <li>• Improvement in Supply Chain Management (SCM) practices</li> <li>• Number of internal audit units and audit committees established</li> <li>• Preparation and implementation of financial recovery plans, where appropriate</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> <li>• Outcome 12: An efficient, effective and development oriented public service</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• FMG funds can be used towards the following: <ul style="list-style-type: none"> <li>○ establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel</li> <li>○ establishment of SCM capacity, an Internal Audit unit and Audit Committees</li> <li>○ at least five interns appointed over a multi-year period</li> <li>○ on-going review, revision and submission of FMG support plans to National Treasury that address weaknesses in financial management</li> <li>○ acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, Service Delivery and Budget Implementation Plans, Annual Financial Statements, annual reports and automated financial management practices including the municipal Standard Chart of Accounts</li> <li>○ review and adoption of a delegation system</li> <li>○ support the training of municipal officials in financial management towards attaining the minimum competencies, as regulated in Government Gazette 29967 of June 2007</li> <li>○ preparation and timely submission of annual financial statements for audits</li> <li>○ support implementation of corrective actions to address audit findings in municipalities that received adverse and disclaimer opinions</li> <li>○ technical support in financial management to municipalities must include the transfer of skills to municipal officials</li> <li>○ the preparation of a financial recovery plan and the implementation thereof, where appropriate</li> <li>○ implementation of financial management reforms and addressing shortcomings identified in the Financial Management Capability Maturity Model (FMCMM) Assessment Report for that municipality</li> <li>○ ensuring timely submission of the FMG support plan consistent with the conditions of the grant</li> </ul> </li> <li>• Regular, timely submission of reports with completed information</li> <li>• Expenditure must be maintained at appropriate levels</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• All municipalities benefit from allocations to augment own resources in support of implementation of the financial management reforms</li> <li>• Priority is given to municipalities: <ul style="list-style-type: none"> <li>○ with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA identified in the FMCMM assessment</li> <li>○ with adverse and disclaimer audit opinions</li> </ul> </li> </ul>

<b>Local Government Financial Management Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA and its regulations</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R449 million was allocated and transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>All 278 municipalities submitted FMG support plans</li> <li>As at 30 June 2015, 1281 graduate finance interns were serving on the internship program in municipalities</li> <li>Additional support provided by the national department: <ul style="list-style-type: none"> <li>Internship workshops to improve the programme and sustain the reforms, were concluded in five provinces (Free State, Gauteng, Mpumalanga, Northern Cape and North West)</li> </ul> </li> <li>The grant supported the following outputs: <ul style="list-style-type: none"> <li>there were 128 municipal managers and 140 chief financial officers that completed the Municipal Finance Management Programme (MFMP) training</li> <li>of the 177 municipalities that utilised the FMG to prepare their 2014/15 Annual Financial Statements, 171 (97 per cent) submitted their annual financial statements to the Auditor-General for auditing by 31 August 2015</li> <li>97 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2013/14 audit findings</li> <li>201 municipalities utilised the FMG to acquire/upgrade and maintain their financial management systems <ul style="list-style-type: none"> <li>199 municipalities adopted their 2015/16 budgets within the prescribed period (30 June 2015)</li> <li>194 municipalities approved their 2015/16 Service Delivery and Budget Implementation Plans</li> <li>169 municipalities submitted their signed Quarter 4 Section 71 reports to National Treasury</li> </ul> </li> </ul> </li> <li>105 municipalities utilised the FMG to establish internal audit units and audit committees</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing with periodic reviews as the financial reforms are still in progress</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R465 million; 2017/18: R502 million; and 2018/19: R531 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Management, monitoring and reporting of the programme</li> <li>Transfer funds to municipalities in terms of the Division of Revenue Act</li> <li>Undertake on-going monitoring of municipalities</li> </ul>
	<p><b>Responsibilities of the municipalities</b></p> <ul style="list-style-type: none"> <li>Submit support plans consistent with conditions of the grant</li> <li>Submit reports consistent with the reporting requirements in the Division of Revenue Act</li> </ul>
<b>Process for approval of 2017/18 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Ongoing review, revision and submission of the FMG support plans to address weaknesses in financial management</li> <li>The programme is based on the FMG support plans submitted by municipalities before the start of the municipal financial year</li> </ul>

<b>Integrated City Development Grant</b>	
<b>Transferring Department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 7)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact, inclusive, productive and sustainable urban spatial form</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of infrastructure projects - including public transport, roads, water, energy, housing, land acquisition and development - in implementation within identified integration zones</li> <li>Number of integrated strategic/catalytic projects planned within identified integration zones</li> <li>Number of authorised studies/strategies completed</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligibility is restricted to metropolitan municipalities which must have: <ul style="list-style-type: none"> <li>obtained a financially unqualified audit opinion from the Auditor General (AG) for the 2014/15 financial year, or finalised an audit action plan by 26 February 2016</li> <li>achieved acceptable levels of capital expenditure performance (reported a variance between adjusted budgeted and actual expenditures of 35 per cent or lower to the National Treasury for the 2014/15 financial year)</li> </ul> </li> <li>Municipalities have the authority to select preferred investments within their functional mandates, and within identified integration zones. Eligible expenditures include: (i) any capital expenditure within the functional mandate of the municipality within identified integration zones; (ii) authorised direct operating expenditure to produce analytical or diagnostic studies, strategy development or transaction advisory assistance related to the development or implementation of strategies for identified integration zones</li> <li>A municipality may apply to the Transferring Officer (TO), by no later than 31 August 2016, to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities within integration zones, provided that: <ul style="list-style-type: none"> <li>these conform to the list of eligible activities identified by the TO, including: <ul style="list-style-type: none"> <li>property market empirical and diagnostic studies</li> <li>integrated infrastructure and spatial planning for identified integration zones</li> <li>investment pipeline development (excluding direct project preparation)</li> <li>development of infrastructure financing strategies and instruments</li> <li>development of policies, by-laws and systems for the administration of development charges</li> <li>enhanced policies and procedures for environmental and social management in infrastructure delivery</li> </ul> </li> <li>the municipality can demonstrate the ability to implement these activities within the financial year</li> </ul> </li> <li>The first transfer of the grant will only be released to a municipality that has submitted a council approved Built Environment Performance Plan (BEPP) in the prescribed format by 31 May 2016 that includes: (i) a pipeline of catalytic projects that has been compiled according to a prescribed format, and (ii) built environment outcome indicators and targets for 2016, that have been compiled according to a prescribed format</li> <li>The second transfer of the grant will only be released to a municipality that has submitted detailed information on the catalytic projects that are in the pipeline in accordance with the standard format provided</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities. Final allocations are adjusted by performance against the following weighted indicators: <ul style="list-style-type: none"> <li>no decrease in total debt to revenue ratio in 2014/15 (20 per cent)</li> <li>no Section 57 vacancies for longer than six months in 2015 (20 per cent)</li> <li>unqualified audit opinion by AG (with or without findings) for the last financial year (30 per cent)</li> <li>decrease in total value of irregular, fruitless and wasteful expenditure identified by AG (20 per cent)</li> <li>timely submission of 2016 BEPP and performance indicators (10 per cent)</li> </ul> </li> <li>For the outer years of the MTEF, allocations per metropolitan municipality have been provided without taking into account any performance adjustments. The allocation figures will be adjusted annually based on actual performance against the weighted indicators listed above</li> </ul>

<b>Integrated City Development Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment</li> </ul>
<b>Past performance</b>	<b>2014/15 audited financial outcomes</b> <ul style="list-style-type: none"> <li>R255 million was allocated and transferred to municipalities</li> </ul>
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>All municipalities submitted BEPPs timeously and identified 14 integration zones</li> <li>The municipalities also indicated 12 catalytic projects being planned and 3 projects under implementation in these integration zones</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue over the 2016 MTEF, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R267 million; 2017/18: R292 million; and 2018/19: R309 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>National Treasury will review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment</li> <li>National Treasury in consultation with the Department of Cooperative Governance and the Department of Rural Development and Land Reform will facilitate engagements on the BEPPs with metropolitan municipalities and other sector departments</li> <li>National Treasury will provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme</li> <li>National Treasury will authorise applications for the utilisation of grant funds for specified operating purposes</li> <li>National Treasury will review the credibility and measurability of audit plans</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>Submit BEPPs and in-year reports</li> <li>Ensure consistent planning in integration zones, including alignment of Integrated Development Plans, Social Housing Restructuring Zones, Priority Housing Development Areas and Urban Development Zones</li> <li>Strengthen and align their own capacity to support BEPP implementation</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Eligible municipalities must submit their draft BEPP by 2 November 2016 in accordance with requirements outlined in the BEPP guidelines</li> <li>For the 2017/18 financial year the level of capital investment in the integration zones will be considered in the allocation criteria</li> </ul>

<b>Infrastructure Skills Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 7)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To develop infrastructure delivery management capacity within municipalities by creating a long term and sustainable pool of registered professionals with built environment and related technical skills (engineering, town planning, architecture, quantity surveying, geographic information system and project management)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To recruit unemployed graduates into municipalities to be trained as per the requirements of the relevant statutory councils within the built environment</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Develop technical capacity within local government to enhance infrastructure related performance</li> <li>Train graduates with built environment qualifications (national diplomas and degrees) in line with statutory council requirements</li> <li>Increased number of qualified and registered professionals within municipalities</li> <li>Improved infrastructure planning and implementation within municipalities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of built environment graduates registered and trained as per requirements of the relevant statutory councils</li> <li>Number of graduates recognised as registered professionals by the relevant statutory councils</li> <li>Number of graduates employed as registered professionals within the built environment</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The business plan must demonstrate that the municipality has projects that can support graduates on their road-to-registration</li> <li>Graduates must have a national diploma or degree in the built environment from higher education institutions i.e. Universities or Universities of Technology</li> <li>Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months and complete the candidacy registration process within 12 months of intake</li> <li>Municipalities must provide training as per the road-to-registration requirements of the relevant statutory councils</li> <li>Municipalities must submit evidence of graduate registration to National Treasury when graduates have qualified and are registered as professionals</li> <li>Mentoring must be provided by registered professionals in the same field as the graduates-in-training and the full names and proof of registration of the mentor must be submitted to the National Treasury</li> <li>Infrastructure Skills Development Grant (ISDG) funding is to be utilised exclusively for costs associated with the training/road-to-registration process of graduates (refer to ISDG Guidelines for details)</li> <li>The business plan of a municipality or a training entity must include an absorption strategy for the graduates within the municipality or any other municipality</li> <li>A project administrator per municipality may be appointed for the sole purpose of ISDG related administration (refer to ISDG Guidelines for details)</li> <li>Graduates are to be placed in units to support the management, maintenance and/or implementation of infrastructure, infrastructure related projects, and accelerated service/infrastructure delivery</li> <li>Graduates must be assigned to a supervisor with experience in the same field as the graduates in training</li> <li>Graduates' training progress to be evaluated by professionally registered mentors on a quarterly basis</li> <li>The municipality is to provide and update the list of business tools and assets purchased with the ISDG</li> <li>Municipalities must submit monthly and quarterly reports timeously</li> <li>Graduate reports and/or log books on the road-to-registration must be signed by the registered mentor as required by statutory councils</li> <li>Municipalities must sign a Service Level Agreement with the National Treasury and such agreements must be adhered to</li> <li>Non-compliance with the above conditions can result in the funds being withheld, stopped and re-allocated</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on business plans submitted and the demonstrated ability of municipalities to train graduates for the period stipulated by statutory councils</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This conditional grant is meant to develop technical skills within municipalities</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R104 million was allocated and transferred to 17 municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The grant has created employment and training opportunities for 435 graduates</li> <li>The following municipalities received the grant: Buffalo City (25 graduates), Nelson Mandela Bay (42 graduates), eThekweni (79 graduates), Ditsobotla (21 graduates), City of Johannesburg (4 graduates), Westonia (13 graduates), Polokwane (17 graduates), Govan Mbeki (109 graduates), Gert Sibande (12 graduates), Lukhanji (8 graduates), Alfred Nzo (15 graduates), Umhlathuze (19 graduates),</li> </ul>

<b>Infrastructure Skills Development Grant</b>	
	Sol Plaatjie (15 graduates) , John Taolo Gaetsewe (8 graduates), King Sabata Dalindyebo (13 graduates), City of Cape Town (23 graduates), and George (12 graduates)
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is expected to continue over the Medium Term Expenditure Framework period, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R130 million; 2017/18: R141 million; and 2018/19: R149 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Rollout the programme in municipalities in compliance with the ISDG framework and guidelines</li> <li>Ensure training is aligned to statutory council requirements</li> <li>Monitor and report on the programme</li> <li>Monitor the registration of graduates with the relevant statutory councils by municipalities</li> <li>Monitor financial and non-financial performance of the ISDG</li> <li>Maintain graduates database for the ISDG</li> <li>Work with the Municipal Infrastructure Support Agent and other stakeholders on a strategy to recruit graduates into positions in municipalities after completing their professional registration</li> </ul>
	<p><b>Responsibilities of municipalities or public entities</b></p> <ul style="list-style-type: none"> <li>Implement the guidelines provided by the National Treasury to recruit unemployed graduates within the built environment and register them with relevant statutory councils</li> <li>Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates gain adequate overall experience for professional registration</li> <li>Comply with the requirements of the Division of Revenue Act, ISDG guidelines, the Service Level Agreement and the requirements of the relevant statutory councils</li> <li>Attend all meetings and workshops convened by the National Treasury</li> <li>Support and supervise graduates on their road-to-registration training</li> <li>Recruit professionally registered mentors in line with the skills training required</li> <li>Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury</li> <li>Manage the utilisation of ISDG funds and report to the National Treasury</li> <li>Update and submit the ISDG database of graduates and ISDG assets as required by the National Treasury</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>Interested municipalities must submit a three year business plan by 31 August 2016 for assessment by the National Treasury</li> <li>Participating municipalities to submit revised business plans to the National Treasury by 31 August 2016</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 7)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B and Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Spatially integrated cities and towns</li> <li>Diversity of public and private capital investments leveraged into targeted locations</li> <li>Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third party capital investment into strategic locations</li> <li>Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> <li>urban hub precincts with secondary linkages; or</li> <li>built environment upgrade projects in urban and rural townships</li> </ul> </li> <li>Leveraged third party capital investment into targeted locations</li> <li>The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events</li> <li>Enhanced municipal strategic competencies in investment targeting, implementation, and urban management</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 4: Decent employment through inclusive economic growth</li> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Compliance with the aims and objectives outlined in a signed memorandum of agreement or funding agreement between the municipality and the transferring officer (TO)</li> <li>Submit cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the TO</li> <li>Programme execution is dependent on a sequential and formal acceptance/approval by the TO on NDPG related municipal plans or deliverables</li> <li>Municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state owned entities in order to leverage the third party capital investment required to ensure long term and sustainable outcomes for each precinct</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant funds the following activities in targeted locations that are defined as urban hubs: planning, the development of catalytic projects and management activities as well as the development of built environment upgrade projects in rural townships</li> <li>Schedule 6B: Technical assistance allocations support planning, professional programme management costs as well as management activities for projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria</li> <li>Schedule 5B: Capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process of targeted locations</li> <li>Allocations are focused on municipalities whose circumstances align with the NDPG's criteria, these include: higher population densities, diverse nature of economic activity, concentrations of poverty, inefficient spatial-historical development, improved connectivity and mobility (in particular through improved public transport networks)</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R590 million allocated, and R 590 million transferred in Schedule 5B direct transfers to municipalities</li> <li>R58 million allocated in Schedule 6B indirect transfers to municipalities, and R17 million (29.7 per cent) of the allocation was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>42 NDPG projects under construction (annual)</li> <li>R2.5 billion in estimated third party investment leveraged (cumulative since 2007/08)</li> <li>317 catalytic projects approved (cumulative since 2007/08)</li> <li>13 long-term urban regeneration programmes registered (cumulative since 2013/14)</li> <li>Development and distribution of the Urban Hub Design Toolkit as part of the Urban Network Support Guide to strengthening municipal capacity in planning, investment targeting implementation and urban management</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term, subject to review</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
<b>MTEF allocations</b>	<p><b>Direct transfers (Schedule 5B)</b></p> <ul style="list-style-type: none"> <li>• 2016/17: R624 million; 2017/18: R663 million; and 2018/19: R702 million</li> </ul> <p><b>Allocation-in-kind (Schedule 6B)</b></p> <ul style="list-style-type: none"> <li>• 2016/17: R22 million; 2017/18: R28 million; and 2018/19: R29 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• The National Treasury funds plans and catalytic projects in targeted locations that are defined either as urban hubs or as built environment upgrade projects in urban and rural townships, including: <ul style="list-style-type: none"> <li>○ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships (NDPs) page on the National Treasury website</li> <li>○ reporting in terms of the Division of Revenue Act (DoRA)</li> <li>○ determining grant allocations for the Medium Term Expenditure Framework (MTEF) period</li> <li>○ performing the obligations as set out in the Memorandum of Agreement/Funding Agreements signed between the municipality and the national department</li> <li>○ governing the acceptance or approval milestones of NDPG related municipal plans or deliverables</li> <li>○ monitoring, managing and evaluating financial and non-financial performance</li> <li>○ overseeing and enforcing the conditions of this grant</li> <li>○ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management</li> </ul> </li> <li>• The Department of Rural Development and Land Reform is to drive rural development by supporting the planning and infrastructure delivery of identified and agreed NDPG projects, including: <ul style="list-style-type: none"> <li>○ acting as the agent of the National Treasury on identified and agreed NDPG projects</li> <li>○ appointing a dedicated project manager to ensure the continuity of NDPG activities</li> <li>○ reporting monthly to the National Treasury on the progress of NDPG projects</li> <li>○ providing programme and project management support to municipalities until the NDPG projects are completed and closed</li> <li>○ motivating to the National Treasury for the reallocation of funding for specific municipal projects</li> <li>○ integrating existing project and information systems to ensure efficient and effective management of existing NDP projects</li> <li>○ participating in a joint advisory committee with National Treasury to govern the direction and coordination of the agency function</li> <li>○ exploring the feasibility of developing grant management capacity</li> </ul> </li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the DoRA</li> <li>• Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the TO</li> <li>• Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects</li> <li>• Coordinate the development of NDPG related municipal plans or deliverables and ensure that they are aligned with the grant objectives against which performance will be assessed</li> <li>• Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money</li> <li>• Maintain accurate and current grant and performance information as specified in NDPG management information formats and systems</li> <li>• Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations</li> <li>• Collect and provide evidence of funding leveraged into each precinct</li> <li>• Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal: <ul style="list-style-type: none"> <li>○ Spatial Development Frameworks (SDFs) and Capital Investment frameworks (as a chapter in the municipal SDF)</li> <li>○ Integrated Development Plans (IDPs)</li> <li>○ Built Environment Performance Plans (BEPPs) - only applicable to metropolitan municipalities</li> </ul> </li> </ul>
<b>Process for approval of 2017/18 municipal NDPG plans</b>	<ul style="list-style-type: none"> <li>• Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans</li> <li>• Plans and/or deliverables must include an indication of: <ul style="list-style-type: none"> <li>○ the ability to attract and report on third party funding leveraged</li> <li>○ the quality of performance and progress reporting</li> <li>○ the level of NDPG alignment across all municipal development strategies and plans including the coordination, targeting, and prioritisation with other related capital implementation projects as reflected through the municipal SDFs and capital investment frameworks</li> </ul> </li> </ul>

## PUBLIC WORKS GRANT

<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Public Works (Vote 11)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines:               <ul style="list-style-type: none"> <li>○ road maintenance and the maintenance of buildings</li> <li>○ low traffic volume roads and rural roads</li> <li>○ basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure)</li> <li>○ other economic and social infrastructure</li> <li>○ tourism and cultural industries</li> <li>○ waste management</li> <li>○ parks and beautification</li> <li>○ sustainable land-based livelihoods</li> <li>○ social services programmes</li> <li>○ community safety programmes</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Contribute towards increased levels of employment</li> <li>• Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 60 102 Full Time Equivalents (FTEs) to be created through the grant</li> <li>• Number of people employed and receiving income through the EPWP</li> <li>• Increased average duration of the work opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth</li> <li>• Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plans</b>	<ul style="list-style-type: none"> <li>• The programme is implemented through municipalities using incentive agreements and project lists that specify the number of FTEs and work opportunities to be created</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works (DPW) and the Ministerial Determination updated annually on 1 November each year</li> <li>• Eligible municipalities must sign a funding agreement with the DPW before the first grant disbursement, with their final EPWP project list attached</li> <li>• Municipalities must report quarterly on all EPWP projects via DPW's EPWP reporting system</li> <li>• Reports must be loaded on the EPWP reporting system within 15 days after the end of every quarter in order for progress to be assessed</li> <li>• Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual</li> <li>• The EPWP grant cannot be used to fund the costs of permanent municipal personnel; however, a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods</li> <li>• The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list</li> <li>• To receive the first planned grant disbursement, eligible municipalities must submit a signed Incentive Agreement with a project list by 10 June 2016</li> <li>• Subsequent grant disbursements are conditional upon eligible municipalities reporting quarterly on EPWP performance within the required timeframes</li> <li>• Municipalities must implement their approved EPWP project list and meet agreed job creation targets</li> <li>• EPWP branding must be incorporated on any existing signage as per corporate identity manual</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• To be eligible for an EPWP grant allocation in the 2016/17 financial year, a municipality must have reported EPWP performance by 15 October 2015. The EPWP grant allocations are based on:               <ul style="list-style-type: none"> <li>○ past EPWP performance</li> <li>○ the number of FTE jobs created in the prior six quarters</li> <li>○ past performance with regard to labour intensity in the creation of EPWP work opportunities</li> <li>○ the need for EPWP work creation in a municipal area, indicated by levels of unemployment, poverty and service backlogs</li> </ul> </li> <li>• Allocation criteria include a rural bias. Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPW</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This grant is intended to fund expansion of labour intensity in specific focus areas as well as incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The incentive grant had an adjusted allocation of R595 million and 276 eligible municipalities earned the incentive grant and the total adjusted allocated amount of R595 million (100 per cent) was transferred to these municipalities</li> </ul>

<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	
	<b>2014/15 service delivery performance</b> <ul style="list-style-type: none"> <li>• 293 027 work opportunities were reported by 276 municipalities and validated on the EPWP system</li> <li>• 79 413 FTE jobs were reported by 276 municipalities and validated on the EPWP system</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R664 million; 2017/18: R716 million; and 2018/19: R758 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Determine eligibility and set grant allocations and FTE targets for eligible municipalities</li> <li>• Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination</li> <li>• Support municipalities, in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> <li>○ identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria</li> <li>○ apply the EPWP project selection criteria and EPWP guidelines to project design</li> <li>○ report using the EPWP reporting system</li> </ul> </li> <li>• Monitor the performance and spending of municipalities according to the signed incentive agreement</li> <li>• Disburse the grant to eligible municipalities</li> <li>• Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement</li> <li>• Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions</li> <li>• Conduct site visits to identify where support is needed</li> </ul>
	<b>Responsibilities of the eligible municipalities</b> <ul style="list-style-type: none"> <li>• Develop and submit an EPWP project list to DPW by 10 June 2016</li> <li>• Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement</li> <li>• Agree on the areas requiring technical support from DPW upon signing the grant agreement</li> <li>• Ensure that reporting is done within the timelines stipulated in the grant agreement and that information is captured in the EPWP reporting system</li> <li>• Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests</li> <li>• Reports must be loaded within 15 days after the end of every quarter in order for progress to be assessed</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Municipalities must report performance on EPWP projects for the 2016/17 financial year by 14 October 2016 to be eligible for a grant allocation</li> <li>• Municipalities must submit a signed incentive agreement with a project list by 9 June 2017</li> </ul>

## TRANSPORT GRANTS

<b>Public Transport Network Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 35)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved public transport network infrastructure and services that function optimally and are safe, convenient, affordable, well managed and maintained</li> <li>Public transport systems that are accessible to an increasing percentage of the population of urban municipalities and contribute to more spatially efficient urban areas</li> </ul>
<b>Outputs</b>	<p><b>Network Operations Component</b></p> <ul style="list-style-type: none"> <li>Number of average weekday passenger trips carried on Public Transport Network Grant (PTNG) funded networks</li> <li>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</li> <li>Percentage uptime for network operating systems as a proportion of the network's public operating hours</li> <li>Passengers per network vehicle per average weekday</li> </ul> <p><b>Network Infrastructure Component</b></p> <ul style="list-style-type: none"> <li>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 Department of Transport (DoT) 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.)</li> <li>Plans and detailed design related to IPTN infrastructure and operations</li> </ul>
<b>Priority outcome(s) of government this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses IPTN operational and related plans that include financial modelling</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Projects must be based on a fiscally and financially sustainable IPTN operational plan (including detailed financial modelling and universal design access plans) approved by the municipal council</li> <li>Projects must support an integrated 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</li> <li>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</li> <li>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</li> <li>Allocations for this grant are made for two components, with separate conditions applicable to each component as set out below. Allocations for the Network Operations Component will be determined by DoT and National Treasury once municipalities submit an annual operations plan including financial forecasts for 2016/17 by 1 April 2016. Funds for one component can be shifted to the other if approved by National Treasury and DoT</li> <li>The first tranche is subject to cities submitting, by 15 June 2016, a multi-year financial operational plan (approved by the municipal council) for the duration of the vehicle operating contract</li> <li>The second tranche is subject to this financial operational plan being submitted to DoT and accepted jointly by National Treasury and the DoT as a basis for future grant allocations</li> <li>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</li> </ul> <p><b>Network Operations Component</b></p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> </ul>

<b>Public Transport Network Grant</b>	
	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Municipalities must enforce rules and bylaws regarding usage of dedicated lanes, fare payment, and operator/supplier compliance with contractual provisions</li> <li>• Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations</li> <li>• 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</li> <li>• Municipalities must enforce agreements that only legal operators operate on routes subject to compensation agreements</li> </ul> <p><b>Network Infrastructure Component</b></p> <ul style="list-style-type: none"> <li>• The grant can fund all IPTN-related infrastructure, including for non-motorised transport, upgrades of existing public transport infrastructure and for new infrastructure</li> <li>• 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</li> <li>• 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</li> <li>• IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations)</li> <li>• Contracted operators should finance and own vehicles unless a case for the exceptional use of limited infrastructure funding for vehicle procurement is approved by DoT, in consultation with National Treasury. If approval is granted, any vehicles purchased with grant funds must remain the property of the municipality</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are only made to municipalities that submit business plans in line with the above conditions, that demonstrate sufficient capacity to operate an IPTN, and credibly demonstrate the long-term fiscal and financial sustainability of the proposed projects</li> <li>• 80 per cent of available funds are allocated according to a formula. The formula has three equally weighted indicators: <ul style="list-style-type: none"> <li>○ size of population</li> <li>○ size of economy</li> <li>○ number of public transport users</li> </ul> </li> <li>• 20 per cent of available funds are allocated through a non-formula component. The allocation of this non-formula component will be led by DoT in consultation with National Treasury and agreed upon at the Joint Committee</li> <li>• Allocations for the Network Operations Component are based on cities' Annual Operations Plans (to be submitted to DoT by 1 April 2016) which indicate the amount of the 2016/17 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"> <li>○ DoT approval of the annual operations plan</li> <li>○ 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</li> <li>○ compensation for the economic rights of existing operators can be funded up to 100 per cent in each phase</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Public Transport Infrastructure Grant: R5 billion was allocated and R4.8 billion (94 per cent) was transferred to municipalities</li> <li>• Public Transport Network Operating Grant: R1.2 billion was allocated and R1.2 billion (100 per cent) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• <b>Cape Town:</b> <ul style="list-style-type: none"> <li>○ average of 64 000 passengers per weekday</li> <li>○ successful roll-out of N2 Express service on the Khayelitsha and Mitchells Plain routes to Cape Town</li> <li>○ compensation paid to 81 taxi operators. Training was also provided to members of the taxi industry</li> </ul> </li> <li>• <b>George:</b> <ul style="list-style-type: none"> <li>○ Phase 1 rolled out December 2014; Phase 2 rolled out February 2015; and Phase 3 rolled out May 2015</li> </ul> </li> </ul>

<b>Public Transport Network Grant</b>	
	<ul style="list-style-type: none"> <li>○ major infrastructure planning completed and construction of Nelson Mandela boulevard circle and urban roadside stops completed. Primary fleet vehicles delivered</li> <li>● <b>Rustenburg:</b> <ul style="list-style-type: none"> <li>○ completion of 8 km of roadway on the North East Corridor and opening of bridge over the railway line</li> <li>○ conclusion of a memorandum of agreement with affected taxi operators</li> </ul> </li> <li>● <b>Tshwane:</b> <ul style="list-style-type: none"> <li>○ A Re Yeng (inception phase) launched and operational with an average of 4000 passengers per weekday</li> <li>○ infrastructure completed includes: 9.8 km of a dedicated trunk busway, 2.3 km of mixed traffic lanes, 23 km of feeder routes, 26 km of non-motorised transport infrastructure, seven bus stations, 17 feeder bus stops with shelters, 44 feeder stops, one temporary depot and one interim control centre</li> <li>○ 30 12m buses were delivered</li> </ul> </li> <li>● <b>Ekurhuleni:</b> <ul style="list-style-type: none"> <li>○ 3.8 km of dedicated bus ways completed, 6 km of complementary route upgraded in Tembisa North and Boksburg South, 12 km non-motorised transport infrastructure and 12 lay-bys completed</li> </ul> </li> <li>● <b>eThekweni:</b> <ul style="list-style-type: none"> <li>○ wall-to-wall plan for the IPTN network and the Vehicle Operator Contract and institutional model completed</li> <li>○ 1.3 km of right-of-way lanes completed</li> </ul> </li> <li>● <b>Johannesburg:</b> <ul style="list-style-type: none"> <li>○ full Phase 1A and 1B systems in operation with an average of 36 648 passengers per week day</li> <li>○ 14.5 km of the Phase 1C trunk route infrastructure was laid out</li> </ul> </li> <li>● <b>Polokwane:</b> <ul style="list-style-type: none"> <li>○ 2.4 km of trunk route constructed; 5.9 km of trunk route extension infrastructure and 21.5 km of feeder route infrastructure rehabilitated; 9 bus bays and 10 km of non-motorised transport infrastructure built</li> </ul> </li> <li>● <b>Nelson Mandela Bay</b> <ul style="list-style-type: none"> <li>○ 3 km of bus lanes completed</li> </ul> </li> </ul>
<b>Projected life</b>	● The grant will continue until 2018/19, subject to review
<b>MTEF allocations</b>	● 2016/17: R5.6 billion; 2017/18: R6.4 billion; and 2018/19: R6.8 billion
<b>Payment schedule</b>	● Transfers are made in accordance with an agreed payment schedule, approved by National Treasury
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Disburse PTNG funds and monitor PTNG expenditure</li> <li>● Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy</li> <li>● Verify reports from municipalities by conducting at least one site visit per annum</li> <li>● Allocate the funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury</li> <li>● Review and comment on draft compensation agreements for economic rights</li> <li>● Review and comment on the network model submitted by each city</li> <li>● Evaluate the performance of the grant annually</li> <li>● 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</li> <li>● Develop a draft public transport subsidy policy for South Africa</li> <li>● Submit copies of allocation letters and milestones to National Treasury</li> <li>● Review public transport strategy to ensure its requirements enable cities to develop fiscally sustainable IPTN systems</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>● 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 cities will need to complete include: <ul style="list-style-type: none"> <li>○ network operational plans, including universal design access plans</li> <li>○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans)</li> <li>○ institutional network management plan</li> <li>○ engineering and architectural preliminary and detailed designs</li> <li>○ public transport vehicle and technology plans</li> <li>○ marketing and communication plans</li> </ul> </li> <li>● Projects funded from this grant must promote the integration of the public transport network in a city, through: <ul style="list-style-type: none"> <li>○ physical integration between different services within a single network</li> <li>○ fare integration between different services</li> <li>○ marketing integration with unified branding</li> <li>○ institutional integration between the services</li> <li>○ spatial integration, in conjunction with other grants directed at the built environment</li> </ul> </li> </ul>

<b>Public Transport Network Grant</b>	
	<ul style="list-style-type: none"> <li>• Provide budget proposals for the PTNG funding that:               <ul style="list-style-type: none"> <li>○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum</li> <li>○ indicate the intended allocations between the network operations component and network infrastructure component</li> </ul> </li> <li>• 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</li> <li>• Compile and submit data that indicates the efficiency and effectiveness of operational services in the formats and using the indicators defined by the DoT</li> </ul>
<b>Process for approval of 2017/18 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit business plans based on sound IPTN operational plans by 15 June 2016</li> <li>• DoT and National Treasury will jointly evaluate these plans – based on pre-determined criteria regarding financial and fiscal sustainability and sufficient capacity – for the city’s eligibility for an allocation in the 2017/18 financial year</li> <li>• Municipalities that fail to pass the eligibility criteria will be informed by 29 July 2016 and may be asked to resubmit plans</li> </ul>

