

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of
Bill published in Government Gazette No. 41432 of 9 February 2018)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

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BILL

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2018/19 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; and

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;

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

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

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

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

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

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

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

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

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

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

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

- (b) promotes transparency, accountability and effective public financial management;
- “metropolitan municipality”** means a metropolitan municipality as defined in section 1 of the Municipal Structures Act;
- “Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); 5
- “Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); 10
- “Neighbourhood Development Partnership Grant”** means the Neighbourhood Development Partnership Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;
- “organ of state”** means an organ of state as defined in section 239 of the Constitution; 15
- “overpayment”** means the transfer of more than the allocated amount of an allocation or the transfer of an allocation in excess of the applicable amount in a payment schedule;
- “payment schedule”** means a schedule which sets out—
- (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; 20
- (b) the date on which each transfer must be paid; and
- (c) to whom, and to which bank account, each transfer must be paid;
- “prescribe”** means prescribe by regulation in terms of section 37;
- “primary bank account”**, in relation to— 25
- (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
- (b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act; 30
- “Provincial Roads Maintenance Grant”** means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4;
- “Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); 35
- “Public Transport Network Grant”** means the Public Transport Network Grant referred to in Part B of Schedule 5;
- “Public Transport Operations Grant”** means the Public Transport Operations Grant referred to in Part A of Schedule 4;
- “quarter”** means, in relation to— 40
- (a) a national or provincial department, the period from—
- (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 45
- (b) a municipality—
- (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; 50
- “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 through an appropriation from its Provincial Revenue Fund; or 55
- (b) a Schedule 4, 5 or 7 allocation transferred to a municipality, the accounting officer of the municipality;
- “receiving provincial department”**, in relation to a Schedule 4, 5 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure through an appropriation from its Provincial Revenue Fund; 60
- “School Infrastructure Backlogs Grant”** means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6;

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

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

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

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

(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; and
 - (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 2018/19 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 2019/20 financial year and the 2020/21 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 2018/19 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 2019/20 financial year and the 2020/21 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 2018/19 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 2019/20 financial year and the 2020/21 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3. 5
- (3) The national department responsible for local government must transfer a municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 9 July 2018, 3 December 2018 and 18 March 2019, in the amounts determined in terms of section 23(2). 10

Shortfalls and excess revenue

6. (1) If the actual revenue raised nationally in respect of the 2018/19 financial year falls short of the anticipated revenue set out in Column A of Schedule 1, the national government bears the shortfall. 15
- (2) If the actual revenue raised nationally in respect of the 2018/19 financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally. 20
- (3) A portion of national government's equitable share or excess revenue envisaged in subsection (2), may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to—
- (a) national departments; or 25
 - (b) provinces or municipalities.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1

Conditional allocations 30

Conditional allocations to provinces

7. (1) Conditional allocations to provinces for the 2018/19 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 35
 - (b) Part A of Schedule 5, specifying specific-purpose allocations to provinces;
 - (c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and
 - (d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund an immediate response to a disaster or housing emergency. 40
- (2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the 2019/20 financial year and the 2020/21 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 45

Conditional allocations to municipalities

8. (1) Conditional allocations to municipalities in respect of the 2018/19 financial year from the national government's share of revenue raised nationally are set out in—
- (a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets; 50

- (b) Part B of Schedule 5, specifying specific-purpose allocations to municipalities;
 - (c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and
 - (d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities that may be released to municipalities to fund an immediate response to a disaster or housing emergency. 5
- (2) An envisaged division of conditional allocations to municipalities from the national government's share of revenue anticipated to be raised nationally for the 2019/20 financial year and the 2020/21 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 10
- (3) If approved by the National Treasury after consultation with the national Department of Transport, allocations for specific transport contracts for capital projects from the envisaged conditional allocations for the Public Transport Network Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the 2019/20 financial year and 2020/21 financial year. 15
- (4) (a) A municipality that intends to pledge a conditional allocation, or a portion thereof, as security for any obligations in terms of section 48 of the Municipal Finance Management Act, must, in addition to notifying the National Treasury in terms of section 46(3) of that Act, notify the transferring officer and the relevant provincial treasury of that intention and provide the transferring officer and National Treasury at least 21 days to comment before obtaining the approval of the municipal council. 20
- (b) A municipality must submit financial and non-financial reports, in the format and on the dates determined by the National Treasury, for any project pledged to be partially or fully funded by using a conditional allocation, or a portion thereof, as security as envisaged in paragraph (a). 25

Part 2

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

- Duties of transferring officer in respect of Schedule 4 allocations** 30
- 9.** (1) The transferring officer of a Schedule 4 allocation must—
- (a) ensure that transfers to all provinces and municipalities are—
 - (i) deposited only into the primary bank account of the relevant province or municipality; and
 - (ii) made in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; 35
 - (b) monitor information on financial and non-financial performance of programmes partially or fully funded by an allocation in Part A of Schedule 4, in accordance with subsection (2) and the applicable framework; 40
 - (c) monitor information on financial and non-financial performance of the Urban Settlements Development Grant and Integrated City Development Grant against the capital budget and the service delivery and budget implementation plan;
 - (d) comply with the applicable framework; 45
 - (e) submit a quarterly financial and non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the applicable framework; and
 - (f) evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months after the end of the 2018/19 financial year applicable to a provincial department or a municipality, as the case may be. 50
- (2) Any monitoring programme or system that is used to monitor information on financial and non-financial performance of a programme partially or fully funded by a Schedule 4 allocation must— 55
- (a) be approved by the National Treasury;
 - (b) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management and budget information;

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

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

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

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

- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that—
 - (i) any monitoring or system that is used, is compatible and integrated with and does not duplicate other relevant national, provincial and local systems; and
 - (ii) any plans required in terms of the framework of a Schedule 5 allocation regarding the use of the allocation by—
 - (aa) a province, have been approved before the start of the financial year; or
 - (bb) a municipality, shall be approved before the start of the financial year; 20
- (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;
 - (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. 30

(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.

(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. 40

(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.

(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 2018/19 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; 55
- (d) the actual expenditure incurred by the transferring officer in respect of a Schedule 6 allocation;
- (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. 60

- (7) A transferring officer must submit to the National Treasury—
- (a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant, National Health 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 5
 - (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.
- (8) The transferring officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury within four months after the end of the 2018/19 financial year applicable to a provincial department or a municipality, as the case may be. 10
- (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); and
 - (b) must take into account that built environment performance plan when monitoring and evaluating the performance of the municipality and assessing envisaged plans and allocations for the municipality. 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 2018, December 2018, 40
March 2019 and June 2019, 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 55
performance of programmes partially or fully funded by the allocation.
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to the transferring officer of the Urban Settlements Development Grant, Public Transport Network Grant and Integrated National Electrification Programme Grant and the accounting officer of any other national department having 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— 15
- (a) in respect of a provincial department, after the end of the 2018/19 financial year of the provincial department; and 20
 - (b) in respect of a municipality, after the end of the 2018/19 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 2018/19 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 2018/19 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 after the end of the 2018/19 financial year applicable to a provincial department or a municipality, as the case may be. 15
- (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 2018/19 financial year, the 2019/20 financial year and the 2020/21 financial year per municipality with level one or level two accreditation. 20
- (b) The planned expenditure must indicate the expenditure to be undertaken directly by the province and transfers to each municipality. 25
- (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

- 13.** (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant, Human Settlements Development Grant or Provincial Roads Maintenance Grant must— 35
- (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;
 - (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; 45
 - (d) within seven days after the tabling in the legislature, submit the amended list to the transferring officer and the National Treasury;
 - (e) report on all infrastructure expenditure partially or fully funded by the relevant grant to the transferring officer, relevant provincial treasury and the National Treasury in the format and on the date determined by the National Treasury; 50
 - (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; 55
 - (g) within 22 days after the end of each month, submit to the National Treasury, a final report on infrastructure programmes partially or fully funded from those grants; and 60

- (h) within two months after the end of the 2018/19 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. 5
- (2) The receiving officer of the Education Infrastructure Grant or Health Facility Revitalisation Grant must—
 - (a) within 22 days after the end of each quarter, submit to the transferring officer, the relevant provincial treasury and the National Treasury, a final report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; and 10
 - (b) ensure that projects comply with infrastructure delivery management best practice standards and guidelines, as identified and approved by the National Treasury. 15

Infrastructure conditional allocations to metropolitan municipalities

- 14.** (1) The receiving officer of a metropolitan municipality must, by 31 May 2018, submit to the National Treasury a built environment performance plan that includes all projects partially or fully funded by—
- (a) the Integrated City Development Grant, Urban Settlements Development Grant, Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant referred to in Part B of Schedule 5; and 20
 - (b) money allocated for the Human Settlements Development Grant received from a province. 25
- (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;
 - (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 30
 - (c) be approved by the relevant 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. 35
- (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.
- (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. 40

Duties in respect of annual financial statements and annual reports for 2018/19

- 15.** (1) The 2018/19 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— 45
- (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; 50
 - (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; 55
 - (e) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and
 - (f) indicate the funds, if any, used for the administration of the allocation by the receiving officer.

- (2) The 2018/19 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—
- (a) the reasons for the withholding or stopping of all transfers to a province or municipality in terms of section 18 or 19; 5
 - (b) the extent that compliance with this Act by provinces or municipalities was monitored;
 - (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. 10
- (3) The 2018/19 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—
- (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 15
 - (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.
- (4) The 2018/19 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— 20
- (a) indicate the extent that the provincial department complied with this Act;
 - (b) indicate the steps taken to address non-compliance with this Act;
 - (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 25
 - (e) contain such other information as the National Treasury may determine.
- (5) The 2018/19 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 2018/19 financial year. 30

Part 3

Matters relating to Schedule 4 to 7 allocations

- Publication of allocations and frameworks** 35
- 16.** (1) The National Treasury must, within 14 days after this Act takes effect, publish by notice in the *Gazette*—
- (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 40
 - (c) the framework for each conditional allocation in Schedules 4 to 7.
- (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 45
 - (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). 50
- (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*. 55

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 used 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 of the agreed payment schedule and—

(a) the transfer— 10

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

(ii) if not already so approved—

(aa) the receiving officer notifies the National Treasury that the purpose of the transfer is not to artificially inflate the expenditure estimates of the relevant provincial department or municipality and indicates the reasons for the transfer; and 15

(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. 20

(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; or 25

(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 or two accreditation or functions assigned in terms of section 126 of the Constitution to administer all aspects, including financial administration of the national housing programme (herein called “assigned functions”) as at 1 April 2018, must, by the date determined by the National Treasury, comply with subsection (2) by— 30

(i) entering into a payment schedule; and 35

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

(b) If a municipality receives accreditation after 1 April 2018, the National Treasury may approve that paragraph (a) applies.

(c) If the transfer of the Human Settlements Development Grant to a municipality with assigned functions is withheld or stopped in terms of section 18 or 19, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 24. 40

(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— 45

(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;

(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; 50

(c) any project or contract regarding the function not finalised or fulfilled at the date at which the function is assigned, must be subjected to an external audit and the province and the municipality must enter into an agreement to complete the project or fulfil the contract through ceding it to the municipality; 55

(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 2019 and shall not be available in terms of section 30 of the Public Finance Management Act or section 22(2); 60

- (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
- (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. 5

Withholding of allocations

18. (1) Subject to subsections (2) and (3), a transferring officer may withhold the transfer of a Schedule 4 or 5 allocation, or any portion thereof, for a period not exceeding 30 days, if— 10

- (a) the province or municipality does not comply with any provision of this Act;
- (b) roll-overs of conditional allocations approved by the National Treasury in terms of section 22 have not been spent; or
- (c) a satisfactory explanation is not given for significant under-expenditure on previous transfers during the 2018/19 financial year. 15

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

(3) The amount withheld in terms of this section in the case of the Health Professions Training and Development Grant or the National Tertiary Services Grant listed in Part A of Schedule 4 may not exceed five per cent of the next transfer as contained in the relevant payment schedule. 20

(4) A transferring officer must, at least seven working days before withholding an allocation in terms of subsection (1)— 25

- (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
- (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. 30

(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. 35

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

- (i) facilitate compliance with this Act; or
- (ii) minimise the risk of under-spending by the relevant provincial department or municipality. 40

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

(c) The transferring officer must again comply with subsection (4) when the National Treasury instructs or approves a request by the transferring officer in terms of paragraph (a). 45

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— 50

- (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— 55
 - (aa) a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, read with section 38(1)(b)(i) of the Municipal Finance Management Act, occurs; or

- (bb) a breach or failure to comply, as envisaged in section 38(1)(b)(ii) of the Municipal Finance Management Act, occurs;
- (b) if the National Treasury anticipates that a province or municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2018/19 financial year; or
- (c) for purposes of the assignment of a function from a province to a municipality, as envisaged in section 10 of the Municipal Systems Act.
- (2) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(i) or (b)—
- (a) comply with the procedures in section 18(4)(a); and
- (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(ii), comply with the applicable provisions of section 38 of the Municipal Finance Management Act.
- (4) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.
- (5) (a) If—
- (i) an allocation, or any portion thereof, is stopped in terms of subsection (1)(a) or (b); and
- (ii) the relevant transferring officer certifies in writing to the National Treasury that the payment of an amount in terms of a statutory or contractual obligation is overdue and the allocation, or a portion thereof, was intended for payment of the amount,
- the National Treasury may, by notice in the *Gazette*, approve that the allocation, or any portion thereof, be used to pay that amount partially or fully.
- (b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

Reallocation of funds

20. (1) When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2018/19 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 2018/19 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 2018/19 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).

(4) (a) The National Treasury must—

- (i) give notice in the *Gazette* of a reallocation in terms of subsection (1), (2) or (3); 5
and
- (ii) provide a copy of the notice to the transferring officer and each affected receiving officer.

(b) The reallocation of a portion of an allocation not spent by the end of the 2018/19 financial year is eligible for a roll-over in terms of section 22(2). 10

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

- (i) section 100 of the Constitution, the transferring officer to spend an allocation 15
stopped in terms of section 19 on behalf of the relevant province;
- (ii) section 139 of the Constitution or section 137 or 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality; or
- (iii) section 150 of the Municipal Finance Management Act, the relevant transferring 20
officer to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality.

(b) An allocation that is spent by the transferring officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given. 25

(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 30
caused by a disaster.

(b) Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation. 35

(c) The reallocated funds must be used in the 2018/19 financial year in the same sphere the allocation was originally made and for the same functional area that the original allocation relates to.

(d) The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the National Disaster Management Centre and with the approval of the National Treasury. 40

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

Conversion of allocations

21. (1) If satisfied that the relevant provincial department or municipality has demonstrated the capacity to implement projects, the National Treasury may, at the request of the transferring officer and after consultation with the receiving officer, convert any portion of— 45

- (a) an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5; 50
- (b) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or
- (c) the National Health 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. 55

(2) The National Treasury may, after consultation with the relevant transferring officer, receiving officer and provincial treasury, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that—

- (a) the conversion shall prevent under-expenditure or improve the level of service delivery in respect of the allocation in question; 60

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

Unspent conditional allocations

- 22.** (1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion thereof, that is not spent at the end of the 2018/19 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2). 55

- (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 2019/20 financial year if the unspent funds are committed to identifiable projects.
- (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 5 determined by the National Treasury.
- (b) The receiving officer must—
- (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. 10
- (4) (a) The National Treasury may, subject to paragraphs (b) and (c), offset any funds that must revert to the National Revenue Fund in terms of subsection (1), but not paid into that Fund by the date determined in terms of subsection (3)(a)—
- (i) in respect of a province, against future transfers of conditional allocations to that province; or 15
 - (ii) in respect of a municipality, against future transfers of the equitable share or conditional allocations to that municipality.
- (b) Before any funds are offset in terms of paragraph (a), the National Treasury must give the relevant transferring officer, province or municipality—
- (i) notice of the intention to offset amounts against future allocations, the intended amount to be offset against allocations, the intended date for the offsetting and the reasons for the offsetting; and 20
 - (ii) an opportunity, within 14 days of receipt of the notice, to—
 - (aa) propose an alternative date for offsetting;
 - (bb) make written submissions why the full or a part of the amount should not be offset; or 25
 - (cc) propose an alternative date or dates by which the amount or portions thereof must be paid into the National Revenue Fund.
- (c) The National Treasury must—
- (i) accept the date or dates proposed in terms of paragraph (b)(ii)(aa) or (cc) or determine a different date or dates; or 30
 - (ii) accept or reject the submissions made in terms of paragraph (b)(ii)(bb).
- (5) (a) The National Treasury may amend the amount of the equitable share or a conditional allocation offset in terms of subsection (4).
- (b) If the amendment contemplated in paragraph (a) results in an underpayment to a municipality— 35
- (i) in respect of the equitable share of the municipality, the department responsible for local government must, despite section 5(3), transfer the difference to the municipality within 10 days; or
 - (ii) in respect of a conditional allocation of the municipality, the transferring officer must, despite the payment schedule contemplated in section 23(3), transfer the difference to the municipality within 10 days. 40
- (c) If the amendment in terms of paragraph (a) results in an overpayment to a municipality, section 25 applies.

CHAPTER 4 45

MATTERS RELATING TO ALL ALLOCATIONS

Payment requirements

- 23.** (1) (a) The National Treasury must, after consultation with the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation. 50
- (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— 55
- (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). 5

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

(c) Despite paragraph (a), the National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of section 5(3), be advanced to a municipality— 10

(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 15

(iii) on such conditions as it may determine.

(d) Any advance in terms of paragraph (c) must be offset against transfers to the municipality which would otherwise become due in terms of section 5(3). 20

(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. 25

(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. 30

(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. 35

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. 40

(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— 45

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

(b) an allocation to a municipality, the national department responsible for local government; 50

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

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

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

(b) the revenue at the disposal of provinces or municipalities; and 55

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

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

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. 5

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

(3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule. 10

New allocations during financial year and Schedule 7 allocations

26. (1) If further allocations are made to provinces or municipalities, as envisaged in section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable— 15

(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

(c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation. 20

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

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a disaster or housing emergency within 100 days after the date of the declaration of the disaster, or the declaration of a housing emergency. 25

(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.

(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. 30

(d) Despite the provisions of any law to the contrary, the National Treasury may approve that funds allocated in Schedule 7 be used at any time.

(e) The funds approved in terms of paragraph (d) must be included either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation. 35

Preparations for 2019/20 financial year and 2020/21 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 2019/20 financial year and the 2020/21 financial year as set out in Column B of the Schedules to this Act, by 1 October 2018— 40

(i) agree on the provisional allocations and the projects to be funded from those allocations in the 2019/20 financial year and the 2020/21 financial year with each category B municipality within the category C municipality's area of jurisdiction; and 45

(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. 50

(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). 55

(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 1 October 2018, the National Treasury may determine the provisional allocations and provide those provisional allocations to the affected municipalities and the transferring officer. 5

(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 30 November 2018. 10

(ii) If the transferring officer fails to submit the allocations referred to in subparagraph (i) by 30 November 2018, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the 2019/20 financial year.

(2) (a) The transferring officer of a conditional allocation, using the indicative conditional allocations for the 2019/20 financial year and the 2020/21 financial year as set out in Column B of the affected Schedules to this Act, must, by 1 October 2018, submit to the National Treasury— 15

(i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the 2019/20 financial year; 20

(ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the affected Schedules in respect of existing conditional allocations;

(iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii); and 25

(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. 30

(c) The National Treasury must approve any proposed amendment or adjustment for the 2019/20 financial year of the allocation criteria of an existing conditional allocation before the submission of the provisional allocations and draft frameworks.

(d) 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 30 November 2018. 35

(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 2019/20 financial year. 40

(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. 45

(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 2019/20 financial year. 50

(4) (a) For purposes of the Education Infrastructure Grant or Health Facility Revitalisation Grant in the 2019/20 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— 55

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

(ii) an infrastructure programme management plan including a construction procurement strategy for infrastructure programmes and projects envisaged to commence within the period for the medium term expenditure framework; and 60

- (iii) a document that outlines how the infrastructure delivery management system shall be implemented in the province and that is approved by the Executive Council of the province before or after the commencement of this Act.
- (b) The receiving officer of the relevant provincial department must review the document referred to in paragraph (a)(iii) and if any substantive change is made to the document during the 2018/19 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. 5
- (5) (a) Any category B municipality may apply to qualify for a conditional allocation, called the Integrated Urban Development Grant, envisaged for the 2019/20 financial year, by submitting an application to the Department of Cooperative Governance by 27 July 2018. 10
- (b) The Department of Cooperative Governance must determine the form of the application including the minimum qualifying conditions.
- (c) A municipality that is informed by the Department of Cooperative Governance that it will qualify for the Integrated Urban Development Grant if introduced for the 2019/20 financial year, must submit— 15
- (i) a first draft of its three-year capital programme and the 10-year Capital Expenditure Framework to the Department of Cooperative Governance by 30 March 2019; and 20
- (ii) the final versions of its three-year capital programme and the 10-year Capital Expenditure Framework by 31 May 2019, which must be evaluated by the Department of Cooperative Governance after consultation with relevant stakeholders.

Transfers before commencement of Division of Revenue Act for 2019/20 financial year 25

- 28.** (1) Despite sections 3(2), 7(2) and 8(2), if the Division of Revenue Act for the 2019/20 financial year has not commenced before or on 1 April 2019, 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. 30
- (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 2018/19 financial year and the other requirements of this Act, as if it is an amount of an allocation for the 2018/19 financial year. 35

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 2018/19 financial year, the 2019/20 financial year and the 2020/21 financial year, except if submitted in terms of any other legislation before the end of the 10-day period. 40 45
- (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. 50
- (2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project shall be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 55
- (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
- (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—

- (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.

(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.

(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—

- (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).

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

- (i) Section 216 of the Constitution;
- (ii) in the case of withholding an allocation, section 18(4)(a), with the necessary changes; and
- (iii) in the case of stopping an allocation, section 19(2)(a), (3), (4) and (5), with the necessary changes.

(c) If an allocation is stopped in terms of this subsection, the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation that shall not be spent, be reallocated to one or more municipalities, on condition that the allocation shall be spent by the end of the 2018/19 financial year or the 2019/20 financial year.

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

Duties and powers of provincial treasuries

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

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

- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds and from conditional allocations to the province;
- (ii) the indicative allocation to be made per school and per hospital in the province in a format determined by the National Treasury;
- (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme;

- (iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the 2019/20 financial year and the 2020/21 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. 5

(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. 10

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

(3) (a) Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (2). 15

(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 8 February 2019 and take effect on the date of the publication. 20

(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; 25
- (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. 30

(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 35
- (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. 40

(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. 45

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

(8) On receipt of a request in terms of subsection (7), the National Treasury must— 50

- (a) consult the transferring officer on the matter;
- (b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made;
- (c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and 55
- (d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer.

Duties and powers of National Treasury

- 31.** (1) The National Treasury must, within 14 days after this Act takes effect, submit a notice to all transferring officers containing the details of the primary bank accounts of each province and municipality.
- (2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 26. 5
- (3) The National Treasury may include in a report on the equitable share and conditional allocations in terms of this Act in any report it publishes—
- (a) that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act; and 10
- (b) in respect of municipal finances.

CHAPTER 6

GENERAL

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations 15

- 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. 20
- (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. 25
- (3) The amount of any such fruitless and wasteful expenditure must, in terms of the applicable procedures in the Public Finance Management Act or the Municipal Finance Management Act, be recovered without delay from every person who caused the organ of state not to comply with subsection (1).

Irregular expenditure 30

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

Financial misconduct 35

- 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). 40

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.
- (2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury— 45
- (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
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. 50

(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.