<b>Rural Roads Asset Management Systems Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 35)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Ensure efficient and effective investment in rural municipal roads through development of Road Asset Management Systems (RAMS) and collection of data</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To assist rural district municipalities to set up rural RAMS, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved data on municipal rural roads to guide infrastructure maintenance and investments</li> <li>• Reduced vehicle operating costs</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Road condition data (paved and unpaved)</li> <li>• Traffic data</li> <li>• Bridge condition data</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>• Outcome 7: Comprehensive rural development and land reform</li> <li>• Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses Road Asset Management Business Plans which contain the following details: <ul style="list-style-type: none"> <li>○ network data collection plan</li> <li>○ network condition and traffic volumes</li> <li>○ organisational and support plan</li> <li>○ financial summary</li> <li>○ details of planned engagements and sharing of information with local municipalities</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Transfer of the first tranche is conditional on submission of an approved business plan by 29 April 2016</li> <li>• Transfer of the second tranche is conditional on submission of evidence of engagement and sharing of data with local municipalities</li> <li>• Road authorities must conduct regular condition assessments for paved and unpaved roads and bridges and collect traffic data in accordance with Technical Method for Highways (TMH): TMH 9; TMH 19 and TMH 22</li> <li>• District municipalities must provide local municipalities with validated information from the condition data collected to enable municipalities to identify and prioritise road maintenance requirements within their own budgets, to improve the condition and extend the lifespan of road infrastructure</li> <li>• For RISFSA Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> <li>○ visual condition data not older than two years for pavements and five years for bridges</li> <li>○ instrumental pavement data for roughness, rut depth and macro texture not older than two years</li> <li>○ instrumental pavement data for structural strength not older than five years, and</li> <li>○ traffic data not older than three years</li> </ul> </li> <li>• For RISFSA Class R4 and R5 roads, data requirements are: <ul style="list-style-type: none"> <li>○ visual condition data not older than three years for pavements and five years for bridges</li> <li>○ traffic data not older than five years</li> </ul> </li> <li>• All road condition reports and data collected must be submitted to the national Department of Transport (DoT), and the relevant Provincial Roads Authorities</li> <li>• Systems developed to record data must be compatible with DoT specifications (TRH 26 and TMH 22) for uniformity</li> <li>• Up to a maximum of R1 000 per km per year for paved roads and R500 per km per year for gravel roads of the grant may be allocated towards the road classification and collection of data required by this grant</li> <li>• District municipalities must participate in grant management structures, including attending quarterly rural RAMS meetings</li> <li>• A maximum of five per cent may be used for municipal costs incurred as part of coordination, project management and reporting by the district municipality. This may not be used to appoint municipal officials</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Extent of network and number of local municipalities within a district municipality</li> <li>• 44 district municipalities will benefit from this grant in the 2016 Medium Term Expenditure Framework</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant mainly for the provision of systems to collect rural road, traffic data and rural access bridges</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• R52 million was allocated, and the R52 million (100 per cent of the allocation) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• approximately 20 794 km of paved road network, and 163 108 km of unpaved road network had been assessed by the programme in the 28 district municipalities receiving allocations</li> <li>• Poor progress was noted in Sekhukhune and the Department of Transport is assisting the municipality to catch up</li> <li>• 155 graduates have been recruited into the programme</li> </ul>

<b>Rural Roads Asset Management Systems Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant has a life span up to 2018/19 and will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R102 million; 2017/18: R107 million; and 2018/19: R114 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Monitoring implementation of RAMS together with Provincial Road Authorities</li> <li>• Data integrity will be checked by DoT and Provincial Road Authorities</li> <li>• Provide guidance on sustainable RAMS operations and standards</li> <li>• Facilitate interaction between local municipalities and district municipalities in using RAMS outputs as guidance in municipal road infrastructure management</li> <li>• Check the quality of data captured on municipalities' RAMS in collaboration with provincial road authorities</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Municipalities must make provision to maintain RAMS after the lifespan of the grant</li> <li>• Data for all rural roads to be updated within two years</li> <li>• Employ unemployed youth, S3 experiential training students and young graduates</li> <li>• Ensure human capacity at municipalities for the operation of RAMS is built</li> <li>• Road quality data on RAMS must be used for planning Municipal Infrastructure Grant (roads) investments as well as roads maintenance funded from other sources</li> <li>• Submission of updated RAMS data in TMH 18 format by 29 August 2016</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• District municipalities must submit a Road Asset Management Plan for 2017/18 to DoT by 15 March 2017</li> <li>• The Road Asset Management Plan must contain the following: <ul style="list-style-type: none"> <li>○ the extent of the road network in the municipality</li> <li>○ the proportion of municipal roads with updated data captured on its RAMS</li> <li>○ the condition of the network in the municipality</li> <li>○ the maintenance and rehabilitation need of the municipal road network</li> <li>○ the status of the municipality's RAMS</li> <li>○ Status of institutionalisation of RAMS at district municipality</li> <li>○ TMH 22 Road Asset Management Plan guideline can be used as template</li> </ul> </li> <li>• DoT together with Provincial Roads Authorities will evaluate the business plans and progress reports by 2 May 2017</li> </ul>

## WATER AND SANITATION GRANTS

<b>Bucket Eradication Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water and Sanitation (Vote 36)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To eradicate the bucket system and provide a basic level of sanitation in formal areas</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding for the eradication of bucket sanitation in formal areas</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The eradication of bucket sanitation through the provision of access to basic infrastructure for sanitation in formal areas</li> <li>Build the capacity of municipalities benefitting from this grant to operate and maintain these schemes</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of households previously using bucket toilets provided with basic sanitation</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a Service Level of Agreement (SLA) signed with each municipality and contractor that contains:               <ul style="list-style-type: none"> <li>outcome indicators</li> <li>outputs</li> <li>cash flow projections</li> <li>monthly reporting</li> <li>number of structures to be completed</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Spending in terms of this grant must comply with any conditions set in terms of Section 4 of the 2016 Appropriations Act</li> <li>Projects undertaken through this grant may only fund sanitation projects that contribute to the eradication of bucket sanitation</li> <li>Projects funded through this grant must take account of and must not duplicate projects funded through the Urban Settlements Development Grant or Municipal Infrastructure Grant that will eradicate bucket sanitation</li> <li>The Department of Water Sanitation must confirm with the Department of Cooperative Governance and the Department of Human Settlements that these projects do not duplicate projects funded through other conditional grants</li> <li>This grant must prioritise areas where bucket sanitation is still being utilised</li> <li>The Department of Water and Sanitation must enter into a Service Level Agreement (SLA) with the relevant Water Services Authority before any project is implemented. All SLAs must be concluded by 31 March 2016</li> <li>SLAs must specify:               <ul style="list-style-type: none"> <li>the consultation process undertaken with affected communities</li> <li>the alignment between the project plan and the Water Services Development Plan of the municipality where the project is located and any provincial or municipal informal settlement upgrading or settlement development plans approved for the area where the project will be implemented</li> <li>the infrastructure that will be built</li> <li>how maintenance of the infrastructure will be conducted and funded in future</li> <li>agreement by the Water Services Authority that the project should be implemented as an allocation-in-kind</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Funds have been allocated to complete projects in areas where bucket sanitation systems still exist in formal residential areas</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>It is a national priority to eradicate bucket sanitation and this grant will accelerate progress towards this goal</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R899 million was allocated and R282 million was spent (31 per cent)</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Sanitation upgraded for 17 163 households (Eastern Cape 2 672, Free State 3 969, Limpopo 9 091, Northern Cape 1 033 and North West 398) against a target of 43 127 households</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will end in 2016/17, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2016/17: R350 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payments are made after verification of work performed</li> </ul>

<b>Bucket Eradication Programme Grant</b>	
<b>Responsibilities of national transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Facilitate the planning for bucket eradication within national government and coordinate with other spheres of government</li> <li>• Coordinate with municipalities and sign SLAs for the implementation of projects</li> <li>• Submit reports in the format and on the dates prescribed by National Treasury</li> <li>• Department of Water Sanitation must prepare a close out report of the grant and submit it to Parliament in February 2017</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• The provincial department responsible for cooperative governance must provide inputs on the draft SLAs and ensure projects implemented through this grant do not duplicate existing projects</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Ensure projects implemented through this grant do not duplicate existing projects</li> <li>• Ensure the sustainability of services to support the bucket eradication projects</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• This grant will end in 2016/17, subject to review</li> </ul>

<b>Regional Bulk Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water and Sanitation (Vote 36)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B and Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Facilitate achievement of targets for access to bulk water through successful execution and implementation of regional bulk infrastructure projects or bulk projects of regional significance</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To develop new, refurbish, upgrade and replace ageing infrastructure 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</li> <li>To develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance</li> <li>To pilot regional 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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Access to water supply enabled through regional bulk infrastructure</li> <li>Proper waste water management and disposal enabled through regional waste water infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of regional bulk and WC/WDM projects initiated</li> <li>Number of projects completed</li> <li>Number of people or households targeted to benefit from bulk supply</li> <li>Number of people or households benefitting from projects completed</li> <li>Number of municipalities benefitting</li> <li>Number of job opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 6: An efficient, competitive and responsive economic infrastructure network</li> <li>Outcome 7: Comprehensive rural development and land reform</li> <li>Outcome 9: A responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses Implementation Readiness Studies (IRS) and funding agreements which contain the following: <ul style="list-style-type: none"> <li>cash flow and implementation milestones</li> <li>details of key stakeholders and main contractors</li> <li>specific funding conditions related to the project</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the social component of regional bulk water and waste water projects approved by the Department of Water and Sanitation (DWS), unless arguments for exemption based on affordability are recommended by DWS and approved by National Treasury</li> <li>This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems</li> <li>A financing plan with associated co-funding agreements must be in place prior to implementation of RBIG funded projects</li> <li>All sources of funding for the full cost of the project must be outlined in the Implementation Readiness Study (IRS) and the funding agreement</li> <li>RBIG payments for Schedule 6B allocations will be made to DWS's contracted implementing agent based on invoices on work done</li> <li>All projects must be implemented in line with the approved IRS</li> <li>All projects must be aligned with and referenced to municipalities' Integrated Development Plans (IDPs) and Water Services Development Plans (WSDPs) as well as a detailed plan which shows alignment of RBIG projects with those funded through the Municipal Infrastructure Grant (MIG) and the Water Services Infrastructure Grant</li> <li>If required, a transfer plan must be developed and agreed to prior to the commencement of any new projects</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Projects are assessed individually, and allocations are made by DWS on a project basis, taking into account the following factors: <ul style="list-style-type: none"> <li>demand for water</li> <li>the overall infrastructure needs for the benefiting institution</li> <li>the strategic nature of the project</li> <li>economic importance of an area</li> <li>urgency of the intervention</li> <li>impact of the intervention</li> <li>other appropriate water resources available</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Regional bulk projects are closely linked to water resource planning and development, which is a DWS competency</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>Of an allocation of R4.6 billion; R3.8 billion (81.7 per cent) was spent</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Nine projects were completed: <ul style="list-style-type: none"> <li>Driefontein Complex Bulk Water Scheme</li> <li>Hlabisa Bulk Water Supply</li> </ul> </li> </ul>

<b>Regional Bulk Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>○ Mandlakazi Bulk Water Supply</li> <li>○ Ermelo Bulk Water Supply</li> <li>○ Msukaligwa Regional Water Supply Scheme</li> <li>○ Orange River - Colesberg Bulk Water Supply</li> <li>○ Thembelihle Bulk Water Supply</li> <li>○ Niekerkshoop Bulk Water Supply</li> <li>○ Kathu Waste Water Treatment Works</li> <li>● 75 Projects were in construction phase, 12 projects in design or tender phase and 50 projects in feasibility phase</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● The grant will continue until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● Direct transfers (Schedule 5B): <ul style="list-style-type: none"> <li>○ 2016/17: R1.9 billion; 2017/18: R1.9 billion; and 2018/19: R2 billion</li> </ul> </li> <li>● Allocation-in-kind (Schedule 6B): <ul style="list-style-type: none"> <li>○ 2016/17: R3.5 billion; 2017/18: R2.8 billion and; 2018/19: R2.9 billion</li> </ul> </li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● Payments for the Schedule 5B allocations are made in terms of a payment schedule approved by National Treasury</li> <li>● Payments for the Schedule 6B allocations are made after verification of work performed</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Support the development of Water Services Authorities' water services infrastructure master plans</li> <li>● Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility and IRS</li> <li>● Enter into agreements with Water Service Authorities 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</li> <li>● If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained</li> <li>● Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework). Ensure that suitable agreements are in place between any implementing agent who will continue to operate the infrastructure after completion and the Water Service Authority. The department must implement their Skills Transfer and Capacity Building Plan that sets out how the capacity of benefiting municipalities will be developed so that they can continue to perform the function after the Schedule 6B funded project ends</li> <li>● The department must submit an annual assessment of progress against its Skills Transfer and Capacity Building Plan to National Treasury two months after the end of the national financial year</li> </ul> <p><b>Responsibilities of Water Services Authorities</b></p> <ul style="list-style-type: none"> <li>● Develop and regularly update a water services infrastructure master plan</li> <li>● Submit monthly, quarterly and annual progress reports to DWS</li> <li>● Ensure that projects are appropriately linked to the municipality's water services infrastructure master plans, the Integrated Development Plans and the Water Services Development Plans</li> <li>● Once a project is completed, ensure adherence to operations and maintenance plans and/or any requirements agreed to, as part of the funding agreement, and ensure the sustainability of the infrastructure</li> <li>● Ensure integration of planning, funding, timing and implementation of bulk and reticulation projects</li> <li>● Ensure provision of reticulation services and /or reticulation infrastructure to connect to the bulk infrastructure funded through this grant</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>● Due to the long term nature of projects, dates of the various processes are not fixed</li> <li>● All proposed projects which comply with the RBIG criteria must be registered and listed with DWS's provincial bulk master plans</li> <li>● At a regional level, a co-ordination 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</li> <li>● IRS and feasibility studies will be evaluated and approved by DWS</li> <li>● At a national level, projects are allocated a budget by DWS and submitted to National Treasury for gazetting as indicative budget allocations</li> <li>● Project funding approval letters will be issued to the benefiting municipalities</li> <li>● Based on the outcome of the IRS, DWS will nominate the implementing agent for the construction phase and designate the owner of the infrastructure. National Treasury and benefitting municipalities will be informed of the decisions</li> </ul>

<b>Water Services Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Water and Sanitation (Vote 36)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5B and Schedule 6B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To assist Water Services Authorities (WSAs) to reduce water and sanitation backlogs and sustain water and sanitation infrastructure</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities</li> <li>• Provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions</li> <li>• To support drought relief projects in affected municipalities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• An increased number of households with access to reliable, safe drinking water and sanitation services in all municipalities previously covered under Municipal Water Infrastructure Grant, Rural Household Infrastructure Grant and Water Services Operating Subsidy Grant</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of households provided with water and sanitation through: <ul style="list-style-type: none"> <li>○ reticulated water supply</li> <li>○ on site sanitation</li> <li>○ on site water</li> <li>○ source identification</li> <li>○ water conservation/water demand management provisioning</li> </ul> </li> <li>• Number of households reached by health and hygiene awareness and end user education</li> <li>• Number of job opportunities created</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 7: Comprehensive rural development and land reform</li> <li>• Outcome 8: Sustainable human settlements and improved quality of household life</li> <li>• Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<p><b>Schedule 5B allocations</b></p> <ul style="list-style-type: none"> <li>• Municipalities must submit business plans signed off by the Accounting Officer in line with their Water Services Development Plans (WSDP)</li> <li>• The Department of Water and Sanitation (DWS) must approve the business plans before projects can be implemented</li> <li>• WSAs may only spend funds in line with approved business plans</li> <li>• WSA must submit monthly financial and quarterly non-financial reports to DWS</li> <li>• All projects funded must be aligned to, and not duplicate, any existing or planned projects funded from other conditional grants or municipal own funds</li> <li>• Funds must be reflected on the capital budget of the municipality</li> <li>• Grant funds may not be spent on operations and routine maintenance</li> <li>• Municipalities must demonstrate in the business plan how they plan to fund and manage the infrastructure over the long term</li> </ul> <p><b>Schedule 6B allocations</b></p> <ul style="list-style-type: none"> <li>• Municipalities must submit business plans signed off by the Accounting Officer in line with WSDP</li> <li>• DWS must approve the business plans before projects can be implemented</li> <li>• DWS must enter into a Service Level Agreement (SLA) with the relevant municipality before any project is implemented</li> <li>• SLAs between DWS and the WSA must specify: <ul style="list-style-type: none"> <li>○ the location of the project and communities impacted</li> <li>○ the consultation process undertaken with affected communities</li> <li>○ the alignment between the project plan and the municipality's WSDP</li> <li>○ the interim/intermediate and/or localised infrastructure that will be built or the intervention that will be implemented</li> <li>○ the cost of the project and timeframe for completion</li> <li>○ how maintenance of the infrastructure will be conducted and funded in future by the municipality</li> <li>○ 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</li> <li>○ DWS's implementing agent</li> </ul> </li> </ul>

<b>Water Services Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>○ agreement by the municipality that the project should be implemented as an allocation-in-kind</li> <li>● All projects funded must be aligned to, and not duplicate, any existing or planned projects funded from other conditional grants or municipal own funds. Municipalities must demonstrate in the business plan how they plan to fund and manage the infrastructure over the long term</li> <li>● DWS must facilitate the transfer of skills to municipalities to assist in capacity building and ensure municipalities can operate the projects in future</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>● Allocations are based on the number of households with water and sanitation backlogs, prioritising the 27 priority district municipalities identified by government</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>● The grant is earmarked for specific projects aimed at providing access to water services for communities without access to basic water and sanitation services</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>● Direct Municipal Water Infrastructure Grant: <ul style="list-style-type: none"> <li>○ of the R1 billion allocated, R783 million (72 per cent) was spent</li> </ul> </li> <li>● Indirect Rural Household Infrastructure Grant: <ul style="list-style-type: none"> <li>○ of the R65 million allocated, R65 million (100 per cent) was spent</li> </ul> </li> <li>● Direct Water Services Operating Subsidy: <ul style="list-style-type: none"> <li>○ of the R591 million allocated, R469 million (79 per cent) was spent</li> </ul> </li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>● Municipal Water Infrastructure Grant: <ul style="list-style-type: none"> <li>○ 40 996 households served</li> <li>○ 429 jobs created</li> </ul> </li> <li>● Rural Household Infrastructure Grant: <ul style="list-style-type: none"> <li>○ 4 708 structures completed</li> </ul> </li> <li>● Water Services Operating Subsidy: <ul style="list-style-type: none"> <li>○ 60 schemes refurbished</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>● The grant will continue until 2018/19 financial year, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>● Direct transfers (Schedule 5B): <ul style="list-style-type: none"> <li>○ 2016/17: R2.8 billion; 2017/18: R3.7 billion; and 2018/19: R4 billion</li> </ul> </li> <li>● Allocations-in-kind (Schedule 6B): <ul style="list-style-type: none"> <li>○ 2016/17: R312 million; 2017/18: R587 million; and 2018/19: R608 million</li> </ul> </li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>● For Schedule 5B, transfers are made in accordance with a payment schedule approved by National Treasury</li> <li>● For Schedule 6B, payments are made to contracted implementing agents after verification of work performed</li> </ul>
<b>Responsibilities of transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>● Approve the business plans before funds can be transferred</li> <li>● Evaluate and approve the business plans for each project</li> <li>● Ensure that the conditions of the grant and approved business plans are adhered to</li> <li>● Submit statutory reports (monthly financial, quarterly non-financial and annual performance) to National Treasury</li> <li>● Implementing agents must submit monthly financial and quarterly non-financial reports to DWS</li> <li>● In cases where DWS appoints the contractor, a contract must be signed between DWS and the appointed contractor before the project can commence</li> <li>● Implement the Skills Transfer and Capacity Building Plan</li> <li>● The department must submit an annual report to National Treasury 45 days after the end of the financial year</li> </ul> <p><b>Responsibilities of water services authorities</b></p> <ul style="list-style-type: none"> <li>● Compile and submit signed-off business plans for each project (for the relevant financial year)</li> <li>● Sustainably operate and maintain funded water and sanitation projects over their lifetime</li> <li>● Ensure integrated planning for all projects funded through the different grants and programmes the municipality participates in</li> <li>● Review and sign-off on the technical report for each project</li> <li>● Ensure adequate participation and involvement of the public in each project, particularly in rural areas</li> <li>● Manage project implementation in line with the business plan</li> <li>● Submit monthly, quarterly and annual progress reports in the format prescribed by DWS</li> <li>● Comply with all the funding conditions agreed to in the business plan</li> </ul>

<b>Water Services Infrastructure Grant</b>	
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"><li>• DWS will issue a template and guideline on business plan requirements by 29 July 2016</li><li>• Business plans must be submitted to DWS by 23 December 2016</li><li>• Business plans must be approved by DWS by 28 February 2017</li><li>• Only municipalities that have comprehensive asset management policies and systems in place by the end of the 2018/19 financial year will be eligible to receive this grant</li></ul>

**ANNEXURE W4**

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B; SCHEDULE 5, PART B AND  
SCHEDULE 7, PART B): CURRENT GRANTS**

(National and Municipal Financial Years)

ANNEXURE W4  
SPECIFIC PURPOSE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated		SUB-TOTAL: CURRENT <sup>1</sup>	
		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
		2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>													
A	RUF												
A	NMA												
B	EC101	20 143	6 847										
B	EC102			3 000									
B	EC104												
B	EC106												
B	EC108												
B	EC109												
C	DC10												
	<b>Total Sarah Baartman Municipalities</b>	<b>20 143</b>	<b>6 847</b>	<b>3 000</b>									
B	EC121												
B	EC122												
B	EC123												
B	EC124												
B	EC126												
B	EC129	13 428	4 566										
	<b>Total Amathole District Municipality</b>	<b>13 428</b>	<b>4 566</b>										
B	EC131												
B	EC135												
B	EC136												
B	EC138												
B	EC139												
	<b>Total Chris Hani District Municipality</b>	<b>20 143</b>	<b>6 847</b>										
	<b>Total Joe Gqabi District Municipality</b>	<b>20 143</b>	<b>6 847</b>										
B	EC141												
B	EC145												
C	DC14	13 428	4 566										
	<b>Total Joe Gqabi Municipalities</b>	<b>13 428</b>	<b>4 566</b>										
B	EC153												
B	EC154												
B	EC156												
B	EC157												
C	DC15												
	<b>Total O.R. Tambo District Municipality</b>	<b>8 000</b>	<b>8 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
B	EC441												
B	EC442												
B	EC443												
B	EC444												
C	DC44												
	<b>Total Alfred Nzo District Municipality</b>	<b>8 000</b>	<b>8 000</b>	<b>6 000</b>	<b>6 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>
	<b>Total Eastern Cape Municipalities</b>	<b>67 142</b>	<b>22 826</b>	<b>19 000</b>	<b>22 236</b>	<b>28 024</b>	<b>40 000</b>	<b>37 361</b>	<b>83 525</b>	<b>76 700</b>	<b>77 083</b>	<b>165 948</b>	<b>157 336</b>

ANNEXURE W4  
SPECIFIC PURPOSE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT <sup>1</sup>	
	National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
<b>FREE STATE</b>												
A. MAN. Mangung	13 428	4 566	7 000	5 000			3 310	3 645	5 151		28 889	8 211
B. FS161. Letsameg							1 825	1 900	2 155		2 825	1 900
B. FS162. Kopyang							1 825	1 700	1 155		2 780	1 700
B. FS163. Molekare							1 825	1 900	2 155		2 825	1 900
C. DC16. Xhaxha District Municipality							1 250	1 250	1 033		2 303	1 250
<b>Total: Xhaxha Municipalities</b>							<b>6 825</b>	<b>7 815</b>	<b>4 286</b>		<b>10 733</b>	<b>6 750</b>
B. FS181. Mashoroyana			6 000				1 825	1 147	1 900		8 972	1 900
B. FS182. Tokologo							1 825	1 900	2 155		2 857	1 900
B. FS183. Tswelopele			5 000				1 825	2 155	1 000		2 825	6 900
B. FS184. Matjhabeng							1 810	2 145	1 131		2 941	2 145
B. FS185. Malla			6 000				2 145	2 600	1 000		3 490	2 600
C. DC17. Kwa-Mankweng District Municipality							1 250	1 250	1 000		2 340	1 250
<b>Total: Kwa-Mankweng District Municipality</b>			<b>12 000</b>	<b>5 000</b>			<b>10 545</b>	<b>11 440</b>	<b>6 310</b>		<b>28 855</b>	<b>16 440</b>
<b>Total: Lejolekwa Municipalities</b>							<b>1 625</b>	<b>1 700</b>	<b>1 908</b>		<b>3 533</b>	<b>1 700</b>
B. FS191. Seisoato							1 625	1 700	1 908		2 625	1 700
B. FS192. Dlababeng							1 625	1 700	1 955		2 648	1 700
B. FS193. Nkomoa							1 625	1 955	1 023		2 648	1 955
B. FS194. Mafisa-Phefong			6 000				1 625	1 700	1 955		3 400	1 955
B. FS195. Phalala							2 010	2 445	2 600		3 010	2 445
B. FS196. Mameya							1 810	2 145	1 000		2 810	2 145
C. DC19. Thabo Mofutsanyana District Municipality							1 250	1 250	1 250		2 370	1 250
<b>Total: Thabo Mofutsanyana Municipalities</b>			<b>6 000</b>	<b>6 000</b>			<b>11 755</b>	<b>12 985</b>	<b>14 515</b>		<b>26 456</b>	<b>18 985</b>
B. FS201. Mopaka							1 810	2 145	1 060		2 810	2 145
B. FS202. Nkomoa							1 810	1 645	1 060		2 810	1 645
B. FS204. Nkomoa							1 625	1 700	1 955		2 685	1 700
B. FS205. Mafibe			5 000				2 010	2 345	2 600		3 010	2 345
C. DC20. Ficksburg District Municipality							1 250	1 250	1 000		1 250	1 250
<b>Total: Ficksburg District Municipality</b>			<b>5 000</b>	<b>6 000</b>			<b>8 505</b>	<b>9 585</b>	<b>4 138</b>		<b>17 643</b>	<b>15 585</b>
<b>Total: Free State Municipalities</b>	<b>13 428</b>	<b>4 566</b>	<b>24 000</b>	<b>17 000</b>	<b>5 000</b>	<b>8 200</b>	<b>40 640</b>	<b>44 405</b>	<b>34 908</b>		<b>112 576</b>	<b>65 971</b>
<b>GAUTENG</b>												
A. EKV. Ekurhuleni			15 000	10 000			1 050	1 050	1 050		38 175	21 050
A. JHB. City of Johannesburg			15 000	15 000		8 500	1 050	1 000	22 125		66 363	21 050
A. TSH. City of Tshwane			10 000	13 000			2 823	2 800	47 813		23 122	2 800
B. GT421. Emfuleni							1 475	1 550	1 550		4 003	1 550
B. GT422. Midvaal							1 475	1 550	1 279		2 754	1 550
B. GT423. Lesedi							1 475	1 550	1 238		2 713	1 550
C. DC32. Sedibane District Municipality							1 250	1 250	1 000		2 250	1 250
<b>Total: Sedibane Municipalities</b>							<b>5 675</b>	<b>5 600</b>	<b>6 045</b>		<b>11 720</b>	<b>5 600</b>
B. GT481. Mogale City							1 475	1 550	1 089		2 564	1 550
B. GT484. Meritong City							1 625	1 700	1 424		3 049	1 700
B. GT485. West Rand District Municipality			10 000	5 000		3 300	2 950	3 100	3 356		18 891	20 966
C. DC48. West Rand District Municipality							1 250	1 250	1 000		2 555	1 250
<b>Total: West Rand Municipalities</b>			<b>10 000</b>	<b>5 000</b>	<b>3 300</b>	<b>3 300</b>	<b>7 800</b>	<b>7 600</b>	<b>6 245</b>		<b>27 059</b>	<b>25 466</b>
<b>Total: Gauteng Municipalities</b>	<b>9 714</b>	<b>4 566</b>	<b>25 000</b>	<b>30 000</b>	<b>50 000</b>	<b>11 500</b>	<b>17 850</b>	<b>18 250</b>	<b>132 775</b>		<b>196 439</b>	<b>64 316</b>

ANNEXURE W4  
SPECIFIC PURPOSE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT <sup>1</sup>			
	National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year			
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)		
<b>KWAZULU-NATAL</b>														
A	ETH - eThekweni			16 000	10 000	28 500	27 000	26 700	1 050	1 000	49 478	79 028	44 050	37 700
B	KZN212 KZN212	9 714							3 835	4 501	2 038	15 587	8 811	4 501
B	KZN213 Umzimbe								1 825	1 900	1 083	2 908	1 900	1 900
B	KZN214 uMzimvubu								1 825	1 900	1 129	2 954	1 900	1 900
B	KZN216 KZN216	9 714							3 450	3 600	2 680	15 824	10 166	3 600
	<b>Total: Ugu Municipalities</b>	<b>19 428</b>							<b>12 995</b>	<b>13 541</b>	<b>8 038</b>	<b>40 521</b>	<b>22 572</b>	<b>13 951</b>
B	KZN221 uMkhawathi								1 825	1 900	1 313	3 138	1 900	2 155
B	KZN222 uMngeni								1 625	1 700	1 955	2 942	1 700	1 955
B	KZN223 Mpofema								1 825	1 900	1 000	2 825	1 900	2 155
B	KZN225 Mpedele								1 825	1 900	1 648	3 678	2 700	1 900
B	KZN226 Mkhambathini								1 825	1 900	1 253	3 078	1 900	2 155
B	KZN227 Richmond								1 825	1 900	1 277	3 102	1 900	1 900
C	DC22 - Umgungahlovu District Municipality								1 250	1 000	2 094	3 344	1 250	1 000
	<b>Total: Umgungahlovu Municipalities</b>								<b>13 025</b>	<b>14 151</b>	<b>16 506</b>	<b>38 131</b>	<b>14 151</b>	<b>14 920</b>
B	KZN235 Okhahlamba	9 714							1 825	1 900	2 934	4 798	1 900	1 900
B	KZN236 KZN236	9 714							3 600	3 600	2 406	8 166	3 600	3 600
B	KZN238 KZN238	9 714							1 825	1 900	1 879	4 798	1 900	1 900
C	DC23 - Uthukela District Municipality								1 460	1 795	3 169	4 679	1 545	1 545
	<b>Total: Uthukela Municipalities</b>	<b>19 428</b>							<b>10 185</b>	<b>10 995</b>	<b>13 337</b>	<b>42 950</b>	<b>20 027</b>	<b>10 901</b>
B	KZN241 Endumeni								1 625	1 700	1 955	2 752	1 700	1 955
B	KZN242 Nqutu								1 825	1 900	1 337	3 162	1 900	1 900
B	KZN243 Umhlangeni								1 825	1 900	1 700	4 450	1 900	1 900
B	KZN245 Uvoti								1 725	1 800	2 053	4 098	1 800	2 055
C	DC24 - Umzinyathi District Municipality								1 250	1 250	2 373	3 600	1 250	1 505
	<b>Total: Umzinyathi Municipalities</b>								<b>8 250</b>	<b>8 550</b>	<b>9 382</b>	<b>17 532</b>	<b>8 550</b>	<b>9 315</b>
B	KZN252 Newcastle								1 625	1 700	1 900	2 798	1 900	1 900
B	KZN253 Imbalanga								1 825	1 900	1 250	3 999	1 900	2 155
B	KZN254 Mthunzi								1 825	1 900	1 619	4 549	1 900	1 900
C	DC25 - Amathole District Municipality								1 500	1 500	1 755	2 997	1 500	1 755
	<b>Total: Amathole Municipalities</b>								<b>6 775</b>	<b>7 000</b>	<b>7 073</b>	<b>13 848</b>	<b>15 000</b>	<b>12 510</b>
B	KZN261 eDunbe								1 825	1 900	1 000	2 825	1 900	2 155
B	KZN262 uPhungulo								1 825	1 900	3 021	4 846	1 900	2 155
B	KZN263 Nqunzulu								1 825	1 900	1 619	4 467	1 900	2 155
B	KZN265 Nongoma								1 825	1 900	1 102	2 927	1 900	2 155
B	KZN266 Ulundi								1 725	1 800	2 055	2 725	1 800	2 055
C	DC26 - Zululand District Municipality								1 250	1 250	3 024	4 874	1 250	1 000
	<b>Total: Zululand Municipalities</b>								<b>10 075</b>	<b>10 650</b>	<b>11 445</b>	<b>21 220</b>	<b>10 450</b>	<b>11 475</b>
B	KZN271 Umkhayalithanga								1 825	1 900	2 277	4 102	1 900	1 900
B	KZN272 Mthunzi								1 825	1 900	2 738	5 162	1 900	2 155
B	KZN275 Mthunzi								1 825	1 900	2 155	3 233	1 900	2 155
B	KZN276 KZN276								3 650	3 800	4 056	16 909	8 366	4 056
C	DC27 - Umkhayalithanga District Municipality								1 250	1 250	1 293	2 543	1 250	1 000
	<b>Total: Umkhayalithanga Municipalities</b>								<b>10 375</b>	<b>10 500</b>	<b>11 861</b>	<b>31 950</b>	<b>20 316</b>	<b>11 265</b>
B	KZN281 Mcheli								1 925	1 900	1 649	3 474	1 900	1 900
B	KZN282 KZN282								2 537	2 650	5 061	21 384	12 574	9 150
B	KZN284 uMhlati								1 625	1 700	1 955	4 549	1 700	1 955
B	KZN285 KZN285								2 738	2 850	2 161	12 185	6 274	2 850
B	KZN286 Nkandla								1 825	1 900	2 149	3 974	1 900	2 155
C	DC28 - Umhlangulu District Municipality								1 250	1 000	5 466	6 716	1 250	1 000
	<b>Total: Umhlangulu Municipalities</b>								<b>11 800</b>	<b>12 510</b>	<b>19 410</b>	<b>52 282</b>	<b>28 598</b>	<b>19 010</b>
B	KZN291 Mandeni								1 825	1 900	1 800	3 880	1 900	1 900
B	KZN292 KwaDukuza								1 725	1 800	1 285	3 010	1 800	1 800
B	KZN293 Ndwebwe								1 825	1 900	1 791	3 616	1 900	2 155
B	KZN294 Mphahlele								1 825	1 900	1 261	3 086	1 900	1 900
C	DC29 - iLembe District Municipality								1 250	1 000	1 830	3 100	1 250	1 000
	<b>Total: iLembe Municipalities</b>								<b>8 450</b>	<b>8 951</b>	<b>8 242</b>	<b>10 692</b>	<b>8 790</b>	<b>8 795</b>
B	KZN433 Greater Kokstad								1 725	1 800	1 619	3 344	1 800	1 800
B	KZN434 Ushalebeze								1 825	1 900	1 985	3 810	1 900	2 155
B	KZN435 Umtshata								1 825	1 900	1 299	3 124	1 900	1 900
B	KZN436 KZN436								3 650	3 800	4 056	15 555	8 366	4 056
C	DC33 - Jansz Graaff District Municipality								8 000	6 000	10 414	38 447	10 414	10 911
	<b>Total: Jansz Graaff Municipalities</b>								<b>10 275</b>	<b>10 911</b>	<b>10 488</b>	<b>38 447</b>	<b>21 216</b>	<b>10 911</b>
	<b>Total: KwaZulu-Natal Municipalities</b>								<b>16 000</b>	<b>35 000</b>	<b>33 500</b>	<b>392 011</b>	<b>210 679</b>	<b>160 714</b>