(4) A Member of the Executive Council responsible for finance in a province may, in writing, delegate any power entrusted to, and assign any duty imposed on, the provincial treasury in terms of this Act, to an official of the provincial treasury. 5

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

(b) A copy of the written delegation must be submitted to the National Treasury. 10

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

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. 15

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

- (a) cannot be implemented in practice;
- (b) impedes the achievement of any object of this Act; 20
- (c) impedes an immediate response to a disaster; or
- (d) undermines the financial viability of the affected national or provincial 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*. 25

Regulations

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

- (a) anything which must or may be prescribed in terms of this Act; or
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act. 30

Repeal of laws and savings

38. (1) Subject to subsection (2)—

- (a) the Division of Revenue Act, 2017 (Act No. 3 of 2017), except sections 16 and 26, is hereby repealed; 35
- (b) sections 16 and 26 of the Division of Revenue Act, 2017, is hereby repealed with effect from 1 July 2018 or the date that this Act takes effect, whichever is the later date; and
- (c) the Division of Revenue Amendment Act, 2017 (Act No. 10 of 2017), is hereby repealed. 40

(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 2018/19 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. 45

(3) Any framework published in terms of section 16 of the Division of Revenue Act, 2017, 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 50

39. This Act is called the Division of Revenue Act, 2018, and takes effect on 1 April 2018 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	
	2018/19	Forward Estimates	
		2019/20	2020/21
	R'000	R'000	R'000
National ^{1,2}	979 181 797	1 058 577 591	1 139 321 640
Provincial	470 286 510	505 019 653	542 446 855
Local	62 731 845	68 973 465	75 683 326
TOTAL	1 512 200 152	1 632 570 709	1 757 451 821

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

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

SCHEDULE 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	
	2018/19 Allocation	Forward Estimates	
		2019/20	2020/21
	R'000	R'000	R'000
Eastern Cape	65 499 660	69 807 213	74 411 439
Free State	26 178 043	28 071 076	30 108 091
Gauteng	93 384 285	100 923 135	109 092 089
KwaZulu-Natal	99 263 681	106 363 502	113 997 676
Limpopo	55 178 775	59 187 820	63 503 149
Mpumalanga	38 467 686	41 394 597	44 554 600
Northern Cape	12 475 021	13 403 527	14 404 557
North West	32 391 895	34 788 928	37 372 220
Western Cape	47 447 464	51 079 855	55 003 034
TOTAL	470 286 510	505 019 653	542 446 855

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	
		2018/19	Forward Estimates	
		2019/20	2020/21	
		R'000	R'000	R'000
EASTERN CAPE				
A	BUF Buffalo City	778 048	844 411	918 677
A	NMA Nelson Mandela Bay	939 530	1 021 661	1 119 805
B	EC101 Dr Beyers Naude	83 278	90 038	97 079
B	EC102 Blue Crane Route	49 012	52 907	56 634
B	EC104 Makana	85 578	92 675	100 381
B	EC105 Ndlambe	88 241	95 785	104 202
B	EC106 Sundays River Valley	71 971	79 108	86 898
B	EC108 Kouga	113 151	124 344	137 852
B	EC109 Kou-Kamma	45 406	48 983	53 004
C	DC10 Sarah Baartman District Municipality	88 342	92 787	96 772
Total: Sarah Baartman Municipalities		624 979	676 627	732 822
B	EC121 Mbhashe	225 391	243 648	260 961
B	EC122 Mnquma	234 368	252 875	270 104
B	EC123 Great Kei	38 154	41 775	44 455
B	EC124 Amahlathi	97 114	103 450	110 129
B	EC126 Ngqushwa	75 488	80 838	86 067
B	EC129 Raymond Mhlaba	156 192	170 046	182 203
C	DC12 Amathole District Municipality	785 546	833 685	899 283
Total: Amathole Municipalities		1 612 253	1 726 317	1 853 202
B	EC131 Inxuba Yethemba	39 507	42 339	45 481
B	EC135 Intsika Yethu	147 779	155 357	165 527
B	EC136 Emalahleni	115 774	120 890	129 098
B	EC137 Engcobo	136 131	144 889	154 753
B	EC138 Sakhisizwe	61 718	66 602	71 145
B	EC139 Enoch Mgijima	164 680	176 220	189 777
C	DC13 Chris Hani District Municipality	524 527	542 195	583 613
Total: Chris Hani Municipalities		1 190 116	1 248 492	1 339 394
B	EC141 Elundini	138 382	149 117	160 009
B	EC142 Senqu	136 434	146 559	156 973
B	EC145 Walter Sisulu	52 677	57 413	62 187
C	DC14 Joe Gqabi District Municipality	258 283	273 008	295 103
Total: Joe Gqabi Municipalities		585 776	626 097	674 272
B	EC153 Ngquza Hill	227 562	251 396	271 260
B	EC154 Port St Johns	135 729	149 561	161 091
B	EC155 Nyandeni	234 532	256 041	275 422
B	EC156 Mhlonlo	165 930	179 871	191 665
B	EC157 King Sabata Dalindyebo	292 112	322 658	350 127
C	DC15 O.R. Tambo District Municipality	791 526	853 638	925 329
Total: O.R. Tambo Municipalities		1 847 391	2 013 165	2 174 894
B	EC441 Matatiele	207 642	229 612	247 823
B	EC442 Umzimvubu	193 075	212 895	228 698
B	EC443 Mbizana	230 525	254 380	275 837
B	EC444 Ntabankulu	108 982	119 728	128 076
C	DC44 Alfred Nzo District Municipality	510 344	555 404	602 513
Total: Alfred Nzo Municipalities		1 250 568	1 372 019	1 482 947
Total: Eastern Cape Municipalities		8 828 661	9 528 789	10 296 013

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	
				2018/19	Forward Estimates	
			2019/20	2020/21		
		R'000	R'000	R'000		
FREE STATE						
A	MAN	Mangaung	683 500	735 867	804 822	
B	FS161	Letsemeng	58 082	63 091	68 025	
B	FS162	Kopanong	77 880	84 441	90 521	
B	FS163	Mohokare	61 723	67 819	73 566	
C	DC16	Xhariep District Municipality	40 544	43 116	45 257	
Total: Xhariep Municipalities			238 229	258 467	277 369	
B	FS181	Masilonyana	107 442	117 395	127 406	
B	FS182	Tokologo	49 390	53 961	57 977	
B	FS183	Tswelopele	67 019	73 330	78 787	
B	FS184	Matjhabeng	459 037	501 919	544 687	
B	FS185	Nala	111 110	120 679	128 442	
C	DC18	Lejweleputswa District Municipality	121 164	127 452	132 806	
Total: Lejweleputswa Municipalities			915 162	994 736	1 070 105	
B	FS191	Setsoto	173 927	190 361	205 219	
B	FS192	Dihlabeng	147 861	163 327	178 687	
B	FS193	Nketoana	87 543	96 073	104 320	
B	FS194	Maluti-a-Phofung	538 719	591 738	641 031	
B	FS195	Phumelela	68 083	74 619	80 558	
B	FS196	Mantsopa	74 811	81 889	88 548	
C	DC19	Thabo Mofutsanyana District Municipality	107 303	114 283	120 222	
Total: Thabo Mofutsanyana Municipalities			1 198 247	1 312 290	1 418 585	
B	FS201	Moqhaka	185 144	203 848	221 685	
B	FS203	Ngwathe	174 340	190 804	207 217	
B	FS204	Metsimaholo	163 296	182 247	202 871	
B	FS205	Mafube	86 279	94 776	102 789	
C	DC20	Fezile Dabi District Municipality	149 188	154 316	159 061	
Total: Fezile Dabi Municipalities			758 247	825 991	893 623	
Total: Free State Municipalities			3 793 385	4 127 351	4 464 504	

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	
		2018/19	Forward Estimates	
		2019/20	2020/21	
		R'000	R'000	R'000
GAUTENG				
A	EKU City of Ekurhuleni	3 145 138	3 478 292	3 848 841
A	JHB City of Johannesburg	4 229 919	4 689 158	5 207 760
A	TSH City of Tshwane	2 398 120	2 642 492	2 938 221
B	GT421 Emfuleni	707 724	770 960	838 676
B	GT422 Midvaal	97 192	107 139	118 994
B	GT423 Lesedi	119 340	133 181	148 616
C	DC42 Sedibeng District Municipality	258 891	268 120	276 650
Total: Sedibeng Municipalities		1 183 147	1 279 400	1 382 936
B	GT481 Mogale City	369 809	408 061	451 269
B	GT484 Merafong City	185 872	203 628	222 151
B	GT485 Rand West City	274 916	302 974	332 695
C	DC48 West Rand District Municipality	198 007	206 677	214 544
Total: West Rand Municipalities		1 028 604	1 121 340	1 220 659
Total: Gauteng Municipalities		11 984 928	13 210 682	14 598 417

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	
		2018/19	Forward Estimates	
		2019/20	2020/21	
		R'000	R'000	R'000
KWAZULU-NATAL				
A	ETH eThekweni	2 893 016	3 160 624	3 473 156
B	KZN212 uMdoni	118 563	129 120	140 015
B	KZN213 uMzumbhe	120 566	128 029	136 372
B	KZN214 uMuziwabantu	82 521	89 202	95 883
B	KZN216 Ray Nkonyeni	185 324	201 851	220 992
C	DC21 Ugu District Municipality	435 877	461 838	503 224
Total: Ugu Municipalities		942 851	1 010 040	1 096 486
B	KZN221 uMshwathi	91 820	99 895	107 919
B	KZN222 uMngeni	60 165	66 484	73 599
B	KZN223 Mpopfana	32 003	35 036	37 655
B	KZN224 iMpindle	32 649	35 023	37 278
B	KZN225 Msunduzi	505 853	544 673	597 005
B	KZN226 Mkhambathini	55 546	61 448	66 718
B	KZN227 Richmond	62 473	68 308	74 229
C	DC22 uMgungundlovu District Municipality	483 964	525 359	573 655
Total: uMgungundlovu Municipalities		1 324 473	1 436 226	1 568 058
B	KZN235 Okhahlamba	110 874	122 106	131 270
B	KZN237 iNkosi Langalibalele	155 907	172 809	187 318
B	KZN238 Alfred Duma	206 663	227 893	246 582
C	DC23 uThukela District Municipality	397 482	431 591	468 963
Total: uThukela Municipalities		870 926	954 399	1 034 133
B	KZN241 eNdumeni	41 599	46 228	50 888
B	KZN242 Nquthu	122 365	134 153	144 296
B	KZN244 uMsinga	145 573	160 138	173 357
B	KZN245 uMvoti	112 887	125 289	137 251
C	DC24 uMzinyathi District Municipality	325 057	352 683	385 919
Total: uMzinyathi Municipalities		747 481	818 491	891 711
B	KZN252 Newcastle	341 408	370 044	402 930
B	KZN253 eMadlangeni	27 305	29 882	32 010
B	KZN254 Dannhauser	82 343	89 630	96 080
C	DC25 Amajuba District Municipality	148 705	160 591	173 889
Total: Amajuba Municipalities		599 761	650 147	704 909

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	
				2018/19	Forward Estimates	
			2019/20	2020/21		
		R'000	R'000	R'000		
B	KZN261	eDumbe	66 301	72 956	78 528	
B	KZN262	uPhongolo	119 730	133 382	145 138	
B	KZN263	AbaQulusi	130 276	145 195	158 630	
B	KZN265	Nongoma	136 733	150 771	162 455	
B	KZN266	Ulundi	143 729	159 149	171 384	
C	DC26	Zululand District Municipality	424 766	463 503	505 418	
Total: Zululand Municipalities			1 021 535	1 124 956	1 221 553	
B	KZN271	uMhlabayalingana	145 676	162 295	177 240	
B	KZN272	Jozini	159 965	177 803	192 964	
B	KZN275	Mtubatuba	143 500	160 490	176 150	
B	KZN276	Big Five Hlabisa	94 296	105 320	114 832	
C	DC27	uMkhanyakude District Municipality	374 748	411 235	452 333	
Total: uMkhanyakude Municipalities			918 185	1 017 143	1 113 519	
B	KZN281	uMfobozi	115 041	127 726	139 087	
B	KZN282	uMhlathuze	326 255	360 419	397 687	
B	KZN284	uMlalazi	165 378	181 320	195 938	
B	KZN285	Mthonjaneni	70 979	77 549	82 871	
B	KZN286	Nkandla	86 797	94 619	100 819	
C	DC28	King Cetshwayo District Municipality	476 842	514 705	559 228	
Total: King Cetshwayo Municipalities			1 241 292	1 356 338	1 475 630	
B	KZN291	Mandeni	146 821	163 892	179 615	
B	KZN292	KwaDukuza	147 876	165 637	185 670	
B	KZN293	Ndwedwe	129 855	144 372	156 543	
B	KZN294	Maphumulo	81 102	88 689	94 568	
C	DC29	iLembe District Municipality	468 670	515 734	569 641	
Total: iLembe Municipalities			974 324	1 078 324	1 186 037	
B	KZN433	Greater Kokstad	55 683	60 736	65 674	
B	KZN434	uBuhlebezwe	99 319	107 810	115 772	
B	KZN435	uMzimkhulu	169 032	184 935	199 963	
B	KZN436	Dr Nkosazana Dlamini Zuma	111 162	123 033	132 746	
C	DC43	Harry Gwala District Municipality	318 074	344 466	374 185	
Total: Harry Gwala Municipalities			753 270	820 980	888 340	
Total: KwaZulu-Natal Municipalities			12 287 114	13 427 668	14 653 532	

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	
		2018/19	Forward Estimates	
		2019/20	2020/21	
		R'000	R'000	R'000
LIMPOPO				
B	LIM331 Greater Giyani	253 351	280 648	304 314
B	LIM332 Greater Letaba	244 692	271 964	295 117
B	LIM333 Greater Tzaneen	338 344	375 418	409 819
B	LIM334 Ba-Phalaborwa	132 485	147 759	161 573
B	LIM335 Maruleng	109 416	121 726	132 327
C	DC33 Mopani District Municipality	840 762	918 021	1 005 282
Total: Mopani Municipalities		1 919 050	2 115 536	2 308 432
B	LIM341 Musina	124 015	140 324	157 252
B	LIM343 Thulamela	391 032	432 979	470 957
B	LIM344 Makhado	316 259	349 723	381 094
B	LIM345 Collins Chabane	327 068	361 343	392 029
C	DC34 Vhembe District Municipality	910 477	994 153	1 091 706
Total: Vhembe Municipalities		2 068 851	2 278 522	2 493 038
B	LIM351 Blouberg	167 730	182 071	195 348
B	LIM353 Molemole	128 184	139 356	149 334
B	LIM354 Polokwane	831 436	915 810	1 010 785
B	LIM355 Lepele-Nkumpi	222 970	244 135	263 221
C	DC35 Capricorn District Municipality	547 862	587 746	636 853
Total: Capricorn Municipalities		1 898 182	2 069 118	2 255 541
B	LIM361 Thabazimbi	86 028	93 557	103 553
B	LIM362 Lephale	130 526	146 617	164 498
B	LIM366 Bela-Bela	81 986	90 159	99 555
B	LIM367 Mogalakwena	395 279	430 255	466 088
B	LIM368 Modimolle-Mookgophong	100 804	109 080	118 015
C	DC36 Waterberg District Municipality	122 853	129 261	135 047
Total: Waterberg Municipalities		917 476	998 929	1 086 756
B	LIM471 Ephraim Mogale	129 676	141 749	153 984
B	LIM472 Elias Motsoaledi	237 506	262 705	286 108
B	LIM473 Makhuduthamaga	241 518	261 729	282 569
B	LIM476 Fetakgomo Tubatse	361 513	405 334	446 874
C	DC47 Sekhukhune District Municipality	711 481	767 769	843 333
Total: Sekhukhune Municipalities		1 681 694	1 839 286	2 012 868
Total: Limpopo Municipalities		8 485 253	9 301 391	10 156 635

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	
				2018/19	Forward Estimates	
			2019/20	2020/21		
		R'000	R'000	R'000		
MPUMALANGA						
B	MP301	Chief Albert Luthuli	278 934	306 814	333 088	
B	MP302	Msukaligwa	154 338	171 134	189 253	
B	MP303	Mkhondo	209 667	232 593	255 434	
B	MP304	Dr Pixley ka Isaka Seme	107 567	117 944	127 450	
B	MP305	Lekwa	107 256	118 034	129 277	
B	MP306	Dipaleseng	64 569	71 204	77 865	
B	MP307	Govan Mbeki	257 245	284 504	315 700	
C	DC30	Gert Sibande District Municipality	282 406	291 654	300 301	
Total: Gert Sibande Municipalities			1 461 982	1 593 881	1 728 368	
B	MP311	Victor Khanye	87 187	95 709	105 798	
B	MP312	Emalahleni	325 738	360 048	402 983	
B	MP313	Steve Tshwete	179 370	200 511	227 065	
B	MP314	Emakhazeni	58 495	62 833	68 570	
B	MP315	Thembisile Hani	364 153	398 455	434 938	
B	MP316	Dr JS Moroka	345 667	373 368	402 026	
C	DC31	Nkangala District Municipality	343 962	355 755	366 881	
Total: Nkangala Municipalities			1 704 572	1 846 679	2 008 261	
B	MP321	Thaba Chweu	132 627	142 451	157 222	
B	MP324	Nkomazi	516 133	562 066	613 852	
B	MP325	Bushbuckridge	720 236	776 728	841 299	
B	MP326	City of Mbombela	661 329	720 518	793 825	
C	DC32	Ehlanzeni District Municipality	239 132	251 449	263 037	
Total: Ehlanzeni Municipalities			2 269 457	2 453 212	2 669 235	
Total: Mpumalanga Municipalities			5 436 011	5 893 772	6 405 864	

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	2018/19	Forward Estimates	
			2019/20	2020/21
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC061 Richtersveld	15 473	16 937	18 422
B	NC062 Nama Khoi	43 917	47 587	51 472
B	NC064 Kamiesberg	20 768	22 505	24 106
B	NC065 Hantam	22 818	24 628	26 505
B	NC066 Karoo Hoogland	20 251	22 233	24 179
B	NC067 Khâi-Ma	17 420	18 779	20 323
C	DC6 Namakwa District Municipality	47 152	49 067	50 803
Total: Namakwa Municipalities		187 799	201 736	215 810
B	NC071 Ubuntu	31 165	34 209	37 074
B	NC072 Umsobomvu	44 259	48 914	53 423
B	NC073 Emthanjeni	40 793	44 551	48 243
B	NC074 Kareeberg	22 024	24 050	26 047
B	NC075 Renosterberg	22 237	24 382	26 345
B	NC076 Thembelihle	22 988	25 113	27 059
B	NC077 Siyathemba	29 848	32 598	35 384
B	NC078 Siyancuma	45 402	49 180	52 413
C	DC7 Pixley Ka Seme District Municipality	47 820	50 609	53 012
Total: Pixley Ka Seme Municipalities		306 536	333 606	359 000
B	NC082 !Kai !Garib	77 186	84 147	92 320
B	NC084 !Kheis	23 163	25 065	26 755
B	NC085 Tsantsabane	35 385	38 823	42 678
B	NC086 Kgatelopele	20 469	22 242	24 365
B	NC087 Dawid Kruiper	77 934	84 739	92 253
C	DC8 Z.F. Mgcawu District Municipality	66 094	69 284	72 111
Total: Z.F. Mgcawu Municipalities		300 231	324 300	350 482
B	NC091 Sol Plaatjie	172 437	188 812	206 040
B	NC092 Dikgatlong	76 057	83 956	91 218
B	NC093 Magareng	41 743	45 699	49 114
B	NC094 Phokwane	94 534	103 413	111 092
C	DC9 Frances Baard District Municipality	116 209	120 350	124 125
Total: Frances Baard Municipalities		500 980	542 230	581 589
B	NC451 Joe Morolong	128 635	139 765	149 890
B	NC452 Ga-Segonyana	141 895	157 567	174 003
B	NC453 Gamagara	33 008	37 204	42 363
C	DC45 John Taolo Gaetsewe District Municipality	85 253	89 326	93 411
Total: John Taolo Gaetsewe Municipalities		388 791	423 862	459 667
Total: Northern Cape Municipalities		1 684 337	1 825 734	1 966 548

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	
				2018/19	Forward Estimates	
			2019/20	2020/21		
		R'000	R'000	R'000		
NORTH WEST						
B	NW371	Moretele	306 721	335 220	360 155	
B	NW372	Madibeng	624 943	690 643	766 832	
B	NW373	Rustenburg	605 006	675 452	757 430	
B	NW374	Kgetlengrivier	81 506	90 475	99 374	
B	NW375	Moses Kotane	386 730	423 082	455 591	
C	DC37	Bojanala Platinum District Municipality	322 202	337 917	352 586	
Total: Bojanala Platinum Municipalities			2 327 108	2 552 789	2 791 968	
B	NW381	Ratlou	111 525	122 886	131 799	
B	NW382	Tswaing	102 431	113 143	121 990	
B	NW383	Mafikeng	226 626	252 333	274 752	
B	NW384	Ditsobotla	112 413	124 506	135 203	
B	NW385	Ramotshere Moiloa	153 173	170 214	184 185	
C	DC38	Ngaka Modiri Molema District Municipality	696 369	762 027	829 843	
Total: Ngaka Modiri Molema Municipalities			1 402 537	1 545 109	1 677 772	
B	NW392	Naledi	47 260	51 788	55 858	
B	NW393	Mamusa	50 209	54 838	59 166	
B	NW394	Greater Taung	175 974	190 263	202 947	
B	NW396	Lekwa-Teemane	44 723	49 059	53 059	
B	NW397	Kagisano-Molopo	109 062	118 889	126 906	
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	337 205	360 521	388 722	
Total: Dr Ruth Segomotsi Mompati Municipalities			764 433	825 358	886 658	
B	NW403	City of Matlosana	392 856	428 402	465 560	
B	NW404	Maquassi Hills	115 571	126 946	137 180	
B	NW405	JB Marks	233 655	257 206	284 098	
C	DC40	Dr Kenneth Kaunda District Municipality	180 033	187 041	193 426	
Total: Dr Kenneth Kaunda Municipalities			922 115	999 595	1 080 264	
Total: North West Municipalities			5 416 193	5 922 851	6 436 662	

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	
			2018/19	Forward Estimates	
2019/20	2020/21				
			R'000	R'000	R'000
WESTERN CAPE					
A	CPT	City of Cape Town	2 574 650	2 815 558	3 092 042
B	WC011	Matzikama	52 340	56 519	61 132
B	WC012	Cederberg	45 080	49 017	53 196
B	WC013	Bergrivier	41 390	45 066	49 277
B	WC014	Saldanha Bay	80 432	88 328	97 483
B	WC015	Swartland	82 048	91 534	102 555
C	DC1	West Coast District Municipality	88 405	92 295	95 824
Total: West Coast Municipalities			389 695	422 759	459 467
B	WC022	Witzenberg	84 602	92 850	102 274
B	WC023	Drakenstein	137 518	150 601	165 045
B	WC024	Stellenbosch	124 176	136 177	150 331
B	WC025	Breedee Valley	108 977	117 997	128 040
B	WC026	Langeberg	73 093	79 172	85 535
C	DC2	Cape Winelands District Municipality	225 214	232 002	238 403
Total: Cape Winelands Municipalities			753 580	808 799	869 628
B	WC031	Theewaterskloof	87 385	95 274	103 492
B	WC032	Overstrand	96 068	106 383	117 674
B	WC033	Cape Agulhas	27 606	29 861	32 338
B	WC034	Swellendam	29 001	31 536	34 311
C	DC3	Overberg District Municipality	67 902	71 298	74 293
Total: Overberg Municipalities			307 962	334 352	362 108
B	WC041	Kannaland	25 957	27 902	29 670
B	WC042	Hessequa	40 885	44 040	47 615
B	WC043	Mossel Bay	85 858	93 148	101 620
B	WC044	George	137 401	149 978	164 336
B	WC045	Oudtshoorn	67 861	73 165	78 757
B	WC047	Bitou	83 028	92 906	104 077
B	WC048	Knysna	78 375	85 909	94 186
C	DC4	Eden District Municipality	151 237	156 941	162 177
Total: Eden Municipalities			670 602	723 989	782 438
B	WC051	Laingsburg	15 000	16 394	17 667
B	WC052	Prince Albert	19 317	21 139	22 932
B	WC053	Beaufort West	56 655	61 921	67 002
C	DC5	Central Karoo District Municipality	28 502	30 316	31 867
Total: Central Karoo Municipalities			119 474	129 770	139 468
Total: Western Cape Municipalities			4 815 963	5 235 227	5 705 151
Unallocated			-	500 000	1 000 000
National Total			62 731 845	68 973 465	75 683 326

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	
					2018/19	2019/20	2020/21	Forward Estimates
Basic Education (Vote 14)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to enhance capacity to deliver infrastructure in education; to address damage to infrastructure; to address achievement of the targets set out in the minimum norms and standards for school infrastructure.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	
					1 479 828	1 394 253	1 547 060	
				Free State	755 337	643 932	714 506	
				Gauteng	1 373 073	1 283 691	1 424 381	
				KwaZulu-Natal	1 866 435	1 794 644	1 991 333	
				Limpopo	1 011 680	1 068 836	1 275 292	
				Mpumalanga	838 551	730 112	810 132	
				Northern Cape	568 766	450 710	500 107	
				North West	1 002 988	900 412	999 095	
				Western Cape	1 021 076	919 146	1 019 882	
Unallocated	-	-	1 128 423	1 184 844				
	TOTAL			9 917 734	10 314 159	11 466 632		
Health (Vote 16)	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform.	Nationally assigned function to provinces	Eastern Cape	239 707	253 131	267 053	
				Free State	175 599	185 430	195 629	
				Gauteng	972 759	1 027 240	1 083 738	
				KwaZulu-Natal	351 197	370 863	391 260	
				Limpopo	139 366	147 168	155 262	
				Mpumalanga	114 279	120 678	127 315	
				Northern Cape	91 305	97 132	102 475	
				North West	126 107	132 452	139 738	
				Western Cape	574 177	606 334	639 682	
					TOTAL	2 784 496	2 940 428	3 102 152
(b) National Tertiary Services Grant	Ensure provision of tertiary health services in South Africa; to compensate tertiary facilities for the additional costs associated with provision of these services.	Nationally assigned function to provinces	Eastern Cape	942 650	995 438	1 062 132		
			Free State	1 077 070	1 137 386	1 213 591		
			Gauteng	4 390 192	4 724 843	5 041 407		
			KwaZulu-Natal	1 794 649	1 895 149	2 022 124		
			Limpopo	387 560	409 263	436 684		
			Mpumalanga	116 489	122 993	131 234		
			Northern Cape	359 754	378 323	403 671		
			North West	283 055	300 482	320 614		
			Western Cape	3 049 284	3 221 651	3 437 406		
				TOTAL	12 400 703	13 185 528	14 068 863	

SCHEDULE 4, PART A

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2018/19	Forward Estimates	2019/20	2020/21
Social Development (Vote 17)	Social Worker Employment Grant	To reduce the national backlog of unemployed social work graduates through appointment by provincial departments of social development.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	45 074	48 710	51 974	4 058
				Gauteng	3 519	3 803	3 061	3 061
				KwaZulu-Natal	2 655	2 869	66 710	66 710
				Limpopo	57 855	62 522	58 381	58 381
				Mpumalanga	50 631	54 715	18 653	18 653
				Northern Cape	16 177	17 482	714	714
				North West	619	669	8 402	8 402
				Western Cape	7 286	7 874	14 951	14 951
				TOTAL	196 783	212 656	226 904	226 904
Transport (Vote 35)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance), to ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines; to implement and maintain Road Asset Management Systems; to supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidences including natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	1 439 241	1 391 054	1 467 354	1 303 349
				Gauteng	1 299 602	1 235 577	670 914	670 914
				KwaZulu-Natal	742 522	636 028	1 870 031	1 870 031
				Limpopo	1 826 745	1 772 792	1 165 989	1 165 989
				Mpumalanga	1 124 146	1 105 360	939 197	939 197
				Northern Cape	1 523 757	1 416 386	1 108 353	1 108 353
				North West	1 111 637	1 050 720	953 827	953 827
				Western Cape	960 604	904 230	961 194	961 194
				Unallocated	1 007 414	911 213	1 672 449	1 672 449
TOTAL	11 035 668	11 481 665	12 112 657	12 112 657				
	(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	R'000	R'000	R'000	R'000
				Free State	238 745	252 115	269 007	297 410
				Gauteng	263 954	278 735	2 599 291	2 599 291
				KwaZulu-Natal	2 306 888	2 436 074	1 246 362	1 246 362
				Limpopo	1 106 154	1 168 099	402 035	402 035
				Mpumalanga	356 809	376 790	676 941	676 941
				Northern Cape	600 790	634 434	60 524	60 524
				North West	53 715	56 723	124 415	124 415
				Western Cape	110 419	116 603	1 073 596	1 073 596
				TOTAL	5 990 298	6 325 755	6 749 581	6 749 581

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	
				2018/19	Forward Estimates	2019/20	2020/21
Human Settlements (Vote 38)	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'000 762 992	R'000 801 772	R'000 845 886	
			City of Cape Town	1 484 790	1 560 257	1 646 104	
			City of Ekurhuleni	1 971 737	2 071 952	2 185 954	
			City of Johannesburg	1 852 262	1 946 406	2 053 499	
			City of Tshwane	1 605 607	1 687 214	1 780 046	
			eThekweni	1 966 869	2 066 837	2 180 557	
			Mangaung	756 216	794 652	838 374	
			Nelson Mandela Bay	905 664	951 696	1 004 059	
			TOTAL	11 306 137	11 880 786	12 534 479	
			National Treasury (Vote 7)	Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.	Buffalo City	10 003
City of Cape Town	64 362	56 921				60 092	
City of Ekurhuleni	45 537	48 375				51 069	
City of Johannesburg	63 536	67 496				71 255	
City of Tshwane	45 013	44 464				46 940	
eThekweni	45 596	52 391				55 309	
Mangaung	7 207	11 376				12 009	
Nelson Mandela Bay	12 355	17 534				18 511	
TOTAL	293 609	310 051				327 319	

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B				
					2018/19		Forward Estimates				
					R'000		R'000	R'000			
Agriculture, Forestry and Fisheries (Vote 24)	(a) Comprehensive Agricultural Support Programme Grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or the export market; to address damages to infrastructure caused by floods.	Conditional allocation	Eastern Cape	262 161	253 038	269 992				
				Free State	179 476	174 538	186 232				
				Gauteng	92 333	94 648	100 989				
				KwaZulu-Natal	223 975	206 650	220 496				
				Limpopo	256 521	255 569	272 692				
				Mpumalanga	162 907	159 717	170 418				
				Northern Cape	252 434	123 832	132 129				
				North West	176 054	170 893	182 342				
				Western Cape	144 949	155 763	166 199				
				Unallocated	-	281 408	300 263				
				TOTAL	1 750 810	1 876 056	2 001 752				
					(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock and horticulture production areas.	Conditional allocation	Eastern Cape	71 263	75 254	79 393
								Free State	66 843	70 586	74 468
Gauteng	30 278	31 974	33 733								
KwaZulu-Natal	71 263	75 253	79 392								
Limpopo	71 263	75 254	79 393								
Mpumalanga	58 242	61 504	64 887								
Northern Cape	60 766	64 169	67 698								
North West	66 843	70 586	74 468								
Western Cape	55 662	58 779	62 012								
TOTAL	552 423	583 359	615 444								
	(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation					Eastern Cape	10 966	11 063	11 671
								Free State	7 650	8 415	8 878
								Gauteng	5 399	5 675	5 987
				KwaZulu-Natal	12 016	12 418	13 101				
				Limpopo	12 603	12 863	13 570				
				Mpumalanga	8 310	9 141	9 644				
				Northern Cape	7 753	8 166	8 615				
				North West	8 398	9 238	9 746				
				Western Cape	4 778	5 255	5 545				
				TOTAL	77 873	82 234	86 757				

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2018/19	Forward Estimates	2019/20	2020/21
Arts and Culture (Vote 37)	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	160 584	169 324	178 656	
				Gauteng	159 504	168 191	177 482	
				KwaZulu-Natal	168 530	177 784	187 681	
				Limpopo	174 397	183 917	194 072	
				Mpumalanga	125 643	132 314	139 500	
				Northern Cape	162 479	171 389	180 910	
				North West	159 554	168 250	177 562	
				Western Cape	136 369	143 767	151 733	
					176 624	186 263	196 526	
	1 423 684	1 501 199	1 584 122					
Basic Education (Vote 14)	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by providing comprehensive sexuality education and access to sexual and reproductive health services to learners and supporting the provision of employee health and wellness programmes for educators; to mitigate the impact of HIV and Tuberculosis by providing a caring, supportive and enabling environment for learners and educators; to reduce the vulnerability of children to HIV, Tuberculosis and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	Eastern Cape	43 062	45 455	47 878	
				Free State	13 413	14 148	14 853	
				Gauteng	35 959	37 907	39 869	
				KwaZulu-Natal	58 922	62 155	65 450	
				Limpopo	27 116	29 124	31 137	
				Mpumalanga	20 819	21 919	22 994	
				Northern Cape	5 356	5 594	5 794	
				North West	17 884	18 849	19 791	
				Western Cape	20 704	21 800	22 878	
					243 235	256 951	270 644	
	(b) Learners With Profound Intellectual Disabilities Grant	To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities.	Conditional allocation	Eastern Cape	23 957	28 448	30 910	
				Free State	20 386	25 369	27 664	
				Gauteng	26 451	30 238	32 715	
				KwaZulu-Natal	27 230	33 279	35 586	
				Limpopo	21 700	26 839	28 932	
				Mpumalanga	20 709	24 879	27 884	
				Northern Cape	6 508	8 268	11 260	
				North West	12 797	15 267	17 414	
				Western Cape	25 733	28 198	30 499	
					185 471	220 785	242 864	

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

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

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B				
					2018/19		Forward Estimates				
					R'000	2019/20	R'000	2020/21			
Health (Vote 16)	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance; to enhance capacity to deliver health infrastructure.	Conditional allocation	Eastern Cape	652 071	580 753	612 694				
				Free State	576 362	502 034	529 645				
				Gauteng	874 842	864 748	912 310				
				KwaZulu-Natal	1 202 480	1 153 049	1 216 467				
				Limpopo	536 898	461 000	486 355				
				Mpumalanga	333 935	347 212	366 310				
				Northern Cape	374 391	389 281	410 692				
				North West	585 886	511 935	540 091				
				Western Cape	678 829	608 575	642 046				
				Unallocated	-	628 386	662 947				
				TOTAL	5 815 694	6 046 973	6 379 557				
				Human Settlements (Vote 38)	(c) Human Papillomavirus Vaccine Grant	To enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccination for grade four school girls in all public and special schools.	Conditional allocation	Eastern Cape	33 471	35 345	37 289
								Free State	11 608	12 258	12 932
Gauteng	27 312	28 841	30 427								
KwaZulu-Natal	44 976	47 495	50 107								
Limpopo	27 471	29 009	30 604								
Mpumalanga	17 665	18 654	19 680								
Northern Cape	4 634	4 894	5 163								
North West	13 264	14 007	14 777								
Western Cape	19 599	20 697	21 835								
TOTAL	200 000	211 200	222 816								
Human Settlements (Vote 38)	(a) Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation					Eastern Cape	1 908 439	1 982 512	2 123 601
								Free State	1 072 422	1 111 476	1 185 866
								Gauteng	5 046 583	5 236 578	5 598 471
				KwaZulu-Natal	3 152 757	3 275 125	3 508 205				
				Limpopo	1 287 681	1 331 247	1 414 229				
				Mpumalanga	1 278 427	1 322 832	1 407 412				
				Northern Cape	474 791	487 930	512 958				
				North West	1 926 644	1 987 972	2 104 786				
				Western Cape	2 018 776	2 097 130	2 246 376				
				TOTAL	18 166 520	18 832 802	20 101 904				

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2018/19	Forward Estimates	2019/20	2020/21
Human Settlements (Vote 38)	(b) Title Deeds Restoration Grant	To provide funding for the eradication of the pre-2014 title deeds registration backlog and the professional fees associated with it, including beneficiary verification.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	65 583	69 250	73 056	55 905
				Gauteng	50 187	52 993	117 890	117 890
				KwaZulu-Natal	105 811	111 726	113 028	113 028
				Limpopo	101 422	107 140	23 764	25 070
				Mpumalanga	22 506	54 626	57 628	57 628
				Northern Cape	51 734	21 503	21 503	22 685
				North West	20 364	53 521	56 462	56 462
				Western Cape	50 687	50 361	53 177	56 099
				TOTAL	518 655	547 700	577 823	
Public Works (Vote 11)	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; sustainable land based livelihoods; waste management.	Conditional allocation	Eastern Cape	90 077	-	-	-
				Free State	27 378	-	-	-
				Gauteng	46 758	-	-	-
				KwaZulu-Natal	124 565	-	-	-
				Limpopo	25 864	-	-	-
				Mpumalanga	32 816	-	-	-
				Northern Cape	21 769	-	-	-
				North West	17 673	-	-	-
				Western Cape	29 136	-	-	-
				Unallocated	-	451 505	476 338	476 338
TOTAL	416 036	451 505	476 338					
	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2017 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Nationally assigned function to provinces	Eastern Cape	30 831	-	-	-
				Free State	52 518	-	-	-
				Gauteng	14 241	-	-	-
				KwaZulu-Natal	76 409	-	-	-
				Limpopo	49 392	-	-	-
				Mpumalanga	56 241	-	-	-
				Northern Cape	35 657	-	-	-
				North West	44 812	-	-	-
				Western Cape	47 847	-	-	-
				Unallocated	-	430 793	454 487	454 487
TOTAL	407 948	430 793	454 487					

SCHEDULE 5, PART A
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

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

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2018/19	Forward Estimates	2020/21
			R'000	R'000	R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	-	-	-
	Energy Efficiency and Demand Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	215 024	227 065	239 554
National Treasury (Vote 7)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment.	141 492	149 416	157 930
	(b) Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	504 566	532 822	561 713
	(c) Municipal Restructuring Grant	To assist municipalities in financial crisis to implement reforms to improve their financial sustainability.	-	-	514 425
Public Works (Vote 11)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: roads maintenance and the maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.	692 878	741 917	782 918
TOTAL			1 553 960	1 651 220	2 256 540

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		Column B	
			2018/19	2019/20	2019/20	2020/21
			R'000	R'000	R'000	R'000
INFRASTRUCTURE GRANTS						
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	21 317	-	-	-
	(b) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities; a Municipal Infrastructure Grant-2 funding stream is introduced in 2018/19 as a step towards a new funding arrangement for intermediate city municipalities to facilitate more integrated planning and funding of capital investments.	15 287 685	15 733 731	16 599 086	
Energy (Vote 26)	Integrated National Electrification Programme Grant (Municipal)	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrading informal settlements, new and normalisation of existing dwellings) and the installation of relevant bulk infrastructure.	1 904 477	2 127 928	2 244 964	
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant (Capital)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	601 867	621 172	654 936	
Transport (Vote 35)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	6 253 669	6 114 248	6 450 172	
	(b) Rural Roads Asset Management Systems Grant	To assist district municipalities to set up rural Rural Asset Management Systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	107 533	113 891	120 485	
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development; support municipalities in implementing Water Conservation and Water Demand Management projects, support the existing bucket eradication programme intervention in formal residential areas; support drought relief projects in affected municipalities.	3 481 056	3 669 319	3 870 972	
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	1 957 000	2 066 360	2 180 005	
TOTAL			29 614 604	30 446 649	32 120 620	

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		Column B	
			2018/19	2019/20	2020/21	
			R'000	R'000	R'000	
Basic Education (Vote 14)	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	1 471 826	1 327 048	969 036	
	National Health Insurance Indirect Grant	To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance; to enhance capacity and capability to deliver infrastructure for National Health Insurance; to accelerate the fulfilment of the requirements of Occupational Health and Safety; to expand the alternative models for the dispensing and distribution of chronic medication; to fund the development of and roll-out of new Health Information Systems in Preparation for National Health Insurance; to develop a risk-adjusted capitation model for the reimbursement of primary health care; to enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results; to expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	2 303 859	3 038 691	3 775 194	
		TOTAL	3 775 685	4 365 739	4 744 230	

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2018/19	Forward Estimates 2019/20	2020/21
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	115 116	121 562	128 248
	Integrated National Electrification Programme Grant (Eskom)	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas.	3 262 031	3 432 453	3 621 488
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant (Technical Assistance)	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	29 353	30 997	32 702
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development; support municipalities in implementing Water Conservation and Water Demand Management projects; support the existing bucket eradication programme intervention in formal residential areas, support drought relief projects in affected municipalities.	608 175	642 233	677 556
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	2 880 922	3 037 295	3 204 346
TOTAL			6 895 597	7 264 540	7 664 340

SCHEDULE 7, PART A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2018/19	Forward Estimates	2020/21
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Relief Grant	To provide for the immediate release of funds for disaster response.	123 591	130 904	138 489
Human Settlements (Vote 38)	Provincial Emergency Housing Grant	To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters.	260 000	276 900	294 899
		TOTAL	383 591	407 804	433 388

SCHEDULE 7, PART B

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2018/19	Forward Estimates	2020/21
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Disaster Relief Grant	To provide for the immediate release of funds for disaster response.	349 280	335 488	353 940
Human Settlements (Vote 38)	Municipal Emergency Housing Grant	To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters.	140 000	149 100	158 792
		TOTAL	489 280	484 588	512 732

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

1. BACKGROUND

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996, (“the Constitution”) requires that an Act of Parliament 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 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

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 2018/19 financial year;
- **Clause 16** requires the publication of certain allocations and all conditional grant frameworks in the *Government Gazette*;
- **Clause 17** requires that spending must only be in accordance with the purpose and subject to the conditions set out in the grant frameworks for Schedules 4 to 7 allocations, and sets out funding related arrangements if a function partially or fully funded by a conditional grant is assigned by a province to a municipality;
- **Clauses 18 and 19** provide for the withholding and stopping of allocations;

- *Clause 20* provides for the reallocation of funds;
- *Clause 21* provides for the possible conversion of certain allocations in order to prevent under-spending on the allocation, if the affected national or provincial department has demonstrated the capacity to implement projects;
- *Clause 22* provides for the management of unspent conditional allocations;
- *Clauses 23 and 24* provide for payment schedules and their amendment;
- *Clause 25* provides for the recovery of any allocation transferred in error or fraudulently;
- *Clause 26* provides for allocations not listed in the Schedules;
- *Clause 27* provides for preparations for the 2019/20 and 2020/21 financial years;
- *Clause 28* deals with transfers before the commencement of the Division of Revenue Act for the 2019/20 financial year and the conditions attached to such transfers;
- *Clause 29* sets out the duties of municipalities;
- *Clause 30* sets out the duties and powers of provincial treasuries;
- *Clause 31* sets out the duties and powers of the National Treasury;
- *Clauses 32 to 37* provide for general matters such as liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations, irregular expenditure, financial misconduct, delegations and assignments, exemptions and the power of the Minister of Finance to make regulations;
- *Clause 38* provides for the repeal of laws;
- *Clauses 39* provides for the short title and commencement.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

The following institutions were consulted on the Bill:

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

4. FINANCIAL IMPLICATIONS 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 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 2018 Budget Review)

W1

Explanatory memorandum to the division of revenue

■ Background

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

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

This explanatory memorandum to the 2018 Division of Revenue Bill fulfils the requirement set out in section 10(5) of the Intergovernmental Fiscal Relations Act that the bill be accompanied by an explanatory memorandum detailing how it takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities. This memorandum compliments the discussion of the division of revenue in chapter 6 of the budget review. 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 2018 division of revenue.
- Part 3 sets out how the FFC's recommendations on the 2018 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 2017. The division of revenue, and the government priorities that underpin it, was agreed for the next three years.

■ Part 1: Constitutional considerations

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

National interest and the division of resources

The national interest is captured in governance goals that benefit the nation as a whole. The National Development Plan sets out a long-term vision for the country's development. This is complemented by the strategic integrated projects overseen by the Presidential Infrastructure Coordinating Council and the 14 priority outcomes adopted by Cabinet in 2014 for the 2014–2019 medium-term strategic framework. In the 2017 *Medium Term Budget Policy Statement*, the Minister of Finance outlined how the resources available to government over the 2018 medium-term expenditure framework (MTEF) would be allocated to help achieve these goals. Cabinet's commitment to keeping South Africa's debt on a sustainable path is coupled with commitments to new national priorities that have emerged and must be accommodated in the budget. Chapter 4 of the 2017 *Medium Term Budget Policy Statement* and Chapters 5 and 6 of the 2018 *Budget Review* discuss how funds have been allocated across the three spheres of government based on these priorities. The framework for each conditional grant allocated as part of the division of revenue also notes how the grant is linked to the 14 priority outcomes.

Provision for debt costs

The resources shared between national, provincial and local government include proceeds from national government borrowing used to fund public spending. National government provides for the resulting debt costs to protect the country's integrity and credit reputation. A more detailed discussion can be found in Chapter 7 of the 2018 *Budget Review*.

National government's needs and interests

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

Provincial and local government basic services

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

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

The 2018 division of revenue prioritises the sustained delivery of free basic services in municipalities. New grants for emergency housing relief in both provinces and municipalities aim to improve government response times to disasters that are outside the purview of the National Disaster Management Centre.

Fiscal capacity and efficiency

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

Local government's share of nationally raised revenue has increased from 3 per cent in 2000/01 to 9 per cent over the 2018 MTEF period. The local government equitable share formula incorporates a revenue adjustment factor that considers the fiscal capacity of the recipient municipality (full details of the formula are provided in part 5 of this annexure).

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

Developmental needs

Developmental needs are accounted for at two levels. First, in the determination of the division of revenue, which continues to grow the provincial and local government shares of nationally raised revenue, and second, in the formulas used to divide national transfers among municipalities and provinces. Developmental needs are built into the equitable share formulas for provincial and local government and in specific conditional grants, such as the *municipal infrastructure grant*, which allocates funds according to the number of households in a municipality without access to basic services. Various infrastructure grants and 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 gives provincial governments and municipalities the power to determine priorities and allocate budgets. National government is responsible for developing policy, fulfilling national mandates, setting national norms and standards for provincial and municipal functions, and monitoring the implementation of concurrent functions. It also ensures that baseline reductions do not affect important obligations that are already funded through existing provincial and local government allocations.

The 2018 MTEF, through the division of revenue, continues to fund the delivery of provincial, municipal and concurrent functions through a combination of conditional and unconditional grants.

Predictability and stability

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

Flexibility in responding to emergencies

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

Part 2: The 2018 division of revenue

The central fiscal objectives over the MTEF period are to stabilise the growth of debt as a share of GDP and to strictly adhere to the planned expenditure ceiling (see Chapters 1, 3 and 5 of the 2018 *Budget Review*). However, the most important public spending programmes that help poor South Africans, contribute to growth and generate employment have been protected from major reductions. The 2018 division of revenue reprioritises existing funds to ensure these objectives are met despite a lower expenditure ceiling. Parts 4 and 5 of this annexure set out in more detail how the baseline reductions affect provincial and local government transfers.

Excluding debt-service costs and the contingency reserve, allocated expenditure shared across government amounts to R1.32 trillion, R1.43 trillion and R1.53 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 2018 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 2018 MTEF period that are funded through reprioritisations in the division of revenue include:

- Improving government's responsiveness to housing disasters through the introduction of emergency housing grants.
- Intensifying the role of home-based carers in improving national health through earmarked supplementary funds from the *comprehensive HIV, AIDS and TB grant*.
- Protecting the school nutrition initiative by ensuring that allocations continue to feed more children.
- Providing free basic services to poor households.
- Promoting access to social housing by boosting subsidies.

The fiscal framework

Table W1.1 presents the medium-term macroeconomic forecasts for the 2018 Budget. It sets out the growth assumptions and fiscal policy targets on which the fiscal framework is based.

Table W1.1 Medium-term macroeconomic assumptions

R billion/percentage of GDP	2017/18		2018/19		2019/20		2020/21
	2017 Budget	2018 Budget	2017 Budget	2018 Budget	2017 Budget	2018 Budget	2018 Budget
Gross domestic product	4 741.2	4 699.4	5 129.2	5 025.4	5 545.5	5 390.1	5 808.3
Real GDP growth	1.3%	1.3%	2.1%	1.5%	2.3%	1.9%	2.1%
GDP inflation	6.1%	5.3%	6.0%	5.4%	5.7%	5.3%	5.5%
National budget framework							
Revenue	1 242.4	1 194.6	1 351.0	1 321.1	1 471.5	1 427.8	1 542.7
Percentage of GDP	26.2%	25.4%	26.3%	26.3%	26.5%	26.5%	26.6%
Expenditure	1 409.2	1 411.9	1 522.2	1 512.2	1 652.2	1 632.6	1 757.5
Percentage of GDP	29.7%	30.0%	29.7%	30.1%	29.8%	30.3%	30.3%
Main budget balance¹	-166.8	-217.3	-171.2	-191.1	-180.7	-204.8	-214.8
Percentage of GDP	-3.5%	-4.6%	-3.3%	-3.8%	-3.3%	-3.8%	-3.7%

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 2018 MTEF period after accounting for new policy priorities.

Table W1.2 Division of nationally raised revenue

R million	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Outcome			Revised estimate	Medium-term estimates		
Division of available funds							
National departments	489 987	546 065	555 738	599 886	628 621	685 927	736 551
<i>of which:</i>							
Indirect transfers to provinces	5 413	3 458	3 636	3 813	3 776	4 366	4 744
Indirect transfers to local government	8 052	10 370	8 112	7 803	6 896	7 265	7 664
Provinces	439 544	471 424	500 384	538 160	570 997	611 758	657 455
Equitable share	359 922	386 500	410 699	441 331	470 287	505 020	542 447
Conditional grants	79 623	84 924	89 685	96 829	100 711	106 739	115 008
Local government	87 570	98 338	102 867	110 728	118 458	126 914	137 462
Equitable share	41 592	49 367	50 709	55 312	62 732	68 973	75 683
Conditional grants	35 788	38 313	40 934	43 631	43 258	44 773	47 752
General fuel levy sharing with metros	10 190	10 659	11 224	11 785	12 469	13 167	14 027
Provisional allocation not assigned to votes	–	–	–	–	6 000	2 308	2 125
Non-interest allocations	1 017 102	1 115 827	1 158 989	1 248 774	1 324 076	1 426 907	1 533 593
Percentage increase	7.5%	9.7%	3.9%	7.7%	6.0%	7.8%	7.5%
Debt-service costs	114 798	128 796	146 497	163 155	180 124	197 664	213 859
Contingency reserves	–	–	–	–	8 000	8 000	10 000
Main budget expenditure	1 131 900	1 244 623	1 305 486	1 411 930	1 512 200	1 632 571	1 757 452
Percentage increase	8.0%	10.0%	4.9%	8.2%	7.1%	8.0%	7.6%
<i>Percentage shares</i>							
National departments	48.2%	48.9%	48.0%	48.0%	47.7%	48.1%	48.1%
Provinces	43.2%	42.2%	43.2%	43.1%	43.3%	42.9%	42.9%
Local government	8.6%	8.8%	8.9%	8.9%	9.0%	8.9%	9.0%

Source: National Treasury

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

Table W1.3 Changes over baseline

R million	2018/19	2019/20
National departments	-2 827	4 327
<i>Of which: Higher education</i>	12 355	25 050
Provinces	-7 617	-9 237
Local government	-3 012	-5 363
Allocated expenditure	-13 456	-10 273

Source: National Treasury

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

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

R million	2018/19	2019/20	2020/21
	Allocation	Forward estimates	
National ¹	979 182	1 058 578	1 139 322
Provincial	470 287	505 020	542 447
Local	62 732	68 973	75 683
Total	1 512 200	1 632 571	1 757 452

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

Source: National Treasury

The 2018 *Budget Review* sets out in detail how constitutional considerations and government's priorities are taken into account in the 2018 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 2018/19* to Parliament in May 2017. These recommendations focus on urban development issues, following the FFC's focus on rural development in 2017/18. The recommendations for 2018/19 cover the following areas: macroeconomic parameters underpinning urban development; city-level productivity, competitiveness and the well-being of residents; and local government issues, including urbanisation impacts and revenue diversification.