ANNEXURE W4  
SPECIFIC PURPOSE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 5, PART B) AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated		SUB-TOTAL: CURRENT <sup>1</sup>	
	National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
<b>NORTHERN CAPE</b>												
B NC061 Richtersveld							1 825	1 900	2 155	1 000		2 825
B NC062 Nama Khoi							1 810	2 145	2 400	1 000		2 810
B NC064 Kamiesberg							2 010	2 345	2 600	1 000		3 010
B NC065 Hanam							1 825	1 900	2 155	1 127		2 952
B NC066 Karoo Hoogland							1 825	1 900	2 155	1 000		2 825
B NC067 Krib-Ma							1 825	1 900	2 155	1 000		2 825
B NC068 Krib-Ma							1 825	1 900	2 155	1 000		2 825
<b>Total: Northern Cape Municipalities</b>							<b>12 370</b>	<b>13 340</b>	<b>15 125</b>	<b>7 127</b>		<b>19 497</b>
<b>DC8 - Z.F. Ngqweni District Municipality</b>												
B NC071 Uburu		8 000	10 000	5 000			1 825	1 900	2 155	1 000		2 825
B NC072 Umsobomvu					5 000		1 825	1 900	2 155	1 000		2 825
B NC073 Erinvlei							1 625	1 700	1 955	1 000		2 625
B NC074 Rietberg							1 625	1 700	1 955	1 000		2 625
B NC075 Rietberg							1 625	1 700	1 955	1 000		2 625
B NC076 Thebesville							2 010	2 345	2 600	1 000		3 010
B NC077 Snybenbaba							2 010	2 345	2 600	1 000		3 010
B NC078 Snybenbaba							2 010	2 345	2 600	1 000		3 010
C DC7 - Pletzer Ka Senze District Municipality							1 250	1 250	1 250	1 000		2 250
<b>Total: Pletzer Ka Senze Municipalities</b>							<b>16 390</b>	<b>18 010</b>	<b>20 070</b>	<b>9 000</b>		<b>33 390</b>
<b>DC8 - Z.F. Ngqweni District Municipality</b>												
B NC082 Ikai-Ugath		3 000	5 000				2 010	2 345	2 600	1 000		3 010
B NC084 IRKhis				5 000			2 010	2 345	2 600	1 000		3 010
B NC085 Transbabe							2 010	2 345	2 600	1 000		3 010
B NC086 Kgalapelle							2 010	2 345	2 600	1 000		3 010
B NC087 NC087	13 429	4 565					3 635	4 045	4 301	2 000		26 064
<b>Total: Z.F. Ngqweni District Municipality</b>	<b>13 429</b>	<b>4 565</b>	<b>10 000</b>	<b>5 000</b>	<b>5 000</b>	<b>4 500</b>	<b>12 655</b>	<b>14 675</b>	<b>15 901</b>	<b>7 000</b>		<b>45 250</b>
<b>Total: Eastern Cape Municipalities</b>							<b>9 855</b>	<b>9 855</b>	<b>9 855</b>	<b>9 811</b>		<b>21 851</b>
<b>DC9 - Joe Moleleki District Municipality</b>												
B NC091 Sol Plaatje						4 500	1 625	1 700	2 000	5 574		10 899
B NC092 Dikgatlong							2 010	2 345	2 600	1 000		3 010
B NC093 Ngqengqeni							1 825	1 900	2 155	1 000		2 825
B NC094 Phokwane							1 810	2 145	2 400	1 037		2 847
<b>Total: Joe Moleleki District Municipality</b>						<b>4 500</b>	<b>8 230</b>	<b>9 340</b>	<b>9 855</b>	<b>9 611</b>		<b>21 851</b>
<b>DC10 - J. F. Pieterse District Municipality</b>												
B NC451 Joe Moleleki							1 810	2 145	2 400	1 000		2 860
B NC452 Ga-Segonyana							1 810	2 145	2 400	1 000		2 810
B NC453 Gungahla							1 625	1 700	1 955	1 000		2 625
B NC454 J. F. Pieterse							1 250	1 250	1 250	1 000		2 250
<b>Total: J. F. Pieterse District Municipality</b>						<b>3 500</b>	<b>6 495</b>	<b>7 345</b>	<b>7 755</b>	<b>4 000</b>		<b>13 545</b>
<b>Total: Northern Cape Municipalities</b>	<b>13 429</b>	<b>4 565</b>	<b>20 000</b>	<b>10 000</b>	<b>10 000</b>	<b>8 000</b>	<b>56 700</b>	<b>62 625</b>	<b>68 506</b>	<b>36 798</b>		<b>131 617</b>
<b>NORTH WEST</b>												
B NW371 Morele							1 810	2 145	2 400	4 228		6 038
B NW372 Mafikeng							1 625	1 700	1 955	1 545		3 170
B NW373 Rustenburg							1 625	1 700	1 955	1 545		3 170
B NW374 Kgatlengvlei			10 000		5 000		2 010	2 345	2 600	1 737		5 844
B NW375 Moses Kotane							1 625	1 700	1 955	1 545		3 747
C DC37 - Botswana Platinum District Municipality		5 000					9 245	10 840	11 855	10 821		4 360
<b>Total: Botswana Platinum District Municipality</b>		<b>5 000</b>	<b>10 000</b>	<b>15 000</b>	<b>10 000</b>	<b>6 700</b>	<b>3 500</b>	<b>3 500</b>	<b>3 500</b>	<b>1 537</b>		<b>8 807</b>
<b>Total: Northern Cape Municipalities</b>							<b>18 000</b>	<b>20 000</b>	<b>20 000</b>	<b>7 200</b>		<b>39 200</b>
<b>NORTH WEST</b>												
B NW381 Rautou							1 825	1 900	2 155	1 433		3 258
B NW382 Tswaing							2 000	2 345	2 600	1 330		3 340
B NW383 Maribong							1 810	2 145	2 400	3 672		5 482
B NW384 Disoboda							1 810	2 145	2 400	1 038		2 848
B NW385 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW386 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW387 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW388 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW389 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW390 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW391 Mmabatho							1 625	1 700	1 955	1 545		3 170
B NW392 Naledi							1 625	1 700	1 955	1 884		3 509
B NW393 Mmabatho							2 010	2 345	2 600	1 078		3 088
B NW394 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW395 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW396 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW397 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW398 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW399 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW400 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW401 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW402 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW403 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW404 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW405 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW406 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW407 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW408 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW409 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW410 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW411 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW412 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW413 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW414 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW415 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW416 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW417 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW418 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW419 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW420 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW421 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW422 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW423 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW424 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW425 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW426 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW427 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW428 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW429 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW430 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW431 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW432 Greater Tswaing							2 010	2 345	2 600	1 352		3 362
B NW433 Greater Tswaing							2 010	2 345	2 600	1 352		3 3



**ANNEXURE W5**

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

**(National and Municipal Financial Years)**

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
		2018/19 (R,000)	2017/18 (R,000)	2018/19 (R,000)	2017/18 (R,000)	2018/19 (R,000)	2017/18 (R,000)	2018/19 (R,000)	2017/18 (R,000)	2018/19 (R,000)	2017/18 (R,000)	2018/19 (R,000)	2017/18 (R,000)
<b>EASTERN CAPE</b>													
A	BUF Buffalo City												
	NMA Nelson Mandela Bay												
B	ECI01 EC101	37 623	21 012	22 004					25 000	30 000	30 000		
B	ECI02 Bites Crane Route	13 666	14 561	15 154					35 000	40 000	40 000		
B	ECI04 Mkhama	36 288	24 901	26 134					5 000	10 000	15 000		
B	ECI05 Mthatha	20 877	20 877	20 877					4 000	8 000	10 000		
B	ECI06 Sardinia River Valley	24 446	26 145	27 456					6 000	10 000	15 000		
B	ECI08 Kanga	30 326	32 463	34 165					9 000	10 000	15 000		
B	ECI09 Kona-Komma	14 694	15 665	16 326					6 000	4 000	4 000		
C	DC10 Sarah Baartman District Municipality	183 097	162 619	170 528					34 500	66 000	89 000	2 261	2 515
<b>Total Sarah Baartman Municipalities</b>													
B	ECI21 Mbashe	55 745	61 414	64 910					17 000	25 000	30 000		
B	ECI22 Mquma	59 727	64 099	67 762					5 000	5 000	5 000		
B	ECI23 Great Kei	12 072	11 415	11 812					4 000	4 000	7 000		
B	ECI24 Amathole	38 877	39 877	40 877					4 000	4 000	4 000		
B	ECI29 EC129	31 854	22 987	24 008					5 000	5 000	5 000		
B	ECI29 EC129	39 969	40 118	42 295					5 000	5 000	9 000		
C	DC12 Amathole District Municipality	412 736	445 310	473 598	119 190	164 982	146 000	146 000	146 000	146 000	2 806	2 980	3 121
<b>Total Amathole Municipalities</b>													
B	ECI31 Ixosha Yethimba	15 369	16 391	17 097					40 000	63 870	81 000	2 806	2 980
B	ECI35 Isiaka Yethu	39 895	44 003	46 420					9 000	10 000	10 000		
B	ECI36 Emalaleni	34 262	36 075	37 578					16 500	25 000	30 000		
B	ECI37 Engcobo	50 431	39 392	41 524					9 317	5 000	5 000		
B	ECI38 Sakhisizwe	17 239	18 341	19 389					30 000	20 000	20 000		
B	ECI39 Sakhisizwe	55 341	55 341	55 341					2 000	8 000	12 000		
C	DC13 Chris Hani District Municipality	271 423	299 853	318 127	207 815	128 545	82 638	101 597	5 000	8 000	12 000	3 097	3 286
<b>Total Chris Hani Municipalities</b>													
B	ECI41 Elundini	483 083	507 824	537 128	207 815	128 545	82 638	101 597	14 500	20 000	20 000	2 136	2 418
B	ECI42 Mthatha	37 250	39 826	41 984					14 500	20 000	20 000		
B	ECI43 Mthatha	38 877	39 877	40 877					5 000	5 000	5 000		
C	DC14 Joe Gqabi District Municipality	151 602	163 314	173 125	12 945	53 546	56 512	123 400	123 400	123 400	2 136	2 277	2 418
<b>Total Joe Gqabi Municipalities</b>													
B	ECI53 Nqanga Hill	247 132	261 722	276 702	12 945	53 546	56 512	123 400	22 500	20 000	20 000	2 136	2 418
B	ECI54 Port St Johns	57 035	55 796	58 934					7 033	12 000	15 000		
B	ECI55 Nyandeni	32 781	35 004	36 970					20 000	25 000	20 000		
B	ECI56 Mhloni	38 650	62 288	65 838					9 000	15 000	20 000		
B	ECI57 King Sabata Dalindyebo	41 660	45 265	47 761					12 500	18 000	20 000		
B	ECI57 King Sabata Dalindyebo	82 213	88 381	93 548					25 000	15 000	15 000		
C	DC15 King Sabata Dalindyebo District Municipality	462 041	504 641	524 041	343 183	387 015	345 850	109 736	109 837	109 900	3 773	2 946	3 087
<b>Total O.R. Tambo Municipalities</b>													
B	EC411 Mankie	875 828	944 184	1 000 841	343 183	387 015	345 850	109 736	73 533	85 000	90 000	2 773	2 946
B	EC412 Umsizwa	47 012	50 400	53 213					80 000	80 000	80 000		
B	EC442 Umzimvubu	44 261	47 482	50 114					15 000	20 000	20 000		
B	EC443 Nqunama	47 482	50 114	52 746					15 000	20 000	20 000		
B	EC444 Nqunama	315 669	277 738	259 147					40 000	50 000	50 000		
C	DC24 Alfred Nzo District Municipality	36 1497	389 977	413 836	101 171	151 741	105 000	105 000	100 000	100 000	199 000	2 157	2 299
<b>Total Alfred Nzo Municipalities</b>													
		534 889	565 080	598 559	101 171	151 741	105 000	105 000	100 000	100 000	199 000	2 157	2 299
<b>Total Eastern Cape Municipalities</b>													
		2 956 279	3 115 479	3 297 403	563 943	569 106	525 000	679 599	631 664	631 664	631 000	16 162	17 008

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme (Municipal Grant)		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
	2018/19 (R 000)	2019/20 (R 000)	2018/19 (R 000)	2019/20 (R 000)	2018/19 (R 000)	2019/20 (R 000)	2018/19 (R 000)	2019/20 (R 000)	2018/19 (R 000)	2019/20 (R 000)	2018/19 (R 000)	2019/20 (R 000)
<b>FREE STATE</b>												
A. MAN. Manguang								8 500	25 000			
B. FS161 Leremeng	16 635	18 544			65 000	70 000						
B. FS162 Kroyong	19 977	22 360			25 702	45 000	5 000	2 000	5 000			
B. FS163 Mokokwe	28 429	18 666			30 265	48 500						
C. DC16 Xhariza District Municipality	65 641	60 354	23 000	13 436	110 967	183 500	5 000	2 000	10 000	1 963	2 059	2 200
<b>Total: Xhariza Municipalities</b>												
B. FS181 Makhopyana	22 500	23 669	30 000	37 000								
B. FS182 Tokologo	16 852	17 587										
B. FS183 Tsochepale	15 736	17 515										
B. FS184 Mphahlele	14 200	15 000										
B. FS185 Ntshong	28 399	31 849					5 000	8 000	12 000			
C. DC18 Lefeleng District Municipality	205 696	210 838	30 000	37 000			5 000	14 000	29 000	2 185	2 294	2 435
<b>Total: Lefeleng Municipalities</b>												
B. FS191 Secake	48 264	50 977	30 716	45 000			6 000	2 000	7 500			
B. FS192 Dhlabe	36 892	39 514					9 000	5 000	7 000			
B. FS193 Nkaretana	24 218	25 899					3 000	10 000	20 000			
B. FS194 Maitso-Phephong	154 870	166 843			20 000							
B. FS195 Phumela	20 090	21 463										
C. DC19 Maseru District Municipality	19 061	20 338					2 000	4 200	7 000			
C. DC20 Maseru District Municipality	300 222	322 375	340 495	152 000	20 000		20 000	26 200	49 500	2 307	2 422	2 563
<b>Total: Maseru District Municipalities</b>												
B. FS201 Mochaba	38 349	41 088					7 000	3 000	9 000			
B. FS203 Ngweni	40 070	42 927					9 500	4 000	9 000			
B. FS204 Mankweng	15 200	16 000					10 000	10 000	10 000			
B. FS205 Mankop	21 422	22 895					6 000	7 000	12 000			
C. DC20 Fesile Dhl District Municipality	142 464	152 587					40 850	29 000	43 000	2 119	2 225	2 366
<b>Total: Fesile Dhl Municipalities</b>												
<b>Total: Free State Municipalities</b>	713 423	742 506	782 944	30 716	124 658	202 436	152 500	183 500	156 500	8 572	9 000	9 564
<b>GAUTENG</b>												
A. ERU Ebeneker												
A. JHB City of Johannesburg												
A. TSH City of Tshwane												
B. GF421 Emfuleni	160 763	173 207			185 632		4 000	8 000	15 000			
B. GF422 Mamelodi	152 427	162 427			166 666		10 000	10 000	10 000			
B. GF423 Lesedi	25 204	26 857			28 318		6 000	6 000	15 000			
C. DC12 Sediberg District Municipality	216 306	232 642	246 131				19 000	27 000	42 000	2 350	2 467	2 608
<b>Total: Sediberg Municipalities</b>												
B. GF441 Mamelodi City	97 514	104 095			111 697		30 000	35 000	30 000			
B. GF444 Mofeng City	55 283	59 300			62 666		15 000	16 000	20 000			
B. GF485 GT485	87 498	82 668			87 481		17 000	17 000	20 000			
C. DC18 West Rand District Municipality	240 295	246 873	261 244				70 000	100 000	40 000	2 484	2 608	2 749
<b>Total: West Rand Municipalities</b>												
<b>Total: Gauteng Municipalities</b>	456 601	479 515	507 375		70 000	100 000	125 000	180 000	187 000	4 834	5 075	5 357

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme (Municipal Grant)		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
		2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)
<b>KWAZULU-NATAL</b>													
A	ETH. eThekweni												
B	KZN212 KZN212	35 870	31 342	39 975	35 975				31 000	31 500	35 000		
B	KZN213 Umzimbe	34 622	34 829	36 677	36 677				8 000	8 000	11 000		
B	KZN214 uMzimbe	22 275	23 814	24 980	24 980				10 000	10 000	10 000		30 000
B	KZN216 KZN216	66 609	63 013	66 609	63 013				7 000	9 000	10 000		10 000
B	KZN217 uMzimbe District Municipality	2 156	2 156	2 156	2 156	13 776	13 776	13 776	13 776	13 776	13 776	2 510	2 510
B	<b>Total Umpumulo District Municipality</b>	<b>384 786</b>	<b>404 608</b>	<b>428 135</b>	<b>428 135</b>	<b>13 776</b>	<b>13 776</b>	<b>13 776</b>	<b>13 776</b>	<b>13 776</b>	<b>13 776</b>	<b>2 510</b>	<b>2 510</b>
B	KZN221 uMkhumbi	26 329	28 175	29 612	29 612				5 000	10 000	10 000		
B	KZN222 uMkhumbi	21 866	23 506	24 653	24 653				6 000	7 000	8 000		
B	KZN223 uMkhumbi	11 821	12 811	13 801	13 801				8 000	9 000	10 000		
B	KZN224 uMkhumbi	11 882	12 872	13 862	13 862				8 000	9 000	10 000		
B	KZN225 uMkhumbi	190 617	206 752	219 256	219 256	36 721	38 191	65 000	8 000	10 000	10 000		
B	KZN226 uMkhumbi	16 363	17 067	17 667	17 667				10 000	10 000	10 000		
B	KZN227 Richmond	32 659	18 790	19 644	18 790				9 000	12 000	12 000		
B	KZN228 uMkhumbi District Municipality	18 790	19 644	20 498	18 790	40 234	45 098	122 700	9 000	12 000	12 000	2 304	2 304
B	<b>Total Umpumulo District Municipality</b>	<b>409 789</b>	<b>424 888</b>	<b>440 735</b>	<b>440 735</b>	<b>40 234</b>	<b>45 098</b>	<b>122 700</b>	<b>54 000</b>	<b>72 000</b>	<b>58 000</b>	<b>2 304</b>	<b>2 304</b>
B	KZN235 Oshana	27 014	30 388	30 388	30 388				11 500	11 500	10 000		
B	KZN237 KZN237	38 547	38 506	40 582	40 582				10 000	6 000	10 000		50 000
B	KZN238 KZN238	60 353	63 148	66 752	66 752				10 000	10 000	10 000		
B	KZN239 KZN239	178 230	178 230	178 230	178 230				10 000	10 000	10 000		
B	<b>Total Umpumulo District Municipality</b>	<b>304 826</b>	<b>322 924</b>	<b>341 701</b>	<b>341 701</b>	<b>86 050</b>	<b>105 419</b>	<b>107 906</b>	<b>31 500</b>	<b>15 000</b>	<b>20 000</b>	<b>2 378</b>	<b>2 378</b>
B	KZN241 Endumeni	14 517	16 123	16 123	16 123				10 000	10 000	14 000		
B	KZN242 Ngqulu	29 778	31 876	33 541	33 541				18 000	21 000	23 000		
B	KZN244 Mngeni	35 800	38 201	40 322	40 322				25 000	25 000	21 000		
B	KZN245 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN246 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN247 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN248 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN249 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN250 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN251 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN252 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN253 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN254 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN255 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN256 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN257 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN258 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN259 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN260 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN261 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN262 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN263 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN264 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN265 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN266 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN267 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN268 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN269 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN270 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN271 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN272 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN273 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN274 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN275 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN276 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN277 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN278 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN279 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN280 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN281 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN282 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN283 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN284 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN285 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN286 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN287 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN288 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN289 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN290 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN291 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN292 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN293 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN294 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN295 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN296 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN297 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN298 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN299 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN300 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN301 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN302 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN303 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN304 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B	KZN305 Mngeni	39 200	41 301	43 422	43 422				25 000	25 000	17 000		
B													

ANNEXURE W5  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
		2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)
<b>LIMPOPO</b>													
B	LIM031 Greater Giyani	57 902	62 128										
B	LIM032 Greater Middelburg	89 297	96 571										
B	LIM033 Greater Tzaneen	89 297	102 246										
B	LIM034 Bx-Phalaborwa	30 568	32 723										
B	LIM035 Mambeng	25 418	27 377										
C	DC33 - Mopani District Municipality	438 907	473 571	502 611		109 288	153 000	177 000		2 049	2 186	2 327	
	<b>Total Mopani Municipalities</b>	<b>697 568</b>	<b>751 341</b>	<b>798 065</b>		<b>109 288</b>	<b>153 000</b>	<b>177 000</b>		<b>2 049</b>	<b>2 186</b>	<b>2 327</b>	
B	LIM041 LIM041	35 814	29 637	31 164									
B	LIM042 LIM042	101 824	107 824	107 824									
B	LIM043 LIM043	94 661	97 142	97 142									
B	LIM044 Makhado	83 346	86 444	86 444									
B	LIM045 LIM045	88 346	92 346	92 346									
C	DC35 - Capricorn District Municipality	40 377	46 620	46 620									
	<b>Total Vhembe Municipalities</b>	<b>801 285</b>	<b>843 864</b>	<b>894 612</b>									
B	LIM051 LIM051	44 381	45 367	47 869									
B	LIM052 LIM052	42 642	43 628	46 110									
B	LIM053 LIM053	42 642	43 628	46 110									
B	LIM054 LIM054	29 820	30 806	32 298									
B	LIM055 Limpic-Nkompi	51 466	53 343	58 463		249 050							
C	DC35 - Capricorn District Municipality	243 872	240 225	254 803									
	<b>Total Capricorn Municipalities</b>	<b>682 304</b>	<b>728 888</b>	<b>772 511</b>	<b>180 159</b>	<b>249 050</b>							
B	LIM056 LIM056	38 714	39 700	42 182									
B	LIM057 Lephalale	26 555	27 541	29 023									
B	LIM058 Beka-Beka	22 571	23 557	25 039									
B	LIM059 Mogalakwena	139 486	150 230	159 231									
B	LIM060 LIM060	36 255	37 241	38 723									
	<b>Total Waterberg Municipalities</b>	<b>263 381</b>	<b>297 612</b>	<b>321 703</b>									
B	LIM071 Ephraim Mogale	31 917	34 179	35 987									
B	LIM072 Elias Moselele	52 419	56 212	59 386									
B	LIM073 Mmabatho	80 885	86 423	91 468									
B	LIM076 SishuShane District Municipality	457 584	494 172	524 488									
C	DC37 - SishuShane District Municipality	682 415	734 582	778 589									
	<b>Total Sekhukhune Municipalities</b>	<b>1 214 601</b>	<b>1 297 166</b>	<b>1 360 448</b>									
	<b>Total Limpopo Municipalities</b>	<b>3 126 953</b>	<b>3 340 381</b>	<b>3 529 339</b>	<b>180 159</b>	<b>240 050</b>	<b>530 088</b>	<b>654 542</b>	<b>754 000</b>	<b>10 306</b>	<b>10 959</b>	<b>11 664</b>	
<b>MPUMALANGA</b>													
B	MP001 Albert Luthuli	69 107	69 104	84 412									
B	MP002 Mookgongon	60 447	53 944	56 977									
B	MP003 Mkhondo	74 666	80 232	84 895									
B	MP004 Peka-Ka-Same	25 220	26 978	28 340									
B	MP005 Lekwa	38 531	29 461	30 977									
B	MP006 Dymallyes	30 506	30 506	30 506									
B	MP007 Mphahlele	55 161	59 168	62 525									
C	DC39 - Ger-Shabane District Municipality	362 176	358 151	378 178		129 621							
	<b>Total Ger-Shabane Municipalities</b>	<b>624 352</b>	<b>616 302</b>	<b>636 356</b>		<b>129 621</b>							
B	MP011 Vuwani Khanyo	144 223	127 846	130 259									
B	MP012 Mankweng	47 457	50 872	53 715									
B	MP013 Steve Tshwete	25 404	18 577	19 418									
B	MP014 Enakhuzeni	117 504	126 492	134 021									
B	MP015 Thembisile Hani	119 102	135 854	138 217									
C	DC39 - Ger-Shabane District Municipality	454 067	472 533	499 959									
	<b>Total Nkangala Municipalities</b>	<b>1 016 571</b>	<b>1 078 335</b>	<b>1 108 335</b>									
B	MP021 Ficks Cwane	46 025	49 340	52 088									
B	MP022 Nkomat	247 305	233 239	247 305		140 000							
B	MP023 Mankweng	330 659	346 957	368 150									
C	DC32 - Ehazeni District Municipality	951 812	1 016 571	1 078 335									
	<b>Total Ehazeni Municipalities</b>	<b>1 768 655</b>	<b>1 847 255</b>	<b>1 956 472</b>									
	<b>Total Mpumalanga Municipalities</b>	<b>1 768 655</b>	<b>1 847 255</b>	<b>1 956 472</b>	<b>237 264</b>	<b>193 059</b>	<b>384 064</b>	<b>348 379</b>	<b>441 790</b>	<b>6 234</b>	<b>6 546</b>	<b>6 909</b>	<b>20 000</b>

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
		2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)	2018/19 (R200)	2017/18 (R200)
<b>NORTHERN CAPE</b>													
B	NC001 Richtersveld	7 001	7 398										
B	NC002 Pekaia	1 649	1 747										
B	NC003 Kariega	8 486	7 781										
B	NC004 Namakwa	9 272	10 186	19 494									
B	NC006 Karoo Hoofland	7 744	8 363	16 000	24 426	30 000							
B	NC007 Kwa-Ma	15 430	7 845	8 021	26 579								
<b>Total Namakwa Municipalities</b>		<b>61 280</b>	<b>55 753</b>	<b>57 340</b>	<b>40 426</b>	<b>56 579</b>							
B	NC071 Uitenhage	9 514	10 098	10 414									
B	NC072 Unsohoi	17 664	11 657	12 070									
B	NC073 Kaniyobeni	1 422	1 522	1 600	16 000								
B	NC075 Rensselaersburg	7 669	8 117	8 310	20 000	40 300							
B	NC076 Rensselaersburg	7 137	7 544	7 702									
B	NC077 Thembulille	9 018	9 847	9 847									
B	NC077 Snydersburg	9 379	9 954	10 261									
B	NC078 Snydersburg	15 851	16 908	17 646									
<b>Total Phikwe District Municipality</b>		<b>87 644</b>	<b>86 184</b>	<b>89 048</b>	<b>30 000</b>	<b>40 300</b>							
B	NC002 Kaniyobeni	21 395	22 866	23 974									
B	NC004 Pekaia	14 252	14 252	14 252									
B	NC006 Kariega	7 673	8 120	8 314									
B	NC087 Kariega	27 177	25 610	26 887									
<b>Total ZF Mchunu District Municipality</b>		<b>81 280</b>	<b>86 860</b>	<b>88 800</b>									
B	NC091 Sol Plaatje	47 552	50 952	53 800	15 000								
B	NC092 Dikgatlong	18 487	19 902	20 826	20 000								
B	NC093 Maseru	10 653	11 323	11 715									
B	NC094 Phokwane	25 064	26 815	28 167									
<b>Total Frances Baard Municipalities</b>		<b>101 756</b>	<b>108 992</b>	<b>114 500</b>	<b>20 000</b>								
B	NC451 Joe Molebete	57 839	62 060	65 597									
B	NC452 G-Sagonyana	31 521	35 244	38 358									
B	NC453 G-Sagonyana	21 369	12 309	12 792	10 000	69 330							
<b>Total John Tloane District Municipality</b>		<b>109 729</b>	<b>109 613</b>	<b>116 747</b>	<b>10 000</b>	<b>69 330</b>							
<b>Total Northern Cape Municipalities</b>													
		<b>463 379</b>	<b>463 792</b>	<b>484 482</b>	<b>64 494</b>	<b>166 209</b>	<b>140 984</b>	<b>399 761</b>	<b>314 340</b>	<b>314 340</b>	<b>76 354</b>	<b>13 206</b>	<b>13 921</b>
<b>NORTH WEST</b>													
B	NW371 Moretele	10 410	11 042	11 402									
B	NW372 Mmabatho	19 944	20 576	21 208									
B	NW373 Beaufort	199 914	215 486	225 531									
B	NW374 Kgetlengiser	22 915	24 501	25 710									
B	NW375 Moses Kotane	133 507	143 773	152 374									
<b>Total Botshabelo District Municipality</b>		<b>390 687</b>	<b>415 378</b>	<b>430 425</b>									
B	NW381 Tsoelike	706 653	742 995	780 734									
B	NW381 Rietbos	43 059	30 031	31 582									
B	NW382 Tswaing	27 939	29 901	31 445									
B	NW383 Mankeng	70 417	62 685	66 260									
B	NW384 Mankeng	35 469	37 986	40 030									
<b>Total Dikgatlong District Municipality</b>		<b>931 937</b>	<b>847 583</b>	<b>891 036</b>									
B	NW392 Naledi	501 847	510 939	540 745									
B	NW392 Naledi	16 264	17 269	18 651									
B	NW393 Mmabatho	19 979	15 872	16 652									
B	NW394 Greater Tloane	45 436	48 706	51 415									
B	NW396 Letlaka-Tseama	25 647	15 046	15 668									
B	NW397 Kgaisano-Molopo	30 716	32 310	33 310									
B	NW397 Kgaisano-Molopo	28 697	30 716	32 310									
<b>Total Dr. Ruth Sengano District Municipality</b>		<b>720 650</b>	<b>721 209</b>	<b>742 857</b>	<b>113 339</b>	<b>116 859</b>	<b>116 859</b>	<b>116 859</b>	<b>113 339</b>	<b>113 339</b>	<b>116 859</b>	<b>116 859</b>	<b>116 859</b>
<b>Total North West Municipalities</b>													
		<b>1 654 349</b>	<b>1 733 490</b>	<b>1 834 695</b>	<b>113 339</b>	<b>116 859</b>	<b>304 944</b>	<b>326 633</b>	<b>351 857</b>	<b>351 857</b>	<b>70 664</b>	<b>9 088</b>	<b>10 175</b>