Section 214 of the Constitution requires that the FFC's recommendations be considered before tabling the division of revenue. Section 10 of the Intergovernmental Fiscal Relations Act requires that the Minister of

Finance table a Division of Revenue Bill with the annual budget in the National Assembly. The bill must be accompanied by an explanatory memorandum setting out how government has taken into account the FFC's recommendations when determining the division of revenue. This part of the explanatory memorandum complies with this requirement.

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

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

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

■ Recommendations that apply directly and indirectly to the division of revenue

Chapter 2: Assessment of Integrated Urban Development Framework and Cities Support

Strengthening the Integrated Urban Development Framework and the Cities Support Programme

The FFC recommends that, "The Department of Cooperative Governance and Traditional Affairs and the National Treasury consolidate the urban development related grants (for example incorporate the *integrated city development grant* into the *urban settlements development grant*) so as to achieve the Integrated Urban Development Framework objectives and address urban development holistically."

Government response

Government recognises the need for the progressive consolidation of conditional grants to metropolitan municipalities. It remains committed to consolidating grants for urban municipalities as a long-term objective, while acknowledging that several sector-specific grants, such as the *public transport network grant*, will need to remain separate in the short term to fund specific programmes within cities.

Government will review spending on urban informal settlement upgrades, with a view to changing the grant system to enable increased investment in on-site upgrades. This may have implications for the structure of the grants mentioned in the FFC's recommendation, as the *urban settlements development grant* is the main source of grant funding for informal settlement upgrades in metros and the *integrated city development grant* is the main grant for improved governance and spatial transformation in metros. National departments, cities and the FFC will be invited to participate in the review.

A new *integrated urban development grant* will be introduced for non-metropolitan cities in 2019/20. While this grant will initially be funded by reprioritising amounts previously allocated to qualifying cities through the *municipal infrastructure grant*, it could include the consolidation of other grants in time.

Government has consistently emphasised the need to increase the proportion of own revenue in urban municipalities' capital budgets. Reforms to conditional grants, including the proposed consolidation of grants, must be structured to promote this objective, as it is the best way of increasing total capital investment in urban infrastructure.

The current structure of the *integrated city development grant* aims to incentivise municipalities to invest in a targeted and sequenced manner to achieve a more compact, inclusive, productive and sustainable urban environment. The incentive is based on the performance of the metropolitan municipality as a whole, including performance on all grants and own-revenue-funded projects. Steps to incorporate this grant into

another grant will need to be structured carefully to ensure that the incentive created for holistic planning and development across municipalities is not distorted.

Chapter 3: Cities Compaction – An Evaluation of Legislation and Policies

Achieving compact metropolitan cities

The FFC recommends that, “National Treasury introduces an incentive grant specifically targeted at city compaction, an urban form that has the potential to remedy apartheid geography and bring the masses closer to the opportunities of work and facilities. The spatial development grants currently accessed through the built environment performance plans treat compaction as only a small and negligible component of spatial transformation.”

Government response

The National Treasury agrees that there is a need for incentives to encourage targeted densification that restructures South Africa’s urban spaces. This has been identified as a key measure in the fiscal framework, and confirmed by the local government infrastructure grant review process. A small incentive grant has already been introduced in the form of the *integrated city development grant*.

Government has adopted an incremental approach to introducing performance incentives for two reasons. First, there is a need to ensure there are objective, measurable indicators of performance in place that are well understood by all eligible municipalities and consistent with global and national monitoring frameworks. To accomplish this, the National Treasury and the Department of Cooperative Governance have led the reform of outcome indicators and reporting for urban local governments – a process that is nearing completion. Second, there is a need to ensure that measures are taken to address countervailing incentives to spatial restructuring, which could mute the impact of the fiscal incentives. These could include changes to policies and regulations to ensure they do not create implicit incentives that encourage investments in low-density developments on the edges of cities.

Incentive effects are not drawn solely from the size of financing provided, but also from the extent to which they complement other initiatives in a coherent programme. The built environment performance plans provide each city with a mechanism to coordinate infrastructure investment funded through grants and own revenues that will lead to spatial transformation. Section 14(2) of the Division of Revenue Act requires that cities invest an increasing proportion of their grant allocations in the integration zones identified in their built environment performance plans. Several grants to metropolitan municipalities also have an explicit focus on spatial transformation and compact cities, including the *public transport network grant*, which promotes transit-oriented development along public transport corridors, and the *neighbourhood development partnership grant*, which funds the development of urban hubs in townships.

Chapter 4: Transport and Mobility Consolidating Programmes

Retaining locally earned fiscal revenue and ring-fencing local income sources for public transport

The FFC recommends that, “The Department of Transport should review the *public transport network grant* and investigate options to shift sources of funding towards retaining locally earned fiscal revenue and ring-fence the local income sources for public transport use. Examples include possible retention of a larger portion of the fuel levy generated in the municipality.

- “Develop case studies or support pilot projects in selected municipalities to develop key potential sources of funding including funding related to parking, developer charges and ring-fencing a portion of the fuel levy.”

Government response

Government supports the increased use of municipal own revenues to fund public transport. Efficient and reliable public transport is vital to the long-term economic performance of cities. Progressively increasing the share of locally generated funds allocated to public transport is an investment in urban development.

The structure of the *public transport network grant* has been extensively reviewed and reformed through the local government infrastructure grant review, in which the FFC participates. This has led to the change from a project-based allocation methodology to one based on a formula, and the announcement that from 2019/20 an incentive component will be added to the grant. Both of these changes are intended to encourage cities to increase investment in public transport networks from their own revenues.

While cities and the Department of Transport can research potential municipal revenue sources that could support public transport, new municipal tax instruments can only be approved by the Minister of Finance in terms of the Municipal Fiscal Powers and Functions Act (2007). Cities should also be encouraged to maximise their use of existing own-revenue sources and prioritise more of these resources towards investment in public transport.

The National Treasury has already announced its intention to amend the Municipal Fiscal Powers and Functions Act to better regulate municipal development charges. The sharing of the general fuel levy with metropolitan municipalities was introduced in 2008/09 as a replacement for the RSC levies previously collected by municipalities. As such, it was allocated to metropolitan municipalities as an unconditional transfer and it would therefore be inappropriate for national government to retrospectively ring-fence it for a particular purpose.

Consolidation of public transport functions as defined in the National Land Transport Act

The FFC recommends that, “The Department of Transport should approve and pilot the consolidation of public transport functions as defined in the National Land Transport Act within a well-capacitated city, with supporting funding (in line with a previous Commission study). In this regard, the Department of Transport should:

- “Identify the most appropriate options for arrangements outside of large urban municipalities where financial resources and capacity to take on the integrated function are more limited; and
- “Identify the legal and institutional structures needed to properly integrate planning and management across modes (including rail) into the broader management of municipal transport networks, which are also adequately funded by a conditional grant.”

Government response

Government acknowledges the need to consolidate the public transport functions as defined in the National Land Transport Act (2009). The Department of Transport is considering a pilot project in the uMhlathuze and/or Lephthalale municipalities. However, this consolidation of functions could not be funded through the *public transport network grant* because it is for a specific purpose (integrated networks).

The National Land Transport Act provides that all municipalities establishing integrated public transport networks should create intermodal planning committees and land transport advisory boards solely for integrated planning and public transport management. Municipalities can use these existing institutions rather than prescribing new arrangements or structures.

Approaches to integrated public transport networks that support financial sustainability

The FFC recommends that, “The Department of Transport should support the development of approaches to integrated public transport networks that support financial sustainability. These approaches should focus on leveraging the strengths of existing services, promoting incremental improvement of public transport based on affordability and impact, recognising the significant role that new technologies will play in providing demand-responsive services, and considering alternative models of industry transformation.

This could take the form of piloting and sharing learning from revised approaches to integrated public transport networks in one or more urban municipalities and should be funded through the *integrated public transport network grant* or a similar funding instrument.”

Government response

Government agrees with this recommendation. Municipalities are encouraged to implement integrated public transport networks that are appropriate for their environments. Innovations are encouraged, but they need to be costed and have a sound business case. The *public transport network grant* already funds several different types of quality bus services that require substantially less infrastructure than bus rapid transit systems (in George, Mangaung, Mbombela and Msunduzi, for example).

Several cities are exploring options to use existing minibus vehicles in their integrated public transport networks (these include Tshwane, Polokwane, Cape Town Phase 2, eThekweni, Ekurhuleni and Nelson Mandela Bay). The Public Transport Strategy and the framework for the *public transport network grant* allow for experimentation with the incremental integration of minibus-type services into public transport networks. The main reason there has not been more success in this area is not national policy or grant design but the lack of political will, technical capacity, as well as regulatory and enforcement capabilities and business development expertise at local level. However, cities are improving their capacity and it is likely that minibus taxis will become more integrated in future.

Chapter 5: Aligning Urban Housing Supply with Unhoused Urban Population

Alignment of infrastructure delivery plans to new human settlements development

The FFC recommends that, “Provincial departments of human settlements and other key departments including the provincial departments of basic education and transport should align their infrastructure delivery plans particularly for new human settlements development. This can be done by:

- “Establishing functional inter-sectoral coordination committees where relevant departments will meet to discuss new infrastructure development projects relating to habitable human settlement.
- “Ensuring that the portion of *education infrastructure grant* and funding from the provincial equitable share are aligned to the portion of the *human settlements development grant* for new housing developments.”

Government response

Government recognises the importance of improving the coordination of infrastructure delivery. As a result, provincial treasuries have established infrastructure medium-term expenditure committee forums as part of their budget processes. These structures bring together national and provincial departments to facilitate inter-sectoral discussions on the planning and implementation of infrastructure projects. These new forums will need to be further developed and strengthened with support from the National Treasury and relevant national departments. Provinces need to ensure that their infrastructure investment plans are consistent with the spatial development plans set out in municipal integrated development plans.

Chapter 6: Implications of Urbanisation Induced Learner Mobility on Education Planning and Funding

Review of the provincial equitable share formula

The FFC recommends that, “The National Treasury should incorporate weighted learner socio-economic profiles into the education component of the provincial equitable share formula as an additional indicator of education needs.”

Government response

The National Treasury is reviewing the provincial equitable share formula. This review is set to take place over a number of years and includes assessing the continued appropriateness of all aspects of the formula. The first phase of the review is to assess the data that informs all of the formula's current components. The Department of Basic Education has introduced an improved way of collecting learner enrolment numbers and this will be incorporated into the equitable share formula. Subsequent phases of the review will consider other factors such as the alignment of the formula to national sector policy, which may include an assessment of the impact of weighted learner socio-economic profiles, as recommended by the FFC.

Demographic patterns and forecasts in provincial education infrastructure planning

The FFC recommends that, "Both the National Treasury and Department of Basic Education must ensure that the framework for the *education infrastructure grant* incorporates the need for provincial infrastructure plans to take into account spatial demographic patterns and forecasts, particularly when decisions to build, expand or maintain schools are made."

Government response

Government agrees with this recommendation. Provincial departments of basic education are required to submit user asset management plans to the national Department of Basic Education that consider, among others, the need to provide school infrastructure in different parts of their province. These plans must comply with human settlements planning guidelines to ensure education facilities are accessible to new and existing communities. They must consider the geographic distribution of existing and new school infrastructure against the demographic distribution of beneficiaries (accounting for population dynamics and learner movements).

Chapter 7: Industrial Diversity and Economic Performance in Urban Municipalities*Improving industrial diversity and economic growth in urban municipalities*

The FFC recommends that, "Through the National Treasury, government establishes an economic diversification plan as part of its objective to support cities in promoting spatial transformation and economic growth. This fund can either be ring-fenced within existing grants linked to growth and spatial transformation of cities (such as the *integrated cities development grant*), or specified as a minimum spending requirement to ensure that recipient municipalities spend allocated funds towards programmes that broaden and deepen spatial transformation and economic growth through diversification of economic activities within their jurisdictions."

Government response

Government acknowledges the importance of diversified local economies and the effect they can have on spatial development in cities. However, ring-fencing grant funding to cities is not the best way to achieve this.

Promoting economic diversification is an industrial policy issue and not a mandate of local government. The fundamental role of municipalities in local economic development is to provide efficient and effective basic infrastructure services and urban management regulation (including land-use planning and management systems) that support economic activities.

Chapter 8: The Effects of Municipal Spending on Urban Employment*Redesign of the expanded public works programme integrated grant for municipalities*

The FFC recommends that, "The Departments of Public Works and Cooperative Governance and Traditional Affairs should carry out an assessment of the *expanded public works programme (EPWP)*

integrated grant for municipalities to ascertain how the grant can be redesigned to encourage more secondary cities and large towns to apply for a bigger portion of this grant.”

Government response

The Department of Public Works is working with the South African Cities Network through a reference group, which discusses and monitors plans to expand the EPWP in cities. These reference group meetings are also a forum where best practices are shared so that cities learn from each other. The EPWP’s implementation in secondary cities and large towns is also being encouraged through the provision of technical support from the national and provincial departments of public works.

The EPWP aims to create more jobs through the labour-intensive implementation of municipal functions. The *EPWP integrated grant for municipalities* is intended to act as a supplementary source of funding for labour-intensive projects. Cities should be creating jobs through all of their activities, not only those funded through this grant.

In 2017/18, cities and large towns accounted for 19 per cent of allocations through the *EPWP integrated grant for municipalities*, which is a significant portion of the grant. A Government Technical Advisory Centre review of the *EPWP integrated grant for municipalities* in 2016/17 confirmed that urban municipalities are able to access a large proportion of this grant. Accessing the grant depends on municipalities reporting their EPWP job creation. To get bigger allocations, secondary cities and large towns need to report better performance.

It should also be noted that any change to bias the allocation methodology in favour of cities would mean that less funding is available for rural municipalities. Because of the large unemployment burden in rural areas, government does not support this aspect of the recommendation.

Chapter 10: ICT and City Governance

Funding towards municipal standard chart of accounts compliance

The FFC recommends that, “The National Treasury should ensure that allocations for assisting municipalities with municipal standard chart of accounts implementation through the *financial management grant* be ring-fenced and deliberately biased towards lesser resourced urban municipalities who struggle under the financial burden of attaining compliance with the municipal standard chart of accounts financial reform.”

Government response

Government acknowledges the financial challenges experienced by some municipalities in complying with the municipal standard chart of accounts regulations. The *financial management grant*, however, is relatively small, with municipalities allocated about R1.7 million each, on average. Allocations are biased towards municipalities with financial management challenges identified in the Financial Management Capability Maturity Model and/or disclaimer audit opinions. In addition to supporting the implementation of the municipal standard chart of accounts, the grant also supports a host of other financial reforms, including preparing funded budgets, improving asset management and ensuring audit outcomes are consistent with Outcome 9 (a responsive, accountable, effective and efficient developmental local government system). The amount spent on each activity must be specified and approved in the *financial management grant* support plan submitted by each municipality and approved by the National Treasury. As such, there is no need to ring-fence funds for a particular activity.

All municipalities and municipal entities should have complied with the regulations for implementation of the municipal standard chart of accounts by 1 July 2017. It is the responsibility of those municipalities that are not yet compliant with the regulations to ensure that they appropriately budget for its implementation using the revenue at their disposal (including own resources and transfers). Municipalities needing technical assistance to help with their budgeting can ask the relevant provincial treasury for support.

Chapter 11: Financing of Urban Municipalities and Own Revenue Diversification

Improving access to credit markets for large cities

The FFC recommends that, “The National Treasury improves access to credit markets for large cities by allowing them to use their infrastructure grant funding allocations to leverage private capital.”

Government response

Government agrees that there is a need to improve municipal access to credit markets and has been emphasising this point in the *Budget Review* for several years. The National Treasury is updating the policy framework for municipal borrowing.

While municipalities will always borrow primarily against future revenue-generating assets, government acknowledges that infrastructure grants can provide additional certainty that enables improved access to borrowing. To facilitate this, the 2018 Division of Revenue Bill includes a redrafting of clause 8(4), which in previous years said a municipality needs the National Treasury’s approval to borrow funds using future grant allocations as part (or all) of the future revenue against which they borrow. This limited the potential revenue considered when a municipality tried to borrow capital, unless they formally pledged funds. The changes to this section of the bill mean that the National Treasury will no longer approve the pledging of anticipated future grant funds. Instead, any borrowing against expected future grant transfers must be done in terms of the processes and criteria set out in the Municipal Finance Management Act, which requires public consultation, comments from the relevant treasury and approval by the municipal council. This provides greater flexibility for municipalities to account for anticipated future grant revenues as part of their borrowing frameworks (and for longer than the three-year MTEF period).

Improving the flow of public-private partnerships within municipalities

The FFC recommends that, “The Public Private Partnership Unit at the National Treasury improves the flow of public-private partnerships within municipalities by using the *financial management grant* to build capacity within large cities in specialised skills in public-private partnership development, procurement, negotiation and monitoring.”

Government response

The Public Private Partnership Unit in the Government Technical Advisory Centre provides support and technical advice to municipalities, along with formal training courses on public-private partnerships for any municipality wishing to build the capacity of their officials. The Government Technical Advisory Centre also provides an extensive library of literature on public-private partnerships, including manuals, guidelines and case studies, all of which can be accessed at www.gtac.gov.za.

As discussed above, the *financial management grant* is a small grant that already has a large number of competing priorities to fund. Its allocations favour municipalities with substantial financial management capacity needs. This grant is therefore not an appropriate source of funding for establishing new units in cities that have substantial revenue sources of their own.

Land value capture fiscal instruments among large cities

The FFC recommends that, “The National Treasury creates awareness of land value capture fiscal instruments among large cities and extends the scope of the *financial management grant* to cater for capacity building in the design and implementation of land value capture mechanisms.”

Government response

The National Treasury, through the Cities Support Programme, is already undertaking extensive activities to broaden municipal access to sources of capital finance, particularly in larger cities. This includes developing a specific toolkit on land-based financing instruments, holding a series of three technical workshops with metropolitan municipalities and providing specific technical assistance in pilot

municipalities. In addition, the National Treasury is reviewing the existing policy framework for municipal borrowing and providing technical support to cities to develop long-term financial strategies within their built environment performance plans. It has also announced its intention to table amendments to the Municipal Fiscal Powers and Functions Act during 2018 to better regulate development charges so that cities can make greater use of this revenue source.

The National Treasury does not support the recommendation that the purpose of the *financial management grant* be changed to fund specific capacity building for land-based financing instruments. As discussed above, it is a small grant with several competing priorities to fund. Its allocations are also biased in favour of assisting municipalities with substantial financial management capacity needs. Government believes that the use of land-value capture can be promoted through technical assistance (as is already being done), rather than funding capacity building through conditional grants.

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 R538.2 billion in 2017/18 to R571 billion in 2018/19. Over the MTEF period, provincial transfers will grow at an average annual rate of 6.9 per cent to R657.5 billion. Table W1.5 sets out the transfers to provinces for 2018/19; a total of R470.3 billion is allocated to the provincial equitable share and R100.7 billion to conditional grants, which includes an unallocated R123.6 million for the *provincial disaster relief grant*.

Table W1.5 Total transfers to provinces, 2018/19

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	65 500	11 263	76 763
Free State	26 178	7 561	33 739
Gauteng	93 384	21 511	114 895
KwaZulu-Natal	99 264	19 753	119 017
Limpopo	55 179	8 544	63 723
Mpumalanga	38 468	7 937	46 404
Northern Cape	12 475	4 387	16 862
North West	32 392	7 467	39 859
Western Cape	47 447	11 904	59 351
Unallocated	–	384	384
Total	470 287	100 711	570 997

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 line with their ability to adjust to the cuts and raise their own revenue. A weaker than expected economic and fiscal environment has meant that the budget had to be reprioritised to fund new and changing government priorities. In 2018/19, compared with the figures published in the 2017 *Medium Term Budget Policy Statement*, provincial baselines have been reduced by R5.2 billion. Of this, 27.7 per cent (R1.4 billion) was applied to the equitable share, despite it accounting for more than 80 per cent of transfers to provinces. This ensures that the basic services funded by the provincial equitable share, such as health and education, are protected. The remaining R3.7 billion of the reduction comes from provincial direct conditional grants. Notwithstanding the need for fiscal consolidation announced in the 2017 *Medium Term Budget Policy Statement*, the baselines for several grants funding essential services such as the *national school nutrition programme grant*, the *early childhood development grant* and the *comprehensive HIV, AIDS and TB grant* are preserved. The provincial equitable share grows at an average

annual rate of 7.1 per cent over the MTEF period, while conditional grant allocations grow by 5.9 per cent per year. As far as possible, the provincial share of the baseline reductions has been weighted towards conditional grants with a history of underspending or infrastructure grants that can absorb deferred implementation.

Two new grants are introduced into the provincial framework. The first is the *provincial emergency housing grant*, which should allow national government to respond to emergency housing situations quickly and flexibly. It has a total allocation of R831.8 million over the 2018 MTEF period. The second grant is the *title deeds restoration grant*, which aims to improve the property market by eradicating the long-standing backlog in title deeds registration associated with past beneficiaries of state-subsidised housing.

The *school infrastructure backlogs grant*, which was due to merge with the *education infrastructure grant* in 2017/18, was extended for an additional year and will continue over the 2018 MTEF period. Although progress under this grant has been sluggish, an assessment of its projects, both current and in the pipeline, revealed that merging the two grants will derail progress made to date. However, given its underperformance and the need for fiscal consolidation, the grant's baseline is reduced by R3.6 billion over the MTEF period.

Accounting for all additions, reprioritisations and fiscal consolidation efforts, the net revisions to the provincial direct conditional grants since the 2017 *Medium Term Budget Policy Statement* amount to a reduction of R3.7 billion in 2018/19, R4.8 billion in 2019/20 and R5.1 billion in 2020/21.

The provincial equitable share

The equitable share is the main source of revenue through which provinces are able to meet their expenditure responsibilities. To ensure that allocations are fair, the equitable share is allocated through a formula using objective data to reflect the demand for services across all nine provinces. For each year of the 2018 MTEF, the following amounts are allocated to the provincial equitable share respectively: R470.3 billion, R505 billion and R542.4 billion. These revisions result in the provincial equitable share increasing by 22.9 per cent (R101 billion) between 2017/18 and 2020/21.

The equitable share formula

Apart from the annual review and updates to the provincial equitable share formula to ensure that it is informed by the most recently available information, a detailed review usually takes place every four or five years. This ensures that it remains impartial, fair and responsive to the needs of the provinces. The most recent, and ongoing, review started at the end of 2016. As part of the review, all components of the formula will be assessed. This year is the first in which changes based on the review will be included in the equitable share formula.

The first phase of the review assessed the appropriateness of the datasets that inform the equitable share formula. The Department of Basic Education has improved the collection and tracking method it uses to monitor scholars making use of the public education system, moving from the Schools Reality Survey to a new tracking system for learners (Learner Unit Record Information Tracking System, or LURITS). As such, school enrolment numbers for the country will be taken from this new system to inform the education component of the equitable share formula. These changes will be phased in over the 2018 MTEF period. Further details of these changes are explained in the education component section below. Changes to any other component of the formula flowing from the review will be introduced in consultation with provincial treasuries and all other relevant stakeholders.

For the 2018 MTEF, the formula has been updated with data from the 2017 mid-year population estimates published by Statistics South Africa and the 2017 preliminary data published by the Department of Basic Education on school enrolment from the LURITS database. Data from the 2016 General Household Survey for medical aid coverage and data from the health sector and the Risk Equalisation Fund for the risk-adjusted capitation index have also been updated. Allocation changes tend to mirror shifts in population

across provinces, which result in changes in the relative demand for public services across these areas. The effect of these updates on the provincial equitable share is phased in over three years (2018/19 to 2020/21).

Allocations calculated outside the equitable share formula

From 2018/19, all allocations provided to provinces as an equitable share but not allocated through the equitable share formula come to an end. The last allocation of this kind was in 2017/18, which amounted to R2 billion. This allocation previously funded adult basic education and training; a function that shifted from national to provincial government at the start of the 2015 MTEF period.

Full impact of data updates on the provincial equitable share

Table W1.6 shows the full impact of the data updates on the provincial equitable share per province. It compares the target shares for the 2017 and 2018 MTEF periods. The details of how the data updates affect each component of the formula are described in detail in the sub-sections below.