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		Integrated National Electrification Programme		Rural Roads Asset Management Systems Grant		Municipal Disaster Recovery Grant	
		2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)	2018/19 (R,000)	2019/20 (R,000)
<b>WESTERN CAPE</b>													
A	CPT - City of Cape Town												
B	WC001 Matieland	20 317	21 729										
B	WC002 Cederberg	22 631	15 943										
B	WC003 Bergvliet	13 884	14 795	21 047	7 426								
B	WC004 Saldanha Bay	18 532	19 788										
B	WC005 Saldanha Bay	20 330	21 722										
C	DC1 West Coast District Municipality												
	<b>Total: West Coast Municipalities</b>	<b>95 714</b>	<b>93 977</b>	<b>21 047</b>	<b>7 426</b>								
B	WC022 Wierberg	21 389	22 861										
B	WC023 Drakenstein	33 542	35 921	27 841	559								
B	WC024 Swellendam	18 532	19 788	32 809									
B	WC025 Bergdalen	20 885	22 422										
B	WC026 Langeberg	20 983	22 422										
C	DC2 Cape Winelands District Municipality												
	<b>Total: Cape Winelands Municipalities</b>	<b>142 346</b>	<b>152 993</b>	<b>60 650</b>	<b>559</b>								
B	WC031 Theewaterskloof	25 704	26 984										
B	WC032 Overstrand	21 030	22 450										
B	WC033 Cape Agulhas	10 501	11 160										
B	WC034 Swellendam	18 391	12 116										
C	DC3 Overberg District Municipality												
	<b>Total: Overberg Municipalities</b>	<b>75 126</b>	<b>72 710</b>										
B	WC041 Kamalind	9 803	10 407										
B	WC042 Hessequa	13 023	13 874										
B	WC043 Mossel Bay	18 532	19 788										
B	WC044 Oudshoorn	18 532	19 788										
B	WC045 Oudshoorn	20 756	22 180										
B	WC047 Breda	19 253	20 565										
B	WC048 Knysna	23 891	25 549										
C	DC4 Eden District Municipality												
	<b>Total: Eden Municipalities</b>	<b>148 013</b>	<b>158 186</b>										
B	WC051 Langsburg	6 316	6 663										
B	WC052 Prince Albert	7 212	7 628										
C	DC5 Beaufort West District Municipality												
	<b>Total: Central Karoo Municipalities</b>	<b>39 563</b>	<b>28 495</b>										
	<b>Total: Western Cape Municipalities</b>	<b>501 162</b>	<b>530 307</b>	<b>81 697</b>	<b>7 985</b>								
	<b>Unallocated</b>		<b>300 000</b>										
	<b>National Total</b>	<b>14 914 028</b>	<b>15 991 252</b>	<b>1 850 000</b>	<b>1 865 000</b>	<b>2 060 000</b>	<b>2 844 982</b>	<b>3 729 864</b>	<b>3 989 056</b>	<b>3 989 056</b>	<b>3 989 056</b>	<b>3 989 056</b>	<b>3 989 056</b>



ANNEXURE W5  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capital) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
	National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>FREE STATE</b>															
A MANS Mangungu	725 003	767 326	806 113	200 142	200 042	215 049	60 543	74 543	55 482	10 912	10 718	11 339	1 005 100	1 077 629	1 112 983
B FS161 Lesemeng													71 635	82 754	88 544
B FS162 Kopang													38 609	48 466	52 400
B FS163 Mankweng													50 074	58 106	63 308
C DC16 Xharu District Municipality													1 961	2 059	2 200
<b>Total: Xharu Municipalities</b>													<b>182 969</b>	<b>237 265</b>	<b>265 490</b>
B FS181 Masiyonana													22 500	23 898	25 069
B FS182 Tokologo													25 798	49 852	63 587
B FS183 Tswelopele													15 736	16 785	17 515
B FS184 Matjhabeng													113 363	125 020	137 272
B FS185 Nala													33 276	35 383	37 849
C DC17 Maseru District Municipality													21 061	24 458	28 100
<b>Total: Lephelepanwa Municipalities</b>													<b>212 881</b>	<b>256 132</b>	<b>289 727</b>
B FS191 Sebotso													81 807	92 294	96 477
B FS192 Dhlabeng													45 892	44 518	103 657
B FS193 Nkomo													24 218	25 899	82 194
B FS194 Malutja-Polung													177 870	203 501	238 873
B FS195 Phumela													20 090	26 463	32 484
C DC18 Maseru District Municipality													21 061	24 458	28 100
<b>Total: Thabo Mofemane Municipalities</b>													<b>373 245</b>	<b>422 655</b>	<b>544 558</b>
B FS201 Mophaka													45 349	44 088	52 324
B FS203 Ngwate													49 920	46 927	54 277
B FS204 Metsimaholo													60 623	60 677	61 198
B FS205 Matibe													27 422	29 895	36 004
C DC20 Ficks Dale District Municipality													2 119	2 225	2 366
<b>Total: Ficks Dale Municipalities</b>													<b>185 433</b>	<b>183 812</b>	<b>206 169</b>
<b>Total: Free State Municipalities</b>	<b>725 003</b>	<b>767 326</b>	<b>806 113</b>	<b>200 142</b>	<b>200 042</b>	<b>215 049</b>	<b>60 543</b>	<b>74 543</b>	<b>55 482</b>	<b>10 912</b>	<b>10 718</b>	<b>11 339</b>	<b>1 959 638</b>	<b>2 177 493</b>	<b>2 422 927</b>
<b>GAUTENG</b>															
A EKU Ekurhuleni	1 890 352	2 000 796	2 101 836	500 002	700 034	800 077	41 234	39 250	51 234	38 078	45 577	48 221	2 509 666	2 825 567	3 031 308
A JHB City of Johannesburg	1 775 809	1 879 476	1 974 478	1 015 508	1 029 932	1 177 000	60 730	43 000	28 470	64 746	63 592	67 281	2 956 793	3 129 000	3 277 229
A TSH City of Tshwane	1 539 334	1 629 196	1 711 588	950 011	975 000	1 060 141	48 300	44 744	45 308	42 652	41 892	44 322	2 620 497	2 730 852	2 846 319
B GT421 Emfuleni							12 240	20 198	19 562				177 003	201 405	218 194
B GT422 Midvaal													39 339	41 478	46 181
B GT423 Lesell													31 204	36 957	43 318
C DC42 Sediberg District Municipality							12 240	20 198	19 562				2 330	2 467	2 608
<b>Total: Sediberg Municipalities</b>							<b>12 240</b>	<b>20 198</b>	<b>19 562</b>				<b>249 896</b>	<b>282 307</b>	<b>310 301</b>
B GT481 Mogale City							46 910	41 721	40 781				164 424	181 626	181 878
B GT484 Midrand City													90 283	95 300	112 666
C DC48 West Rand District Municipality							10 000	10 000	10 000				12 484	13 608	17 249
<b>Total: West Rand Municipalities</b>							<b>56 910</b>	<b>51 721</b>	<b>50 781</b>				<b>401 689</b>	<b>434 202</b>	<b>479 774</b>
<b>Total: Gauteng Municipalities</b>	<b>5 205 495</b>	<b>5 509 378</b>	<b>5 787 862</b>	<b>2 465 521</b>	<b>2 777 966</b>	<b>2 977 158</b>	<b>219 614</b>	<b>198 913</b>	<b>192 355</b>	<b>145 476</b>	<b>151 061</b>	<b>159 824</b>	<b>8 738 541</b>	<b>9 401 908</b>	<b>9 944 931</b>



ANNEXURE W5  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART BAND SCHEDULE 5, PART B) 2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Cipitla)			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>LIMPOPO</b>																
B	LIM31	Greater Gyani												64 002	72 128	70 668
B	LIM32	Greater Letaba												61 976	136 809	141 813
B	LIM33	Greater Mookgosi												111 207	109 579	127 234
B	LIM34	Bas-Phephane												30 568	38 725	38 444
B	LIM35	Maralande												25 418	27 377	28 763
C	DC33	Mogani District Municipality												550 244	628 757	681 938
		<b>Total: Mogani Municipalities</b>												<b>847 905</b>	<b>939 527</b>	<b>1 009 372</b>
B	LIM341	LIM341												38 814	29 637	31 164
B	LIM343	LIM343												136 601	141 824	147 824
B	LIM344	LIM344												117 474	119 876	124 452
B	LIM345	LIM345												91 177	91 023	96 472
C	DC34	Vhembe District Municipality												607 280	705 242	755 830
		<b>Total: Vhembe Municipalities</b>												<b>975 278</b>	<b>1 081 491</b>	<b>1 153 880</b>
B	LIM351	LIM351												53 381	52 367	54 869
B	LIM353	LIM353												43 846	39 980	40 847
B	LIM354	LIM354			215 050									759 066	795 648	922 864
B	LIM355	Lepelle-Nkumpi			201 003									51 466	55 343	58 463
C	DC35	Greater Sediberg District Municipality												34 246	36 679	37 674
		<b>Total: Sediberg Municipalities</b>			<b>201 003</b>									<b>1 257 278</b>	<b>1 311 449</b>	<b>1 467 381</b>
B	LIM361	Thabazimbi												48 714	72 736	77 331
B	LIM362	Lephalale												64 355	77 706	82 918
B	LIM366	Bela-Bela												80 571	100 130	100 316
B	LIM367	Mogalakwena												178 486	218 230	246 231
B	LIM368	LIM368												89 235	97 901	100 816
C	DC36	Greater Sediberg District Municipality												463 278	548 695	606 745
		<b>Total: Sediberg Municipalities</b>												<b>463 278</b>	<b>548 695</b>	<b>606 745</b>
B	LIM471	Ephraim Mogale												31 917	34 179	35 987
B	LIM472	Elias Mokoedi												65 419	66 212	69 386
B	LIM473	Mabidibhamaga												66 210	63 599	67 230
B	LIM476	LIM476												160 885	166 423	171 468
C	DC37	Sekake District Municipality												524 104	500 932	528 889
		<b>Total: Sekake Municipalities</b>												<b>848 535</b>	<b>831 345</b>	<b>870 960</b>
		<b>Total: Limpopo Municipalities</b>			<b>200 026</b>			<b>215 050</b>		<b>30 358</b>				<b>4 392 274</b>	<b>4 712 507</b>	<b>5 111 338</b>
<b>MPUMALANGA</b>																
B	MP301	Albert Lutuli												106 635	95 194	101 412
B	MP302	Mankopona												72 442	63 944	65 977
B	MP303	Phokeng												70 000	66 250	68 250
B	MP304	Phokeng Ke-Sone												32 220	35 978	36 340
B	MP305	Lekwa												45 531	35 461	33 977
B	MP306	Dipaleang												24 959	26 174	27 052
B	MP307	Govan M'bedi												60 161	64 168	67 525
C	DC30	Gertruida District Municipality												99 464	91 710	132 072
		<b>Total: Gertruida Municipalities</b>												<b>520 098</b>	<b>499 861</b>	<b>557 250</b>
B	MP311	Victor Khashe												34 277	36 436	34 692
B	MP312	Enoch Mphahlele												191 304	176 309	168 263
B	MP313	Steve Tshwete												47 457	58 872	56 715
B	MP314	Enkhuzweni												33 404	25 566	22 418
B	MP315	Thembelele Hani												136 504	128 492	136 021
B	MP316	Dr JS Moroka												119 102	131 217	138 854
C	DC31	Nkomana District Municipality												2 076	2 180	2 321
		<b>Total: Nkomana Municipalities</b>												<b>564 024</b>	<b>459 082</b>	<b>459 284</b>
B	MP321	Thabo Chwen												66 025	54 240	62 088
B	MP324	Nkomazi												329 547	373 171	378 725
B	MP325	Boshabridge												633 773	453 035	502 162
B	MP326	MP326												705 226	770 200	833 283
C	DC32	Ehlanzeni District Municipality												1 938	40 810	65 635
		<b>Total: Ehlanzeni Municipalities</b>												<b>1 737 029</b>	<b>1 691 556</b>	<b>1 897 893</b>
		<b>Total: Mpumalanga Municipalities</b>												<b>2 821 751</b>	<b>2 750 479</b>	<b>3 014 427</b>

ANNEXURE WS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Cipitla)			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		National and Municipal Financial Year		2018/19	National and Municipal Financial Year		2018/19	National and Municipal Financial Year		2018/19	National and Municipal Financial Year		2018/19	National and Municipal Financial Year		2018/19
		(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
<b>NORTHERN CAPE</b>																
B	NG061	Richersveld												8 500	9 398	8 547
B	NG062	Santa-Klaar												13 952	7 841	6 831
B	NG063	Swartkops												10 666	7 619	8 750
B	NG065	Hararum												28 766	36 309	41 186
B	NG066	Karoo Hoogland												9 344	24 167	34 942
B	NG067	Khali-Ma												15 430	9 845	9 021
C	DC6	Namaquala District Municipality												2 667	2 800	2 941
<b>Total: Namaquala Municipalities</b>																
B	NG071	Uitenhage												9 534	13 098	11 014
B	NG072	Erinbosch												14 676	14 676	11 575
B	NG074	Kaapseberg												29 002	24 342	13 798
B	NG075	Rensostersberg												23 669	28 117	48 610
B	NG076	Thembelille												8 137	8 544	8 702
B	NG077	Siyathamba												9 018	9 564	9 847
B	NG078	Siyonoma												14 379	9 954	10 761
C	DC7	Piketia-Karoo District Municipality												19 851	18 908	18 646
C	DC7	Piketia-Karoo District Municipality												2 973	3 122	3 263
<b>Total: Piketia-Karoo District Municipality</b>																
<b>Total: Piketia-Karoo District Municipality</b>																
B	NG082	IKaI-Garib												23 395	24 866	24 974
B	NG084	Khese												10 202	10 839	11 200
B	NG085	Tsambane												14 833	15 815	16 485
B	NG086	Kgatelepele												9 173	10 120	8 814
B	NG087	NC087												32 177	26 610	28 887
C	DC8	Z.F. Mqanduli District Municipality												2 684	2 822	2 963
<b>Total: Z.F. Mqanduli District Municipality</b>																
B	NG091	Sol Plaatje												77 452	98 799	93 323
B	NG092	Dikgatlong												20 987	21 902	21 826
B	NG093	Magareng												13 653	12 323	12 715
B	NG094	Phokwane												26 564	27 815	29 167
C	DC9	Frances Baard District Municipality												2 427	2 548	2 689
<b>Total: Frances Baard District Municipality</b>																
B	NG451	Jos Moring												141 083	164 387	159 971
B	NG452	Go-Sesagana												143 023	171 265	108 937
B	NG453	Gamaqaba												107 521	147 022	143 538
C	DC45	John Tshepo District Municipality												41 569	144 087	137 092
<b>Total: John Tshepo District Municipality</b>																
<b>Total: John Tshepo District Municipality</b>																
<b>Total: Northern Cape Municipalities</b>																
<b>Total: Northern Cape Municipalities</b>																
<b>NORTH WEST</b>																
B	NW371	Moretele												146 505	179 842	201 402
B	NW372	Muthleng												261 211	280 393	299 717
B	NW373	Rustenburg												522 418	617 282	658 358
B	NW374	Kaartengrivier												32 415	24 501	25 710
B	NW375	Moses Kotane												172 116	227 908	230 374
C	DC37	Botshabelo District Municipality												2 175	2 284	2 425
<b>Total: Botshabelo District Municipality</b>																
B	NW381	Ratlou												1 136 640	1 332 210	1 417 960
B	NW382	Tswaing												43 059	30 031	31 582
B	NW383	Mafikeng												29 439	32 901	34 445
B	NW384	Ditsobotla												70 417	62 685	66 260
B	NW385	Ramotshere Moisa												39 875	44 355	42 360
C	DC38	Spedik Medun District Municipality												35 460	42 986	42 030
<b>Total: Spedik Medun District Municipality</b>																
B	NW392	Nollet												350 015	334 743	344 743
B	NW393	Mamusa												34 204	26 289	26 051
B	NW394	Greater Tzaneen												19 979	15 972	16 652
B	NW396	Lekwa-Tsemame												45 436	48 706	51 415
B	NW397	Kagisano-Molopo												40 617	23 046	17 668
C	DC39	Dr Ruth Segomotsi Mompati District Municipality												28 697	36 716	34 310
<b>Total: Dr Ruth Segomotsi Mompati District Municipality</b>																
B	NW403	City of Mafikeng												538 046	366 378	404 431
B	NW404	Mogassisi Hills												496 979	517 107	530 527
B	NW405	NW405												126 214	132 024	134 801
C	DC40	Dr Kenneth Kaunda District Municipality												26 925	28 809	36 185
<b>Total: Dr Kenneth Kaunda District Municipality</b>																
<b>Total: North West Municipalities</b>																
<b>Total: North West Municipalities</b>																

ANNEXURE W5  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

Category	Municipality	Urban Settlements Development Grant		Public Transport Network Grant		Neighbourhood Development Partnership (Capital) Grant		Integrated City Development Grant		SUB-TOTAL: INFRASTRUCTURE	
		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
		2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)
<b>WESTERN CAPE</b>											
A	CPT - City of Cape Town	1 423 504	1 506 605	1 582 760	975 039	1 000 152	12 215	44 805	53 629	2 540 273	2 648 652
B	WC011 Matielanda									23 337	24 229
B	WC012 Cederberg									14 678	15 671
B	WC013 Garden of Eden									15 898	17 205
B	WC014 Saldanha Bay									20 532	22 788
B	WC015 Swartland									26 330	21 722
C	DC1 West Coast District Municipality									2 424	2 545
	<b>Total: West Coast Municipalities</b>									<b>135 185</b>	<b>115 448</b>
B	WC022 Wizenberg									54 230	29 420
B	WC023 Drikenstein									38 542	39 921
B	WC024 Stellenbosch									71 956	40 575
B	WC025 Breede Valley									32 883	37 214
B	WC026 Overberg District Municipality									2 683	2 817
C	DC2 Cape Winelands District Municipality									<b>222 500</b>	<b>173 969</b>
	<b>Total: Cape Winelands Municipalities</b>									<b>31 704</b>	<b>33 984</b>
B	WC031 Theewaterskloof									26 030	26 450
B	WC032 Overstrand									11 501	13 160
B	WC033 Cape Agulhas									20 391	14 116
B	WC034 Swellendam									2 427	2 588
C	DC3 Overberg District Municipality									<b>92 065</b>	<b>94 065</b>
	<b>Total: Overberg Municipalities</b>									<b>25 805</b>	<b>23 407</b>
B	WC041 Kamaland									46 023	15 874
B	WC042 Heselua									33 004	31 599
B	WC043 Mossel Bay			105 295	115 275					154 227	168 287
B	WC044 George									28 756	31 180
B	WC045 Oudshoorn									27 253	28 565
B	WC047 Bitou									36 892	39 589
B	WC048 Knysna									14 116	14 557
C	DC4 Garden of Eden District Municipality									<b>354 322</b>	<b>340 933</b>
	<b>Total: Eden Municipalities</b>									<b>8 315</b>	<b>10 663</b>
B	WC051 Lantingsburg									8 212	11 628
B	WC052 Prince Albert									30 335	14 204
B	WC053 Beaufort West									1 866	1 959
C	DC5 Central Karoo District Municipality									<b>48 728</b>	<b>38 454</b>
	<b>Total: Central Karoo Municipalities</b>									<b>3 283 375</b>	<b>3 295 745</b>
	<b>Total: Western Cape Municipalities</b>	<b>1 423 504</b>	<b>1 506 605</b>	<b>1 582 760</b>	<b>1 090 314</b>	<b>1 105 447</b>	<b>22 215</b>	<b>44 805</b>	<b>53 629</b>	<b>3 000 000</b>	<b>3 402 063</b>
	Unallocated										
	<b>National Total</b>	<b>10 839 468</b>	<b>11 472 247</b>	<b>12 052 137</b>	<b>6 359 895</b>	<b>6 793 269</b>	<b>624 000</b>	<b>264 805</b>	<b>292 119</b>	<b>42 568 124</b>	<b>45 087 086</b>

**ANNEXURE W6**

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)  
(National and Municipal Financial Years)**



ANNEXURE W6  
ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme (Ekama) Grant		Neighbourhood Development Partnership Grant (Ecofund Assistance)		Bicket Eradication Programme Grant		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT		
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)
<b>FREE STATE</b>																
A	MAN - Mangang	643	699	740	700	650	2 567							1 342	1 399	3 302
B	FS161 Letsebe	64	69	73	35	35				15 700	15 500	28 000		64	69	73
B	FS162 Kopaung	31	33	35						35 000				15 731	15 533	28 035
B	FS163 Mobeare	94	102	108										35 094	40 102	108
<b>Total: Free State Municipalities</b>		<b>189</b>	<b>204</b>	<b>216</b>						<b>50 700</b>	<b>15 500</b>	<b>28 000</b>		<b>51 930</b>	<b>17 540</b>	<b>28 216</b>
B	FS181 Mankgana	81	88	93						41 883	55 000	65 302	1 434	45 264	56 453	66 829
B	FS182 Tsoelike	80	87	92			90 593			50 068	30 000	20 000	1 434	140 741	37 200	92
B	FS183 Mafeng	11	12	13						10 000	35 000	60 000	1 434	15 267	40 696	65 193
B	FS184 Mafeng	4 517	4 908	5 193						10 000	35 000	60 000	1 434	15 267	40 696	65 193
B	FS185 Nala	21	24	26						5 282	1 300	1 300	1 434	6 603	1 613	1 696
C	DC18 - Lepelengwara District Municipality															
<b>Total: Lepelengwara District Municipality</b>		<b>4 745</b>	<b>5 281</b>	<b>5 693</b>			<b>90 593</b>			<b>133 403</b>	<b>120 000</b>	<b>145 302</b>	<b>3 518</b>	<b>232 091</b>	<b>128 899</b>	<b>156 996</b>
B	FS191 Senofo	3 732	4 055	4 290			171 664			25 997	30 000	33 000	1 300	175 396	4 055	4 290
B	FS192 Dikobeng	2 259	2 454	2 597						41 883	51 785	22 000	1 300	29 556	33 819	4 031
B	FS193 Nkavana	24 941	16 756	17 727						48 454	51 785	22 000	1 300	77 241	69 906	41 160
B	FS194 Mafisa-Phofung	4 795	5 211	5 512						48 454	51 785	22 000	1 300	55 299	7 364	6 946
B	FS195 Mantsela	11 122	4 949	5 238						36 840	28 616	28 715	1 300	39 491	36 840	3 651
B	FS196 Mafisa	59	64	68						36 840	19 625	3 000	1 433	36 615	19 689	3 123
C	DC19 - Thabo Mofutsanyana District Municipality															
<b>Total: Thabo Mofutsanyana District Municipality</b>		<b>46 958</b>	<b>33 489</b>	<b>35 430</b>			<b>171 664</b>			<b>189 451</b>	<b>130 026</b>	<b>53 715</b>	<b>5 950</b>	<b>414 023</b>	<b>109 763</b>	<b>98 002</b>
B	FS201 Mafisa	3 156	3 029	3 066			63 209			40 000	15 000	33 000	1 300	43 156	16 269	37 493
B	FS202 Mafisa	24	26	28						35 000	44 400	78 800	1 300	90 532	45 860	80 400
B	FS204 Mafisa	12	13	14						10 000	45 000	36 956	1 300	10 012	45 013	36 959
B	FS205 Mafisa	12	13	14						30 000	40 000	15 224	1 300	31 312	41 378	16 671
C	DC20 - Ficksburg District Municipality															
<b>Total: Ficksburg District Municipality</b>		<b>3 204</b>	<b>3 481</b>	<b>3 662</b>			<b>63 209</b>			<b>115 000</b>	<b>144 400</b>	<b>164 987</b>	<b>2 600</b>	<b>184 013</b>	<b>150 680</b>	<b>174 659</b>
<b>Total: Free State Municipalities</b>		<b>55 739</b>	<b>43 254</b>	<b>45 741</b>	<b>700</b>	<b>600</b>	<b>2 567</b>	<b>325 466</b>		<b>488 554</b>	<b>409 995</b>	<b>392 004</b>	<b>12 941</b>	<b>883 400</b>	<b>467 281</b>	<b>461 150</b>
<b>GAUTENG</b>																
A	EKU Ezerhaken	3 333	3 623	3 832	3 549	2 936								6 882	9 802	6 768
A	JHB City of Johannesburg	12 299	13 362	14 137	1 500	2 724	2 706							13 799	16 086	16 843
A	TSH City of Tshwane	10 479	11 836	12 046	3 594	4 800	2 589							14 073	16 186	14 635
B	GT421 Enkelaeni	15 801	17 167	18 162	845	601	1 000			212 038	139 044	205 550	761	229 704	210 912	215 482
B	GT422 Midwal									82 442	45 000	30 000	1 433	82 442	45 000	30 000
B	GT423 Lesotho													1 300	1 365	1 433
C	DC43 - Sedibeng District Municipality															
<b>Total: Sedibeng District Municipality</b>		<b>15 801</b>	<b>17 167</b>	<b>18 162</b>	<b>845</b>	<b>601</b>	<b>1 000</b>			<b>298 500</b>	<b>233 044</b>	<b>325 550</b>	<b>1 300</b>	<b>313 446</b>	<b>257 177</b>	<b>260 038</b>
B	GT481 Mogale City	822	893	945	1 078	600	1 432							1 900	1 493	2 377
B	GT484 Mofeng City	822	893	945										2 122	2 258	2 378
B	GT485 GTHKS									51 000	108 000	150 000	1 433	51 000	108 000	150 000
C	DC48 - West Rand District Municipality													1 040	1 636	1 636
<b>Total: West Rand District Municipality</b>		<b>1 644</b>	<b>1 786</b>	<b>1 890</b>	<b>1 078</b>	<b>600</b>	<b>1 432</b>			<b>51 000</b>	<b>108 000</b>	<b>150 000</b>	<b>2 840</b>	<b>56 062</b>	<b>113 387</b>	<b>154 765</b>
<b>Total: Gauteng Municipalities</b>		<b>43 556</b>	<b>47 324</b>	<b>50 067</b>	<b>10 566</b>	<b>14 904</b>	<b>10 663</b>			<b>346 500</b>	<b>346 044</b>	<b>475 550</b>	<b>3 640</b>	<b>404 262</b>	<b>412 638</b>	<b>543 039</b>



ANNEXURE W6  
ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme (Ekama Grant)		Neighbourhood Development Partnership Grant (Ecobank Assistance)		Bicket Eradication Programme Grant		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
<b>LIMPOPO</b>															
B	LM031 Greater Giyani	86 138	93 866	79 014										86 138	93 866
B	LM032 Greater Letaba	22 411	24 350	25 762										22 411	24 350
B	LM033 Greater Tzaneen	48 800	53 020	56 095										48 800	53 020
B	LM034 Bop-Puhabera	15 893	17 267	18 269										15 893	17 267
B	LM035 Mankeng District Municipality	18 703	20 321	21 499										18 703	20 321
C	<b>Total Limpopo Municipalities</b>	<b>191 945</b>	<b>208 544</b>	<b>200 620</b>										<b>191 945</b>	<b>208 544</b>
B	LM041 LIM041	28 778	31 267	33 080										28 778	31 267
B	LM043 LIM043	24 897	27 050	28 619										24 897	27 050
B	LM044 LIM044	34 868	37 884	40 081										34 868	37 884
C	<b>Total Vhembe Municipalities</b>	<b>88 543</b>	<b>96 201</b>	<b>101 780</b>										<b>88 543</b>	<b>96 201</b>
B	LM051 LIM051	29 397	31 031	33 790										29 397	31 031
B	LM053 LIM053	22 712	24 673	26 109										22 712	24 673
B	LM054 LIM054	89 706	97 464	103 117	400	600	1 200							89 706	97 464
B	LM055 Lepelle-Nkomo District Municipality	18 715	20 332	21 511										18 715	20 332
C	<b>Total Caprivi Municipalities</b>	<b>166 530</b>	<b>174 411</b>	<b>164 527</b>	<b>400</b>	<b>600</b>	<b>1 200</b>							<b>166 530</b>	<b>174 411</b>
B	LM061 Thabazimbi	3 749	4 074	4 310										3 749	4 074
B	LM062 Lephalale	72 916	89 222	83 817										72 916	89 222
B	LM066 Bela-Bela	1 698	1 845	1 952										1 698	1 845
B	LM067 Mopani District Municipality	10 699	12 844	12 822										10 699	12 844
C	<b>Total Waterberg Municipalities</b>	<b>2 357</b>	<b>3 665</b>	<b>3 857</b>										<b>2 357</b>	<b>3 665</b>
B	LM071 Eriqwan Mogale	8 110	8 612	9 332										8 110	8 612
B	LM072 Mookgweetsen	8 551	9 282	9 832										8 551	9 282
B	LM073 Mkhathatunga	62 511	67 817	71 856										62 511	67 817
B	LM076 LIM076	36 280	39 418	41 704										36 280	39 418
C	<b>Total Sekake Municipalities</b>	<b>115 454</b>	<b>125 440</b>	<b>132 715</b>										<b>115 454</b>	<b>125 440</b>
B	LM081 Limpopo Municipalities	743 461	824 196	821 419	400	600	1 200							743 461	824 196
<b>MPUMALANGA</b>															
B	MP001 Albert Luthuli	17 188	18 625	19 758										17 188	18 625
B	MP002 Mookgweetsen	7 387	8 026	8 491										7 387	8 026
B	MP003 Mkhondo	38 687	42 033	44 471										38 687	42 033
B	MP004 Phiso Ka Seno	3 116	3 385	3 581										3 116	3 385
B	MP005 Mankgotseng	4 584	4 981	5 270										4 584	4 981
B	MP007 Govan Mbeki	5 083	5 523	5 843										5 083	5 523
C	<b>Total Gert Sibande Municipalities</b>	<b>76 346</b>	<b>82 951</b>	<b>87 761</b>										<b>76 346</b>	<b>82 951</b>
B	MP011 Venter Kloof	4 171	4 532	4 795										4 171	4 532
B	MP012 Emahlaleni	3 287	3 571	3 778	400	600	1 200							3 287	3 571
B	MP013 Steve Tshwete	1 206	1 310	1 386										1 206	1 310
B	MP014 Emakhozoni	20 483	22 220	23 509										20 483	22 220
C	<b>Total Nkangala District Municipality</b>	<b>75 491</b>	<b>82 018</b>	<b>86 775</b>	<b>400</b>	<b>600</b>	<b>1 200</b>							<b>75 491</b>	<b>82 018</b>
B	MP021 Tlokoeng	9 449	10 266	10 841										9 449	10 266
B	MP024 Nkomatso	23 980	26 020	27 529										23 980	26 020
B	MP025 Bushbuckridge	159 228	182 998	193 032	300	400	600							159 228	182 998
B	MP026 MP026	50 747	55 136	58 334										50 747	55 136
C	<b>Total Ehlanzeni District Municipality</b>	<b>243 374</b>	<b>274 420</b>	<b>279 756</b>	<b>700</b>	<b>600</b>	<b>1 400</b>							<b>243 374</b>	<b>274 420</b>
B	MP031 Mankgotseng	3 952 211	4 29 389	4 54 292	1 100	1 200	2 700							3 952 211	4 29 389
C	<b>Total Mpumalanga Municipalities</b>	<b>8 21 380</b>	<b>785 687</b>	<b>821 380</b>	<b>785 687</b>	<b>821 380</b>	<b>1 606 066</b>							<b>8 21 380</b>	<b>785 687</b>

ANNEXURE W6  
ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme (Ekama) Grant		Neighbourhood Development Partnership Grant (Football Stadiums)		Bicket Eradication Programme Grant		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
<b>NORTHERN CAPE</b>															
B	NC361 Richtersveld									18 857	19 857			18 857	19 857
B	NC362 Nam Kxai														
B	NC364 Kamiesberg	2 426	2 637											2 426	2 637
B	NC365 Hartam														
B	NC366 Karoo Hoogland														
C	NC367 Namaqualand District Municipality														
C	NC368 Namaqualand District Municipality	2 426	2 637							18 857	19 857			18 283	22 494
B	NC371 Uitenhage														
B	NC372 Erasmusburg	412	449											412	449
B	NC374 Kaniemaberg									22 903	5 307			22 903	5 307
B	NC375 Renosterberg														
B	NC376 Thembabile									5 716				5 716	787
B	NC377 Sijelago	1 356	1 473							14 000				15 356	1 473
C	NC378 Plettenberg Bay District Municipality														
C	NC379 Plettenberg Bay District Municipality	1 768	1 922							52 619	5 307			55 137	8 016
B	NC382 Kwa-Tarbo	634	694								49 229			634	49 923
B	NC384 Kwa-Tarbo														
B	NC385 Tsantsabane	9 049	9 832											9 799	10 619
B	NC386 Kga-Tlokele									52 704				52 880	787
B	NC387 NC087	176	192											192	203
C	NC388 Ziz-Modisa District Municipality														
C	NC389 Ziz-Modisa District Municipality	9 889	10 718							52 704	49 229			64 063	61 521
B	NC391 Sol Plaatje	8 221	8 932											8 221	8 932
B	NC392 Dikgatlong														
B	NC393 Maseru														
B	NC394 Maseru														
C	NC395 Frances Baard District Municipality														
C	NC396 Frances Baard District Municipality	8 221	8 932							52 704	49 229			54 839	20 315
B	NC451 Joe Molekane	11 859	12 800											11 859	12 800
B	NC452 Joe Molekane	68 496	74 463											68 496	74 463
B	NC453 Gamaara														
C	NC454 John Taolo Gaetsewe District Municipality														
C	NC455 John Taolo Gaetsewe District Municipality	80 345	87 288											80 345	87 288
B	NC456 John Taolo Gaetsewe District Municipality														
B	NC457 John Taolo Gaetsewe District Municipality														
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B	NC522 John Taolo Gaetsewe District Municipality														
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B	NC524 John Taolo Gaetsewe District Municipality														
B	NC525 John Taolo Gaetsewe District Municipality														
B	NC526 John Taolo Gaetsewe District Municipality														
B	NC527 John Taolo Gaetsewe District Municipality														
B	NC528 John Taolo Gaetsewe District Municipality														
B	NC529 John Taolo Gaetsewe District Municipality														
B	NC530 John Taolo Gaetsewe District Municipality														
B	NC531 John Taolo Gaetsewe District Municipality														
B	NC532 John Taolo Gaetsewe District Municipality														
B	NC533 John Taolo Gaetsewe District Municipality														
B	NC534 John Taolo Gaetsewe District Municipality														

ANNEXURE W6  
ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme (Ekurhuleni)		Neighbourhood Development Partnership Grant (Ecobank Assistance)		Bucket Eradication Programme Grant		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
<b>WESTERN CAPE</b>															
A	CPT - City of Cape Town	43 855	37 646	59 409	300	1 206	500							44 155	38 846
B	WC001 Matrxama	60	66	69						19 731				60	66
B	WC002 Cedarberg	23 827	25 888	27 389										23 827	25 888
B	WC003 Begevier	83	91	96										83	91
B	WC004 Swartkops	66	66	66										66	66
B	WC005 Swartland	746	810	857										746	810
C	DCL - West Coast District Municipality														
<b>Total West Coast Municipalities</b>		<b>24 776</b>	<b>26 921</b>	<b>28 480</b>						<b>19 731</b>				<b>24 776</b>	<b>26 921</b>
B	WC002 Witsieberg	113	123	130										113	123
B	WC003 Drakenstein														
B	WC004 Stellenbosch														
B	WC005 Breede Valley	20 590	22 371	23 669						1 900		1 300	1 365	20 590	22 371
B	WC006 Langeberg	24	25	26										24	25
C	DCC - Cape Winelands District Municipality														
<b>Total Cape Winelands District Municipality</b>		<b>20 727</b>	<b>22 519</b>	<b>23 925</b>						<b>1 900</b>		<b>1 300</b>	<b>1 365</b>	<b>20 727</b>	<b>23 925</b>
B	WC001 Theewaterskloof	4 515	4 905	5 191										4 515	4 905
B	WC002 Overstrand														
B	WC003 Cape Agulhas	23	25	27										23	25
C	DCC - Overberg District Municipality														
<b>Total Overberg Municipalities</b>		<b>4 538</b>	<b>4 930</b>	<b>5 218</b>										<b>4 538</b>	<b>4 930</b>
B	WC001 Kammaniel	113	123	130										113	123
B	WC002 Mossel Bay	1 489	1 585	1 677										1 489	1 585
B	WC004 George	91	98	104										91	98
B	WC005 Outshoorn	297	323	342										297	323
B	WC007 Bheem														
B	WC008 Edenburg														
C	DCC - Edenburg District Municipality														
<b>Total Eden Municipalities</b>		<b>1 960</b>	<b>2 129</b>	<b>2 255</b>						<b>54 415</b>	<b>107 000</b>	<b>123 937</b>	<b>3 884</b>	<b>56 375</b>	<b>109 129</b>
B	WC001 Laingsburg	24	25	25										24	25
B	WC002 Prince Albert	25	26	26										25	26
B	WC003 Karoo West	326	302	302										326	302
C	DCC - Central Karoo District Municipality														
<b>Total Central Karoo Municipalities</b>		<b>326</b>	<b>352</b>	<b>371</b>						<b>16 000</b>	<b>11 772</b>	<b>4 644</b>		<b>326</b>	<b>352</b>
<b>Total Western Cape Municipalities</b>		<b>96 182</b>	<b>94 497</b>	<b>110 546</b>	<b>300</b>	<b>1 206</b>	<b>500</b>			<b>56 315</b>	<b>122 000</b>	<b>155 440</b>	<b>1 300</b>	<b>154 097</b>	<b>220 062</b>
<b>National Total</b>		<b>3 520 334</b>	<b>3 876 154</b>	<b>3 995 031</b>	<b>22 209</b>	<b>27 744</b>	<b>29 353</b>			<b>311 545</b>	<b>4 478 829</b>	<b>2 931 443</b>	<b>34 149</b>	<b>7 773 266</b>	<b>7 400 548</b>

**ANNEXURE W7**

**EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

**(National and Municipal Financial Years)**

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>							
A	BUF Buffalo City	678 197	703 602	760 226	1 528 249	1 643 465	1 870 880
A	NMA Nelson Mandela Bay	798 043	843 509	921 857	1 757 623	2 206 614	2 383 426
B	EC101 EC101	84 241	78 096	83 220	220 669	173 423	129 154
B	EC102 Blue Crane Route	44 713	45 793	48 298	66 012	72 054	80 407
B	EC104 Makana	77 008	80 465	86 244	234 422	190 454	206 887
B	EC105 Ndlambe	76 824	83 298	89 683	189 553	198 725	251 680
B	EC106 Sundays River Valley	59 318	65 608	71 249	118 368	126 389	130 325
B	EC108 Kouga	91 622	103 959	114 565	132 011	149 643	167 273
B	EC109 Kou-Kamma	39 760	42 981	46 102	68 034	68 152	70 616
C	DC10 Sarah Baartman District Municipality	82 014	84 990	87 985	86 525	88 514	94 623
<b>Total: Sarah Baartman Municipalities</b>		<b>555 500</b>	<b>585 090</b>	<b>627 346</b>	<b>1 115 594</b>	<b>1 067 354</b>	<b>1 130 965</b>
B	EC121 Mbashe	210 060	223 148	233 352	331 036	360 415	382 222
B	EC122 Mquma	221 906	232 277	242 148	354 430	397 759	421 530
B	EC123 Great Kei	39 457	34 267	35 616	58 539	53 027	57 028
B	EC124 Amahlathi	113 780	98 507	102 403	161 570	139 762	146 011
B	EC126 Ngqushwa	76 828	75 545	78 487	112 483	108 226	112 962
B	EC129 EC129	147 445	151 530	158 177	228 820	223 659	234 015
C	DC12 Amathole District Municipality	730 990	780 614	845 394	1 388 874	1 431 092	1 488 669
<b>Total: Amathole Municipalities</b>		<b>1 540 466</b>	<b>1 595 888</b>	<b>1 695 577</b>	<b>2 635 572</b>	<b>2 713 940</b>	<b>2 842 437</b>
B	EC131 Inxuba Yethemba	39 424	38 565	40 889	67 832	67 889	70 386
B	EC135 Intsika Yethu	145 314	153 925	161 037	243 400	266 978	274 193
B	EC136 Emalahleni	114 599	121 843	127 950	174 192	179 848	183 974
B	EC137 Engcobo	130 882	139 012	145 476	235 018	221 920	241 781
B	EC138 Sakhisizwe	57 906	60 843	63 522	93 114	95 129	99 471
B	EC139 EC139	167 232	165 668	175 285	270 199	254 195	264 065
C	DC13 Chris Hani District Municipality	485 308	529 946	573 337	1 079 577	1 133 405	1 136 043
<b>Total: Chris Hani Municipalities</b>		<b>1 140 665</b>	<b>1 209 802</b>	<b>1 287 496</b>	<b>2 163 332</b>	<b>2 219 364</b>	<b>2 269 913</b>
B	EC141 Elundini	129 070	137 811	144 722	249 393	270 392	263 584
B	EC142 Senqu	129 802	136 745	143 348	197 463	204 752	215 047
B	EC145 EC145	51 948	49 452	52 683	98 201	83 494	78 058
C	DC14 Joe Gqabi District Municipality	223 621	244 055	264 128	465 897	550 479	621 088
<b>Total: Joe Gqabi Municipalities</b>		<b>534 441</b>	<b>568 063</b>	<b>604 881</b>	<b>1 010 954</b>	<b>1 109 117</b>	<b>1 177 777</b>
B	EC153 Ngquza Hill	195 945	208 426	218 193	343 003	360 055	381 314
B	EC154 Port St Johns	117 662	124 989	130 753	205 528	221 690	225 754
B	EC155 Nyandeni	213 070	226 424	237 439	309 283	333 960	355 181
B	EC156 Mhlontlo	154 313	161 607	167 789	218 444	234 528	245 885
B	EC157 King Sabata Dalindyebo	249 468	265 719	280 838	414 942	421 059	449 718
C	DC15 O.R.Tambo District Municipality	669 303	733 445	792 645	1 741 360	1 895 649	1 983 106
<b>Total: O.R.Tambo Municipalities</b>		<b>1 599 761</b>	<b>1 720 610</b>	<b>1 827 657</b>	<b>3 232 560</b>	<b>3 466 941</b>	<b>3 640 958</b>
B	EC441 Matatiele	170 266	179 725	187 547	353 085	368 748	382 684
B	EC442 Umzimvubu	162 992	170 765	177 467	300 187	341 954	346 878
B	EC443 Mbizana	175 910	185 021	192 873	291 921	306 910	326 160
B	EC444 Ntabankulu	93 327	97 382	101 010	272 430	298 118	320 593
C	DC44 Alfred Nzo District Municipality	387 047	417 686	448 072	1 085 628	1 211 288	1 250 656
<b>Total: Alfred Nzo Municipalities</b>		<b>989 542</b>	<b>1 050 579</b>	<b>1 106 969</b>	<b>2 303 251</b>	<b>2 527 018</b>	<b>2 626 971</b>
<b>Total: Eastern Cape Municipalities</b>		<b>7 836 615</b>	<b>8 277 143</b>	<b>8 832 009</b>	<b>15 747 315</b>	<b>16 953 813</b>	<b>17 943 327</b>

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>FREE STATE</b>							
A	MAN Mangaung	629 731	644 493	709 316	1 665 063	1 731 632	1 833 951
B	FS161 Letsemeng	47 402	45 691	48 269	121 926	130 414	139 041
B	FS162 Kopanong	70 650	63 453	66 846	139 840	149 032	188 941
B	FS163 Mohokare	54 472	55 601	59 560	151 085	141 709	148 209
C	DC16 Xhariep District Municipality	29 739	30 821	32 032	35 044	35 766	35 737
<b>Total: Xhariep Municipalities</b>		<b>202 263</b>	<b>195 566</b>	<b>206 707</b>	<b>447 895</b>	<b>456 921</b>	<b>511 928</b>
B	FS181 Masilonyana	83 362	82 724	87 491	160 098	164 975	181 544
B	FS182 Tokologo	43 424	43 086	45 581	212 820	94 925	111 415
B	FS183 Tswelopele	59 589	57 728	60 911	102 366	111 463	100 634
B	FS184 Matjhabeng	385 851	373 021	400 033	517 422	540 882	604 898
B	FS185 Nala	108 273	97 238	102 251	157 185	139 479	150 396
C	DC18 Lejweleputswa District Municipality	111 727	114 789	118 760	116 162	118 333	125 318
<b>Total: Lejweleputswa Municipalities</b>		<b>792 226</b>	<b>768 586</b>	<b>815 027</b>	<b>1 266 053</b>	<b>1 170 057</b>	<b>1 274 205</b>
B	FS191 Setsoto	158 775	155 327	165 239	419 511	256 376	227 706
B	FS192 Dihlabeng	124 304	126 276	136 743	202 377	206 313	246 386
B	FS193 Nketoana	79 054	79 656	85 568	183 161	177 161	210 877
B	FS194 Maluti-a-Phofung	458 097	492 281	526 299	700 726	711 291	774 518
B	FS195 Phumelela	59 830	60 669	64 597	122 842	124 407	135 065
B	FS196 Mantsopa	67 748	67 920	72 602	128 238	114 312	106 380
C	DC19 Thabo Mofutsanyana District Municipality	97 724	101 663	105 705	102 401	105 335	112 896
<b>Total: Thabo Mofutsanyana Municipalities</b>		<b>1 045 532</b>	<b>1 083 792</b>	<b>1 156 753</b>	<b>1 859 256</b>	<b>1 695 195</b>	<b>1 813 828</b>
B	FS201 Moqhaka	158 519	160 019	171 963	249 834	224 681	264 180
B	FS203 Ngwathe	157 639	161 424	173 705	309 980	256 356	310 784
B	FS204 Metsimaholo	125 978	140 738	155 882	199 298	254 128	255 985
B	FS205 Mafube	77 214	77 900	83 448	143 958	151 518	138 723
C	DC20 Fezile Dabi District Municipality	142 178	144 270	148 875	145 547	147 745	155 364
<b>Total: Fezile Dabi Municipalities</b>		<b>661 528</b>	<b>684 351</b>	<b>733 873</b>	<b>1 048 617</b>	<b>1 034 428</b>	<b>1 125 036</b>
<b>Total: Free State Municipalities</b>		<b>3 331 280</b>	<b>3 376 788</b>	<b>3 621 676</b>	<b>6 286 884</b>	<b>6 088 233</b>	<b>6 558 948</b>
<b>GAUTENG</b>							
A	EKU Ekurhuleni	2 381 367	2 662 137	2 950 523	4 936 090	5 518 556	6 004 599
A	JHB City of Johannesburg	3 182 318	3 607 991	4 017 148	6 219 273	6 762 327	7 335 720
A	TSH City of Tshwane	1 864 838	2 148 143	2 404 418	4 552 530	4 897 811	5 282 772
B	GT421 Emfuleni	608 581	628 257	684 683	1 019 291	1 042 024	1 219 909
B	GT422 Midvaal	76 401	86 719	96 825	200 936	174 747	174 556
B	GT423 Lesedi	92 186	104 537	116 468	127 403	144 409	162 769
C	DC42 Sedibeng District Municipality	250 882	256 414	264 770	255 482	260 131	271 751
<b>Total: Sedibeng Municipalities</b>		<b>1 028 050</b>	<b>1 075 927</b>	<b>1 162 746</b>	<b>1 603 112</b>	<b>1 621 311</b>	<b>1 828 985</b>
B	GT481 Mogale City	285 456	320 490	355 627	454 344	505 159	541 432
B	GT484 Merafong City	162 952	159 408	173 714	258 406	258 666	290 458
B	GT485 GT485	216 728	233 219	255 651	421 117	506 853	589 688
C	DC48 West Rand District Municipality	188 872	194 034	200 923	204 951	209 528	214 672
<b>Total: West Rand Municipalities</b>		<b>854 008</b>	<b>907 151</b>	<b>985 915</b>	<b>1 338 818</b>	<b>1 480 206</b>	<b>1 636 250</b>
<b>Total: Gauteng Municipalities</b>		<b>9 310 581</b>	<b>10 401 349</b>	<b>11 520 750</b>	<b>18 649 823</b>	<b>20 280 211</b>	<b>22 088 326</b>

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>KWAZULU-NATAL</b>							
A	ETH eThekweni	2 319 380	2 576 367	2 829 662	5 396 366	5 781 697	6 141 624
B	KZN212 KZN212	121 144	116 787	124 276	234 148	195 830	205 433
B	KZN213 Umzumbe	119 488	123 267	127 910	229 996	239 833	250 375
B	KZN214 uMuziwabantu	76 377	81 848	86 301	101 606	107 562	113 181
B	KZN216 KZN216	165 774	180 940	195 507	275 261	289 918	306 186
C	DC21 Ugu District Municipality	384 729	426 030	466 113	711 390	814 113	882 868
<b>Total: Ugu Municipalities</b>		<b>867 512</b>	<b>928 872</b>	<b>1 000 107</b>	<b>1 552 401</b>	<b>1 647 256</b>	<b>1 758 043</b>
B	KZN221 uMshwathi	83 479	89 253	94 699	120 389	130 529	137 736
B	KZN222 uMngeni	49 326	54 910	60 244	80 134	87 116	86 852
B	KZN223 Mpofana	27 693	28 818	30 313	60 454	62 073	64 917
B	KZN224 Impendle	31 349	32 128	33 615	53 999	60 920	57 835
B	KZN225 Msunduzi	432 307	480 046	527 315	936 193	1 004 253	1 107 498
B	KZN226 Mkhambathini	50 183	51 099	54 184	78 887	79 362	81 406
B	KZN227 Richmond	55 625	60 619	64 690	100 386	93 309	98 234
C	DC22 Umgungundlovu District Municipality	428 362	468 036	512 298	584 996	643 647	752 199
<b>Total: Umgungundlovu Municipalities</b>		<b>1 158 324</b>	<b>1 264 909</b>	<b>1 377 358</b>	<b>2 015 438</b>	<b>2 161 209</b>	<b>2 386 677</b>
B	KZN235 Okhahlamba	96 932	102 293	107 030	141 637	134 656	140 964
B	KZN237 KZN237	134 763	142 700	150 620	226 361	209 871	217 224
B	KZN238 KZN238	183 739	189 339	200 109	342 394	319 321	326 764
C	DC23 Uthukela District Municipality	332 370	361 841	392 513	682 030	816 454	893 048
<b>Total: Uthukela Municipalities</b>		<b>747 804</b>	<b>796 173</b>	<b>850 272</b>	<b>1 392 422</b>	<b>1 480 302</b>	<b>1 578 000</b>
B	KZN241 Endumeni	36 413	36 906	39 936	63 682	64 080	72 014
B	KZN242 Nqutu	110 256	116 695	122 462	200 579	214 260	246 174
B	KZN244 Msinga	131 035	138 537	146 554	198 595	206 784	215 802
B	KZN245 Umvoti	94 786	105 514	113 165	159 041	174 030	165 586
C	DC24 Umzinyathi District Municipality	263 532	292 854	320 683	641 908	713 217	786 047
<b>Total: Umzinyathi Municipalities</b>		<b>636 022</b>	<b>690 506</b>	<b>742 800</b>	<b>1 263 805</b>	<b>1 372 371</b>	<b>1 485 623</b>
B	KZN252 Newcastle	306 952	324 247	350 776	525 898	574 558	632 280
B	KZN253 Emadlangeni	23 572	25 281	26 447	44 594	46 635	54 093
B	KZN254 Dannhauser	75 694	80 181	83 977	102 559	107 781	112 846
C	DC25 Amajuba District Municipality	129 160	139 337	150 938	224 239	231 838	278 033
<b>Total: Amajuba Municipalities</b>		<b>535 378</b>	<b>569 046</b>	<b>612 138</b>	<b>897 290</b>	<b>960 812</b>	<b>1 077 252</b>
B	KZN261 eDumbe	57 900	61 387	64 417	102 660	109 965	108 502
B	KZN262 uPhongolo	97 800	104 530	110 401	162 782	148 335	157 942
B	KZN263 Abaqulusi	107 884	115 710	123 222	184 985	196 019	207 038
B	KZN265 Nongoma	121 046	128 549	134 781	199 038	219 179	232 937
B	KZN266 Ulundi	124 460	131 159	136 958	193 342	192 155	195 577
C	DC26 Zululand District Municipality	347 834	380 691	413 855	791 374	815 263	794 202
<b>Total: Zululand Municipalities</b>		<b>856 924</b>	<b>922 026</b>	<b>983 634</b>	<b>1 634 181</b>	<b>1 680 916</b>	<b>1 696 198</b>
B	KZN271 Umhlabuyalingana	122 458	133 785	142 392	317 766	336 311	339 277
B	KZN272 Jozini	134 845	144 859	152 832	293 584	308 515	308 097
B	KZN275 Mtubatuba	120 328	132 738	141 977	186 623	205 267	209 631
B	KZN276 KZN276	79 379	83 025	87 821	164 577	162 714	162 779
C	DC27 Umkhanyakude District Municipality	292 146	327 467	359 612	636 386	632 824	702 684
<b>Total: Umkhanyakude Municipalities</b>		<b>749 156</b>	<b>821 874</b>	<b>884 634</b>	<b>1 598 936</b>	<b>1 645 631</b>	<b>1 722 468</b>
B	KZN281 Mfolozi	98 724	107 868	114 489	146 674	160 043	169 796
B	KZN282 KZN282	263 487	291 465	319 112	435 609	490 421	544 729
B	KZN284 uMlalazi	148 417	159 664	168 611	242 753	256 754	272 878
B	KZN285 KZN285	63 687	67 763	70 547	103 824	101 007	103 231
B	KZN286 Nkandla	79 169	82 877	86 010	140 191	151 817	147 426
C	DC28 Uthungulu District Municipality	433 405	464 457	506 461	905 304	936 944	954 346
<b>Total: Uthungulu Municipalities</b>		<b>1 086 889</b>	<b>1 174 094</b>	<b>1 265 230</b>	<b>1 974 355</b>	<b>2 096 986</b>	<b>2 192 406</b>
B	KZN291 Mandeni	122 874	134 039	143 306	240 007	249 332	279 640
B	KZN292 KwaDukuza	116 642	132 042	146 463	193 609	212 215	217 947
B	KZN293 Ndwedwe	108 709	116 578	122 741	234 298	238 894	254 586
B	KZN294 Maphumulo	71 404	74 451	77 236	184 467	192 057	202 580
C	DC29 iLembe District Municipality	373 996	420 163	463 652	785 889	856 388	787 917
<b>Total: iLembe Municipalities</b>		<b>793 625</b>	<b>877 273</b>	<b>953 398</b>	<b>1 638 270</b>	<b>1 748 886</b>	<b>1 742 670</b>
B	KZN433 Greater Kokstad	45 887	44 006	46 219	80 756	69 443	66 439
B	KZN434 Ubuhlebezwe	90 491	97 558	102 551	151 419	161 268	162 103
B	KZN435 Umzimkhulu	152 393	163 981	173 501	239 506	239 358	262 425
B	KZN436 KZN436	94 288	99 474	104 242	166 017	166 361	169 144
C	DC43 Harry Gwala District Municipality	260 069	284 205	308 451	613 004	696 191	690 443
<b>Total: Harry Gwala Municipalities</b>		<b>643 128</b>	<b>689 224</b>	<b>734 964</b>	<b>1 250 702</b>	<b>1 332 621</b>	<b>1 350 554</b>
<b>Total: KwaZulu-Natal Municipalities</b>		<b>10 394 142</b>	<b>11 310 364</b>	<b>12 234 197</b>	<b>20 614 166</b>	<b>21 908 687</b>	<b>23 131 515</b>

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
<b>LIMPOPO</b>								
B	LIM331	Greater Giyani	219 308	234 487	247 581	373 316	402 346	400 169
B	LIM332	Greater Letaba	206 299	219 352	231 224	293 901	304 816	321 444
B	LIM333	Greater Tzaneen	291 141	312 958	333 719	465 497	489 694	524 205
B	LIM334	Ba-Phalaborwa	110 235	119 502	127 315	160 806	176 004	187 861
B	LIM335	Maruleng	91 329	97 904	103 437	138 275	147 502	155 599
C	DC33	Mopani District Municipality	686 633	760 874	832 073	1 457 902	1 508 481	1 582 494
<b>Total: Mopani Municipalities</b>			<b>1 604 945</b>	<b>1 745 077</b>	<b>1 875 349</b>	<b>2 889 697</b>	<b>3 028 843</b>	<b>3 171 772</b>
B	LIM341	LIM341	87 434	99 288	107 938	165 444	164 374	174 082
B	LIM343	LIM343	337 132	362 797	385 202	518 015	535 653	573 345
B	LIM344	Makhado	275 985	296 533	315 879	427 444	457 164	485 563
B	LIM345	LIM345	247 247	306 392	324 347	360 577	406 607	423 612
C	DC34	Vhembe District Municipality	743 976	830 185	910 167	1 432 424	1 602 800	1 728 837
<b>Total: Vhembe Municipalities</b>			<b>1 691 774</b>	<b>1 895 195</b>	<b>2 043 533</b>	<b>2 903 904</b>	<b>3 166 598</b>	<b>3 385 439</b>
B	LIM351	LIM351	155 178	164 476	172 603	251 149	254 358	263 795
B	LIM353	LIM353	118 756	124 652	130 555	197 881	194 636	200 099
B	LIM354	LIM354	675 714	757 286	830 052	1 599 032	1 803 356	1 956 967
B	LIM355	Lepele-Nkumpi	202 533	215 623	226 945	275 819	293 443	309 064
C	DC35	Capricorn District Municipality	522 710	536 271	582 579	931 841	907 318	1 023 917
<b>Total: Capricorn Municipalities</b>			<b>1 674 891</b>	<b>1 798 308</b>	<b>1 942 734</b>	<b>3 255 722</b>	<b>3 453 111</b>	<b>3 753 842</b>
B	LIM361	Thabazimbi	61 051	62 830	68 436	118 694	148 150	158 910
B	LIM362	Lephalale	94 514	104 374	115 258	234 625	273 002	283 693
B	LIM366	Bela-Bela	68 411	76 060	83 392	153 387	159 735	188 121
B	LIM367	Mogalakwena	348 115	374 756	400 616	781 318	828 288	913 112
B	LIM368	LIM368	92 547	94 268	101 220	222 824	205 790	211 627
C	DC36	Waterberg District Municipality	113 277	117 310	121 822	118 566	122 188	124 955
<b>Total: Waterberg Municipalities</b>			<b>777 915</b>	<b>829 598</b>	<b>890 744</b>	<b>1 629 414</b>	<b>1 737 153</b>	<b>1 880 418</b>
B	LIM471	Ephraim Mogale	117 556	127 003	135 210	161 401	172 927	182 920
B	LIM472	Elias Motsoaledi	210 385	226 153	240 397	287 077	303 358	322 331
B	LIM473	Makhuduthamaga	225 123	240 496	254 456	356 974	373 712	395 497
B	LIM476	LIM476	307 760	335 688	360 690	524 859	550 928	578 163
C	DC47	Sekhukhune District Municipality	600 889	675 180	743 764	1 580 149	1 777 376	1 988 894
<b>Total: Sekhukhune Municipalities</b>			<b>1 461 713</b>	<b>1 604 520</b>	<b>1 734 517</b>	<b>2 910 460</b>	<b>3 178 301</b>	<b>3 467 805</b>
<b>Total: Limpopo Municipalities</b>			<b>7 211 238</b>	<b>7 872 698</b>	<b>8 486 877</b>	<b>13 589 197</b>	<b>14 564 006</b>	<b>15 659 276</b>
<b>MPUMALANGA</b>								
B	MP301	Albert Luthuli	233 446	252 915	269 960	363 518	369 849	394 263
B	MP302	Mskaligwa	121 443	132 341	145 011	205 758	207 821	246 312
B	MP303	Mkhondo	166 350	183 804	198 712	287 965	315 214	338 478
B	MP304	Pixley Ka Seme	91 996	94 143	99 914	130 659	135 206	141 790
B	MP305	Lekwa	86 239	91 625	99 329	136 008	130 479	137 041
B	MP306	Dipaleseng	54 345	58 169	62 746	88 523	92 589	98 656
B	MP307	Govan Mbeki	199 430	210 061	231 674	282 867	309 452	332 036
C	DC30	Gert Sibande District Municipality	275 755	280 414	289 248	385 082	378 874	430 943
<b>Total: Gert Sibande Municipalities</b>			<b>1 229 004</b>	<b>1 303 472</b>	<b>1 396 594</b>	<b>1 880 380</b>	<b>1 939 484</b>	<b>2 119 519</b>
B	MP311	Victor Khanye	72 949	81 159	89 261	165 962	161 227	132 136
B	MP312	Emalahleni	255 989	291 115	326 355	503 019	495 826	555 259
B	MP313	Steve Tshwete	136 037	157 665	178 776	190 509	221 808	240 969
B	MP314	Emakhazeni	51 837	57 026	62 041	90 239	86 589	88 000
B	MP315	Thembisile Hani	313 317	343 875	370 908	523 394	542 929	636 299
B	MP316	Dr JS Moroka	314 608	335 539	356 458	460 045	490 676	520 776
C	DC31	Nkangala District Municipality	333 667	341 509	352 641	379 311	394 939	419 085
<b>Total: Nkangala Municipalities</b>			<b>1 478 404</b>	<b>1 607 888</b>	<b>1 736 440</b>	<b>2 312 479</b>	<b>2 393 994</b>	<b>2 592 524</b>
B	MP321	Thaba Chweu	115 054	129 268	142 895	216 321	232 384	264 677
B	MP324	Nkomazi	447 689	494 138	534 377	808 728	895 029	938 586
B	MP325	Bushbuckridge	647 298	701 918	752 721	1 546 734	1 443 096	1 616 076
B	MP326	MP326	556 020	621 740	683 247	1 345 257	1 455 642	1 584 920
C	DC32	Ehlanzeni District Municipality	221 660	230 632	239 970	367 311	345 884	410 161
<b>Total: Ehlanzeni Municipalities</b>			<b>1 987 721</b>	<b>2 177 696</b>	<b>2 353 210</b>	<b>4 284 351</b>	<b>4 372 035</b>	<b>4 814 420</b>
<b>Total: Mpumalanga Municipalities</b>			<b>4 695 129</b>	<b>5 089 056</b>	<b>5 486 244</b>	<b>8 477 210</b>	<b>8 705 513</b>	<b>9 526 463</b>

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>NORTHERN CAPE</b>							
B	NC061 Richtersveld	13 498	14 121	15 228	40 681	45 276	26 691
B	NC062 Nama Khoi	38 318	40 620	43 792	55 055	60 606	62 643
B	NC064 Kamiesberg	18 175	19 424	20 555	29 591	29 388	31 936
B	NC065 Hantam	20 774	21 123	22 656	54 918	61 969	68 787
B	NC066 Karoo Hoogland	16 678	17 976	19 342	28 847	44 043	57 200
B	NC067 Khâi-Ma	15 552	16 753	18 053	33 807	28 498	29 229
C	DC6 Namakwa District Municipality	35 436	36 038	37 303	40 353	40 088	44 872
<b>Total: Namakwa Municipalities</b>		<b>158 431</b>	<b>166 055</b>	<b>176 929</b>	<b>283 252</b>	<b>309 868</b>	<b>321 358</b>
B	NC071 Ubuntu	25 817	27 867	29 807	38 156	42 865	43 876
B	NC072 Umsobomvu	36 658	39 317	42 376	67 859	65 323	63 576
B	NC073 Emthanjeni	36 197	36 886	39 607	91 327	68 235	69 342
B	NC074 Kareeberg	18 919	20 539	22 002	45 413	50 556	72 767
B	NC075 Renosterberg	18 733	19 936	21 212	29 880	30 825	32 514
B	NC076 Thembelihle	19 367	20 676	21 982	37 111	32 585	34 429
B	NC077 Siyathemba	25 732	27 709	29 818	53 871	40 795	43 179
B	NC078 Siyancuma	39 977	40 622	42 724	78 194	63 348	65 529
C	DC7 Pixley Ka Seme District Municipality	35 824	37 353	38 849	41 047	41 725	46 741
<b>Total: Pixley Ka Seme Municipalities</b>		<b>257 224</b>	<b>270 905</b>	<b>288 377</b>	<b>482 858</b>	<b>436 257</b>	<b>471 953</b>
B	NC082 !Kai !Garib	54 787	57 965	62 559	84 826	135 099	90 863
B	NC084 !Kheis	20 223	21 359	22 524	33 435	39 543	41 324
B	NC085 Tsantsabane	30 151	32 515	35 639	57 793	61 294	65 126
B	NC086 Kgatelopele	17 858	19 385	21 210	30 791	32 637	32 624
B	NC087 NC087	69 707	70 917	77 173	180 828	111 329	110 564
C	DC8 Z.F. Mgcawu District Municipality	51 034	52 765	54 726	55 968	56 837	61 813
<b>Total: ZF Mgcawu Municipalities</b>		<b>243 760</b>	<b>254 906</b>	<b>273 831</b>	<b>443 641</b>	<b>436 739</b>	<b>402 314</b>
B	NC091 Sol Plaatjie	144 171	146 972	159 833	234 222	254 436	262 040
B	NC092 Dikgatlong	60 379	64 768	69 100	115 731	99 947	102 985
B	NC093 Magareng	35 300	36 883	38 948	72 812	57 637	53 818
B	NC094 Phokwane	79 307	83 288	88 002	109 468	114 035	119 569
C	DC9 Frances Baard District Municipality	105 416	112 225	115 790	110 093	116 023	122 603
<b>Total: Frances Baard Municipalities</b>		<b>424 573</b>	<b>444 136</b>	<b>471 673</b>	<b>642 326</b>	<b>642 078</b>	<b>661 015</b>
B	NC451 Joe Morolong	115 068	123 042	129 952	272 810	309 332	341 917
B	NC452 Ga-Segonyana	117 413	130 941	143 078	296 780	355 303	367 559
B	NC453 Gamagara	25 352	28 577	32 601	69 546	174 364	171 648
C	DC45 John Taolo Gaetsewe District Municipality	66 326	69 303	74 709	74 440	77 304	81 274
<b>Total: John Taolo Gaetsewe Municipalities</b>		<b>324 159</b>	<b>351 863</b>	<b>380 340</b>	<b>713 576</b>	<b>916 303</b>	<b>962 398</b>
<b>Total: Northern Cape Municipalities</b>		<b>1 408 147</b>	<b>1 487 865</b>	<b>1 591 150</b>	<b>2 565 653</b>	<b>2 741 245</b>	<b>2 819 038</b>
<b>NORTH WEST</b>							
B	NW371 Moretele	263 905	284 189	300 583	481 135	536 502	633 627
B	NW372 Madibeng	506 149	576 167	638 352	1 046 878	1 150 034	1 072 074
B	NW373 Rustenburg	451 980	521 872	585 878	1 044 442	1 221 635	1 337 069
B	NW374 Kgetlengrivier	62 494	68 606	74 308	124 788	165 660	102 769
B	NW375 Moses Kotane	333 265	356 936	378 817	524 145	602 146	627 387
C	DC37 Bojanala Platinum District Municipality	302 943	314 955	327 482	313 966	320 126	340 907
<b>Total: Bojanala Platinum Municipalities</b>		<b>1 920 736</b>	<b>2 122 725</b>	<b>2 305 420</b>	<b>3 535 354</b>	<b>3 996 103</b>	<b>4 113 833</b>
B	NW381 Ratlou	96 861	101 654	106 254	156 657	148 230	155 230
B	NW382 Tswaing	85 712	90 202	94 890	124 603	132 060	138 098
B	NW383 Mafikeng	178 390	191 051	202 578	269 473	282 351	292 831
B	NW384 Ditsobotla	89 941	94 228	99 879	140 449	149 139	153 526
B	NW385 Ramotshere Moiloa	126 139	134 073	141 077	172 348	187 717	194 514
C	DC38 Ngaka Modiri Molema District Municipality	551 315	602 830	655 044	1 016 995	1 117 249	1 189 893
<b>Total: Ngaka Modiri Molema Municipalities</b>		<b>1 128 358</b>	<b>1 214 038</b>	<b>1 299 722</b>	<b>1 880 525</b>	<b>2 016 746</b>	<b>2 124 092</b>
B	NW392 Naledi	41 201	43 350	46 003	82 428	75 110	77 987
B	NW393 Mamusa	45 162	48 260	51 186	90 344	90 577	94 997
B	NW394 Greater Taung	164 554	174 128	181 984	227 846	240 526	252 660
B	NW396 Lekwa-Teemane	39 260	42 003	44 677	82 786	67 301	64 858
B	NW397 Kagisano-Molopo	99 646	104 763	109 346	162 195	177 434	182 295
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	282 287	311 460	336 816	614 897	680 725	742 752
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>		<b>672 110</b>	<b>723 964</b>	<b>770 012</b>	<b>1 260 496</b>	<b>1 331 673</b>	<b>1 415 549</b>
B	NW403 City of Matlosana	342 855	352 222	381 749	476 061	490 876	523 118
B	NW404 Maquassi Hills	94 022	98 632	104 790	185 523	132 856	151 834
B	NW405 NW405	187 990	210 644	232 712	296 682	338 414	363 822
C	DC40 Dr Kenneth Kaunda District Municipality	169 319	173 593	179 390	174 290	177 197	186 009
<b>Total: Dr Kenneth Kaunda Municipalities</b>		<b>794 186</b>	<b>835 091</b>	<b>898 641</b>	<b>1 132 556</b>	<b>1 139 343</b>	<b>1 224 783</b>
<b>Total: North West Municipalities</b>		<b>4 515 390</b>	<b>4 895 818</b>	<b>5 273 795</b>	<b>7 808 931</b>	<b>8 483 865</b>	<b>8 878 257</b>