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

	2017 MTEF weighted average	2018 MTEF weighted average	Difference
Eastern Cape	14.0%	13.7%	-0.30%
Free State	5.6%	5.6%	-0.01%
Gauteng	19.8%	20.1%	0.31%
KwaZulu-Natal	21.1%	21.0%	-0.10%
Limpopo	11.7%	11.7%	-0.02%
Mpumalanga	8.1%	8.2%	0.07%
Northern Cape	2.7%	2.7%	0.00%
North West	6.9%	6.9%	0.00%
Western Cape	10.1%	10.1%	0.05%
Total	100.0%	100.0%	0.00%

Source: National Treasury

Phasing in the formula

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

The equitable share formula data is updated every year and a new target share for each province is calculated, as shown in Table W1.7. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF period. It takes the difference between the target weighted share for each province at the end of the MTEF period and the indicative allocation for 2018/19 published in the 2017 MTEF, and closes the gap between these shares by a third in each year of the 2018 MTEF period. As a result, one-third of the impact of the data updates is implemented in 2018/19, two-thirds in the indicative allocations for 2019/20, and the updates are fully implemented in the indicative allocations for 2020/21.

Table W1.7 Implementation of the equitable share weights

	2018/19 Indicative weighted shares from 2017 MTEF	2018 MTEF weighted shares 3-year phasing		
		2018/19	2019/20	2020/21
Percentage				
Eastern Cape	14.0%	13.9%	13.8%	13.7%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	19.7%	19.9%	20.0%	20.1%
KwaZulu-Natal	21.2%	21.1%	21.1%	21.0%
Limpopo	11.7%	11.7%	11.7%	11.7%
Mpumalanga	8.2%	8.2%	8.2%	8.2%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	6.9%	6.9%	6.9%	6.9%
Western Cape	10.1%	10.1%	10.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Provincial equitable share allocations

The final equitable share allocations per province for the 2018 MTEF are detailed in Table W1.8. These allocations include the full impact of the data updates, phased in over three years.

Table W1.8 Provincial equitable share

	2018/19	2019/20	2020/21
R million			
Eastern Cape	65 500	69 807	74 411
Free State	26 178	28 071	30 108
Gauteng	93 384	100 923	109 092
KwaZulu-Natal	99 264	106 364	113 998
Limpopo	55 179	59 188	63 503
Mpumalanga	38 468	41 395	44 555
Northern Cape	12 475	13 404	14 405
North West	32 392	34 789	37 372
Western Cape	47 447	51 080	55 003
Total	470 287	505 020	542 447

Source: National Treasury

Summary of the formula's structure

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

For the 2018 Budget, the formula components are set out as follows:

- An *education component* (48 per cent), based on the size of the school-age population (ages 5 to 17) and the number of learners (Grades R to 12) enrolled in public ordinary schools.
- A *health component* (27 per cent), based on each province's risk profile and health system caseload.
- A *basic component* (16 per cent), derived from each province's share of the national population.
- An *institutional component* (5 per cent), divided equally between the provinces.

- A *poverty component* (3 per cent), based on income data. This component reinforces the redistributive bias of the formula.
- An *economic output component* (1 per cent), based on regional gross domestic product (GDP-R, measured by Statistics South Africa).

In 2017, Statistics South Africa fully applied its provincial demographic data. This means that the 2017 mid-year population estimates now fully reflect changes in provincial populations, leading to a substantive revision to the estimates. As such, all components that use the mid-year population estimates mirror this change in population numbers. To accommodate these substantial changes, the affected components will receive additional cushioning, over and above the usual three-year phasing-in of all data updates. This will provide stability in the provincial allocations and allow provinces to adjust to the changes. The mid-year population estimates affect the *health*, *basic* and *poverty* components of the provincial equitable share formula.

Table W1.9 Distributing the equitable shares by province, 2018 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48.0%	27.0%	16.0%	3.0%	1.0%	5.0%	100.0%
Eastern Cape	14.9%	13.1%	12.1%	15.6%	7.8%	11.1%	13.7%
Free State	5.3%	5.2%	5.1%	5.2%	5.1%	11.1%	5.6%
Gauteng	18.1%	22.4%	24.7%	17.7%	34.1%	11.1%	20.1%
KwaZulu-Natal	22.3%	21.5%	19.7%	22.2%	16.0%	11.1%	21.0%
Limpopo	13.1%	10.2%	10.3%	13.5%	7.2%	11.1%	11.7%
Mpumalanga	8.4%	7.4%	7.8%	9.2%	7.5%	11.1%	8.2%
Northern Cape	2.3%	2.1%	2.1%	2.2%	2.1%	11.1%	2.7%
North West	6.5%	6.7%	6.8%	8.1%	6.5%	11.1%	6.9%
Western Cape	9.1%	11.4%	11.4%	6.2%	13.6%	11.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Education component (48 per cent)

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

The changes will be phased in over three years to ensure provinces' allocations are stable and fair. The education component continues to have two sub-components, the school-age population (5 to 17 years), based on the 2011 Census, and enrolment data drawn from the Department of Basic Education's 2017 LURITS database. Each of these elements is assigned a weight of 50 per cent.

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

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

	Age cohort 5 – 17	School enrolment		Changes in enrolment	Weighted average		Difference in weighted average
		2016	2017		2017 MTEF	2018 MTEF	
Eastern Cape	1 856 317	1 957 187	1 902 213	-54 974	15.1%	14.9%	-0.21%
Free State	657 489	687 072	691 295	4 223	5.3%	5.3%	0.02%
Gauteng	2 231 793	2 310 810	2 342 025	31 215	18.0%	18.1%	0.13%
KwaZulu-Natal	2 758 594	2 873 339	2 868 598	-4 741	22.3%	22.3%	-0.01%
Limpopo	1 536 294	1 764 551	1 768 125	3 574	13.0%	13.1%	0.03%
Mpumalanga	1 053 846	1 072 151	1 080 084	7 933	8.4%	8.4%	0.03%
Northern Cape	288 839	291 650	291 760	110	2.3%	2.3%	0.00%
North West	824 724	828 674	827 628	-1 046	6.5%	6.5%	-0.00%
Western Cape	1 174 625	1 113 563	1 117 468	3 905	9.1%	9.1%	0.02%
Total	12 382 521	12 898 997	12 889 196	-9 801	100.0%	100.0%	-

Source: National Treasury

Health component (27 per cent)

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

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

Table W1.11 Risk-adjusted sub-component shares

	Mid-year population estimates	Insured population	Risk- adjusted index	Weighted population	Risk-adjusted shares		Change
	2017 ¹	2016			2017	2018	
Eastern Cape	6 780	9.6%	96.9%	5 936	13.2%	12.8%	-0.45%
Free State	2 864	16.7%	103.3%	2 463	5.4%	5.3%	-0.06%
Gauteng	13 888	27.6%	105.4%	10 600	22.3%	22.8%	0.53%
KwaZulu-Natal	11 077	11.9%	98.9%	9 652	20.9%	20.8%	-0.13%
Limpopo	5 791	9.0%	91.6%	4 829	10.5%	10.4%	-0.15%
Mpumalanga	4 386	14.3%	95.7%	3 597	7.6%	7.7%	0.16%
Northern Cape	1 203	15.4%	100.7%	1 024	2.1%	2.2%	0.06%
North West	3 823	15.4%	102.2%	3 307	7.1%	7.1%	-0.02%
Western Cape	6 402	24.7%	104.0%	5 015	10.8%	10.8%	0.05%
Total	56 215			46 425	100.0%	100.0%	-

1. 2017 mid-year population estimate is weighted 50-50 in 2016 and 2017

to cushion the large change between the two years

Source: National Treasury

The risk-adjusted sub-component estimates a weighted population in each province using the risk-adjusted capitation index, which is calculated using data from the Council for Medical Schemes' Risk Equalisation Fund. The percentage of the population with medical insurance, based on the 2016 General Household Survey, is deducted from the 2017 mid-year population estimates to estimate the uninsured population per province. The risk-adjusted index, which is an index of each province's health risk profile, is applied to the uninsured population to estimate the weighted population. Each province's share of this weighted population is used to estimate their share of the risk-adjusted sub-component.

The output sub-component is shown in Table W1.12 below.

Table W1.12 Output sub-component shares¹

Thousand	Primary healthcare visits				Hospital workload patient-day equivalents			
	2015/16	2016/17	Average	Share	2015/16	2016/17	Average	Share
Eastern Cape	18 208	18 116	18 162	14.5%	5 717	5 531	5 624	14.1%
Free State	6 537	6 170	6 354	5.1%	2 022	1 925	1 973	4.9%
Gauteng	22 099	22 037	22 068	17.7%	8 523	8 931	8 727	21.9%
KwaZulu-Natal	30 872	29 211	30 041	24.0%	9 481	9 117	9 299	23.3%
Limpopo	14 357	15 269	14 813	11.9%	3 580	3 644	3 612	9.1%
Mpumalanga	9 309	9 449	9 379	7.5%	2 463	2 491	2 477	6.2%
Northern Cape	2 992	515	1 753	1.4%	755	761	758	1.9%
North West	8 185	8 010	8 097	6.5%	1 925	2 037	1 981	5.0%
Western Cape	14 151	14 413	14 282	11.4%	5 478	5 431	5 455	13.7%
Total	126 709	123 190	124 950	100.0%	39 944	39 868	39 906	100.0%

1. Some provincial numbers for patient-days and healthcare visits for 2015/16 have been restated, resulting in small variances from numbers published in 2017

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 2015/16 and 2016/17 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 2015/16 and 2016/17 is used to estimate their share of this part of the output sub-component, making up 20 per cent of the health component. In total, the output component is 25 per cent of the health component.

Table W1.13 shows the updated health component shares for the 2018 MTEF period.

Table W1.13 Health component weighted shares

Weight	Risk-adjusted	Primary healthcare	Hospital component	Weighted shares		Change
	75.0%	5.0%	20.0%	2017	2018	
Eastern Cape	12.8%	14.5%	14.1%	13.5%	13.1%	-0.35%
Free State	5.3%	5.1%	4.9%	5.3%	5.2%	-0.08%
Gauteng	22.8%	17.7%	21.9%	21.8%	22.4%	0.53%
KwaZulu-Natal	20.8%	24.0%	23.3%	21.7%	21.5%	-0.26%
Limpopo	10.4%	11.9%	9.1%	10.3%	10.2%	-0.07%
Mpumalanga	7.7%	7.5%	6.2%	7.3%	7.4%	0.15%
Northern Cape	2.2%	1.4%	1.9%	2.1%	2.1%	0.01%
North West	7.1%	6.5%	5.0%	6.7%	6.7%	-0.01%
Western Cape	10.8%	11.4%	13.7%	11.3%	11.4%	0.08%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: National Treasury

Basic component (16 per cent)

The basic component is derived from the proportion of each province's share of the national population. This component constitutes 16 per cent of the total equitable share. For the 2018 MTEF, population data is drawn from the 2017 mid-year population estimates produced by Statistics South Africa. Table W1.14 shows how population changes have affected the basic component's revised weighted shares.

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

Thousand	Mid-year population estimates	Mid-year population estimates	Population change	% population change	Basic component shares		Change
	2016	2017 ¹			2017 MTEF	2018 MTEF	
Eastern Cape	7 062	6 780	-282	-4.0%	12.6%	12.1%	-0.57%
Free State	2 862	2 864	3	0.1%	5.1%	5.1%	-0.02%
Gauteng	13 498	13 888	390	2.9%	24.1%	24.7%	0.56%
KwaZulu-Natal	11 080	11 077	-2	-0.0%	19.8%	19.7%	-0.11%
Limpopo	5 804	5 791	-13	-0.2%	10.4%	10.3%	-0.08%
Mpumalanga	4 328	4 386	58	1.3%	7.7%	7.8%	0.06%
Northern Cape	1 192	1 203	11	0.9%	2.1%	2.1%	0.01%
North West	3 791	3 823	33	0.9%	6.8%	6.8%	0.02%
Western Cape	6 293	6 402	109	1.7%	11.3%	11.4%	0.13%
Total	55 909	56 215	307		100.0%	100.0%	-

1. 2017 mid-year population estimate is weighted 50-50 in 2016 and 2017 to cushion the large change between the two years

Source: National Treasury

Institutional component (5 per cent)

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

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The poor population includes people who fall in the lowest 40 per cent of household incomes in the 2010/11 Income and Expenditure Survey. The estimated size of the poor population in each province is calculated by multiplying the proportion of people in that province that fall into the poorest 40 per cent of South African households by the province's population figure from the 2017 mid-year population estimates. Table W1.15 shows the proportion of the poor in each province from the Income and Expenditure Survey, the 2017 mid-year population estimates and the weighted share of the poverty component per province.

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

Thousand	Income and Expenditure Survey 2010/11	Current (2017 MTEF)			New (2018 MTEF)			Difference in weighted shares
		Mid-year population estimates 2016	Poor population	Weighted shares	Mid-year population estimates 2017 ¹	Poor population	Weighted shares	
Eastern Cape	52.0%	7 062	3 674	16.3%	6 780	3 528	15.6%	-0.7%
Free State	41.4%	2 862	1 185	5.2%	2 864	1 186	5.2%	-0.0%
Gauteng	28.9%	13 498	3 897	17.3%	13 888	4 010	17.7%	0.5%
KwaZulu-Natal	45.3%	11 080	5 020	22.2%	11 077	5 019	22.2%	-0.0%
Limpopo	52.9%	5 804	3 068	13.6%	5 791	3 061	13.5%	-0.0%
Mpumalanga	47.3%	4 328	2 045	9.1%	4 386	2 073	9.2%	0.1%
Northern Cape	40.8%	1 192	486	2.2%	1 203	491	2.2%	0.0%
North West	47.9%	3 791	1 815	8.0%	3 823	1 831	8.1%	0.1%
Western Cape	21.9%	6 293	1 376	6.1%	6 402	1 400	6.2%	0.1%
Total		55 909	22 566	100%	56 215	22 597	100.0%	-

1. 2017 mid-year population estimate is weighted 50-50 in 2016 and 2017 to cushion the large change between the two years

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 2018 MTEF, 2016 GDP-R data is used. Table W1.16 shows the weighted shares of the economic activity component.

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

	Current (2017 MTEF)		New (2018 MTEF)		Difference in weighted shares
	GDP-R, 2015 (R million)	Weighted shares	GDP-R, 2016 (R million)	Weighted shares	
Eastern Cape	290 581	7.6%	315 603	7.8%	0.17%
Free State	189 183	5.0%	205 350	5.1%	0.11%
Gauteng	1 309 552	34.3%	1 382 096	34.1%	-0.22%
KwaZulu-Natal	615 607	16.1%	649 124	16.0%	-0.12%
Limpopo	271 725	7.1%	289 940	7.2%	0.03%
Mpumalanga	286 295	7.5%	305 016	7.5%	0.02%
Northern Cape	80 149	2.1%	85 282	2.1%	0.00%
North West	249 724	6.5%	264 616	6.5%	-0.02%
Western Cape	519 790	13.6%	552 732	13.6%	0.02%
Total	3 812 607	100.0%	4 049 760	100.0%	-

Source: National Treasury

Conditional grants to provinces

There are four types of provincial conditional grants:

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

Changes to conditional grants

The overall growth in direct conditional transfers to provinces averages 5.9 per cent over the medium term. Direct conditional grant baselines total R100.7 billion in 2018/19, R106.7 billion in 2019/20 and R115 billion in 2020/21. Indirect conditional grants amount to R3.8 billion, R4.4 billion and R4.7 billion respectively for each year of the same period.

Table W1.17 provides a summary of conditional grants by sector for the 2018 MTEF period. More detailed information, including the framework and allocation criteria for each grant, is provided in the 2018 Division of Revenue Bill. The frameworks provide the conditions for each grant, the outputs expected, the allocation criteria used for dividing each grant between provinces, and a summary of the grants' audited outcomes for 2016/17.

Table W1.17 Conditional grants to provinces

R million	2017/18 Adjusted budget	2018/19	2019/20	2020/21	MTEF total
Agriculture, Forestry and Fisheries	2 242	2 381	2 542	2 704	7 627
Comprehensive agricultural support programme	1 646	1 751	1 876	2 002	5 629
Ilima/Letsema projects	522	552	583	615	1 751
Land care programme: poverty relief and infrastructure development	74	78	82	87	247
Arts and Culture	1 420	1 424	1 501	1 584	4 509
Community library services	1 420	1 424	1 501	1 584	4 509
Basic Education	17 154	17 519	18 369	20 089	55 977
Education infrastructure	10 046	9 918	10 314	11 467	31 699
HIV and Aids (life skills education)	245	243	257	271	771
Learners with profound intellectual disabilities	72	185	221	243	649
Maths, science and technology	365	370	391	413	1 175
National school nutrition programme	6 426	6 802	7 186	7 696	21 684
Cooperative Governance and Traditional Affairs	123	124	131	138	393
Provincial disaster relief	123	124	131	138	393
Health	37 570	41 123	44 423	48 212	133 758
Comprehensive HIV, AIDS and TB	17 578	19 922	22 039	24 438	66 399
Health facility revitalisation	5 684	5 816	6 047	6 380	18 242
Health professions training and development	2 632	2 784	2 940	3 102	8 827
Human papillomavirus vaccine	–	200	211	223	634
National tertiary services	11 676	12 401	13 186	14 069	39 655
Human Settlements	19 969	18 945	19 657	20 975	59 577
Human settlements development	19 969	18 167	18 833	20 102	57 101
Title deeds restoration	–	519	548	578	1 644
Provincial emergency housing	–	260	277	295	832
Public Works	781	824	882	931	2 637
Expanded public works programme integrated grant for provinces	396	416	452	476	1 344
Social sector expanded public works programme incentive for provinces	386	408	431	454	1 293
Social Development	556	758	806	859	2 423
Substance abuse treatment	57	71	75	79	225
Early childhood development	318	491	518	553	1 562
Social worker employment	182	197	213	227	636
Sport and Recreation South Africa	586	587	620	654	1 861
Mass participation and sport development	586	587	620	654	1 861
Transport	16 477	17 026	17 807	18 862	53 696
Provincial roads maintenance	10 754	11 036	11 482	12 113	34 630
Public transport operations	5 723	5 990	6 326	6 750	19 066
Total direct conditional allocations¹	96 879	100 711	106 739	115 008	322 458
Indirect transfers	3 813	3 776	4 366	4 744	12 886
Basic Education	2 180	1 472	1 327	969	3 768
School infrastructure backlogs	2 180	1 472	1 327	969	3 768
Health	1 633	2 304	3 039	3 775	9 118
National health insurance indirect	1 633	2 304	3 039	3 775	9 118

1. Excludes provisional allocations

Source: National Treasury

Agriculture grants

The *comprehensive agricultural support programme grant* aims to support newly established and emerging farmers, particularly subsistence, smallholder and previously disadvantaged farmers. The commercialisation of black farmers with potential is central to transformation in the agriculture sector. To this end, access to capital, a widely accepted barrier to the commercialisation of farmers, requires a co-funding financing model to identify and help potential commercial farmers, leveraging both public and private funds. A portion of the *comprehensive agricultural support programme grant* is reserved for this financing model. At present, just under R600 million is earmarked over the 2018 MTEF period to fund the sector's efforts to leverage capital for the commercialisation of black farmers.

The *land care programme grant: poverty relief and infrastructure development* aims to improve productivity and the sustainable use of natural resources. Provinces are also encouraged to use this grant to create jobs through the EPWP. Over the medium term, R246.9 million is allocated to this grant.

The *Ilima/Letsema projects grant* aims to boost food production by helping previously disadvantaged farming communities. The grant's baseline is protected, with R552.4 million allocated for 2018/19, and a total of R1.8 billion over the MTEF period.

Arts and culture grant

The *community library services grant*, administered by the Department of Arts and Culture, aims to help South Africans access information to improve their socio-economic situation. The grant is allocated to the relevant provincial department and administered by that department or through a service level agreement with municipalities. In collaboration with provincial departments of basic education, the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to shift the libraries function between provinces and municipalities. The baseline reduction on this grant in 2018/19 is R74.9 million. The grant is allocated R4.5 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 indirect *school infrastructure backlogs grant* was introduced in 2011 as a temporary, high-impact grant for provinces. The national Department of Basic Education uses this grant to replace unsafe and inappropriate school structures and to provide water, sanitation and electricity on behalf of provinces. Although scheduled to end in 2017/18 by merging with the *education infrastructure grant*, the *school infrastructure backlogs grant* continues over the 2018 MTEF period to complete projects under way or in the pipeline. However, as part of fiscal consolidation efforts, the grant's baseline is reduced by R3.6 billion over the medium term. Moreover, as provinces work to consolidate schools, the need on the grant eases somewhat. It is allocated R3.8 billion over the MTEF period.

The *education infrastructure grant's* baseline is reduced by R3.6 billion over the medium term and the total allocation for this period is R31.7 billion; R9.9 billion in 2018/19, R10.3 billion in 2019/20 and R11.5 billion in 2020/21.

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 from 2016/17 onwards. To receive the 2018/19 incentive, the departments had to meet certain prerequisites in 2016/17 and have their infrastructure plans approved in 2017/18. The national Department of Basic Education and the National Treasury assessed the provinces' infrastructure plans. The national departments, provincial treasuries and provincial departments of basic education undertook a moderation process to agree on the final scores. Provinces needed to obtain a minimum score of 60 per cent to qualify for the incentive. Table W1.18 shows the final score and incentive allocation for each province.

Table W1.18 Education infrastructure grant allocations

R thousand	Planning assessment results from 2017	2018/19			Final allocation for 2018/19
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	78%	1 346 255	133 573	–	1 479 828
Free State	64%	621 764	133 573	–	755 337
Gauteng	75%	1 239 500	133 573	–	1 373 073
KwaZulu-Natal	80%	1 732 862	133 573	–	1 866 435
Limpopo	46%	1 011 680	–	–	1 011 680
Mpumalanga	61%	704 978	133 573	–	838 551
Northern Cape	79%	435 193	133 573	–	568 766
North West	60%	869 415	133 573	–	1 002 988
Western Cape	88%	887 503	133 573	–	1 021 076
Total		8 849 150	1 068 584	–	9 917 734

Source: National Treasury

The *national school nutrition programme grant* seeks to improve the nutrition of poor school children, enhance their capacity to learn and increase their attendance at school. The programme provides a free daily meal to learners in the poorest 60 per cent of schools (quintile 1 to 3). To provide meals to more children, while still providing quality food, growth in the grant's allocations over the MTEF period averages 6.2 per cent, with a total allocation of R21.7 billion.

The *maths, science and technology grant* resulted from the merging of the *Dinaledi schools grant* and the *technical secondary schools recapitalisation grant*. This grant, in its third year, appears to be gaining some traction, but is still underspending. As a result, R50.5 million is cut from the grant's baseline over the 2018 MTEF period, allowing these funds to be used in other priority areas. The grant's total allocation is R1.2 billion over the medium term.

The *HIV and Aids (life skills education) programme grant* provides for life skills training and sexuality and HIV/AIDS education in primary and secondary schools. It is fully integrated into the school system, with learner and teacher support materials provided for Grades 1 to 9. The grant's baseline is reduced by R51.9 million over the MTEF period, with allocations of R243.2 million in 2018/19, R257 million in 2019/20 and R270.6 million in 2020/21.

The *learners with profound intellectual disabilities grant*, which was introduced last year, aims to expand access to education for learners with profound intellectual disabilities. After starting with an allocation of R72 million in 2017/18, the grant expands its rollout in 2018/19 with an allocation of R185.5 million, R220.8 million in 2019/20 and R242.9 million in 2020/21.

Cooperative governance grant

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

To ensure that sufficient funds are available in the event of a disaster, section 26 of the 2018 Division of Revenue Bill allows for funds allocated to the *municipal disaster relief grant* to be transferred to provinces if funds in the *provincial disaster relief grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters so that an initial payment for emergency aid can be made before a full assessment of damages and costs has been completed. Over the 2018 MTEF period, a total of R393 million has been allocated to the *provincial disaster relief grant*.

Health grants

The *national tertiary services grant* provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. The grant operates in 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 2018 MTEF period. The grant is allocated R39.7 billion over the medium term. The national Department of Health has committed to reviewing the allocation criteria under this grant in 2018 to ensure continued fairness in allocations to provinces.

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 R100 million in 2018/19 and by R411 million over the remainder of the 2018 MTEF period. In spite of the reduction, R18.2 billion is allocated to this grant over the medium term, with ring-fenced funds for disasters.

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

Table W1.19 Health facility revitalisation grant allocations

R thousand	Planning assessment results from 2017	2018/19			Final allocation for 2018/19
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	73%	556 932	95 139	-	652 071
Free State	60%	481 223	95 139	-	576 362
Gauteng	65%	779 703	95 139	-	874 842
KwaZulu-Natal	69%	1 107 341	95 139	-	1 202 480
Limpopo	61%	441 759	95 139	-	536 898
Mpumalanga	56%	333 935	-	-	333 935
Northern Cape	53%	374 391	-	-	374 391
North West	61%	490 747	95 139	-	585 886
Western Cape	88%	583 690	95 139	-	678 829
Total		5 149 721	665 973	-	5 815 694

Source: National Treasury

The *health professions training and development grant* funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The baseline for this grant is protected over the MTEF period, with an allocation of R8.8 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. In the 2016 MTEF, the grant's scope was extended to include Tuberculosis. In the 2018 MTEF, a sub-component for community outreach services is introduced, so that funds used to support community health workers can be explicitly earmarked. This will help ensure that this cadre of workers is better integrated into national health services. Moreover, to make provision for the continued expansion of antiretroviral treatment in response to the

universal test-and-treat policy, R1 billion has been added to the grant in 2020/21. The grant's total baseline amounts to R66.4 billion over the medium term.