**ANNEXURE W7  
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES**

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>WESTERN CAPE</b>							
A	CPT City of Cape Town	2 012 945	2 283 323	2 512 279	4 544 893	4 882 792	5 233 340
B	WC011 Matzikama	44 100	47 521	51 433	70 091	73 366	98 549
B	WC012 Cederberg	37 173	40 782	44 122	110 153	94 589	92 937
B	WC013 Bergrivier	33 341	37 095	40 634	51 924	56 531	63 442
B	WC014 Saldanha Bay	62 832	71 386	78 880	85 970	95 790	106 204
B	WC015 Swartland	59 275	69 364	77 708	89 286	93 446	112 874
C	DC1 West Coast District Municipality	82 194	84 904	87 900	86 904	88 699	94 710
<b>Total: West Coast Municipalities</b>		<b>318 915</b>	<b>351 052</b>	<b>380 677</b>	<b>494 328</b>	<b>502 421</b>	<b>568 716</b>
B	WC022 Witzenberg	59 734	66 184	72 400	116 888	97 277	105 048
B	WC023 Drakenstein	106 240	118 687	130 011	155 809	161 523	184 831
B	WC024 Stellenbosch	95 982	110 707	122 558	179 171	162 832	174 639
B	WC025 Breede Valley	88 524	97 573	106 043	148 765	158 708	172 109
B	WC026 Langeberg	60 461	64 381	69 413	85 923	89 378	94 491
C	DC2 Cape Winelands District Municipality	220 870	224 336	231 221	225 803	228 403	238 303
<b>Total: Cape Winelands Municipalities</b>		<b>631 811</b>	<b>681 868</b>	<b>731 646</b>	<b>912 359</b>	<b>898 121</b>	<b>969 421</b>
B	WC031 Theewaterskloof	69 861	76 742	83 058	108 809	117 331	124 295
B	WC032 Overstrand	72 950	83 030	91 433	102 377	111 030	122 514
B	WC033 Cape Agulhas	23 075	25 256	27 334	37 261	39 966	42 426
B	WC034 Swellendam	24 012	26 156	28 424	47 228	41 997	47 723
C	DC3 Overberg District Municipality	52 163	54 179	56 194	56 840	57 977	63 007
<b>Total: Overberg Municipalities</b>		<b>242 061</b>	<b>265 363</b>	<b>286 443</b>	<b>352 515</b>	<b>368 301</b>	<b>399 965</b>
B	WC041 Kannaland	22 940	23 893	25 178	80 720	96 099	81 054
B	WC042 Hessequa	34 558	37 736	40 850	83 257	55 283	58 954
B	WC043 Mossel Bay	70 874	79 267	86 544	108 651	114 001	130 532
B	WC044 George	109 872	122 075	134 007	273 379	296 010	293 700
B	WC045 Oudtshoorn	58 194	63 037	67 635	111 418	130 436	151 787
B	WC047 Bitou	64 235	74 567	83 036	94 832	104 682	111 116
B	WC048 Knysna	62 982	71 037	77 629	107 641	142 136	159 002
C	DC4 Eden District Municipality	142 094	146 043	150 876	146 708	149 775	157 623
<b>Total: Eden Municipalities</b>		<b>565 749</b>	<b>617 655</b>	<b>665 755</b>	<b>1 006 606</b>	<b>1 088 422</b>	<b>1 143 768</b>
B	WC051 Laingsburg	12 526	13 360	14 178	23 590	30 848	25 529
B	WC052 Prince Albert	16 192	17 634	18 923	27 052	30 987	31 439
B	WC053 Beaufort West	46 569	50 393	53 988	80 425	87 599	88 314
C	DC5 Central Karoo District Municipality	19 416	20 412	21 258	23 532	23 621	27 492
<b>Total: Central Karoo Municipalities</b>		<b>94 703</b>	<b>101 799</b>	<b>108 347</b>	<b>154 599</b>	<b>173 055</b>	<b>172 774</b>
<b>Total: Western Cape Municipalities</b>		<b>3 866 184</b>	<b>4 301 060</b>	<b>4 685 147</b>	<b>7 465 300</b>	<b>7 913 112</b>	<b>8 487 984</b>
<b>Unallocated</b>					<b>269 922</b>	<b>1 316 708</b>	<b>1 428 576</b>
<b>National Total</b>		<b>52 568 706</b>	<b>57 012 141</b>	<b>61 731 845</b>	<b>101 204 479</b>	<b>107 638 685</b>	<b>115 093 134</b>

1. Includes equitable share formula allocations, RSC levies replacement and special contribution towards Councillor remuneration, but excludes the sharing of the general fuel levy with metropolitan municipalities. (See Appendix W1)

**APPENDIX W1**

**APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES**

**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR  
REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL  
MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

**(National and Municipal Financial Years)**

**APPENDIX W1**  
**APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES**  
**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES +**  
**BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

Category	Municipality	Equitable Share Formula		RSC Levies Replacement		Special Support for Councillor Remuneration and Ward Committees		BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES						
		National and Municipal Financial Year 2017/18 (R2000)		National and Municipal Financial Year 2017/18 (R2000)		National and Municipal Financial Year 2017/18 (R2000)		National and Municipal Financial Year 2017/18 (R2000)		National and Municipal Financial Year 2018/19 (R2000)		National and Municipal Financial Year 2018/19 (R2000)		
		2017/18 (R2000)	2018/19 (R2000)	2017/18 (R2000)	2018/19 (R2000)	2017/18 (R2000)	2018/19 (R2000)	Water	Refuse	Water	Refuse	Water	Refuse	
<b>EASTERN CAPE</b>														
A	BUF Buffalo City	678 197	703 602											
A	NMA Nelson Mandela Bay	798 043	843 509											
B	EC101	79 083	72 687			5 158	5 409							
B	EC102	42 470	48 831			2 243	2 467							
B	EC103	79 083	72 687			5 158	5 409							
B	EC105	79 083	72 687			5 158	5 409							
B	EC106	56 279	62 421			3 099	3 187							
B	EC108	86 084	108 473			5 538	5 807							
B	EC109	37 517	40 629			2 243	2 352							
C	DC10 Sarah Baartman District Municipality	21 420	22 706	60 594	62 184									
	<b>Total: Sarah Baartman Municipalities</b>	<b>467 728</b>	<b>533 367</b>	<b>60 594</b>	<b>62 184</b>	<b>27 178</b>	<b>29 899</b>							
B	EC121	198 064	210 508			11 996	12 580							
B	EC122	210 130	229 926			11 996	12 580							
B	EC123	96 141	104 862			5 608	5 976							
B	EC124	79 429	70 933			4 309	4 612							
B	EC129	138 708	142 366			8 737	9 164							
C	DC12 Amathole District Municipality	415 874	440 697	315 116	339 917	8 737	9 164							
	<b>Total: Amathole Municipalities</b>	<b>1 180 009</b>	<b>1 274 769</b>	<b>315 116</b>	<b>339 917</b>	<b>48 251</b>	<b>47 457</b>							
B	EC131	34 979	37 127			3 419	3 586							
B	EC133	137 337	145 538			7 977	8 367							
B	EC136	108 141	115 070			6 458	6 773							
B	EC137	108 141	115 070			6 458	6 773							
B	EC138	54 647	59 939			3 259	3 417							
B	EC139	167 232	165 668											
C	DC13 Chris Hani District Municipality	418 222	457 580	67 086	72 366									
	<b>Total: Chris Hani Municipalities</b>	<b>1 044 591</b>	<b>1 107 031</b>	<b>67 086</b>	<b>72 366</b>	<b>28 988</b>	<b>30 405</b>							
B	EC141	122 612	131 038			6 458	6 773							
B	EC142	123 344	129 972			6 458	6 773							
B	EC145	47 523	44 808			4 425	4 644							
C	DC14 Joe Gqabi District Municipality	202 304	221 061	21 317	22 994									
	<b>Total: Joe Gqabi Municipalities</b>	<b>465 783</b>	<b>506 879</b>	<b>21 317</b>	<b>22 994</b>	<b>17 341</b>	<b>18 190</b>							
B	EC153	183 949	195 846			11 996	12 580							
B	EC154	110 224	117 190			7 438	7 799							
B	EC155	201 074	213 844			11 996	12 580							
B	EC156	144 596	151 417			9 717	10 190							
B	EC157	249 468	265 719											
C	DC15 O.R. Tambo District Municipality	593 339	651 503	75 964	81 942									
	<b>Total: O.R. Tambo Municipalities</b>	<b>1 482 650</b>	<b>1 595 519</b>	<b>75 964</b>	<b>81 942</b>	<b>41 147</b>	<b>43 149</b>							
B	EC441	160 549	169 135			9 717	10 190							
B	EC442	152 895	160 177			10 097	10 588							
B	EC443	164 134	172 670			11 776	12 351							
B	EC444	86 408	90 205			6 839	7 177							
C	DC44 Alfred Nzo District Municipality	350 588	378 271	36 539	39 415									
	<b>Total: Alfred Nzo Municipalities</b>	<b>914 574</b>	<b>970 858</b>	<b>36 539</b>	<b>39 415</b>	<b>43 021</b>	<b>40 306</b>							
	<b>Total: Eastern Cape Municipalities</b>	<b>7 061 665</b>	<b>7 450 318</b>	<b>576 616</b>	<b>618 818</b>	<b>198 334</b>	<b>208 007</b>							





**APPENDIX W1**  
**APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES**  
**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES +**  
**BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

Category	Municipality	Equitable Share Formula		RSC Levies Replacement		Special Support for Councillor Remuneration and Ward Committees		BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES					
		National and Municipal Financial Year 2017/18 (R2000)	National and Municipal Financial Year 2018/19 (R2000)	National and Municipal Financial Year 2017/18 (R2000)	National and Municipal Financial Year 2018/19 (R2000)	National and Municipal Financial Year 2017/18 (R2000)	National and Municipal Financial Year 2018/19 (R2000)	Water	Refuse	Water	Refuse		
		2017/18 (R2000)	2018/19 (R2000)	2017/18 (R2000)	2018/19 (R2000)	2017/18 (R2000)	2018/19 (R2000)	2017/18 (R2000)	2017/18 (R2000)	2017/18 (R2000)	2017/18 (R2000)		
<b>LIMPOPO</b>													
B	LM1331 Greater Giyani	207 532	224 136	11 776	12 351	12 960	12 960	67 679	53 755	75 098	58 696	82 740	63 625
B	LM1332 Greater Letaba	194 903	207 399	11 396	11 953	12 542	12 542	63 510	50 444	70 312	58 955	77 289	59 433
B	LM1333 Greater Tzaneen	291 141	312 958	7 058	7 401	7 764	7 764	110 859	88 051	123 743	96 716	137 145	105 460
B	LM1334 Be-Rhulabwina	103 177	119 551	5 158	5 409	5 674	5 674	35 393	28 111	30 998	29 458	44 126	33 931
B	LM1335 Maribong	86 171	92 495	95 705	103 237	112 662	112 662	26 508	21 054	29 458	23 024	32 505	24 996
<b>Total: Mpumalanga District Municipality</b>		<b>1 473 852</b>	<b>1 604 726</b>	<b>112 662</b>	<b>112 662</b>	<b>38 940</b>	<b>38 940</b>	<b>303 949</b>	<b>241 415</b>	<b>338 270</b>	<b>264 309</b>	<b>373 805</b>	<b>287 445</b>
B	LM1341 LM1341	82 876	94 507	4 558	4 781	5 017	5 017	33 264	26 421	38 011	29 709	43 127	33 164
B	LM1343 LM1343	321 717	346 631	15 415	16 166	16 961	16 961	116 480	92 516	129 723	101 391	143 449	110 308
B	LM1344 Makhado	275 985	296 533	13 515	14 174	14 871	14 871	104 493	82 995	116 537	91 084	129 047	99 233
B	LM1345 LM1345	233 732	292 218	13 515	14 174	14 871	14 871	95 983	74 648	104 449	81 637	115 257	88 630
<b>Total: Vhembe District Municipality</b>		<b>681 784</b>	<b>763 099</b>	<b>62 192</b>	<b>67 086</b>	<b>73 224</b>	<b>73 224</b>	<b>348 220</b>	<b>276 580</b>	<b>388 720</b>	<b>303 821</b>	<b>430 880</b>	<b>331 335</b>
B	LM1351 LM1351	146 831	155 711	8 327	8 745	9 197	9 197	47 454	37 601	53 220	40 815	57 057	43 876
B	LM1353 LM1353	115 678	118 277	6 078	6 375	6 689	6 689	35 376	28 098	38 832	30 351	42 323	32 545
B	LM1354 LM1354	675 714	757 286	11 396	11 953	12 542	12 542	59 739	47 449	66 096	51 660	72 610	55 835
B	LM1355 Lepale-Nkumpi	191 137	203 670	230 178	230 178	230 178	230 178	104 493	82 995	116 537	91 084	129 047	99 233
<b>Total: Capricorn District Municipality</b>		<b>1 453 561</b>	<b>1 560 336</b>	<b>230 178</b>	<b>230 178</b>	<b>230 178</b>	<b>230 178</b>	<b>348 220</b>	<b>276 580</b>	<b>388 720</b>	<b>303 821</b>	<b>430 880</b>	<b>331 335</b>
B	LM1361 Thabazambani	58 218	63 598	4 399	4 612	4 838	4 838	28 364	20 993	29 093	22 444	30 444	23 444
B	LM1362 Lephalale	94 514	104 374	3 259	3 417	3 583	3 583	18 528	17 809	18 528	17 809	18 528	17 809
B	LM1366 Bela-Bela	65 152	72 643	3 259	3 417	3 583	3 583	30 444	28 364	30 444	28 364	30 444	28 364
B	LM1368 Mookgweetsen	95 547	94 268	101 230	101 230	101 230	101 230	101 230	101 230	101 230	101 230	101 230	101 230
<b>Total: Waterberg District Municipality</b>		<b>28 364</b>	<b>31 678</b>	<b>79 315</b>	<b>81 395</b>	<b>83 878</b>	<b>83 878</b>	<b>28 364</b>	<b>28 364</b>	<b>28 364</b>	<b>28 364</b>	<b>28 364</b>	<b>28 364</b>
<b>Total: Limpopo Municipalities</b>													
B	LM1471 Ephraim Mogale	111 478	120 628	6 078	6 375	6 689	6 689	35 815	28 447	40 166	31 394	44 727	34 393
B	LM1472 Elias Moseledi	198 769	213 971	11 616	12 182	12 781	12 781	62 614	49 732	70 170	54 844	78 079	60 041
B	LM1473 Makhuduthamaga	213 347	228 145	11 776	12 351	12 960	12 960	69 525	55 221	77 349	60 456	85 444	65 704
B	LM1476 LM1476	307 760	335 688	300 690	300 690	300 690	300 690	102 550	81 452	116 042	90 698	130 378	100 257
<b>Total: Sekhukhune District Municipality</b>		<b>526 299</b>	<b>598 426</b>	<b>74 590</b>	<b>80 460</b>	<b>87 821</b>	<b>87 821</b>	<b>270 504</b>	<b>214 882</b>	<b>303 727</b>	<b>237 792</b>	<b>338 628</b>	<b>260 795</b>
<b>Total: Sekhukhune District Municipality</b>		<b>1 357 053</b>	<b>1 493 120</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>	<b>1 014 266</b>
<b>Total: Limpopo Municipalities</b>													
<b>Total: Limpopo Municipalities</b>		<b>6 566 504</b>	<b>7 185 448</b>	<b>507 301</b>	<b>543 063</b>	<b>587 783</b>	<b>587 783</b>	<b>1 065 242</b>	<b>846 085</b>	<b>1 187 865</b>	<b>928 428</b>	<b>1 315 303</b>	<b>1 014 430</b>
<b>MPUMALANGA</b>													
B	MP301 Albert Luthuli	224 109	243 124	259 688	259 688	259 688	259 688	121 443	132 341	145 011	145 011	145 011	145 011
B	MP302 Mookgweetsen	121 443	132 341	145 011	145 011	145 011	145 011	159 132	176 234	190 769	190 769	190 769	190 769
B	MP303 Mkhondo	159 132	176 234	190 769	190 769	190 769	190 769	86 239	91 625	99 329	99 329	99 329	99 329
B	MP304 Mkhondo	86 239	91 625	99 329	99 329	99 329	99 329	51 931	55 636	60 087	60 087	60 087	60 087
B	MP306 Dipsique	51 931	55 636	60 087	60 087	60 087	60 087	199 430	210 061	231 674	231 674	231 674	231 674
B	MP307 Govan Mbeki	199 430	210 061	231 674	231 674	231 674	231 674	12 494	10 247	10 842	10 842	10 842	10 842
<b>Total: Gert Sibande District Municipality</b>		<b>942 755</b>	<b>1 009 198</b>	<b>1 092 894</b>	<b>1 092 894</b>	<b>1 092 894</b>	<b>1 092 894</b>	<b>263 261</b>	<b>270 167</b>	<b>278 406</b>	<b>278 406</b>	<b>278 406</b>	<b>278 406</b>
B	MP311 Victor Khanye	69 690	77 742	85 678	85 678	85 678	85 678	255 989	291 115	326 355	326 355	326 355	326 355
B	MP312 Emalaheni	255 989	291 115	326 355	326 355	326 355	326 355	136 037	157 665	178 776	178 776	178 776	178 776
B	MP313 Steve Tshwete	136 037	157 665	178 776	178 776	178 776	178 776	313 317	343 825	370 908	370 908	370 908	370 908
B	MP315 Mkhondo	313 317	343 825	370 908	370 908	370 908	370 908	302 832	323 188	344 498	344 498	344 498	344 498
B	MP316 Dr R Mofokeng	302 832	323 188	344 498	344 498	344 498	344 498	19 520	20 833	22 146	22 146	22 146	22 146
<b>Total: Nkangala District Municipality</b>		<b>1 146 564</b>	<b>1 266 935</b>	<b>1 384 735</b>	<b>1 384 735</b>	<b>1 384 735</b>	<b>1 384 735</b>	<b>313 758</b>	<b>321 989</b>	<b>331 808</b>	<b>331 808</b>	<b>331 808</b>	<b>331 808</b>
B	MP321 Thaba Chweu	109 896	123 859	137 221	137 221	137 221	137 221	447 689	494 138	534 377	534 377	534 377	534 377
B	MP324 Nkomazi	447 689	494 138	534 377	534 377	534 377	534 377	586 020	621 740	663 247	663 247	663 247	663 247
B	MP326 Boshuikridge	586 020	621 740	663 247	663 247	663 247	663 247	1 826 958	2 012 600	2 182 979	2 182 979	2 182 979	2 182 979
<b>Total: Ehlanzeni District Municipality</b>		<b>1 826 958</b>	<b>2 012 600</b>	<b>2 182 979</b>	<b>2 182 979</b>	<b>2 182 979</b>	<b>2 182 979</b>	<b>155 605</b>	<b>159 687</b>	<b>164 557</b>	<b>164 557</b>	<b>164 557</b>	<b>164 557</b>
<b>Total: Mpumalanga Municipalities</b>													
<b>Total: Mpumalanga Municipalities</b>		<b>3 916 277</b>	<b>4 288 733</b>	<b>4 660 008</b>	<b>4 660 008</b>	<b>4 660 008</b>	<b>4 660 008</b>	<b>732 624</b>	<b>751 843</b>	<b>774 771</b>	<b>774 771</b>	<b>774 771</b>	<b>774 771</b>

**APPENDIX W1  
 (EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SHARE ALLOCATIONS TO MUNICIPALITIES +  
 BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

Category	Municipality	Equitable Share Formula		RSC Levies Replacement		Special Support for Councilor Remuneration and Ward Committees		BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES						
		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	
		(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	
<b>NORTHERN CAPE</b>														
B	NC061 Richtersveld	12 060	12 613					1 438	1 508					
B	NC062 Nama-Khoi	34 868	37 002	39 095		3 450	3 618	3 797	1 581					
B	NC064 Komsberg	16 737	17 916	18 974		1 840	1 930	2 024	1 581					
B	NC065 Hanam	15 131	16 353	17 639		1 547	1 623	1 703	1 581					
B	NC066 Karoo Hoogland	14 114	15 245	16 472		1 438	1 508	1 581	1 581					
D-CO	Namaqualand District Municipality	5 983	5 741	5 741		5 353	5 353	5 353	1 581					
<b>Total: Northern Cape Municipalities</b>		<b>117 852</b>	<b>124 063</b>	<b>133 372</b>	<b>27 049</b>	<b>27 759</b>	<b>28 665</b>	<b>28 665</b>	<b>14 952</b>					
B	NC071 Uhanu	24 379	26 359	28 226		1 438	1 508	1 581	1 581					
B	NC072 Umsobomvu	34 415	36 965	39 909		2 243	2 352	2 467	2 467					
B	NC073 Enabeni	33 150	33 690	36 253		3 047	3 196	3 354	3 354					
B	NC074 Kareeborg	17 481	19 031	20 421		1 438	1 508	1 581	1 581					
B	NC075 Rensoberg	17 186	18 313	19 509		1 547	1 623	1 703	1 703					
B	NC076 Rensoberg	17 186	18 313	19 509		1 547	1 623	1 703	1 703					
B	NC077 Sisoni	21 809	25 730	27 794		1 840	1 920	2 002	2 002					
B	NC078 Sisoni	37 312	37 848	39 813		2 645	2 774	2 911	2 911					
D-C7	Pholeby Ka-Seme District Municipality	14 714	15 593	16 336		3 039	3 215	3 402	3 402					
<b>Total: Pletky Ka-Seme Municipalities</b>		<b>220 369</b>	<b>232 631</b>	<b>248 540</b>	<b>18 071</b>	<b>18 545</b>	<b>19 111</b>	<b>18 784</b>	<b>19 729</b>	<b>20 726</b>				
B	NC082 Ikai-Gamb	50 935	53 925	58 319		3 852	4 040	4 240	4 240					
B	NC084 Ikhebe	18 676	19 736	20 821		1 547	1 623	1 703	1 703					
B	NC085 Kamshabane	16 420	17 481	18 542		1 438	1 508	1 581	1 581					
B	NC086 Kaniyobane	16 420	17 481	18 542		1 438	1 508	1 581	1 581					
B	NC087 Kaniyobane	65 789	64 711	70 663		5 918	6 206	6 510	6 510					
D-C8	Z.F. Mgijima District Municipality	12 373	12 983	13 633		3 302	3 433	3 553	3 553					
<b>Total: Z.F. Mgijima Municipalities</b>		<b>189 609</b>	<b>198 973</b>	<b>215 793</b>	<b>35 302</b>	<b>36 229</b>	<b>37 333</b>	<b>38 759</b>	<b>39 704</b>	<b>40 765</b>				
B	NC091 Sol Plaatje	144 171	146 972	159 833		2 645	2 774	2 911	2 911					
B	NC092 Dikgatlong	57 734	61 994	66 189		2 645	2 774	2 911	2 911					
B	NC093 Dikgatlong	57 734	61 994	66 189		2 645	2 774	2 911	2 911					
B	NC094 Phokeng	75 668	79 473	84 000		5 639	5 815	6 002	6 002					
D-C9	Franses Baard District Municipality	8 176	8 568	9 049		96 458	104 049	107 222	107 222					
<b>Total: Franses Baard Municipalities</b>		<b>319 991</b>	<b>331 568</b>	<b>365 514</b>	<b>96 458</b>	<b>104 049</b>	<b>107 222</b>	<b>110 814</b>	<b>114 819</b>	<b>118 937</b>				
B	NC451 Joe Molebane	108 753	116 413	122 991		6 315	6 629	6 961	6 961					
B	NC452 Gae-Segonyane	112 255	125 532	137 404		5 188	5 409	5 674	5 674					
B	NC453 Gamaqosha	26 853	28 957	30 854		2 499	2 620	2 741	2 741					
D-C10	Joe Molebane District Municipality	27 445	29 867	31 685		34 383	35 845	38 513	38 513					
<b>Total: Joe Molebane District Municipalities</b>		<b>272 445</b>	<b>298 367</b>	<b>322 685</b>	<b>34 383</b>	<b>35 285</b>	<b>38 513</b>	<b>41 731</b>	<b>43 211</b>	<b>45 142</b>				
<b>Total: Northern Cape Municipalities</b>		<b>1 120 336</b>	<b>1 185 602</b>	<b>1 275 904</b>	<b>211 263</b>	<b>221 867</b>	<b>230 784</b>	<b>236 548</b>	<b>243 462</b>	<b>250 337</b>				
<b>NORTH WEST</b>														
B	NW371 Moretele	254 028	273 830	289 714		9 877	10 359	10 869	10 869					
B	NW372 Mafeking	506 149	576 167	638 352										
B	NW373 Rustenburg	451 980	521 872	585 878		2 879	3 018	3 165	3 165					
B	NW374 Kgatelopele	59 615	65 588	71 143		12 916	13 546	14 214	14 214					
B	NW375 Moseke	320 349	343 390	364 603		11 986	12 516	13 046	13 046					
D-C7	Botlhaba District Municipality	60 179	65 467	70 060		231 568	237 643	244 890	244 890					
<b>Total: Botlhaba District Municipalities</b>		<b>1 652 300</b>	<b>1 846 314</b>	<b>2 019 750</b>	<b>231 568</b>	<b>237 643</b>	<b>244 890</b>	<b>250 888</b>	<b>257 810</b>	<b>264 780</b>				
B	NW381 Rietbos	91 229	95 744	100 050		5 632	5 910	6 204	6 204					
B	NW382 Tsoelike	80 174	84 395	88 798		5 538	5 807	6 092	6 092					
B	NW383 Mafeking	178 390	191 051	202 578		3 709	3 984	4 181	4 181					
B	NW384 Ramatsoela	89 941	94 228	99 879		3 419	3 586	3 762	3 762					
B	NW385 Ramatsoela	118 921	126 503	133 134		9 117	9 562	10 033	10 033					
D-C8	Naga Medira Molema District Municipality	395 843	435 122	471 993		167 708	173 718	180 051	180 051					
<b>Total: Naga Medira Molema District Municipalities</b>		<b>984 408</b>	<b>1 027 042</b>	<b>1 096 432</b>	<b>155 472</b>	<b>167 708</b>	<b>173 718</b>	<b>180 051</b>	<b>180 051</b>	<b>186 388</b>				
B	NW392 Naledi	37 402	39 366	41 822		3 709	3 984	4 181	4 181					
B	NW393 Mmasisa	41 743	44 674	47 424		3 419	3 586	3 762	3 762					
B	NW394 Greater Tlokweng	155 437	164 566	171 951		3 218	3 377	3 545	3 545					
B	NW396 Letlamo-Tsemane	36 042	38 626	41 132		5 538	5 807	6 092	6 092					
B	NW397 Kgaisano-Molopo	94 108	98 956	103 254		4 914	5 115	5 329	5 329					
D-C9	Dr. Ruth Segamsoe District Municipality	241 570	267 644	287 173		38 401	39 209	40 021	40 021					
<b>Total: Dr. Ruth Segamsoe District Municipalities</b>		<b>606 302</b>	<b>653 832</b>	<b>694 756</b>	<b>38 509</b>	<b>38 401</b>	<b>39 209</b>	<b>40 021</b>	<b>40 021</b>	<b>41 842</b>				
B	NW403 City of Mmase	342 855	352 222	361 749		4 179	4 383	4 599	4 599					
B	NW404 Mmase Hills	89 843	94 209	100 191										
B	NW405 Mmase Hills	187 900	210 644	232 712		158 323	158 323	158 323	158 323					
D-C10	Dr. Kenneth Kaunda District Municipality	19 609	19 956	20 607		149 710	153 637	158 323	158 323					
<b>Total: Dr. Kenneth Kaunda District Municipalities</b>		<b>640 297</b>	<b>677 071</b>	<b>735 719</b>	<b>149 710</b>	<b>153 637</b>	<b>158 323</b>	<b>163 656</b>	<b>163 656</b>	<b>169 171</b>				
<b>Total: North West Municipalities</b>		<b>3 853 397</b>	<b>4 204 260</b>	<b>4 546 657</b>	<b>572 349</b>	<b>597 389</b>	<b>628 178</b>	<b>658 644</b>	<b>689 644</b>	<b>720 960</b>				



**APPENDIX W2**

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND  
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**

**(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES  
AUTHORISED FOR SERVICES)**

**(National and Municipal Financial Years)**

**APPENDIX W2**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**  
**BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES**

Municipality	SCHEDULE 5, PART B				SCHEDULE 6, PART B			
	Breakdown of MIG allocations for district municipalities authorised for services				Breakdown of WSIG allocations for district municipalities authorised for services			
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	National and Municipal Financial Year 2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	National and Municipal Financial Year 2018/19 (R'000)
<b>EASTERN CAPE</b>								
B EC121 Mbashe	151 696	163 815	173 968	13 000	24 500	30 000		
B EC122 Mquma	141 261	152 546	162 001	13 000	24 500	25 000		
B EC123 Great Kei	8 682	9 376	9 957	17 000	15 982	12 000		
B EC124 Amathlathl	34 055	36 775	39 055	31 000	40 000	22 000		
B EC126 Ngqushwa	27 856	30 081	31 946	20 000	35 000	29 000		
B EC129 EC129	44 185	47 715	50 673	25 190	25 000	28 000		
C DC12 Amathole District Municipality	<b>407 735</b>	<b>440 308</b>	<b>467 600</b>	<b>119 190</b>	<b>164 982</b>	<b>146 000</b>		
<b>Total: Amathole Municipalities</b>								
B EC131 Inxuba Yethemba	5 053	5 591	5 937	30 000	25 000	23 000		
B EC135 Intsika Yethu	83 453	92 317	98 039	25 000	23 000	26 000		
B EC136 Emalahlani	42 124	46 598	49 486	18 000	29 000	24 000		
B EC137 Engcobo	77 255	85 461	90 758	15 000	31 000	27 264		
B EC138 Sakhisizwe	18 738	20 728	22 013	10 000	34 000	28 000		
B EC139 EC139	39 919	44 159	46 895	3 597	26 639	29 000		
C DC13 Chris Hani District Municipality	<b>266 542</b>	<b>294 854</b>	<b>313 128</b>	<b>101 597</b>	<b>168 639</b>	<b>157 264</b>		
<b>Total: Chris Hani Municipalities</b>								
B EC141 Elundini	80 421	86 846	92 228	33 000	25 400	38 000		
B EC142 Senqu	55 506	59 941	63 655	26 000	27 000	41 200		
B EC145 EC145	10 674	11 527	12 242	12 828	32 000	44 200		
C DC14 Joe Gqabi District Municipality	<b>146 601</b>	<b>158 314</b>	<b>168 125</b>	<b>71 828</b>	<b>84 400</b>	<b>123 400</b>		
<b>Total: Joe Gqabi Municipalities</b>								
B EC153 Ngquzu Hill	136 436	147 335	156 466	22 000	24 000	20 000		
B EC154 Port St Johns	77 550	83 745	88 935	19 739	20 000	17 000		
B EC155 Nyandeni	139 701	150 861	160 211	22 000	23 000	21 000		
B EC156 Mhlonlo	87 782	94 795	100 670	27 000	25 000	24 000		
B EC157 King Sabata Dalindyebo	162 631	175 623	186 507	19 000	17 837	18 000		
C DC15 O.R. Tambo District Municipality	<b>604 100</b>	<b>652 359</b>	<b>692 789</b>	<b>109 739</b>	<b>109 837</b>	<b>100 000</b>		
<b>Total: O.R. Tambo Municipalities</b>								
B EC441 Matatiele	86 780	93 712	99 520	26 000	38 000	28 000		
B EC442 Umzimvubu	88 035	95 068	100 960	23 000	39 000	20 000		
B EC443 Mbrizana	127 572	137 763	146 301	22 171	38 000	29 000		
B EC444 Ntabankulu	54 111	58 434	62 055	30 000	36 741	28 000		
C DC44 Alfred Nzo District Municipality	<b>356 498</b>	<b>384 977</b>	<b>408 836</b>	<b>101 171</b>	<b>151 741</b>	<b>105 000</b>		
<b>Total: Alfred Nzo Municipalities</b>								
<b>Total: Eastern Cape Municipalities</b>	<b>1 781 476</b>	<b>1 930 812</b>	<b>2 050 478</b>	<b>503 525</b>	<b>679 599</b>	<b>631 664</b>		