Last year it was announced that the national Department of Health would fund all preparatory work for universal health coverage under the *national health insurance indirect grant*. This grant previously had five targeted components, but this has been replaced by three components in the 2018 MTEF. The grant will still cover the preparatory work, but having three components rather than five will ensure a more integrated approach to national health insurance. The grant includes an existing component (health facilities revitalisation) and two new integrated components (personal services and non-personal services). Personal services will aim to test a priority set of health services and contracting modalities that would be best suited to South Africa's health sector. Non-personal services will test, and scale up when ready, the technology platforms and information systems needed to ensure a successful transition to national health insurance.

In 2018/19, the human papillomavirus vaccine component of the *national health insurance indirect grant* will become a standalone direct grant to provinces (now called the *human papillomavirus vaccine grant*). Over the course of 2017, the national Department of Health worked to ensure that provincial departments were ready to take over the provision of this service and preserve the high coverage ratios that were achieved under this component.

Human settlements grants

The *human settlements development grant* seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. Following the 2017 *Medium Term Budget Policy Statement*, this grant was identified for reprioritisation as part of government's fiscal consolidation efforts. A total of R7.2 billion is reprioritised from the grant's baseline, while R842 million is earmarked within the grant to improve social housing by boosting government's subsidy programme.

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 billion is ring-fenced over the MTEF period to upgrade human settlements in mining towns in six provinces. These allocations respond to areas with significant informal settlement challenges, with a high proportion of economic activity based on the natural resources sector.

The *human settlements development grant* previously had funds ring-fenced for the eradication of the pre-2014 title deeds registration backlog. Slow progress in the reduction of this backlog, along with the impairment it had on the functioning of the property market, warrants the inclusion of a new grant to accelerate the backlog eradication process. The grant has a baseline of R1.6 billion over the 2018 MTEF.

A new *provincial emergency housing grant* is introduced in 2018/19. These funds will enable the department to rapidly respond to emergencies by providing temporary housing in line with the Emergency Housing Programme. However, the grant is limited to funding emergency housing following the immediate aftermath of a disaster, and not the other emergency situations listed in the Emergency Housing Programme. As emergency housing was previously meant to have been budgeted for in the business plans for the *human settlements development grant*, the funding for the *provincial emergency housing grant* will be reprioritised out of that grant. The new grant is allocated R260 million in 2018/19, R277 million in 2019/20 and R295 million in 2020/21.

Public works grants

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

The *social sector EPWP incentive grant for provinces* rewards provinces for creating jobs in the preceding financial year in the areas of home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. The grant's allocation model incentivises provincial departments to participate in the EPWP and measures the performance of each province relative to its peers, providing additional incentives to those that perform well. The grant is allocated R1.3 billion over the MTEF period.

Social development grants

The *substance abuse treatment grant* aims to build public substance abuse treatment facilities in the four provinces that did not already have such facilities: the Eastern Cape, the Free State, the Northern Cape and the North West. Previously, this grant was exclusively used to construct treatment centres. In 2018/19, it now supplements the operationalisation of the newly constructed centres. No baseline reduction has been effected on this grant. It has been allocated R224.5 million over the medium term.

The *early childhood development grant* is now in its second year. It plays a part in government's prioritisation of early childhood development, as envisioned in the National Development Plan. The grant has two distinct objectives: improve poor children's access to early childhood programmes and ensure that early childhood centres have adequate infrastructure. The grant baseline totals R1.6 billion over the MTEF period.

The *social worker employment grant*, also in its second year, was created to help reduce the backlog in the number of unemployed social worker graduates while the need for social work across the country continues to increase. The grant uses reprioritised funds that the Department of Social Development previously used to subsidise the education of social workers. A total of R636.3 million has been allocated to this grant over the medium term.

Sport and recreation grant

The *mass participation and sport development grant* aims to increase and sustain mass participation in sport and recreational activities in the provinces, with greater emphasis on provincial and district academies. The baseline of this grant is reduced by R99 million, with an allocation of R1.9 billion over the MTEF period.

Transport grants

The *public transport operations grant* subsidises commuter bus services. It helps ensure that provinces meet their contractual obligations and provide services efficiently. The public transport contracting and regulatory functions may be assigned to certain metropolitan municipalities during 2018/19. If this takes place, funds for this grant will be transferred directly to the assigned municipality. Given the pressure this

sector faces, the grant's baseline is protected, with allocations of R6 billion in 2018/19, R6.3 billion in 2019/20 and R6.7 billion in 2020/21.

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

The performance indicators for the incentive portion of the grant, based on traffic loads, safety engineering and visual condition indicators, came into effect in 2017/18. The total allocation for the MTEF period is R34.6 billion.

Part 5: Local government fiscal framework and allocations

This section outlines the transfers made to local government and how these funds are distributed between municipalities. Funds raised by national government are transferred to municipalities through conditional and unconditional grants. National transfers to municipalities are published to enable them to plan fully for their 2018/19 budgets, and to promote better accountability and transparency by ensuring that all national allocations are included in municipal budgets.

Over the 2018 MTEF period, R382.8 billion will be transferred directly to local government and a further R21.8 billion has been allocated to indirect grants. Direct transfers to local government over the medium term account for 9 per cent of national government's non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.5 per cent of national non-interest expenditure.

Table W1.20 Transfers to local government¹

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
R million	Outcome			Adjusted budget	Medium-term estimates		
Direct transfers	87 570	98 338	102 867	112 578	118 458	126 914	137 462
Equitable share and related	41 592	49 367	50 709	57 012	62 732	68 973	75 683
Equitable share formula ²	36 512	44 211	45 259	51 326	56 722	62 633	69 001
RSC levy replacement	4 146	4 337	4 567	4 795	5 073	5 357	5 652
Support for councillor remuneration and ward committees	935	819	883	891	937	983	1 030
General fuel levy sharing with metros	10 190	10 659	11 224	11 785	12 469	13 167	14 027
Conditional grants	35 788	38 313	40 934	43 781	43 258	44 773	47 752
Infrastructure	34 167	36 866	39 073	41 804	41 214	42 637	44 982
Capacity building and other	1 621	1 446	1 861	1 977	2 043	2 136	2 769
Indirect transfers	8 052	10 370	8 112	7 803	6 896	7 265	7 664
Infrastructure	7 800	10 119	8 093	7 699	6 780	7 143	7 536
Capacity building and other	252	251	19	103	115	122	128
Total	95 622	108 708	110 979	120 381	125 354	134 178	145 126

1. Excludes provisional allocations

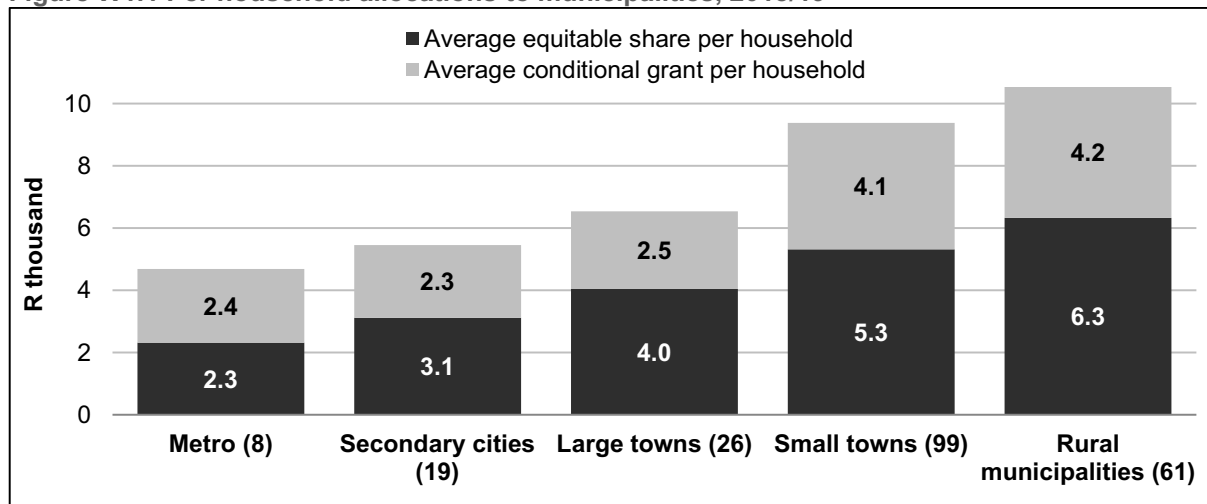
2. Outcome figures for the equitable share reflect amounts transferred after funds have been withheld to offset underspending by municipalities on conditional grants. Roll-over funds are reflected in the year in which they were transferred

Source: National Treasury

The local government fiscal framework responds to the constitutional assignment of powers and functions to this sphere of government. The framework – 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. However, the proportion of revenue from transfers and own revenues varies dramatically across municipalities, with poor rural municipalities receiving most of their revenue from transfers, while urban municipalities raise the majority of their own revenues. This differentiation in the way municipalities are funded will continue in the period ahead. As a result, transfers per household to the most rural municipalities are more than twice as large as those to metropolitan municipalities.

Figure W1.1 Per household allocations to municipalities, 2018/19*



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

Source: National Treasury

Changes to local government allocations

Over the next three years there is strong growth in allocations to the local government equitable share, alongside a significant reduction in conditional grants. As a result, total direct allocations to local government grow at an annual average rate of 6.9 per cent over the MTEF period. The changes to each local government allocation are summarised in Table W1.21.

Table W1.21 Revisions to direct and indirect transfers to local government¹

R million	2018/19	2019/20	2020/21	2018 MTEF Total revisions
Technical adjustments	140	149	159	448
Direct transfers	140	149	159	448
Municipal disaster recovery	21	-	-	21
Municipal disaster relief	-21	-	-	-21
Municipal emergency housing	140	149	159	448
Additions to baselines	-	1 500	2 413	3 913
Direct transfers	-	1 500	2 413	3 913
Local government equitable share	-	1 500	1 899	3 399
Municipal restructuring	-	-	514	514
Reductions to baseline	-3 852	-5 962	-6 290	-16 104
Direct transfers	-3 152	-5 212	-5 499	-13 863
Municipal infrastructure	-1 500	-2 000	-2 110	-5 610
Water services infrastructure	-78	-88	-93	-259
Urban settlements development	-650	-750	-791	-2 191
Public transport network	-329	-848	-895	-2 072
Expanded public works programme integrated grant for municipalities	-36	-39	-41	-117
Integrated national electrification programme (municipal)	-300	-1 200	-1 266	-2 766
Neighbourhood development partnership	-100	-120	-127	-347
Integrated city development	-15	-16	-17	-49
Rural roads asset management systems	-6	-6	-6	-18
Regional bulk infrastructure	-103	-109	-115	-327
Local government financial management	-27	-28	-30	-85
Infrastructure skills development	-7	-8	-8	-23
Indirect transfers	-700	-750	-791	-2 241
Integrated national electrification programme	-700	-750	-791	-2 241
Total change to local government allocations				
Change to direct transfers	-3 012	-3 563	-2 927	-9 502
Change to indirect transfers	-700	-750	-791	-2 241
Net change to local government allocations	-3 712	-4 313	-3 718	-11 743

1. Excludes provisional allocations

Source: National Treasury

Just under R3.4 billion is added to the local government equitable share over the medium term. This will fully cover the increased municipal costs of providing free basic services to a growing number of households, and takes account of likely above-inflation increases in the costs of bulk water and electricity. It will also allow for faster increases in the allocations to poorer and rural municipalities through the redistributive components of the equitable share formula.

A new conditional grant will be introduced to help municipalities in financial crisis to implement reforms to turn themselves around. This grant receives an allocation of R514 million in 2020/21. It also has a provisional allocation of R300 million in 2019/20, but this is not reflected in Table W1.21 because provisional allocations are not yet confirmed. The allocation will be confirmed based on the quality of preparatory work for the grant completed in 2018. This new grant is discussed further in Part 6.

Since the 2017 *Medium Term Budget Policy Statement*, large reductions to major government spending programmes across all three spheres of government have been required, as discussed in Chapter 3, 5 and 6 of the *Budget Review*.

A total of R13.9 billion has been cut from direct local government conditional grant allocations for the MTEF period ahead since the 2017 *Medium Term Budget Policy Statement* was tabled. Indirect grants to local government have been reduced by an additional R2.2 billion.

Not all conditional grants were reduced, and not all grants were reduced by the same amount. Cuts were mostly made to infrastructure conditional grants, particularly the larger ones, as this was the most practical way of making the necessary reductions. The effect on each conditional grant is discussed in more detail in the sub-section below on conditional grants.

Technical adjustments include the shift of R448 million over the MTEF period from the provincial *human settlements development grant* to establish the new *municipal emergency housing grant*.

The local government equitable share

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

Over the 2018 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 R207.4 billion – R62.7 billion in 2018/19, R69 billion in 2019/20 and R75.7 billion in 2020/21.

To help compensate for the rising costs of providing free basic services in municipalities, R1.5 billion will be added to the local government equitable share in 2019/20 and R1.9 billion will be added in 2020/21. This is in addition to previous increases and an above inflation growth rate for the baseline in 2020/21. As a result the amounts available for the local government equitable share grow at an average annual rate of 10.4 per cent over the MTEF.

Formula for allocating the local government equitable share

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

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

Structure of the local government equitable share formula

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

- The first part of the formula consists of the *basic services component*, which provides for the cost of free basic services for poor households.
- The second part enables municipalities with limited resources to afford basic administrative and governance capacity, and perform core municipal functions. It does this through three components:
 - The *institutional component* provides a subsidy for basic municipal administrative costs.
 - The *community services component* provides funds for other core municipal services not included under basic services.

- The *revenue adjustment factor* ensures that funds from this part of the formula are only provided to municipalities with limited potential to raise their own revenue. Municipalities that are least able to fund these costs from their own revenues should receive the most funding.
- The third part of the formula provides predictability and stability through the *correction and stabilisation factor*, which ensures that all of the formula's guarantees can be met.

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

Structure of the local government equitable share formula

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

where

LGES is the local government equitable share

BS is the basic services component

I is the institutional component

CS is the community services component

RA is the revenue adjustment factor

C is the correction and stabilisation factor

The basic services component

This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold. Following municipal consultation, the formula's affordability measure (used to determine how many households need free basic services) is based on the level of two state old age pensions. When the 2011 Census was conducted, the state old age pension was worth R1 140 per month, which means that two 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. However, the proportion in each municipality varies widely. If this monthly household income is to be shown in 2018 terms, this is equivalent to about R3 350 per month. This threshold is not an official poverty line or a required level to be used by municipalities in their own indigence policies – if municipalities choose to provide fewer households with free basic services than they are funded for through the local government equitable share, then their budget documentation should clearly set out why they have made this choice and how they have consulted with their community during the budget process.

The number of households per municipality, and the number below the poverty threshold, is updated annually. In 2018/19 the number of households used in the formula will be updated from the 2016 Community Survey. The three-year process of phasing in the impact of the 2016 Community Survey data began in 2017/18. In 2018/19, allocations are based on data from the 2016 Community Survey, but the impact of the changes resulting from this updated data are cushioned through a phase-in mechanism described below (under the correction and stabilisation component).

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

The proportion of households below the affordability threshold in each municipality is still based on 2011 Census data. This is because the 2016 Community Survey did not publish data on household incomes.

Although the total number of households in each municipality is adjusted every year to account for growth, the share of those households that are subsidised for free basic services through the formula remains constant (but the number of households subsidised increases annually in line with estimated household growth). In 2018/19, a total of 9.8 million households are funded through the basic services subsidy.

The basic services component provides a subsidy of R383.12 per month in 2018/19 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 W1.22 and includes an allocation of 10 per cent for service maintenance costs.

Table W1.22 Amounts per basic service allocated through the local government equitable share, 2018/19

	Allocation per household below affordability threshold (R per month)			Total allocation per service (R million)
	Operations	Maintenance	Total	
Energy	73.46	8.16	81.62	9 604
Water	112.90	12.54	125.45	14 761
Sanitation	86.19	9.58	95.77	11 269
Refuse	72.25	8.03	80.28	9 447
Total basic services	344.81	38.31	383.12	45 081

Source: National Treasury

The formula uses the fairest estimates of the average costs of providing each service that could be derived from available information. More details of how the costs were estimated can be found in the discussion paper on the proposed structure of the new local government equitable share formula, available on the National Treasury website. The per-household allocation for each of the basic services in Table W1.22 is updated annually based on the following:

- The electricity cost estimate is made up of bulk and other costs. Bulk costs are updated based on the bulk price determination approved by the National Energy Regulator of South Africa. As the bulk price increase for municipalities for 2018/19 will only be announced after the 2018 Budget is tabled, the 8 per cent annual increase approved for the previous multi-year price determination period has been used to calculate equitable share allocations. Other electricity costs are updated based on the National Treasury's inflation projections in the 2017 *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 2017/18 was 8.8 per cent. Other costs are updated based on the National Treasury's inflation projections in the 2017 *Medium Term Budget Policy Statement*.
- The costs for sanitation and refuse removal are updated based on the National Treasury's inflation projections in the 2017 *Medium Term Budget Policy Statement*.

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

The basic services component

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

Funding for each basic service is allocated to the municipality (metro, district or local) that is authorised to provide that service. If another municipality provides a service on behalf of the authorised municipality, it must transfer funds to the provider in terms of section 29 of the Division of Revenue Act. The basic services component is worth R45 billion in 2018/19 and accounts for 79.5 per cent of the value of the local government equitable share.

The institutional component

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

This component consists of a base allocation of R6.6 million, which goes to every municipality, and an additional amount that is based on the number of council seats in each municipality. This reflects the relative size of a municipality's administration and is not intended to fund the costs of councillors only (the Minister of Cooperative Governance and Traditional Affairs determines the number of seats recognised for the formula). The base component acknowledges that there are some fixed costs that all municipalities face.

The institutional component

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

The institutional component accounts for 8.2 per cent of the equitable share formula and is worth R4.7 billion in 2018/19. This component is also complemented by special support for councillor remuneration in poor municipalities, which is not part of the equitable share formula.

The community services component

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

The allocation for this component is split between district and local municipalities, which both provide community services. In 2018/19, the allocation to district and metropolitan municipalities for municipal health and related services is R9.31 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

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

The community services component accounts for 12.3 per cent of the equitable share formula and is worth R7 billion in 2018/19.

The revenue adjustment factor

The Constitution gives local government substantial revenue-raising powers (particularly through property rates and surcharges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. Given the varied levels of poverty across

South Africa, the formula does not expect all municipalities to be able to generate similar amounts of own revenue. A revenue adjustment factor is applied to the institutional and community services components of the formula to ensure that these funds assist municipalities that are least likely to be able to fund these functions from their own revenue.

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

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

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

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

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

Correction and stabilisation factor

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

The changes resulting from updating the formula with 2016 Community Survey data are phased in through the correction and stabilisation factor over three years (2017/18 to 2019/20). The updated data results in some significant changes to municipal allocations because the number of households in some municipalities in the survey differs from the projected numbers used in the local government equitable share formula (based on 2011 Census numbers, updated annually using past growth rates). Although the projected number of households in the formula for the country as a whole differed from the 2016 Community Survey results by only about 1 000 households, or a difference of only 0.006 per cent, in

some individual municipalities the differences were as high as 24 per cent. In 44 per cent of municipalities, the difference between the formula's projections and the 2016 Community Survey results was less than 5 per cent, but to preserve the stability of allocations to those municipalities with larger differences it is necessary to phase in the updates over a three-year period.

In 2018/19, the phasing in of the 2016 Community Survey data is structured so that the municipality with the highest percentage decrease as a result of the update receives 90 per cent of its indicative allocation for 2018/19, as set out in the 2016 Division of Revenue Act. The rest of the municipalities receive allocations above their 90 per cent guaranteed amount that are proportional to the size of their total allocation, adjusted to account for the percentage increase or decrease resulting from the data updates. The same methodology was applied in 2017/18, but with the municipality with the highest percentage decrease receiving 95 per cent of its indicative allocation, giving them more cushioning in the first year. By 2019/20, municipalities will be receiving allocations as determined by the updated formula.

Ensuring the formula balances

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

Providing for bulk price increases in the outer years

As an additional safeguard in case of bulk costs for electricity or water that are higher than anticipated, or household growth, amounts of R500 million in 2019/20 and R1 billion in 2020/21 will remain unallocated. These funds were added to the local government equitable share through the budget process partly to offset Eskom's major requested increase in electricity bulk costs, which has not been approved to date. Setting these amounts aside as unallocated in the outer years of the 2018 MTEF period also prevents them from being allocated to municipalities through the community services and institutional components, only to have to reverse those increases in future if the funds have to be reprioritised into the basic services component.

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:

- Exploring the use of differentiated cost variables to take account of the cost 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 completed a research project that provides some estimates of these different cost factors and demonstrates how complex it would be to incorporate such details into the formula. SALGA has undertaken to propose how aspects of this study might be incorporated into the formula.
- Refining the methodology used to update household growth estimates, taking account of updated data from Statistics South Africa, and possibly using district-level data.
- Improving the responsiveness of the formula to the different functions assigned to district and local municipalities. This work depends on the availability of credible official records of the functions assigned to each sphere of government.

Details of new allocations

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

Other unconditional allocations

RSC/JSB levies replacement grant

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

In the 2017 Explanatory Memorandum to the Division of Revenue it was announced that adjustments would be made to the grant to redistribute funds to the 13 district municipalities with the smallest allocations from this grant. These adjustments are being implemented over a two-year period, from 2017/18 to 2018/19. To fund these increased allocations, the growth rates of the 10 district municipalities with the largest allocations were reduced so that they received two-thirds of their original growth rate in 2017/18 and they will receive one-third of their original growth rate in 2018/19. Provincial treasuries have been asked to engage with the district municipalities that receive increased allocations to ensure that they use these additional funds to improve services.

In the year following the completion of this adjustment (2019/20), the grant increases by 8.8 per cent a year for district municipalities authorised for water and sanitation and 2.9 per cent for unauthorised district municipalities. The different rates recognise the various service-delivery responsibilities of these district municipalities and the fact that the allocations to unauthorised municipalities have an average growth rate below inflation.

Special support for councillor remuneration and ward committees

Councillors' salaries are subsidised in poor municipalities. The total value of the support provided in 2018/19 is R937 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.

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 R43.3 billion in 2018/19 to R44.8 billion in 2019/20 and R47.8 billion in 2020/21.

There are four types of local government conditional grants:

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

Infrastructure conditional grants to local government

National transfers for infrastructure, including indirect or in-kind allocations to entities executing specific projects in municipalities, amount to R150.3 billion over the 2018 MTEF period.

Table W1.23 Infrastructure grants to local government¹

R million	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Outcome			Adjusted budget	Medium-term estimates		
Direct transfers	34 167	36 866	39 073	41 804	41 214	42 637	44 982
Municipal infrastructure	14 745	14 956	14 914	15 891	15 288	15 734	16 599
Water services infrastructure	1 051	2 305	2 831	3 329	3 481	3 669	3 871
Urban settlements development	10 285	10 554	10 839	11 382	11 306	11 881	12 534
Integrated national electrification programme	1 105	1 980	1 946	2 087	1 904	2 128	2 245
Public transport network	5 871	5 953	5 593	6 160	6 254	6 114	6 450
Neighbourhood development partnership	590	584	592	663	602	621	655
Integrated city development	255	251	267	292	294	310	327
Regional bulk infrastructure	–	–	1 850	1 865	1 957	2 066	2 180
Rural roads asset management systems	75	97	102	107	108	114	120
Municipal disaster recovery	190	186	140	26	21	–	–
Indirect transfers	7 800	10 119	8 093	7 699	6 780	7 143	7 536
Integrated national electrification programme	2 948	3 613	3 526	3 846	3 262	3 432	3 621
Neighbourhood development partnership	30	13	15	28	29	31	33
Regional bulk infrastructure	4 005	4 858	3 422	2 974	2 881	3 037	3 204
Water services infrastructure	732	659	298	852	608	642	678
Bucket eradication programme	84	975	831	–	–	–	–
Total	41 967	46 985	47 166	49 503	47 995	49 780	52 519

1. Excludes provisional allocations

Source: National Treasury

Municipal infrastructure grant

The largest infrastructure transfer to municipalities is made through the *municipal infrastructure grant*, which supports government's aim to expand service delivery and alleviate poverty. The grant funds the provision of infrastructure for basic services, roads and social infrastructure for poor households in all non-metropolitan municipalities. Although the grant's baseline is reduced by R1.5 billion in 2018/19, R2 billion in 2019/20 and R2.1 billion in 2020/21, total allocations still amount to R47.6 billion over the 2018 MTEF period and grow at an average annual rate of 1.5 per cent. The impact of this reduction will be shared among municipalities in line with the *municipal infrastructure grant* formula. The formula's base

component ensures that smaller municipalities will see a much smaller cut in percentage terms than large municipalities – the municipality with the smallest grant allocations will receive a cut of about 2.5 per cent in 2018/19, while the largest reduction to a municipality will be 9.5 per cent.