**APPENDIX W2**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**  
**BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES**

		SCHEDULE 5, PART B				SCHEDULE 6, PART B				
		Breakdown of MIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		
Municipality		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>KWAZULU-NATAL</b>										
A	ETH eThekweni									
B	KZN212 KZN212	41 868	45 115	47 911	24 213	32 000	34 000			
B	KZN213 Umzumbi	73 924	79 656	84 593	8 000	31 000	36 000			
B	KZN214 uMuziwabantu	33 250	35 828	38 049	12 000	27 372	37 000			
B	KZN216 KZN216	79 821	86 011	91 341	29 000	40 000	38 000			
C	DC21 Ugu District Municipality									
	<b>Total: Ugu Municipalities</b>	<b>228 863</b>	<b>246 610</b>	<b>261 894</b>	<b>73 213</b>	<b>130 372</b>	<b>145 000</b>			
B	KZN221 uMshwathi	26 441	28 553	30 323	14 735	30 000	23 000			
B	KZN222 uMngeni	17 786	19 207	20 397	7 000	6 000	18 000			
B	KZN223 Mpofoana	7 023	7 586	8 055	6 000	7 800	19 500			
B	KZN224 Impendle	10 088	10 894	11 569	9 000	6 000	22 500			
B	KZN225 Msunduzi									
B	KZN226 Mkhambathini	17 132	18 500	19 647	8 700	7 698	18 700			
B	KZN227 Richmond	16 159	17 450	18 532	4 800	5 500	21 000			
C	DC22 Ungungundlovu District Municipality									
	<b>Total: Ungungundlovu Municipalities</b>	<b>94 629</b>	<b>102 190</b>	<b>108 823</b>	<b>50 235</b>	<b>62 998</b>	<b>122 700</b>			
B	KZN235 Okhahlamba	41 691	45 022	47 812	22 000	43 000	23 000			
B	KZN237 KZN237	56 363	60 865	64 637	27 807	34 500	24 000			
B	KZN238 KZN238	75 452	81 480	86 530	32 000	75 000	46 000			
C	DC23 Uthukela District Municipality									
	<b>Total: Uthukela Municipalities</b>	<b>173 506</b>	<b>187 367</b>	<b>198 979</b>	<b>81 807</b>	<b>152 500</b>	<b>93 000</b>			
B	KZN241 Endumeni	8 784	9 537	10 128	13 111	34 000	29 000			
B	KZN242 Nqutu	45 254	49 133	52 178	23 000	39 000	27 000			
B	KZN244 Msinga	74 470	80 852	85 862	27 000	37 764	29 000			
B	KZN245 Umvoti	47 583	51 660	54 862	21 000	29 000	23 000			
C	DC24 Umzimvoti District Municipality									
	<b>Total: Umzimvoti Municipalities</b>	<b>176 091</b>	<b>191 182</b>	<b>203 030</b>	<b>84 111</b>	<b>139 764</b>	<b>108 000</b>			
B	KZN252 Newcastle				28 013	28 000	43 000			
B	KZN253 Emadlangeni	9 619	10 466	11 115	21 387	26 500	38 000			
B	KZN254 Dannhauser	24 996	27 198	28 884						
C	DC25 Amajuba District Municipality									
	<b>Total: Amajuba Municipalities</b>	<b>34 615</b>	<b>37 664</b>	<b>39 999</b>	<b>49 400</b>	<b>54 500</b>	<b>81 000</b>			



**APPENDIX W2**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**  
**BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES**

Municipality	SCHEDULE 5, PART B				SCHEDULE 6, PART B			
	Breakdown of MIG allocations for district municipalities authorised for services				Breakdown of WSIG allocations for district municipalities authorised for services			
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2018/19 (R'000)
<b>Total: Vhembe Municipalities</b>	<b>492 286</b>	<b>531 616</b>	<b>564 560</b>	<b>184 000</b>	<b>108 000</b>	<b>166 500</b>		
B LIM341 LIM341	26 913	29 065	30 865	50 000	20 000	38 000		
B LIM343 LIM343	179 410	193 743	205 749	45 000	35 000	48 000		
B LIM344 Makladdo	153 361	165 612	175 876	30 000	25 000	38 500		
B LIM345 LIM345	132 602	143 196	152 070	59 000	28 000	42 000		
C DC34 Vhembe District Municipality								
<b>Total: Capricorn Municipalities</b>	<b>238 401</b>	<b>235 226</b>	<b>249 804</b>	<b>133 000</b>	<b>102 800</b>	<b>125 542</b>		
B LIM471 Ephraim Mogale	45 111	48 715	51 734	31 000	11 000	33 542		
B LIM472 Elias Moseoledi	108 500	117 168	124 429	36 000	16 000	38 000		
B LIM473 Makhoduthamaga	123 749	133 635	141 917	32 000	19 000	29 000		
B LIM476 LIM476	175 623	189 654	201 407	34 000	18 000	25 000		
C DC47 Sekhukhune District Municipality								
<b>Total: Sekhukhune Municipalities</b>	<b>452 983</b>	<b>489 172</b>	<b>519 487</b>		<b>64 000</b>	<b>4 500</b>		
<b>Total: Limpopo Municipalities</b>	<b>1 617 576</b>	<b>1 724 586</b>	<b>1 831 462</b>	<b>494 000</b>	<b>384 088</b>	<b>449 542</b>		
<b>NORTH WEST</b>								
B NW381 Ratlou	46 600	50 322	53 441		4 000	4 500		
B NW382 Tswang	36 245	39 140	41 566					
B NW383 Mafikeng	104 710	113 075	120 083					
B NW384 Drusobola	43 543	47 021	49 936					
B NW385 Ramotshere Moiboa	54 100	58 422	62 043					
C DC38 Ngaka Modiri Molema District Municipality								
<b>Total: Ngaka Modiri Molema Municipalities</b>	<b>285 198</b>	<b>307 980</b>	<b>327 069</b>		<b>4 000</b>	<b>4 500</b>		
B NW392 Naledi	11 369	12 277	13 038					
B NW393 Marnisa	9 673	10 446	11 094					
B NW394 Greater Tleng	69 176	74 702	79 332					
B NW396 Lekwa-Teemane	4 129	4 460	4 735					
B NW397 Kagisano-Molopo	35 369	38 195	40 562					
C DC39 Dr Ruth Segomotsi Mompati District Municipality								
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>	<b>129 716</b>	<b>140 080</b>	<b>148 761</b>					
<b>Total: North West Municipalities</b>	<b>414 914</b>	<b>448 060</b>	<b>475 830</b>		<b>4 000</b>	<b>4 500</b>		
<b>WESTERN CAPE</b>								
<b>National Total</b>	<b>5 465 798</b>	<b>5 890 880</b>	<b>6 255 967</b>	<b>2 179 869</b>	<b>1 643 808</b>	<b>2 176 361</b>		<b>280 175</b>

**APPENDIX W3**

**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT**

**RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY**

**(National and Municipal Financial Years)**

**APPENDIX W3  
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT  
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY**

Category	Municipality	Project Name	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>					
B EC104	Makana Local Municipality	Makana Local Municipality - multi-purpose indoor facilities	13 000		
<b>Total: Sarah Baartman Municipalities</b>			<b>13 000</b>		
B EC137	Engcobo Local Municipality	Engcobo Local Municipality - Construction of four sport facilities	13 661		
<b>Total: Chris Hani Municipalities</b>			<b>13 661</b>		
B EC157	King Sabatha Dalindyebo Local Municipality		10 000		
<b>Total: OR Tambo Municipalities</b>			<b>10 000</b>		
B EC444	Ntabankulu Local Municipality	Ntabankulu Local Municipality - Mantlani sports field, Bhakubha Sports Field, Mbangwe	10 000		
<b>Total: Alfred Nzo Municipalities</b>			<b>10 000</b>		
<b>Total: Eastern Cape Municipalities</b>			<b>46 661</b>		
<b>FREE STATE</b>					
B FS163	Mohokare Local Municipality	Zastron/Itumeleng: Upgrading of Sports facility Zastron/Itumeleng: Upgrading of Sports facility	11 000		
<b>Total: Xhariep Municipalities</b>			<b>11 000</b>		
B FS182	Tokologo Local Municipality	Tokologo Local Municipality - Tshwaraganang township, upgrading of standium	10 000		
<b>Total: Lejweleputswa Municipalities</b>			<b>10 000</b>		
<b>Total: Free State Municipalities</b>			<b>21 000</b>		
<b>GAUTENG</b>					
B GT485	GT485	GT485 - Construction of a sport facility in Badirile within the Mothlakeng township	10 000		
<b>Total: West Rand Municipalities</b>			<b>10 000</b>		
<b>Total: Gauteng Municipalities</b>			<b>10 000</b>		
<b>KWAZULU-NATAL</b>					
B KZN227	Richmond Local Municipality	Richmond Local Municipality - Construction of the multi-purpose sport center in Richmond Local Municipality	15 000		
<b>Total: Umgungundlovu Municipalities</b>			<b>15 000</b>		
B KZN262	Phongola Local Municipality	Phongola Local Municipality - Construction of Ncotshane sport field	15 000		
<b>Total: Zululand Municipalities</b>			<b>15 000</b>		
B KZN433	Greater Kokstad Local Municipality	Greater Kokstad Local municipality - Construction of sport field	15 000		
<b>Total: Harry Gwala Municipalities</b>			<b>15 000</b>		
<b>Total: KwaZulu-Natal Municipalities</b>			<b>45 000</b>		
<b>LIMPOPO</b>					
B LIM331	Greater Giyani Local Municipality	Greater Giyani Local Municipality - Construction of 3 sport facilities	15 000		
B LIM335	Maruleng Local Municipality	Maruleng Local Municipality - Construction of Finale Balloon Village	4 000		
<b>Total: Mopani Municipalities</b>			<b>19 000</b>		
B LIM353	LIM353	LIM353 - Construction of a sport facility in Ramokgopa	9 000		
<b>Total: Capricon Municipalities</b>			<b>9 000</b>		
B LIM472	Elias Motsoaledi Local Municipality	Elias Motsoaledi Local Municipality - Upgrading of Hlogotlou Stadium	10 000		
<b>Total: Sekhukhune Municipalities</b>			<b>10 000</b>		
<b>Total: Limpopo Municipalities</b>			<b>38 000</b>		

<b>MPUMALANGA</b>					
B	MP301	Albert Luthuli Local Municipality	Chief Albert Luthuli Local Municipality - construction of the Silobela sport field	7 232	
B	MP302	Msukaligwa Local Municipality	Msukaligwa Local Municipality - Refurbishment of the Mpumalanga Stadium in Wesselton township and the combi courts	10 128	
B	MP305	Lekwa Local Municipality	Lekwa Local Municipality - Upgrading of the Sakhile combined sport facility	11 000	
<b>Total: Gert Sibande Municipalities</b>				<b>28 360</b>	
B	MP311	Victor Khanye Local Municipality	Victor Khanye Local Municipality - Upgrading of existing municipal facilities	6 600	
B	MP312	Emalahleni Local Municipality	Emalahleni Local Municipality - Construction of multi-purpose sports field	8 000	
<b>Total: Nkangala Municipalities</b>				<b>14 600</b>	
<b>Total: Mpumalanga Municipalities</b>				<b>42 960</b>	
<b>NORTHERN CAPE</b>					
B	NC064	Kamiesberg Local Municipality	Kamiesberg Local Municipality - Building a multi-purpose sport center	1 200	
B	NC067	Khai Ma Local Municipality	Khai Ma Local Municipality- Construction of a multi-purpose sport field	8 000	
<b>Total: Namakwa Municipalities</b>				<b>9 200</b>	
B	NC072	Umsobomvu Local Municipality	Umsobomvu Local Municipality - Noupoot Community Indoor Gym	6 500	
<b>Total: Pixley ka Seme Municipalities</b>				<b>6 500</b>	
B	NC453	Gamagara Local Municipality	Gamagara Local Municipality - Upgrading of Kathu multi-purpose sport facility	10 000	
<b>Total: John Taolo Gaetsewe Municipalities</b>				<b>10 000</b>	
<b>Total: Northern Cape Municipalities</b>				<b>25 700</b>	
<b>NORTH WEST</b>					
B	NW381	Ratlou Local Municipality	Ratlou Local Municipality - Upgrading of the Setlagole sport facility	15 000	
B	NW383	Mafikeng Local Municipality	Mafikeng Local Municipality - Lotlhakane community - new soccer field, combination-courts and athletic track	12 000	
<b>Total: Ngaka Modiri Molema Municipalities</b>				<b>27 000</b>	
B	NW293	Mamusa Local Municipality	Mamusa Local Municipality - Upgrading of Itelegeng sport facility	5 000	
B	NW396	Lekwa Teamane Municipality	Lekwa Teamane Municipality - Upgrade of Cristiana stadium, athletics track, combination-courts, tennis courts and indoor gym	11 500	
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>				<b>16 500</b>	
<b>Total: North West Municipalities</b>				<b>43 500</b>	
<b>WESTERN CAPE</b>					
B	WC012	Cederberg Local Municipality	Cederberg Local Municipality - Construction and upgrading of Clanwilliam sport fields	7 679	
<b>Total: West Coast Municipalities</b>				<b>7 679</b>	
B	WC034	Swellendam Local Municipality	Swellendam Local Municipality - Upgrading of Railton sport facility	7 000	
<b>Total: Eden Municipalities</b>				<b>7 000</b>	
B	WC053	Beaufort West Local Municipality	Beaufort West Local Municipality - Upgrading of Merweville Sport Grounds	12 500	
<b>Total: Central Karoo Municipalities</b>				<b>12 500</b>	
<b>Total: Western Cape Municipalities</b>				<b>27 179</b>	
<b>Unallocated</b>					<b>300 000</b>
<b>National Total</b>				<b>300 000</b>	<b>300 000</b>

**APPENDIX W4**

**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITIES**  
(National and Municipal Financial Years)

**APPENDIX W4**  
**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>					
A	BUF Buffalo City	1 512	1 188		
A	NMA Nelson Mandela Bay	1 842	8 496		
B	EC101 EC101	83	3 101		
B	EC102 Blue Crane Route	36	1 008		
B	EC104 Makana	56	1 000		
B	EC105 Ndlambe	62	1 000		
B	EC106 Sundays River Valley	59	1 000		
B	EC108 Kouga	71	1 057		
B	EC109 Kou-Kamma	38	1 000		
C	DC10 Sarah Baartman District Municipality	7	1 000		
<b>Total: Sarah Baartman Municipalities</b>		<b>412</b>	<b>10 166</b>		
B	EC121 Mbashe	126	1 144		
B	EC122 Mquma	137	1 000		
B	EC123 Great Kei	34	1 000		
B	EC124 Amahlathi	74	1 062		
B	EC126 Ngqushwa	56	1 000		
B	EC129 EC129	105	2 167		
C	DC12 Amathole District Municipality	934	2 297		
<b>Total: Amathole Municipalities</b>		<b>1 466</b>	<b>9 670</b>		
B	EC131 Inxuba Yethemba	42	1 479		
B	EC135 Intsika Yethu	93	1 311		
B	EC136 Emalahleni	76	1 415		
B	EC137 Engcobo	91	2 000		
B	EC138 Sakhisizwe	44	1 117		
B	EC139 EC139	154	4 079		
C	DC13 Chris Hani District Municipality	625	7 797		
<b>Total: Chris Hani Municipalities</b>		<b>1 125</b>	<b>19 198</b>		
B	EC141 Elundini	89	1 548		
B	EC142 Senqu	88	1 497		
B	EC145 EC145	64	2 438		
C	DC14 Joe Gqabi District Municipality	333	1 474		
<b>Total: Joe Gqabi Municipalities</b>		<b>574</b>	<b>6 957</b>		
B	EC153 Ngquza Hill	118	1 266		
B	EC154 Port St Johns	76	1 000		
B	EC155 Nyandeni	131	1 261		
B	EC156 Mhlontlo	96	1 232		
B	EC157 King Sabata Dalindyebo	186	1 699		
C	DC15 O.R.Tambo District Municipality	1 316	3 213		
<b>Total: O.R.Tambo Municipalities</b>		<b>1 923</b>	<b>9 671</b>		
B	EC441 Matatiele	111	1 790		
B	EC442 Umzimvubu	105	1 626		
B	EC443 Mbizana	105	1 084		
B	EC444 Ntabankulu	63	1 231		
C	DC44 Alfred Nzo District Municipality	808	6 006		
<b>Total: Alfred Nzo Municipalities</b>		<b>1 192</b>	<b>11 737</b>		
<b>Total: Eastern Cape Municipalities</b>		<b>10 046</b>	<b>77 083</b>		

**APPENDIX W4**  
**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>FREE STATE</b>					
A	MAN Mangaung	1 526	5 151		
B	FS161 Letsemeng	42	1 000		
B	FS162 Kopanong	50	1 155		
B	FS163 Mohokare	44	1 000		
C	DC16 Xhariep District Municipality	7	1 053		
<b>Total: Xhariep Municipalities</b>		<b>143</b>	<b>4 208</b>		
B	FS181 Masilonyana	57	1 147		
B	FS182 Tokologo	40	1 032		
B	FS183 Tswelopele	40	1 000		
B	FS184 Matjhabeng	248	1 131		
B	FS185 Nala	67	1 000		
C	DC18 Lejweleputswa District Municipality	7	1 000		
<b>Total: Lejweleputswa Municipalities</b>		<b>459</b>	<b>6 310</b>		
B	FS191 Setsoto	109	1 908		
B	FS192 Dihlabeng	85	1 000		
B	FS193 Nketoana	58	1 023		
B	FS194 Maluti-a-Phofung	380	7 650		
B	FS195 Phumelela	49	1 000		
B	FS196 Mantsopa	47	1 000		
C	DC19 Thabo Mofutsanyana District Municipality	8	1 120		
<b>Total: Thabo Mofutsanyana Municipalities</b>		<b>736</b>	<b>14 701</b>		
B	FS201 Moqhaka	88	1 000		
B	FS203 Ngwathe	92	1 078		
B	FS204 Metsimaholo	97	1 060		
B	FS205 Mafube	52	1 000		
C	DC20 Fezile Dabi District Municipality				
<b>Total: Fezile Dabi Municipalities</b>		<b>329</b>	<b>4 138</b>		
<b>Total: Free State Municipalities</b>		<b>3 193</b>	<b>34 508</b>		
<b>GAUTENG</b>					
A	EKU Ekurhuleni	4 031	22 125		
A	JHB City of Johannesburg	3 971	47 613		
A	TSH City of Tshwane	3 501	50 247		
B	GT421 Emfuleni	358	2 528		
B	GT422 Midvaal	73	1 279		
B	GT423 Lesedi	61	1 238		
C	DC42 Sedibeng District Municipality	7	1 000		
<b>Total: Sedibeng Municipalities</b>		<b>499</b>	<b>6 045</b>		
B	GT481 Mogale City	214	1 089		
B	GT484 Merafong City	127	1 424		
B	GT485 GT485	192	2 927		
C	DC48 West Rand District Municipality	9	1 305		
<b>Total: West Rand Municipalities</b>		<b>542</b>	<b>6 745</b>		
<b>Total: Gauteng Municipalities</b>		<b>12 544</b>	<b>132 775</b>		

**APPENDIX W4**  
**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED**  
**GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>KWAZULU-NATAL</b>					
A	ETH eThekweni	4 213	49 478		
B	KZN212 KZN212	94	2 038		
B	KZN213 Umzumbe	79	1 083		
B	KZN214 uMuziwabantu	55	1 129		
B	KZN216 KZN216	152	2 660		
C	DC21 Ugu District Municipality	534	1 788		
<b>Total: Ugu Municipalities</b>		<b>914</b>	<b>8 698</b>		
B	KZN221 uMshwathi	65	1 313		
B	KZN222 uMngeni	55	1 317		
B	KZN223 Mpofana	32	1 000		
B	KZN224 Impendle	35	1 443		
B	KZN225 Msunduzi	449	6 809		
B	KZN226 Mkhambathini	43	1 253		
B	KZN227 Richmond	46	1 277		
C	DC22 Umgungundlovu District Municipality	236	2 094		
<b>Total: Umgungundlovu Municipalities</b>		<b>961</b>	<b>16 506</b>		
B	KZN235 Okhahlamba	77	2 934		
B	KZN237 KZN237	101	2 328		
B	KZN238 KZN238	168	4 906		
C	DC23 Uthukela District Municipality	401	3 169		
<b>Total: Uthukela Municipalities</b>		<b>747</b>	<b>13 337</b>		
B	KZN241 Endumeni	39	1 127		
B	KZN242 Nqutu	72	1 337		
B	KZN244 Msinga	93	2 095		
B	KZN245 Umvoti	71	2 373		
C	DC24 Umzinyathi District Municipality	399	2 350		
<b>Total: Umzinyathi Municipalities</b>		<b>674</b>	<b>9 282</b>		
B	KZN252 Newcastle	253	3 173		
B	KZN253 Emadlangeni	28	1 284		
B	KZN254 Dannhauser	51	1 119		
C	DC25 Amajuba District Municipality	94	1 497		
<b>Total: Amajuba Municipalities</b>		<b>426</b>	<b>7 073</b>		
B	KZN261 eDumbe	43	1 000		
B	KZN262 uPhongolo	78	3 021		
B	KZN263 Abaqulusi	83	1 398		
B	KZN265 Nongoma	71	1 102		
B	KZN266 Ulundi	69	1 000		
C	DC26 Zululand District Municipality	488	3 624		
<b>Total: Zululand Municipalities</b>		<b>832</b>	<b>11 145</b>		
B	KZN271 Umhlabuyalingana	85	2 277		
B	KZN272 Jozini	97	3 338		
B	KZN275 Mtubatuba	73	1 408		
B	KZN276 KZN276	78	3 545		
C	DC27 Umkhanyakude District Municipality	450	1 293		
<b>Total: Umkhanyakude Municipalities</b>		<b>783</b>	<b>11 861</b>		
B	KZN281 Mfolozi	62	1 649		
B	KZN282 KZN282	244	5 061		
B	KZN284 uMlalazi	102	2 924		
B	KZN285 KZN285	36	2 161		
B	KZN286 Nkandla	57	2 149		
C	DC28 uThungulu District Municipality	404	5 466		
<b>Total: Uthungulu Municipalities</b>		<b>905</b>	<b>19 410</b>		
B	KZN291 Mandeni	85	2 055		
B	KZN292 KwaDukuza	113	1 285		
B	KZN293 Ndwedwe	72	1 791		
B	KZN294 Maphumulo	53	1 261		
C	DC29 iLembe District Municipality	409	1 850		
<b>Total: iLembe Municipalities</b>		<b>732</b>	<b>8 242</b>		
B	KZN433 Greater Kokstad	46	1 619		
B	KZN434 Ubuhlebezwe	64	1 985		
B	KZN435 Umzimkhulu	97	1 299		
B	KZN436 KZN436	81	2 191		
C	DC43 Harry Gwala District Municipality	23	3 364		
<b>Total: Harry Gwala Municipalities</b>		<b>311</b>	<b>10 458</b>		
<b>Total: KwaZulu-Natal Municipalities</b>		<b>11 498</b>	<b>165 490</b>		

**APPENDIX W4  
APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED  
GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>LIMPOPO</b>					
B	LIM331 Greater Giyani	131	1 158		
B	LIM332 Greater Letaba	125	1 405		
B	LIM333 Greater Tzaneen	204	1 949		
B	LIM334 Ba-Phalaborwa	72	1 000		
B	LIM335 Maruleng	61	1 000		
C	DC33 Mopani District Municipality	946	1 943		
<b>Total: Mopani Municipalities</b>		<b>1 539</b>	<b>8 455</b>		
B	LIM341 LIM341	79	1 879		
B	LIM343 LIM343	324	2 986		
B	LIM344 Makhado	244	1 281		
B	LIM345 LIM345				
C	DC34 Vhembe District Municipality	1 080	3 462		
<b>Total: Vhembe Municipalities</b>		<b>1 727</b>	<b>9 608</b>		
B	LIM351 LIM351	119	1 808		
B	LIM353 LIM353	96	1 382		
B	LIM354 LIM354	641	5 975		
B	LIM355 Lepele-Nkumpi	118	1 295		
C	DC35 Capricorn District Municipality	565	2 922		
<b>Total: Capricorn Municipalities</b>		<b>1 539</b>	<b>13 382</b>		
B	LIM361 Thabazimbi	75	2 070		
B	LIM362 Lephalale	85	1 215		
B	LIM366 Bela-Bela	55	1 082		
B	LIM367 Mogalakwena	314	2 073		
B	LIM368 LIM368	97	2 302		
C	DC36 Waterberg District Municipality	7	1 102		
<b>Total: Waterberg Municipalities</b>		<b>633</b>	<b>9 844</b>		
B	LIM471 Ephraim Mogale	76	1 258		
B	LIM472 Elias Motoaledi	118	1 095		
B	LIM473 Makhuduthamaga	135	1 505		
B	LIM476 LIM476	196	2 121		
C	DC47 Sekhukhune District Municipality	984	1 539		
<b>Total: Sekhukhune Municipalities</b>		<b>1 509</b>	<b>7 518</b>		
<b>Total: Limpopo Municipalities</b>		<b>6 947</b>	<b>48 807</b>		
<b>MPUMALANGA</b>					
B	MP301 Albert Luthuli	198	3 304		
B	MP302 Msukaligwa	115	1 376		
B	MP303 Mkhondo	174	2 452		
B	MP304 Pixley Ka Seme	64	1 702		
B	MP305 Lekwa	65	1 012		
B	MP306 Dipaleseng	48	1 510		
B	MP307 Govan Mbeki	134	2 568		
C	DC30 Gert Sibande District Municipality	21	3 113		
<b>Total: Gert Sibande Municipalities</b>		<b>819</b>	<b>17 037</b>		
B	MP311 Victor Khanye	64	2 040		
B	MP312 Emalahleni	261	2 891		
B	MP313 Steve Tshwete	114	2 103		
B	MP314 Emakhazeni	45	1 217		
B	MP315 Thembisile Hani	264	2 244		
B	MP316 Dr JS Moroka	282	4 257		
C	DC31 Nkangala District Municipality	16	2 318		
<b>Total: Nkangala Municipalities</b>		<b>1 046</b>	<b>17 070</b>		
B	MP321 Thaba Chweu	108	1 683		
B	MP324 Nkomazi	500	5 917		
B	MP325 Bushbuckridge	792	3 780		
B	MP326 MP326	727	5 686		
C	DC32 Ehlanzeni District Municipality	15	2 274		
<b>Total: Ehlanzeni Municipalities</b>		<b>2 142</b>	<b>19 340</b>		
<b>Total: Mpumalanga Municipalities</b>		<b>4 007</b>	<b>53 447</b>		

**APPENDIX W4**  
**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>NORTHERN CAPE</b>					
B	NC061 Richtersveld	22	1 000		
B	NC062 Nama Khoi	36	1 000		
B	NC064 Kamiesberg	36	1 000		
B	NC065 Hantam	28	1 127		
B	NC066 Karoo Hoogland	23	1 000		
B	NC067 Khâi-Ma	23	1 000		
C	DC6 Namakwa District Municipality	7	1 000		
<b>Total: Namakwa Municipalities</b>		<b>175</b>	<b>7 127</b>		
B	NC071 Ubuntu	27	1 000		
B	NC072 Umsobomvu	30	1 000		
B	NC073 Emthanjeni	32	1 000		
B	NC074 Kareeberg	23	1 000		
B	NC075 Renosterberg	22	1 000		
B	NC076 Thembelihle	26	1 000		
B	NC077 Siyathemba	27	1 000		
B	NC078 Siyancuma	41	1 000		
C	DC7 Pixley Ka Seme District Municipality	7	1 000		
<b>Total: Pixley Ka Seme Municipalities</b>		<b>235</b>	<b>9 000</b>		
B	NC082 !Kai !Garib	52	1 000		
B	NC084 !Kheis	29	1 000		
B	NC085 Tsantsabane	38	1 000		
B	NC086 Kgatelopele	23	1 000		
B	NC087 NC087	61	2 000		
C	DC8 Z.F. Mgcawu District Municipality	7	1 000		
<b>Total: Siyanda Municipalities</b>		<b>210</b>	<b>7 000</b>		
B	NC091 Sol Plaatje	138	5 574		
B	NC092 Dikgatlong	46	1 000		
B	NC093 Magareng	30	1 000		
B	NC094 Phokwane	60	1 037		
C	DC9 Frances Baard District Municipality	7	1 000		
<b>Total: Frances Baard Municipalities</b>		<b>281</b>	<b>9 611</b>		
B	NC451 Joe Morolong	129	1 050		
B	NC452 Ga-Segonyana	116	1 000		
B	NC453 Gamagara	31	1 000		
C	DC45 John Taolo Gaetsewe District Municipality	7	1 000		
<b>Total: John Taolo Gaetsewe Municipalities</b>		<b>283</b>	<b>4 050</b>		
<b>Total: Northern Cape Municipalities</b>		<b>1 184</b>	<b>36 788</b>		
<b>NORTH WEST</b>					
B	NW371 Moretele	242	4 228		
B	NW372 Madibeng	543	1 545		
B	NW373 Rustenburg	453	4 219		
B	NW374 Kgetlengrivier	60	1 737		
B	NW375 Moses Kotane	2 852	2 735		
C	DC37 Bojanala Platinum District Municipality	10	1 557		
<b>Total: Bojanala Platinum Municipalities</b>		<b>4 160</b>	<b>16 021</b>		
B	NW381 Ratlou	69	1 433		
B	NW382 Tswaing	68	1 330		
B	NW383 Mafikeng	149	3 672		
B	NW384 Ditsobotla	81	1 038		
B	NW385 Ramotshere Moiloa	82	1 104		
C	DC38 Ngaka Modiri Molema District Municipality	628	1 601		
<b>Total: Ngaka Modiri Molema Municipalities</b>		<b>1 077</b>	<b>10 178</b>		
B	NW392 Naledi	47	1 884		
B	NW393 Mamusa	39	1 078		
B	NW394 Greater Taung	105	1 352		
B	NW396 Lekwa-Teemane	37	1 000		
B	NW397 Kagisano-Molopo	68	1 025		
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	301	2 273		
<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>		<b>597</b>	<b>8 612</b>		
B	NW403 City of Matlosana	188	1 656		
B	NW404 Maquassi Hills	64	1 083		
B	NW405 NW405	168	3 421		
C	DC40 Dr Kenneth Kaunda District Municipality	10	1 479		
<b>Total: Dr Kenneth Kaunda Municipalities</b>		<b>430</b>	<b>7 639</b>		
<b>Total: North West Municipalities</b>		<b>6 264</b>	<b>42 450</b>		

**APPENDIX W4**  
**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED**  
**GRANT FOR MUNICIPALITIES**

Category	Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
		2016/17 FTE Performance Target	National and Municipal Financial Year		
			2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>WESTERN CAPE</b>					
A	CPT City of Cape Town	3 140	31 740		
B	WC011 Matzikama	50	1 119		
B	WC012 Cederberg	39	1 000		
B	WC013 Bergrivier	37	1 141		
B	WC014 Saldanha Bay	46	1 071		
B	WC015 Swartland	53	1 460		
C	DC1 West Coast District Municipality	7	1 036		
<b>Total: West Coast Municipalities</b>		<b>232</b>	<b>6 827</b>		
B	WC022 Witzenberg	54	1 336		
B	WC023 Drakenstein	80	1 352		
B	WC024 Stellenbosch	84	1 758		
B	WC025 Breede Valley	79	1 291		
B	WC026 Langeberg	56	1 759		
C	DC2 Cape Winelands District Municipality	7	1 000		
<b>Total: Cape Winelands Municipalities</b>		<b>360</b>	<b>8 496</b>		
B	WC031 Theewaterskloof	60	1 104		
B	WC032 Overstrand	57	1 922		
B	WC033 Cape Agulhas	30	1 210		
B	WC034 Swellendam	32	1 177		
C	DC3 Overberg District Municipality	7	1 000		
<b>Total: Overberg Municipalities</b>		<b>186</b>	<b>6 413</b>		
B	WC041 Kannaland	28	1 000		
B	WC042 Hessequa	35	1 088		
B	WC043 Mossel Bay	61	1 839		
B	WC044 George	108	4 014		
B	WC045 Oudtshoorn	60	2 448		
B	WC047 Bitou	54	1 869		
B	WC048 Knysna	60	1 292		
C	DC4 Eden District Municipality	7	1 000		
<b>Total: Eden Municipalities</b>		<b>413</b>	<b>14 550</b>		
B	WC051 Laingsburg	20	1 000		
B	WC052 Prince Albert	22	1 000		
B	WC053 Beaufort West	39	1 617		
C	DC5 Central Karoo District Municipality	7	1 000		
<b>Total: Central Karoo Municipalities</b>		<b>88</b>	<b>4 617</b>		
<b>Total: Western Cape Municipalities</b>		<b>4 419</b>	<b>72 643</b>		
<b>Unallocated:</b>				716 427	757 980
<b>National Total</b>		<b>60 102</b>	<b>663 991</b>	<b>716 427</b>	<b>757 980</b>

**APPENDIX W5**

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT  
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER  
PROJECT**

(National and Municipal Financial Years)

**APPENDIX W5  
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT  
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	SCHEDULE 5, PART B					SCHEDULE 6, PART B		
					National and Municipal Financial Year					National and Municipal Financial Year		
					2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)		
<b>EASTERN CAPE</b>												
ECR038	Grand-Reinet Emergency Water Supply Scheme	B	EC101	EC101								
ECR047	James Kleyhans Bulk Water Supply	B	DC10	Makana Local Municipality								
ECR037	Ndlambe Dam/ Albany Coast BWS (Grahanstown& Port Alfred Augmentation)	B	EC105	Ndlame Local Municipality								
ECR024	Sundays River - Paterson Bulk Water Supply	B	EC106	Sundays River Valley Local Municipality								
ECR039	Steylerville Water Supply Scheme	B	EC107	EC101								
ECR042	Ikwezi Bulk Water Supply	B	EC101	EC101								
ECR043	Kirkwood Water Treatment Works	B	EC106	Sundays River Valley Local Municipality								
ECR041	Misgund Bulk Water Supply	B	EC109	Koukamma Local Municipality								
EC NEW	Belmont WWTW	B	EC104	Makana Local Municipality								
EC NEW	Mayfield WWTW	B	EC104	Makana Local Municipality								
<b>Total: Sarah Baartman Municipalities</b>												
ECR015	Xhosa East Water Supply	C	DC12	Amathole District Municipality								
ECR006	Ibika Water Supply	C	DC12	Amathole District Municipality								
<b>Total: Amathole Municipalities</b>												
ECR033	Cluster 4 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality								
ECR028	Cluster 6 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality								
ECR029	Cluster 9 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality								
ECR002	Xosha Bulk Water Supply	C	DC13	Chris Hani District Municipality								
EC129	Middleburg Ground Water Supply	C	DC13	Chris Hani District Municipality								
ECR005	Hofmeyr Ground Water Supply	C	DC13	Chris Hani District Municipality								
<b>Total: Chris Hani Municipalities</b>												
ECR046	Lady Grey BWS	C	DC13	Joe Gqabi District Municipality								
	Stekspann Waste Water Treatment Works	C	DC14	Joe Gqabi District Municipality								
<b>Total: Joe Gqabi Municipalities</b>												
ECR019	Coffee Bay Water Treatment Works	C	DC15	O.R. Tambo District Municipality								
ECR045	O.R. Tambo, Mthatha, King Sabata Dalinyebo Water Supply	C	DC15	O.R. Tambo District Municipality								
	O.R. Tambo, Mthatha, King Sabata Dalinyebo Water Treatment Works	C	DC15	O.R. Tambo District Municipality								
<b>Total: O.R. Tambo Municipalities</b>												
ECR001	Matatiele Bulk Water Supply Scheme	C	DC44	Alfred Nzo District Municipality								
ECR036	Mount Ayliff Bulk Water Supply Scheme	C	DC44	Alfred Nzo District Municipality								
EC NEW	Kinira Regional BWS	C	DC44	Alfred Nzo District Municipality								
ECR 044	Nabankulu Bulk Water Supply	C	DC44	Alfred Nzo District Municipality								
EC NEW	Mount Ayliff Bulk Peri Urban Water Supply	C	DC44	Alfred Nzo District Municipality								
EC NEW	Mkema Regional Bulk WSS	C	DC44	Alfred Nzo District Municipality								
ECR008	Mbizana Regional Bulk Water Supply	C	DC44	Alfred Nzo District Municipality								
<b>Total: Alfred Nzo Municipalities</b>												
<b>Total: Eastern Cape Municipalities</b>												
					563 943	569 106	525 001	575 565	473 570	485 380		

**APPENDIX W5**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT**  
**BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	SCHEDULE 5, PART B				SCHEDULE 6, PART B			
					2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)		
<b>FREE STATE</b>												
FSR002	Jagersfontein / Fauresmith Bulk Water Supply	B	FS162	Kopangang Local Municipality								
FSR005	Rouxville / Smithfield / Zastron Bulk Water Supply	B	FS163	Mohokare Local Municipality		23 000	13 436					
FSR032	Trompsburg bulk water	B	FS162	Kopangang Local Municipality		23 000	13 436				15 500	28 000
			<b>Total: Xhariep Municipalities</b>								<b>50 700</b>	<b>15 500</b>
FSR011	Masilonyana Bulk Water Supply	B	FS181	Masilonyana Local Municipality							32 000	35 302
FSR008	Tokologo Regional Water Supply 2	B	FS182	Tokologo Local Municipality		30 000	37 000				50 068	20 000
		B	FS183	Tswelopele Local Municipality							24 170	30 000
		B	FS185	Nala Local Municipality							5 282	60 000
FS038	Nala Bulk Sewer	B	FS184	Matjhabeng Local Municipality							10 000	35 000
FS040	Matjhabeng Bulk Sewer(W/ekom)	B	FS184	Matjhabeng Local Municipality							11 883	25 000
		B	FS181	Masilonyana Local Municipality							30 000	145 302
			<b>Total: Lejwelepotswa Municipalities</b>								<b>133 403</b>	<b>120 000</b>
FSR013	Sesoto Bulk Water Supply	B	FS191	Sesoto Local Municipality		45 000					25 997	30 000
FSR003	Dihlabeng Bulk Water Supply	B	FS192	Dihlabeng Local Municipality							40 000	31 785
FSR012	Nketoana Regional Water Supply	B	FS193	Nketoana Local Municipality							48 454	28 715
FSR007	Starkfontein Dam Bulk Water Supply	B	FS194	Matuli-a-Phofung Local Municipality		26 658					27 440	3 625
FSR006	Phumelani Bulk Water Supply	B	FS195	Phumelani Local Municipality							33 560	11 000
FSR015	Mantsopa- Tweespruit, Excelsior, Hobhouse Bulk Water Supply	B	FS196	Mantsopa Local Municipality							11 000	20 000
FSR041	Retz upgrading WWTP	B	FS193	Nketoana Local Municipality							3 000	3 000
FSR031	Mantsopa Bulk Sewer(Ladybrand)	B	FS193	Nketoana Local Municipality							15 000	22 000
			<b>Total: Tlhabo Mofutsanyana Municipalities</b>								<b>189 451</b>	<b>129 026</b>
			<b>Total: Free State Municipalities</b>								<b>30 715</b>	<b>488 554</b>
FSR010	Moqhaka Bulk Water Supply	B	FS201	Moqhaka Local municipality							30 000	33 888
FSR009	Moqhaka Bulk Sewer	B	FS201	Moqhaka Local municipality							15 000	41 340
		B	FS203	Ngwathe Local Municipality							20 000	25 000
		B	FS203	Ngwathe Local Municipality							30 000	49 500
FSR021	Navathe Bulk Sewer	B	FS205	Madibhe Local Municipality							10 000	15 223
FSR039	Frankfort Bulk Sewer	B	FS204	Matimholo Local Municipality							45 000	36 936
			<b>Total: Fezile Dabi Municipalities</b>								<b>115 000</b>	<b>145 469</b>
			<b>Total: Free State Municipalities</b>								<b>30 715</b>	<b>488 554</b>
			<b>Total: Free State Municipalities</b>								<b>124 658</b>	<b>409 995</b>
			<b>Total: Gauteng Municipalities</b>								<b>346 044</b>	<b>475 559</b>
<b>GAUTENG</b>												
GPR001	Sedibeng Waste Water Treatment Works	B	DC42	Sedibeng District Municipality							50 000	64 200
GPR005	Seokeng Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality							174 558	172 559
GPR008	Rohdeng pump station and raising main	B	GT422	Midvaal Local Municipality							21 442	33 500
GPR006	Meyerton Waste Water Treatment Works	B	GT422	Midvaal Local Municipality							49 500	53 000
			<b>Total: Sedibeng Municipalities</b>								<b>295 500</b>	<b>238 044</b>
GPR002	Westonaria Regional Bulk Sanitation (Zuurbekom)	B	GT485	GT485							15 000	80 000
GPR009	Mohlakeng pump station and sewer outfall	B	GT485	GT485							28 000	150 000
			<b>Total: West Rand Municipalities</b>								<b>51 000</b>	<b>108 000</b>
			<b>Total: Gauteng Municipalities</b>								<b>346 044</b>	<b>475 559</b>

**APPENDIX W5**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT**  
**BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	SCHEDULE 5, PART B				SCHEDULE 6, PART B		
					2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	
<b>BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT</b>											
<b>KWAZULU-NATAL</b>											
KNR013	Mhlathshane Bulk Water Supply	C DC21	Ugu District Municipality	Umzimbebe Local Municipality	12 776						
		<b>Total: Ugu Municipalities</b>			<b>12 776</b>						
KNR006	Greater Eson Water Scheme	C DC22	Umgungundlovu District Municipality	Mkhambathini Local Municipality							
		<b>Total: Umgungundlovu Municipalities</b>									
KNR020	Spionkop to Ladismith BWS	C DC22	Umkhanyakade District Municipality	KZN238	22 791	197 906					
KNR010	Driefontein Indleka Bulk Water Supply	C DC23	Umkhanyakade District Municipality	KZN238	80 000	79 629					
		<b>Total: Umkhanyakade Municipalities</b>			<b>80 000</b>	<b>197 906</b>					
KNR008	Greytown Regional Bulk Scheme	C DC24	Umzimvathi District Municipality	Umvoti Local Municipality	106 377	79 206	145 362				
		<b>Total: Umzimvathi Municipalities</b>			<b>106 377</b>	<b>79 206</b>	<b>145 362</b>				
KNR001	Nongoma Bulk Water Scheme	C DC26	Zululand District Municipality	Nongoma Local Municipality	80 357	60 322	23 200				
KNR002	Mandlakazi Bulk Water Supply	C DC26	Zululand District Municipality	uPhongolo & Nongoma Local Municipalities	27 654						
		<b>Total: Zululand Municipalities</b>			<b>108 011</b>	<b>60 322</b>	<b>23 200</b>				
KNR015	Pongolapoort Bulk Water Scheme	C DC27	Umkhanyakade District Municipality	Jozini Local Municipality			45 000				
KNR014	Dukaduku Resettlement	C DC27	Umkhanyakade District Municipality	Mubatshu KZN276 Local Municipalities			15 247				
		<b>Total: Umkhanyakade Municipalities</b>					<b>60 247</b>				
KNR005	Naszi Bulk Water Scheme	C DC28	uThungulu District Municipality	Mfolozi Local Municipality	162 227	56 409	63 716				
KNR016	Greater Mthonjaneni Bulk Water Supply	C DC28	uThungulu District Municipality	KZN285/Nkandla Local Municipalities	48 997	117 192	118 811				
		<b>Total: uThungulu Municipalities</b>			<b>211 224</b>	<b>173 601</b>	<b>182 527</b>				
KNR011	Ngecho Regional Water Bulk (Lower Tugela)	C DC29	ilembe District Municipality	Maphumulo Local Municipality		130 000					
KNR011	Ngecho Regional Water Bulk (Lower Tugela)	C DC29	ilembe District Municipality	Maphumulo Local Municipality		130 000	156 093				
		<b>Total: Ilembe Municipalities</b>				<b>130 000</b>	<b>156 093</b>				
KNR007	Greater Bulwer Dombrook Water Scheme	C DC43	Harry Gwala District Municipality	KZN436 and Ubhelebeze Local Municipality	60 000	100 000	38 718				
		<b>Total: Harry Gwala Municipalities</b>			<b>60 000</b>	<b>100 000</b>	<b>38 718</b>				
		<b>Total: KwaZulu-Natal Municipalities</b>			<b>578 388</b>	<b>645 549</b>	<b>587 713</b>	<b>216 340</b>		<b>20 140</b>	



**APPENDIX W5**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT**  
**BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	SCHEDULE 5, PART B				SCHEDULE 6, PART B			
				2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)		
<b>NORTHERN CAPE</b>											
NCR017	Bulk Water Supply to Porth Nolloth	B	NC061								
NCR012	Loerfontein Bulk Water Supply	B	NC065								
NCR027	Williston Bulk Water Supply	B	NC066		11 988	26 579		15 857	19 857		
NCR016	Bulk Water Supply to Brandvlei (Hantam)	B	NC065		16 000	30 000					
			<b>Total: Namakwa Municipalities</b>		<b>19 494</b>	<b>40 426</b>		<b>15 857</b>	<b>19 857</b>		
NCR015	De Aar Borehole Development	B	NC073								
NCR024	Van Wyksvlei Bulk Water Supply	B	NC074		15 000	40 300		22 903	5 307	14 237	
NCR036	Marydale Bulk Water Supply	B	NC077								
NCR038	Douglas WTW Upgrading	B	NC078					10 000			
NCR023	Steynbouk Groundwater Development	B	NC076					14 000			
			<b>Total: Pletey ka Seme Municipalities</b>		<b>15 000</b>	<b>20 000</b>		<b>52 618</b>	<b>5 307</b>	<b>14 237</b>	
NCR028	Kalahari East to Mier pipeline	B	NC087								
NCR029	Kakama Wastewater works	B	NC082					36 937	49 229		
	Upington Wastewater treatment works	B	NC087					15 767			
			<b>Total: Z.F. Mgeawu Municipalities</b>					<b>52 704</b>	<b>49 229</b>		
NCR020	Bristown Oxidation Ponds	B	NC092								
	Ritchie Bulk Water Scheme	B	NC093		10 000						
	Windson to Hohpan Bulk Water Supply	B	NC092		15 000			23 134	2 000		
NCR030	Warrenton Water Treatment Works	B	NC093					20 284	5 744		
			<b>Total: Frances Baard Municipalities</b>		<b>30 000</b>	<b>30 000</b>		<b>43 418</b>	<b>7 744</b>		
NCR031	Kathu Bulk Water Supply	B	NC453								
NCR018	Kunman Bulk Water Supply	B	NC452					69 329			
			<b>Total: John Taolo Gaetsewe Municipalities</b>					<b>69 329</b>			
			<b>Total: Northern Cape Municipalities</b>		<b>64 494</b>	<b>100 426</b>		<b>166 208</b>	<b>164 597</b>	<b>14 237</b>	
<b>NORTH WEST</b>											
NWR005	Moretele Bulk Water Supply	B	NW371								
NWR013	Madibeng Bulk Water Supply	B	NW372					38 500	37 995	110 060	
NWRNEW	Koster Waste Water Treatment Works upgrade	B	NW374					187 591	187 503		
			<b>Total: Bojama Platinum Municipalities</b>					9 300	14 000		
NWR002	Ratlou Bulk Water Supply	C	DC38					26 000	60 065		
NWR014	Maifekeng South Bulk Water Supply	C	DC38					261 591	299 563	110 060	
			<b>Total: Ngaka Modiri Molema Municipalities</b>					50 000	50 048	43 655	
NWR018	Kagisano Molepo Bulk Water Supply	C	DC39					50 000	42 924	51 226	
NWR009	Taung/Naledi Bulk Water Supply	C	DC39					100 000	92 972	94 881	
NWR008	Greater Mankasa Bulk Water Supply	C	DC39					30 000			
			<b>Total: Dr Ruth Segomotsi Mompati District Municipalities</b>					9 000	9 721		
			<b>Total: Dr Ruth Segomotsi Mompati District Municipalities</b>					64 339	10 533		
			<b>Total: Dr Ruth Segomotsi Mompati District Municipalities</b>					40 000	54 813		
			<b>Total: Dr Ruth Segomotsi Mompati District Municipalities</b>					113 339	116 858		
NWR016	Pochebroom Waste Water Treatment Works upgrade	B	NW402								
NWR010	Venersdorp Bulk Water Supply	B	NW405					19 000	34 777	39 274	
NWR015	Wohransstad Waste Water Treatment Works	B	NW404					1 300	55 674		
			<b>Total: Dr Kometh Kaunda Municipalities</b>					75 974	34 777	39 274	
			<b>Total: North West Municipalities</b>					<b>113 339</b>	<b>116 858</b>	<b>437 312</b>	
			<b>Total: North West Municipalities</b>					<b>136 533</b>	<b>437 312</b>	<b>244 215</b>	

**APPENDIX W5**  
**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT**  
**BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	SCHEDULE 5, PART B					SCHEDULE 6, PART B		
					2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)		
<b>WESTERN CAPE</b>												
WCR018	Vanrhynsdorp Raw Water	B	WC011	Matzikama Local Municipality								
WCR019	Klaar Bulk Water	B	WC011	Matzikama Local Municipality								15 158
WCR020	Citrusdal Waste Water Treatment Plant	B	WC012	Matzikama Local Municipality	2 660							4 573
WCR003	Clanwilliam/ Lambertsbaai Regional Water Supply and Desalination	B	WC012	Cederberg Local Municipality	14 388							
WCR021	Clanwilliam Water Treatment Works	B	WC012	Cederberg Local Municipality	4 000	7 426						19 731
<b>Total: West Coast Municipalities</b>												
WCR022	Pearl Bulk Sewer	B	WC023	Draakenstein Local Municipality					1 900			
WCR023	Stellenbosch Waste Water Treatment Works	B	WC024	Stellenbosch Local Municipality	32 809							
<b>Total: Cape Winelands Municipalities</b>												
WCR003	Tulbagh Bulk Water Supply	B	WC022	Witzenberg Local Municipality	27 841	559						
WCR009	Grabouw Waste Water Treatment Plant	B	WC031	Theswaterskloof Local Municipality								
<b>Total: Overberg Municipalities</b>												
WCR015	Kannaland Dam Relocation	B	WC041	Kannaland Local Municipality					19 166			26 654
WCR014	Calitzdorp & Ladismith Waste Water Treatment Works	B	WC041	Kannaland Local Municipality					10 000			20 000
WCR017	Outdshoorn Groundwater	B	WC045	Outdshoorn Local Municipality					20 247			30 346
WCR016	Bitou Cross Border Bulk	B	WC047	Bitou Local Municipality					5 000			30 000
<b>Total: Eden Municipalities</b>												
WCR024	Beaufort West Bulk Water	B	WC053	Beaufort West Local Municipality								11 772
<b>Total: Central Karoo Municipalities</b>												
<b>Total: Western Cape Municipalities</b>					<b>81 698</b>	<b>7 985</b>			<b>56 313</b>	<b>125 000</b>		<b>155 440</b>
<b>National Total</b>					<b>1 850 000</b>	<b>1 865 000</b>			<b>2 060 000</b>	<b>3 478 825</b>		<b>2 931 443</b>

**APPENDIX W6**

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER  
PROVINCIAL DEPARTMENTS**

## APPENDIX W6

ANNEXURE TO SCHEDULE 5A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES:  
TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENT

Public Works (Vote 11)	EPWP Integrated Grant to Provinces			
	Province/Provincial Department	Number of FTEs to be created from allocations in 2016/17	Financial Year	
2016/17 (R'000)			2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>				
Cooperative Governance and Traditional Affairs	13	2 000		
Economic Development, Environmental Affairs and Tourism	14	2 026		
Education	14	2 144		
Health	700	3 826		
Human Settlements	19	2 865		
Roads and Public Works	3 892	52 848		
Rural Development and Agrarian Reform	43	2 000		
Social Development	13	2 000		
Sport, Recreation, Arts and Culture	13	2 000		
Transport	38	5 661		
<b>Total: Eastern Cape</b>	<b>4 759</b>	<b>77 370</b>	<b>81 564</b>	<b>86 295</b>
<b>FREE STATE</b>				
Agriculture and Rural Development	29	2 145		
Economic, Small Business development, Tourism and Environmental Affairs	18	2 629		
Education	17	2 567		
Health	249	2 000		
Human Settlement	13	2 000		
Police, Roads and Transport	3 278	5 366		
Public Works and Infrastructure	44	6 530		
Sports, Arts, Culture and Recreation	16	2 404		
<b>Total: Free State</b>	<b>3 664</b>	<b>25 641</b>	<b>27 031</b>	<b>28 599</b>
<b>GAUTENG</b>				
Agriculture and Rural Development	32	2 836		
Cooperative Governance and Traditional Affairs	13	2 000		
Human Settlement	15	2 205		
Education	14	2 139		
Health	311	2 000		
Infrastructure Development	115	17 167		
Roads and Transport	1 309	2 449		
Sport, Arts, Culture and Recreation	14	2 024		
<b>Total: Gauteng</b>	<b>1 823</b>	<b>32 820</b>	<b>34 599</b>	<b>36 606</b>
<b>KWAZULU-NATAL</b>				
Agriculture and Rural Development	56	3 840		
Arts and Culture	13	2 000		
Co-operative Governance and Traditional Affairs	25	3 667		
Economic Development, Tourism and Environmental Affairs	46	6 927		
Education	19	2 790		
Health	1 202	7 122		
Human Settlements	102	15 194		
Public Works	30	4 471		
Sport and Recreation	13	2 000		
Transport	6 186	56 055		
<b>Total: KwaZulu-Natal</b>	<b>7 692</b>	<b>104 066</b>	<b>109 708</b>	<b>116 071</b>
<b>LIMPOPO</b>				
Agriculture	58	4 476		
Cooperative Governance, Human Settlement and Traditional Affairs	13	2 000		
Economic Development, Environment and Tourism	23	3 443		
Education	13	2 000		
Public Works, Roads and Infrastructure	2 864	4 826		
Sports, Arts and Culture	13	2 000		
<b>Total: Limpopo</b>	<b>2 984</b>	<b>18 745</b>	<b>19 761</b>	<b>20 907</b>

## APPENDIX W6

ANNEXURE TO SCHEDULE 5A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES:  
TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENT

Public Works (Vote 11)	EPWP Integrated Grant to Provinces			
	Province/Provincial Department	Number of FTEs to be created from allocations in 2016/17	Financial Year	
2016/17 (R'000)			2017/18 (R'000)	2018/19 (R'000)
<b>MPUMALANGA</b>				
Agriculture, Rural Development, Land and Environmental Affairs	45	4 215		
Co-operative Governance and Traditional Affairs	19	2 762		
Culture, Sport and Recreation	13	2 000		
Economic Development and Tourism	26	3 911		
Education	21	3 066		
Health	203	2 311		
Human Settlements	13	2 012		
Public Works, Roads & Transport	4 576	20 504		
Social Development	14	2 074		
<b>Total: Mpumalanga</b>	<b>4 930</b>	<b>42 855</b>	<b>45 178</b>	<b>47 798</b>
<b>NORTHERN CAPE</b>				
Agriculture, Land Reform and Rural Development	33	2 000		
Cooperative Governance, Human Settlement and Traditional Affairs	13	2 000		
Economic Development and Tourism	14	2 030		
Education	13	2 000		
Environment and Nature Conservation	14	2 043		
Health	303	2 000		
Roads and Public Works	2 358	3 803		
Sport, Arts and Culture	13	2 000		
<b>Total: Northern Cape</b>	<b>2 761</b>	<b>17 876</b>	<b>18 845</b>	<b>19 939</b>
<b>NORTH WEST</b>				
Education and Sports Development	13	2 000		
Health	227	2 000		
Local Government and Human Settlement	13	2 000		
Public Works and Roads	2 441	30 740		
Rural, Environment and Agricultural Development	104	12 281		
Social Development	13	2 000		
<b>Total: North West</b>	<b>2 811</b>	<b>51 021</b>	<b>53 787</b>	<b>56 906</b>
<b>WESTERN CAPE</b>				
Agriculture	25	2 068		
Cultural Affairs and Sport	19	2 771		
Education	17	2 520		
Environmental Affairs and Development Planning	26	3 815		
Health	418	2 324		
Human Settlements	23	3 426		
Transport and Public Works	2 394	14 691		
<b>Total: Western Cape</b>	<b>2 922</b>	<b>31 615</b>	<b>33 329</b>	<b>35 262</b>
Unallocated		-	423 802	448 383
<b>Grand Total</b>	<b>34 346</b>	<b>402 009</b>	<b>423 802</b>	<b>448 383</b>

**APPENDIX W7**

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES; ALLOCATIONS PER  
PROVINCIAL DEPARTMENT**

## APPENDIX W7

**APPENDIX TO SCHEDULE 5A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES: ALLOCATIONS PER PROVINCIAL DEPARTMENT**

Province/Provincial Department	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			
	Number of FTEs to be created from allocations in 2016/17	Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>EASTERN CAPE</b>				
Education	443	10 160		
Health	183	4 200		
Safety and Liaison	78	1 800		
Social Development	152	3 500		
Sport, Recreation, Arts and Culture	78	1 800		
<b>Total: Eastern Cape</b>	<b>934</b>	<b>21 460</b>	<b>22 673</b>	<b>23 988</b>
<b>FREE STATE</b>				
Education	131	3 000		
Health	131	3 000		
Social Development	619	14 179		
Sport, Arts, Culture and Recreation	78	1 800		
<b>Total: Free State</b>	<b>959</b>	<b>21 979</b>	<b>23 337</b>	<b>24 690</b>
<b>GAUTENG</b>				
Community Safety	78	1 800		
Education	1 251	28 661		
Health	183	4 200		
Social Development	572	13 108		
Sport, Recreation, Arts and Culture	96	2 200		
<b>Total: Gauteng</b>	<b>2 180</b>	<b>49 969</b>	<b>53 454</b>	<b>56 555</b>
<b>KWAZULU-NATAL</b>				
Community Safety and Liason	482	11 043		
Education	1 192	27 318		
Health	567	13 000		
Social Development	172	3 958		
Sport and Recreation	272	6 234		
<b>Total: KwaZulu-Natal</b>	<b>2 685</b>	<b>61 553</b>	<b>65 503</b>	<b>69 303</b>
<b>LIMPOPO</b>				
Education	152	3 500		
Health	963	22 060		
Social Development	490	11 242		
<b>Total: Limpopo</b>	<b>1 605</b>	<b>36 802</b>	<b>39 207</b>	<b>41 481</b>

## APPENDIX W7

## APPENDIX TO SCHEDULE 5A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES: ALLOCATIONS PER PROVINCIAL DEPARTMENT

Province/Provincial Department	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			
	Number of FTEs to be created from allocations in 2016/17	Financial Year		
		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>MPUMALANGA</b>				
Community Safety, Security and Liason	188	4 307		
Culture, Sport and Recreation	126	2 888		
Education	682	15 627		
Health	131	3 000		
Social Development	1 473	33 732		
<b>Total: Mpumalanga</b>	<b>2 600</b>	<b>59 554</b>	<b>64 375</b>	<b>68 109</b>
<b>NORTHERN CAPE</b>				
Education	127	2 925		
Health	665	15 230		
Social Development	152	3 500		
Sport, Arts and Culture	96	2 200		
Transport, Safety and Liaison	127	2 914		
<b>Total: Northern Cape</b>	<b>1 167</b>	<b>26 769</b>	<b>28 974</b>	<b>30 654</b>
<b>NORTH WEST</b>				
Education and Sport Developmet	595	13 637		
Health	547	12 542		
Social Development	693	15 874		
<b>Total: North West</b>	<b>1 835</b>	<b>42 053</b>	<b>46 687</b>	<b>49 394</b>
<b>WESTERN CAPE</b>				
Community Safety	137	3 144		
Cultural Affairs and Sport	177	4 054		
Education	815	18 677		
Health	162	3 732		
Social Development	433	9 916		
<b>Total: Western Cape</b>	<b>1 724</b>	<b>39 523</b>	<b>41 373</b>	<b>43 773</b>
Unallocated		-	<b>385 583</b>	<b>407 947</b>
<b>Grand Total</b>	<b>15 689</b>	<b>359 662</b>	<b>385 583</b>	<b>407 947</b>

**APPENDIX W8**

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

## APPENDIX W8

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

Health (Vote 16)	National Health Insurance Indirect Grant		
	2016 MTEF		
Province/Components/Sub-components	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>Total Per Province</b>			
Eastern Cape	168 411	391 031	107 727
Free State	125 356	152 901	98 200
Gauteng	44 519	53 480	55 952
KwaZulu-Natal	58 531	61 134	8 553
Limpopo	77 303	151 458	383 189
Mpumalanga	25 654	47 318	124 826
Northern Cape	14 671	2 905	2 368
North West	19 257	20 310	2 632
Western Cape	26 876	28 534	4 145
Unallocated	700 653	753 967	977 267
<b>Total</b>	<b>1 261 230</b>	<b>1 663 037</b>	<b>1 764 859</b>
<i>of which:</i>			
<b>Health Facility Revitalisation Grant Component</b>			
Eastern Cape	127 383	346 187	98 188
Free State	107 075	132 699	93 397
Gauteng	26 091	33 157	51 215
KwaZulu-Natal	818		
Limpopo	61 911	132 803	375 032
Mpumalanga	14 586	34 224	119 760
Northern Cape	12 713		
North West			
Western Cape			
Unallocated	442 505	269 914	250 767
<b>Total</b>	<b>793 082</b>	<b>948 984</b>	<b>988 359</b>
<b>Human Papillomavirus Vaccine Grant Component</b>			
Eastern Cape	39 120	39 120	
Free State	17 320	17 320	
Gauteng	17 481	17 481	
KwaZulu-Natal	56 002	56 002	
Limpopo	13 760	13 760	
Mpumalanga	10 055	10 055	
Northern Cape	1 484	1 484	
North West	18 731	18 731	
Western Cape	26 047	26 047	
Unallocated			
<b>Total</b>	<b>200 000</b>	<b>200 000</b>	

## APPENDIX W8

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

Health (Vote 16)	National Health Insurance Indirect Grant		
	2016 MTEF		
Province/Components/Sub-components	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>Health Professionals Contracting Component</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Unallocated	258 148	318 053	336 500
<b>Total</b>	<b>258 148</b>	<b>318 053</b>	<b>336 500</b>
<b>Information Systems Component</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Unallocated		166 000	390 000
<b>Total</b>		<b>166 000</b>	<b>390 000</b>
<b>Ideal Clinics Component</b>			
Eastern Cape	1 908	5 724	9 539
Free State	961	2 882	4 803
Gauteng	947	2 842	4 737
KwaZulu-Natal	1 711	5 132	8 553
Limpopo	1 632	4 895	8 157
Mpumalanga	1 013	3 039	5 066
Northern Cape	474	1 421	2 368
North West	526	1 579	2 632
Western Cape	829	2 487	4 145
Unallocated			
<b>Total</b>	<b>10 000</b>	<b>30 000</b>	<b>50 000</b>

**APPENDIX W9**

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

## APPENDIX W9

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

Basic Education (Vote 14)	School Infrastructure Backlogs Grant		
Province	Financial Year		
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Eastern Cape	1 543 664		
Free State	237 487		
Gauteng			
KwaZulu-Natal	106 869		
Limpopo	83 120		
Mpumalanga	83 120		
Northern Cape	23 749		
North West	35 623		
Western Cape	142 492		
Unallocated	118 743		
<b>Total</b>	<b>2 374 867</b>		

**APPENDIX W10**

**APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED DISASTER ALLOCATION FOR PROVINCES PER GRANT**

## APPENDIX W10

APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED  
DISASTER ALLOCATION FOR PROVINCES PER GRANT

GRANT NAME	RING-FENCED DISASTER ALLOCATION PER PROVINCE		
	Final Amounts		
	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
<b>COMPREHENSIVE AGRICULTURE SUPPORT PROGRAMME GRANT</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo	15 555	10 001	
Mpumalanga	20 326	10 326	
Northern Cape			
North West			
Western Cape	40 853	40 000	
<b>Total: COMPREHENSIVE AGRICULTURE SUPPORT GRANT</b>	<b>76 734</b>	<b>60 327</b>	
<b>EDUCATION INFRASTRUCTURE GRANT</b>			
Eastern Cape	61 550		
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West	51 431		
Western Cape			
<b>Total: EDUCATION INFRASTRUCTURE GRANT</b>	<b>112 981</b>		
<b>HEALTH FACILITY REVITALISATION GRANT</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
<b>Total: HEALTH FACILITY REVITALISATION GRANT</b>			
<b>HUMAN SETTLEMENTS DEVELOPMENT GRANT</b>			
Eastern Cape	100 000	134 261	
Free State			
Gauteng	47 379		
KwaZulu-Natal			
Limpopo	29 678		
Mpumalanga	17 952		
Northern Cape			
North West			
Western Cape			
<b>Total: HUMAN SETTLEMENTS DEVELOPMENT GRANT</b>	<b>195 009</b>	<b>134 261</b>	
<b>PROVINCIAL ROADS MAINTENANCE GRANT</b>			
Eastern Cape	90 000	90 000	80 000
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo	100 000	130 000	130 000
Mpumalanga	50 000	50 000	
Northern Cape			
North West			
Western Cape	58 123		
<b>Total: PROVINCIAL ROADS AND MAINTENANCE GRANT</b>	<b>298 123</b>	<b>270 000</b>	<b>210 000</b>
<b>Grand Total</b>	<b>682 847</b>	<b>464 588</b>	<b>210 000</b>





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