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

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

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

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

P Public municipal service infrastructure (including sport infrastructure)

E Allocation for social institutions and micro-enterprise infrastructure

N Allocation to the 27 priority districts identified by government

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

Data used in the municipal infrastructure grant formula

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

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

Table W1.24 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 W1.24 Municipal infrastructure grant allocations per sector

Municipal infrastructure grant (formula)	Component weights	Value of component 2018/19 (R millions)	Proportion of municipal infrastructure grant per sector
B-component	75.0%	10 413 368	68.1%
Water and sanitation	54.0%	7 497 625	49.0%
Roads	17.3%	2 395 075	15.7%
Other	3.8%	520 668	3.4%
P-component	15.0%	2 082 674	13.6%
Sports	33.0%	687 282	4.5%
E-component	5.0%	694 225	4.5%
N-component	5.0%	694 225	4.5%
Constant	5.0%	1 130 000	7.4%
Ring-fenced funding for sport infrastructure		273 195	1.8%
Total		15 287 685	100.0%

Source: National Treasury

The *municipal infrastructure grant* includes an amount allocated outside of the grant formula and earmarked for specific sport infrastructure projects identified by Sport and Recreation South Africa. These earmarked funds amount to R273.2 million in 2018/19, R266.2 million in 2019/20 and R266.2 million in 2020/21. This allocation takes into account a reduction of R26.8 million in 2018/19, R33.8 million in 2019/20 and R33.8 million in 2020/21. 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.

The Department of Cooperative Governance, which administers the *municipal infrastructure grant*, continues to implement measures to strengthen the management and implementation of the grant in line with the ongoing review of local government infrastructure grants. In 2018/19, two local municipalities, Polokwane and uMhlathuze, will be used to pilot a new approach to funding infrastructure in intermediate cities in 2018/19. These cities face spatial and urban development challenges similar to metropolitan municipalities. The pilot project will shift the *municipal infrastructure grant* towards programmatic, rather than project-based, planning and reporting requirements. This will create greater flexibility in the use of grants to implement catalytic investments and leverage other sources of funding. From 2019/20, more cities will be able to apply to participate in this grant structure, and a new *integrated urban development grant* will be created through the reprioritisation of funds from the *municipal infrastructure grant*. Further details of plans for this grant are discussed in Part 6.

Urban settlements development grant

The *urban settlements development grant* is an integrated source of funding for infrastructure for municipal services and upgrades to urban informal settlements in the eight metropolitan municipalities. It is allocated as a supplementary grant to cities (schedule 4, part B of the Division of Revenue Act), which means that municipalities are expected to use a combination of grant funds and their own revenue to develop urban infrastructure and integrated human settlements. Cities report their progress on these projects against the targets set in their service-delivery and budget implementation plans. This grant helps cities provide services to the large number of urban households living in informal settlements. At least 50 per cent of the grant must be used to fund the upgrading of informal settlements. Government will review the performance of urban informal settlement upgrading programmes during 2018 and propose changes to grants where necessary to improve performance. Up to 3 per cent of the *urban settlements development grant* may be used to fund municipal capacity in the built environment in line with the capacity-building guideline to be published by the Department of Human Settlements.

Reporting on urban infrastructure grants, including the *urban settlements development grant*, will be simplified in 2018/19, helping to reduce the reporting burden on cities. This is the result of a process led by the National Treasury to rationalise and streamline built environment reporting for the eight metropolitan municipalities. The National Treasury has also created a set of indicators to enable government to monitor progress on the integrated and functional outcomes. These reforms will progressively be extended to non-metropolitan municipalities over the medium term.

Although the grant's baseline is reduced by R650 million in 2018/19, R750 million in 2019/20 and R791 million in 2020/21, total allocations still amount to R35.7 billion over the MTEF period and grow at an average annual rate of 3.3 per cent. The impact of this reduction will be shared proportionately across the eight metropolitan municipalities.

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. The grant's incentive allocations were previously based on performance measures of good governance and administration. However, an additional indicator based on an assessment of a city's built environment performance plan was introduced in 2017/18. Cities are required to adopt performance plans that provide a strategic overview of their plans for the built environment, and how their infrastructure investments will transform spatial development patterns over time. Including a peer-reviewed assessment score in the allocation criteria for this grant provides a tangible reward for cities that improve the quality of their plans. This is in line with the reforms emerging from the ongoing review of local government infrastructure grants, which calls for increased use of incentives in urban grants and the use of grants to support urban spatial transformation.

Although the grant's baseline is reduced by R15 million in 2018/19, R16 million in 2019/20 and R17 million in 2020/21, total allocations still amount to R931 million over the 2018 MTEF period and grow at an average annual rate of 4 per cent. Because this grant allocates formula-determined incentives, the reduction will mean that the incentives available for each qualifying city will be slightly smaller.

Public transport network grant

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

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

Previously, a formula was used to determine 80 per cent of the grant allocations and the remaining 20 per cent provided for discretionary allocations. In practice these discretionary allocations were mostly used to top-up amounts for smaller cities. From 2018/19, the formula includes more stable and predictable allocations for smaller cities. A new base component will account for 20 per cent of total allocations, divided equally among all participating cities, to ensure that smaller cities in particular have a significant base allocation to run their transport system regardless of their size. The bulk of the formula (75 per cent) will be allocated based on three demand-driven factors, which account for the number of people in a city, the number of public transport users in a city (the weighting of train commuters is reduced as trains are subsidised separately through the Passenger Rail Authority of South Africa) and the size of a city's economy. The remaining 5 per cent is earmarked for a performance incentive, which will take effect in 2019/20 when an approach to measuring performance has been finalised. In the meantime, the Department of Transport allocates this 5 per cent as a discretionary amount.

Strict eligibility conditions are also being introduced, including requirements that cities demonstrate that their planned public transport systems will be financially sustainable. Several cities have already revised their planned public transport networks as a result of these new planning requirements, and further improvements are expected.

Table W1.25 Formula for the public transport network grant

	Base 20%	Demand-driven factors 75%			Subtotal: base and demand driven factors	Performance 5%	100%
	Equally shared	Population component shares	Regional gross value added component shares	Public transport users component shares		Discretionary/incentive R 000	Grant allocations R 000
Buffalo City	7.7%	3.3%	2.8%	3.1%	3.8%	-152 256	95 165
Cape Town	7.7%	16.3%	15.8%	13.9%	13.0%	242 296	1 045 522
City of Johannesburg	7.7%	19.3%	25.2%	20.5%	17.8%	–	1 112 936
City of Tshwane	7.7%	12.7%	15.0%	14.0%	12.0%	62 900	808 194
Ekurhuleni	7.7%	13.8%	9.5%	14.9%	11.1%	–	694 640
eThekweni	7.7%	15.0%	15.8%	18.0%	13.7%	25 443	883 887
George	7.7%	0.8%	0.5%	0.2%	1.9%	49 813	167 674
Mangaung	7.7%	3.3%	2.4%	3.2%	3.8%	–	234 831
Mbombela	7.7%	2.6%	1.9%	2.4%	3.3%	–	203 454
Msunduzi	7.7%	2.7%	1.5%	2.4%	3.2%	–	199 104
Nelson Mandela Bay	7.7%	5.0%	4.7%	3.6%	4.9%	–	304 942
Polokwane	7.7%	2.7%	1.5%	1.3%	2.9%	22 717	205 107
Rustenburg	7.7%	2.4%	3.5%	2.3%	3.6%	78 221	298 212
Total	100.0%	100.0%	100.0%	100.0%	95.0%	329 134	6 253 669

Source: National Treasury

The grant is allocated R18.8 billion over the medium term. Its baseline has been reduced by R329 million in 2018/19, R848 million in 2019/20 and R895 million in 2020/21. These reductions will be implemented proportionately across all 13 participating cities. The smaller reductions in the first year of the MTEF period allow time for the national Department of Transport and the National Treasury to assess the plans and performance of each city and to determine whether all cities should continue implementing their planned systems. If some cities have plans that do not fully meet the criteria of the grant (including for sustainable public transport systems), their future allocations will be reviewed. This process may result in some funds being released that could lessen the effect of the budget reductions on other participating cities in 2019/20 and 2020/21.

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. Although the grant's baseline is reduced by R100 million in 2018/19, R120 million in 2019/20 and R127 million in 2020/21, total allocations still amount to R2 billion over the 2018 MTEF period, made up of R1.9 billion for the direct capital component and R93 million for the indirect technical assistance component. Grant reductions will mean that the implementation of some planned projects will be delayed.

Water services infrastructure grant

This grant, administered by the Department of Water and Sanitation, aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. It provides funding for various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes. It has both direct and indirect components. In areas

where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. In 2018/19, the total indirect portion (R608 million) of this grant will be allocated to projects under the bucket eradication programme. The programme funds the eradication of bucket sanitation systems in formal residential areas. By the end of 2018/19, the Department of Water and Sanitation expects to have eradicated all bucket sanitation systems that were in existence in 2014.

The direct component of this grant is reduced by R78 million in 2018/19, R88 million in 2019/20 and R93 million in 2020/21, meaning that the implementation of some projects will be delayed. However, total allocations for the direct component still amount to R11 billion over the medium term and grow at an average annual rate of 5.2 per cent. Reductions to this grant will not impact water augmentation projects in drought-affected municipalities. Over the MTEF period, the total allocation for the indirect portion of the grant is R1.9 billion. This portion has not been reduced.

Regional bulk infrastructure grant

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

In 2018/19, R440 million of the indirect portion of the grant will be ring-fenced for the bulk infrastructure needed for the completion of the bucket eradication programme.

The direct component is reduced by R103 million in 2018/19, R109 million in 2019/20 and R115 million in 2020/21. As a result, the implementation of some projects will be delayed. Reductions to this grant will not impact water augmentation projects in drought-affected municipalities. The grant has a total allocation of R15.3 billion over the medium term, consisting of R6.2 billion and R9.1 billion for the direct and indirect components respectively.

Integrated national electrification programme grants

The aim of this grant is to provide capital subsidies to municipalities to electrify poor households and fund bulk infrastructure to ensure the constant supply of electricity. Allocations are based on the backlog of un-electrified households and administered by the Department of Energy. The grant only funds bulk infrastructure that serves poor households. The national electrification programme has helped provide 91 per cent of all poor households with access to electricity, as reported in the 2016 Community Survey (up from the 85 per cent reported in the 2011 Census). To sustain this progress, government will spend R16.6 billion on the programme over the next three years. Of this, municipalities are allocated R6.3 billion and Eskom is allocated R10.3 billion to spend on behalf of municipalities through an indirect grant.

The *integrated national electrification programme (Eskom) grant* allocation is reduced by R700 million in 2018/19, R750 million in 2019/20 and R791 million in 2020/21. In addition, the *integrated national electrification programme (municipal) grant* is reduced by R300 million in 2018/19, R1.2 billion in 2019/20 and R1.3 billion in 2020/21, growing at an average annual rate of 2.5 per cent. The large reductions to this grant in the outer two years reflect reversed additions made to the grant in the previous

MTEF period. These grants are not determined using formulas, so the distribution of reductions is based on which individual projects can be scaled back or delayed.

Rural roads asset management systems grant

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

The Department of Transport will work with the *municipal infrastructure grant* administrators to ensure that municipal roads projects are chosen, prioritised and approved using roads asset management systems data wherever possible. The grant's baseline is reduced by R6 million for each year over the medium term and the grant is allocated a total of R341.9 million over the MTEF period.

Municipal disaster recovery grant

After the initial response to a disaster has been addressed, including through funding from the *municipal disaster relief grant* discussed below, the repair of damaged municipal infrastructure is funded through the *municipal disaster recovery grant*. In 2018/19, this grant is allocated R21 million for the repair of municipal infrastructure in Merafong Local Municipality that has been damaged or made unsafe by sinkholes. There are no allocations for this grant in the outer years of the MTEF period. However, if further disasters occur that require recovery projects to be funded through this grant, additional allocations may be made to it in future.

Capacity-building grants and other current transfers

Capacity-building grants help to develop municipalities' management, planning, technical, budgeting and financial management skills. Other current transfers include the *EPWP integrated grant for municipalities*, which promotes increased labour intensity in municipalities, and the *municipal disaster relief grant*. A total of R6.9 billion is allocated to capacity-building grants and other current transfers to local government over the medium term.

Table W1.26 Capacity-building and other current grants to local government¹

R million	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	Outcome			Adjusted budget	Medium-term estimates		
Direct transfers	1 621	1 446	1 861	1 977	2 043	2 136	2 769
Local government financial management	449	452	465	502	505	533	562
Municipal human settlements capacity	300	100	–	–	–	–	–
Expanded public works programme integrated grant for municipalities	595	588	664	691	693	742	783
Infrastructure skills development	104	124	130	141	141	149	158
Energy efficiency and demand-side	137	178	186	203	215	227	240
Municipal demarcation transition	–	4	297	140	–	–	–
Municipal restructuring grant	–	–	–	–	–	–	514
Municipal emergency housing grant	–	–	–	–	140	149	159
Municipal disaster relief	36	–	118	300	349	335	354
Indirect transfers	252	251	19	103	115	122	128
Municipal systems improvement	252	251	19	103	115	122	128
Total	1 873	1 698	1 880	2 081	2 158	2 257	2 898

1. Excludes provisional allocations

Source: National Treasury

Local government financial management grant

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

The *local government financial management grant* baseline is reduced by R26.6 million in 2018/19, R28 million in 2019/20 and R30 million in 2020/21. Total allocations amount to R1.6 billion over the MTEF period and grow at an average annual rate of 3.8 per cent.

Infrastructure skills development grant

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

The grant's baseline is reduced by R7.4 million in 2018/19, R7.9 million in 2019/20 and R8 million in 2020/21. Total allocations amount to R449 million over the medium term and grow at an average annual rate of 6 per cent.

Municipal systems improvement grant

The *municipal systems improvement grant* funds a range of projects in municipalities in support of the Back to Basics strategy, including helping municipalities set up adequate record management systems, drawing up organograms for municipalities and reviewing their appropriateness relative to their assigned functions, and assisting municipalities with revenue collection plans. From 2018/19, the grant also supports intermediate cities to implement the Integrated Urban Development Framework and assists with the completion of transitional work in municipalities affected by major boundary changes in 2016. The

Department of Cooperative Governance implements the indirect grant. This grant has not been reduced, with allocations of R115 million in 2018/19, R122 million in 2019/20 and R128 million in 2020/21.

EPWP 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 to create more jobs. Based on a review of the allocation methodology, from 2018/19 the categories for labour-intensity have been increased from three to seven to incentivise more municipalities using labour-intensive methods. The formula is weighted to give larger allocations to rural municipalities. The grant's baseline is reduced by R36.5 million in 2018/19, R39 million in 2019/20 and R41 million in 2020/21. The impact of these reductions will be spread across municipalities in line with the grant's formula. The grant is allocated R2.2 billion over the MTEF period.

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 2018 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 R681.6 million over the medium term.

Municipal disaster relief grant

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

Municipal emergency housing grant

A new *municipal emergency housing grant*, to be administered by the Department of Human Settlements, is introduced in 2018/19. These funds will enable the department to rapidly respond to emergencies by providing temporary housing in line with the Emergency Housing Programme. However, the grant is limited to funding emergency housing following the immediate aftermath of a disaster, and not the other emergency situations listed in the Emergency Housing Programme.

As emergency housing was previously meant to have been budgeted for in the business plans for the *human settlements development grant*, the funding for the *municipal emergency housing grant* will be reprioritised out of that grant. The new grant is allocated R140 million in 2018/19, R149 million in 2019/20 and R159 million in 2020/21.

■ 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 2018/19 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. Provincial funds are allocated using a formula that considers the spread of the burden of service delivery across provinces. The provincial equitable share formula contains weighted elements that reflect government priorities and incorporates elements to redress inequality and poverty across provinces. The periodic review of the formula to assess its continued appropriateness and equity continues in 2018. The Technical Committee on Finance and the Budget Council is consulted as part of this work.

Over the course of the year, work on the review of the equitable share will intensify. Now that the new data-collection methodology for education is part of the formula, the next step is to interrogate the component's policy alignment with government's education policy vision. Work on the disparity in costs in the delivery of services across the country will also continue, led by the FFC. All affected stakeholders will be invited to a colloquium to better understand these disparities. The National Treasury will work with the national Department of Health and Statistics South Africa to fully understand health information and the delivery of services in the health sector.

National health insurance policy work

Government is working to increase life expectancy for South Africans from 62.5 years in 2014 to at least 70 years by 2030 through interventions such as the continued expansion of antiretroviral therapy and the implementation of national health insurance. Following extensive public consultation, government adopted the National Health Insurance White Paper in June 2017. Since then, the national Department of Health and the National Treasury have been working on the draft National Health Insurance Bill, which, when promulgated, will provide the legal foundation for national coverage and establish the National Health Insurance Fund. Over the course of the year, the two departments will focus on how to pilot the provision and delivery of a prioritised set of health services. This will include developing and testing payment mechanisms that prescribe, for a specified set of primary health services, a predetermined minimum price for health service providers to serve a certain number of people each year. In addition, efforts will focus on scaling up work initiated by the Western Cape Department of Health to develop an information system that classifies hospital cases into categories of diagnosis, which will assist in monitoring costs.

The role of provinces in promoting economic development

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

All three spheres of government must work with businesses and other relevant stakeholders to provide an enabling environment for faster and more inclusive economic growth. In 2018, further research into the role of special economic and industrial development zones will be conducted to understand their effect on development in provinces, and why their impact has stalled.

Improving intergovernmental coordination on infrastructure investment

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

To facilitate improved planning alignment with municipalities, the guidelines for provincial infrastructure require that municipalities are consulted and agree on the location and bulk services requirements of all provincial infrastructure projects. Provincial treasuries are also to include municipalities in their infrastructure medium-term expenditure committee meetings when selecting projects to be included in the next budget. The National Treasury will continue to work with provincial treasuries throughout 2018 to improve infrastructure planning in provinces.

Local government transfers

The system of transfers to local government is continuously being reviewed and refined to improve spending efficiency and the impact achieved through these transfers. Over the period ahead, the National Treasury will continue to examine the funding of, and budgeting by, rural municipalities and how the transfers they rely on can be structured to improve their sustainability and performance. At the same time, urban municipalities will be encouraged to further increase their reliance on own-revenue sources to fund their budgets (including borrowing to fund infrastructure investments, especially in light of the reductions to transfers announced in the 2018 Budget).

As part of the ongoing review of local government infrastructure grants, the National Treasury, the Department of Cooperative Governance, SALGA and the FFC will work closely with the Department of Human Settlements to explore how informal settlement upgrades can be improved.

A new integrated urban development grant

The Department of Cooperative Governance is leading the design of a new *integrated urban development grant* for urban local municipalities. Initial proposals have been developed and consulted on with stakeholders. The new grant will be introduced in 2019/20. Eligible municipalities will be invited to apply for the grant during 2018. The application process is set out in clause 27(5) of the 2018 Division of Revenue Bill.

This new grant will extend some of the fiscal reforms already implemented in metropolitan municipalities to non-metropolitan cities. This aligns with the policy set out in the Integrated Urban Development Framework approved by Cabinet in April 2016. The framework calls for a radically different, more integrated, approach to managing urbanisation.

Principles for the new integrated urban development grant

- *Municipalities take the lead in dealing with the urban challenge.* Municipalities must have discretion to identify local priorities, with due consideration to provincial and national priorities, and allocate investment accordingly.
- *Municipal differences continue to be acknowledged.* Municipalities differ in terms of their context and the Integrated Urban Development Framework has been developed to respond to the needs of urban municipalities. Recognition and incentives must be provided to municipalities able to perform, and support provided to improve the performance of those who do not yet qualify for recognition.
- *Municipalities invest to unlock growth.* Research by the FFC found that capital spending by municipalities, particularly on core services such as water, sanitation and electricity, improves economic growth. This positive effect is enhanced if the resulting assets are well managed. As grants remain targeted at poor households, unlocking investment in economic infrastructure requires non-grant sources of finance.

- *Infrastructure investment is made with due consideration to spatial form.* Too often, infrastructure investment has entrenched undesirable apartheid spatial forms. To prevent this, plans for investment in new infrastructure should be aligned with well-planned spatial development frameworks.
- *Municipalities are held accountable for outcomes.* Municipalities will have discretion to make choices about the allocation of infrastructure investment. With this increased discretion comes strong accountability for what is achieved through that investment.
- *The assets financed through a grant are well managed.* Significant new infrastructure investments have been made over the past 20 years. However, in too many cases this infrastructure has not been well managed, with inadequate investments in renewal and maintenance.

Design of the new integrated urban development grant

There will be minimum conditions for accessing the grant. As previously discussed, the new grant will place more discretion in the hands of local municipalities. The minimum conditions for entry will ensure a degree of certainty that recipient municipalities have adequate oversight, their reporting can be trusted and they are able to manage their existing capital programmes. It is proposed that minimum conditions cover the following areas:

- Management stability
- Audit findings
- Unauthorised, irregular, fruitless and wasteful expenditure
- Capital expenditure
- Reporting in terms of the Municipal Finance Management Act.

To qualify, an eligible municipality will need to apply for the grant and demonstrate compliance with the prescribed minimum conditions. Approved municipalities will then receive support in developing a capital expenditure framework and associated three-year capital programme.

Not every urban, non-metropolitan municipality will qualify for the grant in 2018/19. Some municipalities may take time to meet the qualification criteria, while others may choose not to apply because they are comfortable with their existing grant structures.

The new grant will include a support programme to help urban municipalities comply with the minimum conditions of the grant and improve performance. This support programme will also be extended to urban municipalities not participating in the grant.

The *integrated urban development grant* will initially be funded through shifts of allocations from the *municipal infrastructure grant*. Over time, other grants may be consolidated into the new grant. Municipalities receiving the grant will therefore not receive significantly different infrastructure grant allocations. The main benefit of the grant is its revised structure and rules that enable more integrated development, not increased allocations.

The new *integrated urban development grant* is intended to ensure that municipalities give poor households sustainable access to the municipal infrastructure they need in spatially transformed cities.

Based on its review of local government infrastructure grants, government and its partners aim to consolidate such grants in the long term. This could be achieved by progressively combining most local government infrastructure grants into the *integrated urban development grant* for those municipalities that qualify. This will enable these cities to coordinate their priorities across infrastructure sectors and shift towards a more programmatic and outcome-driven process.

Under the *integrated urban development grant*, municipalities will no longer require approval for individual projects to be funded through the grant. Monitoring will be against a three-year capital programme that is aligned with a 10-year capital expenditure framework. The framework must in turn

show alignment with the municipality's spatial development framework. This will require a shift to a more programmatic monitoring system, rather than a project-based system.

The grant will have an incentive component, which will use performance indicators to reward good performance across the following three areas:

- The extent to which municipalities are making use of non-grant finance
- Sound asset management practices
- Spatial transformation.

The performance incentive will be funded through the reprioritisation of 1 per cent of the *municipal infrastructure grant*. In the outer years of the 2018 MTEF period, these funds are shown as unallocated in the municipal infrastructure grant.

A new municipal restructuring grant

The 2017 *Medium Term Budget Policy Statement* announced a new funding mechanism to support recovery plans for municipalities that face a financial crisis, as provided for in section 139(5) of the Constitution. The National Treasury will consult with national departments, provinces and SALGA on the design of the grant and its coordination with other capacity-building programmes during 2018. The grant is intended to be a short-term intervention that will fund the turnaround of struggling municipalities. It will help identified municipalities that are in financial distress, but have demonstrated a commitment to implementing the necessary reforms. If needed, the intervention powers outlined in section 139 of the Constitution may also be used as part of the broader approach to turning around these municipalities.

The *municipal restructuring grant* will be made available within the parameters of the existing legal framework and will not provide bailouts to municipalities. It will fund the implementation of specific outputs in support of a financial recovery plan approved by a municipal council. The council must demonstrate political buy-in by adopting such a plan, and the municipality must also commit its own resources to implementing parts of the plan. Municipalities will be expected to demonstrate commitment to implementing the financial recovery plan by:

- Containing employee-related costs and other rapidly escalating categories of expenditure items
- Limiting non-priority spending
- Increasing revenue collection
- Adopting funded budgets that generate surpluses.

A provisional allocation of R300 million in 2019/20 has been set aside for this proposed grant. This allocation will be confirmed or cancelled as part of the 2019 Budget process, depending on progress made in planning for the grant (including the willingness of municipalities to implement the necessary reforms) and the availability of resources. The grant is allocated R514 million in 2020/21.

Reforms to local government own-revenue sources

Municipalities, especially cities and other large urban municipalities play a critical role in boosting economic growth and providing an enabling environment for job creation by providing well-maintained and functioning infrastructure services. However, these municipalities are finding it increasingly difficult to meet the demand for housing, urban services and infrastructure due to rapid urbanisation.

Given the extent of the infrastructure needs in these municipalities, the National Treasury is exploring how cities and large urban municipalities can use a broader package of infrastructure financing sources to meet their developmental mandate. These activities include, among others, the review of the municipal borrowing policy framework and setting rules for levying development charges.

Development charges

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

Municipal borrowing

Municipal borrowing policy has been in place since 1999. Over the years, the National Treasury has enhanced its capacity to monitor municipal borrowing trends, while creating an enabling environment and developing strategies that will help municipalities to attract creditors. However, there is scope for policy adjustments to support expanded municipal borrowing. The National Treasury is exploring ways to enable the extensive participation of financial institutions and the broad market in financing municipal infrastructure. Areas of possible reform include the roles of multilateral development banks and development finance institutions in urban infrastructure financing, pooled finance for local government, and project finance instruments. These reforms target creditworthy municipalities, because a key principle that underpins the municipal borrowing framework is that there will be no national government guarantees.

The National Treasury publishes a quarterly Municipal Borrowing Bulletin, which is available at www.mfma.treasury.gov.za

ANNEXURE W2:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO PROVINCES

Annexure W2: Frameworks for Conditional Grants to Provinces

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

Introduction

This annexure provides a brief description of the framework for the grants set out in Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A of the 2018 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
- 2018 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2019/20

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2018 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2018/19 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

AGRICULTURE, FORESTRY AND FISHERIES GRANTS

Comprehensive Agricultural Support Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, smallholder and black commercial farmers within strategically identified grain, livestock and horticulture production areas
Grant purpose	<ul style="list-style-type: none"> • To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export • To address damage to infrastructure caused by floods
Outcome statements	<ul style="list-style-type: none"> • Broadened access to agricultural support for black subsistence, smallholder and commercial farmers • Increased number of sustainable and profitable black producers in horticulture, grains, livestock, and aquaculture value chains • Improved farming efficiency of beneficiaries of the Comprehensive Agriculture Support Programme (CASP) • Improved systems required for the maintenance of a Foot and Mouth Disease free status as prescribed by the World Organisation for Animal Health • Increased wealth creation, and sustainable employment in rural areas • Increased access to markets by beneficiaries of CASP • Improved household and national food security • Reliable and accurate agricultural information available for management decision making
Outputs	<ul style="list-style-type: none"> • Farmers supported per category and per commodity (subsistence, smallholder and commercial) • Number of certified beneficiaries of CASP South African Good Agricultural Practice • Number of jobs created • Youth, women and farmers with disabilities supported through CASP • Unemployed graduates placed on commercial farms • On and off farm infrastructure provided and repaired, including agro-processing infrastructure • Hectares of land under agricultural production (crop and livestock) • Yields per unit area • Beneficiaries of CASP trained on farming methods or opportunities along the value chain • Beneficiaries of CASP accessing markets • Animal identification and movement tracking system for cattle in the Foot and Mouth Disease controlled areas of Limpopo, Mpumalanga and KwaZulu-Natal provided and maintained • Physical boundary between the free zone and the protection zone, especially in Limpopo and KwaZulu-Natal provided and maintained • Number of animals vaccinated for Foot and Mouth Disease in Limpopo and Mpumalanga • Number of extension personnel recruited and maintained in the system • Number of extension officers deployed to commodity organisations • Agriculture Information Management System (AIMS) implemented in all 9 provinces
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 5: A skilled and capable workforce to support an inclusive growth path • Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> • The funding for this grant can be spent using the following prescription in support of Operation Phakisa on Agriculture, Land Reform and Rural Development • At most 20 per cent of project allocation to support Fetsa Tlala initiatives in partnership with the development arm of commodity organisations (planting and/or acquisition of superior breeding animals) • At most 50 per cent of project allocation to support grain, livestock and horticultural production areas: <ul style="list-style-type: none"> ○ at least 20 per cent of which should be focused on black commercial farmers in partnership with the relevant commodity organisation ○ at least 30 per cent of which should be focused on commercialisation of smallholder farmers in partnership with the relevant commodity organisations • Farmers supported must be linked to but not limited to black commodity organisations. The province should have formal partnership agreements with these commodity organisations in supporting farmers (joint support, joint funding and joint implementation as necessary) • In cases where farmers requiring the support are outside a commodity organisation agreement, their proposals must be approved by established committees and authorities • All assisted farmers should be listed or registered in the provincial and national farmer registers

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> • At most 5 per cent of project allocation on Agriculture Information Management System • At least 10 per cent of project allocation on market access and development • At least 6 per cent of project allocation on training and capacity building of farmers, and 4 per cent can be used for mentorship programme • At least 1000 unemployed agricultural graduates should be placed nationally as follows: <ul style="list-style-type: none"> ○ Gauteng and Northern Cape must employ at least 80 graduates ○ the remainder of the provinces must employ at least 120 graduates ○ all graduates must be employed at a rate of R87 000 per annum • The Department of Agriculture, Forestry and Fisheries (DAFF) will reprioritise the allocated funds on the following basis: <ul style="list-style-type: none"> ○ in the event of poor-spending on the part of a province where reasons for poor spending is as a result of poor planning or failure by service provider to meet its contractual obligation ○ in the event of a disaster that affects the implementation of approved plans • A central AIMS to be implemented by eight provinces (Western Cape Province is already implementing the system) to ensure a harmonised system that integrates and collates information to the national and provincial level (vice versa). Eastern Cape, Free State, Gauteng, Limpopo and North West have made their full contributions of R9 million each towards the implementation of AIMS. The following contribution per province will be made to the National Agricultural Marketing Council (coordinating the development of the system) for the implementation of AIMS: <ul style="list-style-type: none"> ○ KwaZulu-Natal: R9 million ○ Mpumalanga: R9 million ○ Northern Cape: R4.5 million (R4.5 million contribution already made) • Provinces must adhere to the CASP standard operating procedure framework when implementing projects • Provincial departments are to confirm human resources capacity to implement CASP business plan by 28 March 2018 • All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 Division of Revenue Act when executing projects as well as for reporting purposes • Funds will be transferred as per the disbursement schedule approved by National Treasury • Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer of Agriculture, Forestry and Fisheries, within 7 days of such change, and such changes must be approved by the transferring officer before they are implemented • Provincial business plans must be signed off by the heads of the provincial agriculture departments in collaboration with Chief Financial Officers or their representatives, and must be co-signed by the Heads of provincial treasuries • Signed business plan must be submitted to the DAFF for approval • Allocation for agricultural colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan • Allocations for 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 2018/19, for infrastructure damaged by floods are as follows: <ul style="list-style-type: none"> ○ Limpopo: R6.6 million ○ Mpumalanga: R6.9 million ○ Western Cape: R17.5 million • The repairs to the 2010/11 flood damaged diversion walls along the Orange River in the Northern Cape are incomplete. The funds that were allocated to complete this activity have been recovered from the allocations to provinces that received them after they were diverted to project support in 2015/16. The allocation for flood damage to Northern Cape in 2018/19 is R124.9 million • Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports, and must be submitted to the NDMC and DAFF for approval • Quarterly performance reports on disaster allocations must be submitted to the NDMC and DAFF
Allocation criteria	<ul style="list-style-type: none"> • The formula used to allocate funds is a weighted average of the following variables: agricultural land area, households involved in agriculture (General Household Survey 2016 report), previous CASP performance and current benchmarks on production and national policy imperatives
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve aspirations of the National Development Plan • The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing agents
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1.6 billion to provinces, of which R1.6 billion (98.8 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 25 958 beneficiaries were supported from 500 implemented projects, with 392 projects completed at

Comprehensive Agricultural Support Programme Grant	
	<p>the end of the financial year</p> <ul style="list-style-type: none"> • 21 Agro-processing infrastructure projects initiated • 7 894 jobs created • 23 projects benefitted from South African Good Agricultural Practice certification programme • 70 per cent of supported smallholder farmers had access to markets • 26 378 farmers trained in targeted training programmes • A total of 69 extension officers were recruited nationally, and 816 maintained in the system • A total of 178 extension officers registered for qualification upgrading • 10 agricultural colleges upgrading infrastructure, ongoing • 103 farmers benefited from repair of infrastructure damaged by flood disasters (102 agricultural infrastructure and one soil rehabilitation) • 452 jobs created through implementation of flood disaster scheme
Projected life	<ul style="list-style-type: none"> • Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R1.8 billion; 2019/20: R1.9 billion and 2020/21: R2 billion
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 20 April 2018; 24 August 2018; 26 October 2018 and 25 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2018/19 • Provide the guidelines and criteria for the development, approval and implementation of business plans • Provide template for project registration and reporting • Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly • Submit monthly financial reports to National Treasury 20 days after the end of the month • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year • Oversee and monitor implementation of the grant during Ministerial Technical Committee (MinTech) on agriculture and quarterly review meetings <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces to adhere to the conditions of this framework and the 2018 Division of Revenue Act (DoRA) • Provinces to submit detailed project list as per the Department of Agriculture, Forestry and Fisheries' project list template • Provinces to submit monthly financial reports 15 days after the end of each month, and quarterly non-financial reports 30 days after the end of each quarter, and annual evaluation reports two months after the end of the financial year on the progress and achievements of the programme • Provinces to implement the CASP business plans as approved • All receiving departments must abide by the PFMA, Treasury Regulations and the 2018 DoRA when executing projects as well as for reporting purposes • Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer, within 7 days of such a change before they are implemented • Assign and delegate officials to manage and monitor the implementation of the programme before April 2018 • Keep record of projects supported and a farmer register • Monitor project implementation on a quarterly basis and evaluate the impact of projects in achieving CASP goals • Submit quarterly performance reports on disaster allocations to the relevant Provincial Disaster Management Centre and DAFF, within 20 days after the end of each quarter • Submit quarterly project performance reports to the DAFF • Provinces to adhere to the approved CASP standard operating procedure framework
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 30 May 2018 • Submission of provincial CASP business plans by provinces on 1 October 2018 • Engagement with provinces (pre-national assessment panel) on submitted business plans during October/November 2018 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2018 and February 2019 • Send funding agreements to provinces by February/March 2019 to be signed by Heads of Departments, Chief Financial Officers, and CASP coordinators • Approval of business plans by the transferring officer before 29 March 2019 • Inform provinces of approval of the business plans in March or April 2019 • Approval by the transferring officer regarding 2019/20 business planning process compliance during April 2019, and send to National Treasury by end April 2019

Ilima/Letsema Grant	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce poverty through increased food production initiatives
Grant purpose	<ul style="list-style-type: none"> • To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock and horticulture production areas
Outcome statements	<ul style="list-style-type: none"> • Increased agricultural production of grains, livestock and horticulture at both household and national level • Improved household and national food security • Improved farm income • Maximised job opportunities • Reduced poverty • Rehabilitated and expanded irrigation schemes
Outputs	<ul style="list-style-type: none"> • Vulnerability assessment surveys conducted in nine provinces • Land under agricultural production (grains, horticulture and livestock) • Yields per unit area • Superior breeding animals acquired and distributed to farmers • Jobs created • Beneficiaries/farmers supported by the grant per category • Hectares of rehabilitated and expanded irrigation schemes
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> • 62 per cent of Ilima/Letsema grant funds should be allocated to support food production (crop and livestock production) in support of the Fetsa Tlala initiatives • At most 30 per cent of Ilima/Letsema funds to be used for rehabilitation of irrigation schemes in Eastern Cape, Free State, Northern Cape, North West, KwaZulu-Natal and Western Cape provinces • At least 8 per cent made available for the South African Vulnerability Assessments Committee to be paid by provinces to Statistics South Africa by 29 June 2018 as follows: <ul style="list-style-type: none"> ○ Eastern Cape: R8.6 million ○ Free State: R3.5 million ○ Gauteng: R1.7 million ○ KwaZulu-Natal: R3.5 million ○ Limpopo: R6.2 million ○ Mpumalanga: R5.3 million ○ Northern Cape: R2.8 million ○ North West: R4.6 million ○ Western Cape: R9.3 million • Only vulnerable households and subsistence farmers should be supported with inputs and mechanisation by this grant • Partnerships with black commodity organisations should be prioritised for joint support, joint funding and joint implementation • Provincial departments to confirm human resources capacity to implement Ilima/Letsema business plans on or before 28 March 2018 • All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 Division of Revenue Act when executing projects as well as for reporting purposes • All assisted farmers should be listed in the provincial and national farm registers • Provinces to inform the transferring officer of any changes from plans and allocations approved by the national 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 • 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 Heads of provincial treasuries • Signed business plans must be submitted to the DAFF for approval

Ilima/Letsema Grant	
Allocation criteria	<ul style="list-style-type: none"> The formula used to allocate funds is a weighted average of the following variables: agricultural land available, previous homeland areas, households involved in agriculture (General Household Survey 2016), food insecure areas and national priority areas targeted for increased food production, previous Ilima/Letsema performance
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The funding originated with the special poverty allocations made by national government for a specific purpose and requires tight conditionality to achieve the national goal Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve the aspirations of the National Development Plan The responsibility for the programme rests with the DAFF while provincial departments of agriculture are implementing agents
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R491 million, of which R488 million (99.2 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> 13 503 jobs were created 30 530 subsistence farmers supported 19 168 smallholder farmers supported 2 985 black commercial farmers supported 68 398 households were supported with starter packs and production inputs 282 schools were assisted to establish food gardens 1 883 community food gardens were established 214 952 beneficiaries were supported by the programme 130 954 hectares of land planted Between 3 to 7 tons per hectare of maize produced Vaalharts and Makhathini irrigation schemes were revitalised
Projected life	<ul style="list-style-type: none"> Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R552 million; 2019/20: R583 million and 2020/21: R615 million
Payment schedule	<ul style="list-style-type: none"> Four instalments: 20 April 2018; 24 August 2018; 26 October 2018 and 25 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Agree on outputs and targets with provincial departments in line with grant objectives for 2018/19 Provide guidelines and criteria for the development and approval of business plans Provide template for project registration and reporting Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly Submit monthly financial reports to National Treasury 20 days after the end of the month Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year Oversee and monitor implementation of the grant during Ministerial Technical Committee (MinTech) on Agriculture and quarterly review meetings <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Provinces to adhere to the conditions of this framework and 2018 DoRA Provinces to submit detailed project list as per the DAFF project list template Provinces must submit monthly financial reports to DAFF 15 days after the end of each month, and quarterly non-financial reports 30 days after the end of each quarter, and annual evaluation report two months after the end of the financial year on the progress and achievements of the programme Provinces to implement the Ilima/Letsema business plans as approved All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2018 DoRA when executing projects as well as for reporting purposes Provinces to inform the transferring officer of any changes from plans and allocations approved by the transferring officer, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented Assign and delegate officials to manage and monitor the implementation of the programme before April 2018 Keep records of projects supported and a farmers register Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving Ilima/Letsema goals

Ilima/Letsema Grant	
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 31 May 2018 • Submission of provincial Ilima/letsema business plans by provinces on 28 September 2018 • Engagement with provinces at the pre-national assessment panel on submitted business plans during October/November 2018 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2018 and February 2019 • Send funding agreements to provinces by February/March 2019 to be signed by Heads of Department, Chief Financial Officers, and Ilima/Letsema coordinators • Approval of business plans by the transferring officer before 29 March 2019 • Inform provinces of approval of the business plans by March or April 2019 • Approval by the transferring officer regarding 2019/20 business planning process compliance during April 2019, and send to National Treasury by end April 2019

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To optimise productivity and sustainability of natural resources leading to greater productivity, food security, job creation and better quality of life for all
Grant purpose	<ul style="list-style-type: none"> • To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Outcome statements	<ul style="list-style-type: none"> • Improved veld carrying capacity and livestock productivity • Improved production potential of arable land leading to increased yield • Improved quantity and quality of South Africa's water resources through maintenance and rehabilitation in line with the water care focus area within the Land Care programme • Improved youth participation in the agricultural sector and intergenerational transfer of skills • Improved custodianship and stewardship of natural agricultural resources through community based initiatives by all land users • Improved livelihoods of rural communities within the ambit of the green economy • Improved partnerships with private, public and community sectors • Improved knowledge and skills base of participants for sustainable use and management of natural resources • Enhanced ecosystem services for current and future generations
Outputs	<ul style="list-style-type: none"> • Hectares of rangeland protected and rehabilitated • Hectares of arable land protected and rehabilitated • Hectares of land under Conservation Agriculture • Number of Junior Care participants involved in the programme • Number of hectares of land where water resources are protected and rehabilitated • Number of capacity building initiatives conducted for Junior Care • Number of capacity building initiatives conducted for land carers • Number of awareness campaigns conducted and attended by land carers • Hectares of land where weeds and invader plants are under control • Number of kilometres of fence erected • Number of green jobs created expressed as full time equivalents (FTEs) • Number of Land Care committees established
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 7: Comprehensive rural development and land reform • Outcome 10: Protect and enhance our environmental assets and natural resources
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Cash flow projections and statement of work • Key activities/implementation plan • Monitoring and evaluation • Risk and mitigation • Exit strategy
Conditions	<ul style="list-style-type: none"> • Provinces must confirm capacity to implement projects and operational funding before funds can be transferred • Provincial departments' annual evaluations for 2018/19 must be submitted using an approved template that clearly indicates measurable objectives and performance targets as per the business plans approved by the national Department of Agriculture, Forestry and Fisheries (DAFF) • The impact (before and after) of the Land Care programme should also be quantified during initiation, implementation and handing over phases of the projects • Provinces should report their financial performance per project 15 days after the end of each month in compliance with the 2018 Division of Revenue Act (DoRA) • Provinces should report on the number of jobs created 15 days after the end of each month. The report should, amongst other requirements, indicate for each participant their name; surname, identity number, gender, project name, wage and duration of employment. The number of jobs created should further be reported on the Expanded Public Works Programme (EPWP) reporting system • Projects should adhere to the reporting dates as stipulated in the 2018 DoRA, and furthermore adhere to the agreed dates as approved by the natural resource management working group (NRMWG) • Provinces should submit their portfolio of evidence (acknowledgement letters, project maps etc.) that is in line with their quarterly and monthly reports. The evidence should be submitted together with the quarterly report
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an index comprising of nodes, land capability, poverty, degradation and land size derived from the following sources: <ul style="list-style-type: none"> ○ nodes of the most deprived wards in comprehensive rural development programme ○ land capability; total hectares class I, II and III (spatial analysis - land capability data) ○ size; hectares (new boundaries from the Municipal Demarcations Board)

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
	<ul style="list-style-type: none"> ○ poverty; poverty gap based on food poverty line (Statistics South Africa Living Conditions Survey 2011) ○ degradation in hectares (Land degradation report 2017) ○ policy imperatives and development for sustainable land management
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government for a specific purpose
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R69 million (100 per cent) of which provinces spent R68 million (99.8 per cent) by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 18 349 hectares of rangeland protected and rehabilitated • 2 246 hectares of cultivated land protected and rehabilitated • 25 153 Junior Care participants involved in the programme • 555 hectares of land where water resources are protected and rehabilitated • 102 capacity building initiatives conducted for Junior Care • 271 capacity building initiatives conducted for land carers • 251 awareness campaigns conducted and attended by land carers • 12 925 hectares of land where weeds and invader plants are under control • 269 kilometres of fence erected • 1 198 green jobs created expressed as full time equivalents (FTEs) • 26 Land Care committees established
Projected life	<ul style="list-style-type: none"> • This grant will be reviewed when and if the need arises to align it with changes in the EPWP, outcome approach, national planning report and any policy development within government
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R78 million; 2019/20: R82 million and 2020/21: R87 million
Payment schedule	<ul style="list-style-type: none"> • Allocation to provinces will be disbursed on a quarterly basis (23 April 2018; 20 August 2018; 19 October 2018 and 23 January 2019) • Percentage allocation per province will depend on the approved provincial business plan budget
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2018/19 • Review norms and standards for the implementation of the grant during the NRMWG meeting held quarterly • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation through project site visits and provide support to provinces • Submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter • Submit evaluation reports to the National Treasury within four months after the end of the financial year <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments to ensure that procurement processes and procedures have been adhered to and appointed service providers are in place for the implementation of Land Care projects to commence 2 April 2018 • Ensure adequate level of capacity exists in the province to implement the Land Care projects • Provincial departments to submit signed monthly financial report 15 days after the end of the month • Provinces should further report jobs created to the DAFF using the prescribed Department of Public Works reporting template/format within 15 days after the end of the month • Provincial departments to report quarterly (non-financial) 30 days after the end of each quarter on the progress of the projects as prescribed by 2018 DoRA. Provinces should further adhere to agreements approved by the NRMWG on performance reporting and any other matter related to natural resource management • Provincial departments to report monthly on jobs created as part of the EPWP. These reports should be submitted to the Department of Public Works using the approved reporting system • Provincial departments to submit portfolio of evidence as agreed upon with DAFF, 30 days after the end of each quarter • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated to DAFF transferring officer in writing and approved by DAFF's transferring officer before implementation • Provinces must hold provincial assessment panels that are inclusive of relevant partners before submission of provincially approved preliminary individual and provincial business plans to DAFF by 28 September 2018 • Provincial departments should monitor project implementation and evaluate the impacts of projects in achieving Land Care goals • Provinces to submit evaluation reports to DAFF two months after the end of the financial year

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • DAFF must provide provincial departments with business plan formats, guidelines, criteria and outputs as prescribed by National Treasury and DAFF by 30 June 2018 • Submission of signed preliminary provincial and individual Land Care business plans by provinces by 28 September 2018 • Engagement by DAFF with provinces on business plans submitted before provincial assessment panel and prior to the national assessment panel • Evaluation and recommendation of business plans by national assessment panel before the end of February 2019 • Interactions with provinces on national assessment panel comments and final submission of signed individual and provincial business plans by the provinces prior to approval by the DAFF transferring officer. Approval of business plans by the DAFF transferring officer before the end of March 2019 • Notify provinces of the approval of business plans before quarterly transfer • Send funding agreements to provinces by 31 March 2019 to be signed by the Heads of Department

ARTS AND CULTURE GRANT

Community Library Services Grant	
Transferring department	<ul style="list-style-type: none"> Arts and Culture (Vote 37)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To enable the South African society to gain access to knowledge and updated information that will improve their socio-economic status
Grant purpose	<ul style="list-style-type: none"> To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Outcome statements	<ul style="list-style-type: none"> Improved coordination and collaboration between national, provincial and local government on library services Equitable access to transformed library and information services delivered to all rural and urban communities Improved library infrastructure and services that meet the specific needs of the communities they serve Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs Improved culture of reading and literacy development
Outputs	<ul style="list-style-type: none"> 430 000 items of library materials (books, periodicals, toys etc.) purchased Library information and communication technology infrastructure and systems software installed and maintained in all provinces New services established for the visually impaired at 30 identified community libraries in all provinces 29 new library structures completed 10 new library services established for dual-purpose libraries 20 upgraded library structures 25 maintained library structures 1 924 existing contract library staff maintained in all provinces 50 new staff appointed for dual-purpose libraries 90 new staff appointed at public libraries to support the shifting of the function to provinces Capacity building programmes for public librarians
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 1: Quality basic education Outcome 14: Nation building and social cohesion
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> The provincial business plans must be developed in accordance with identified priority areas Provincial departments may only request in writing to the transferring officer to amend the business plans at the end of September 2018 Provinces may not exceed 20 per cent threshold provided for variation orders on infrastructure projects without the approval of the transferring officer To qualify for allocations from the grant in 2019/20 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 2020/21. Grant funding must not be used to replace funding for items that provinces have previously allocated to community libraries Provinces may use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial management of the grant at the provincial department The details of how these funds will be used must be included in the respective business plans Provinces will include in their business plans, the scope of work for upgrades, including the budget to be committed to the upgrading of existing libraries Provinces will include in their business plans budget for maintenance projects Funds earmarked to support Schedule 5 function shift in category B municipalities and to establish dual purpose service points may only be used for that purpose. Provinces may use up to 80 per cent of their earmarked allocations in 2018/19 financial year to address the Schedule 5 function shift imperative in category B municipalities. At least 20 per cent of the earmarked additional allocations must be used to establish dual purpose service points in collaboration with provincial departments of education. The detail of how these funds will be used by provinces must be included in their respective business plans. The total earmarked allocations per province are as follows: <ul style="list-style-type: none"> Eastern Cape: R65.7 million Free State: R83.3 million Gauteng: R89.9 million KwaZulu-Natal: R80.4 million Limpopo: R27.6 million

Community Library Services Grant	
	<ul style="list-style-type: none"> ○ Mpumalanga: R62.9 million ○ Northern Cape: R55.9 million ○ North West: R68.3 million ○ Western Cape: R80.3 million • Service level agreements (SLAs) determining reporting protocols must be signed with receiving municipalities within two months after the 2018 Division of Revenue Act takes effect • The SLAs must include financial commitments over the MTEF in addition to the payment schedules to municipalities and reporting protocols which outline measurable performance targets for each municipality
Allocation criteria	<ul style="list-style-type: none"> • The allocation criteria is based on an evaluation report for 2016/17 conducted by the national Department of Arts and Culture (DAC) which identified community library needs and priorities
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This funding is intended to address backlogs and disparities in the provision and maintenance of community library services across provinces and to enable the DAC to provide strategic guidance and alignment with national priorities
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R1.4 billion (100 per cent of allocation) was transferred to provinces inclusive of provincial roll-overs, of which R1 billion (93 per cent) was spent by provinces by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 20 new libraries built • 43 libraries upgraded • 259 new staff appointed • 401 067 library material procured
Projected life	<ul style="list-style-type: none"> • The projected life will be informed by evaluation reports and should become part of the provincial equitable share in 2020/21 if provinces have completed the function shift and completed a process that leads to the full funding of the service
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R1.4 billion; 2019/20: R1.5 billion and 2020/21: R1.6 billion
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 20 April 2018; 13 July 2018; 12 October 2018 and 18 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise a framework for planning the allocation of library funding at the provincial level by 8 February 2019 that must prescribe minimum norms and standards for the provision of public libraries • Establish an intergovernmental forum with provinces that meets at least twice a year to discuss issues related to the provision of community library services • Participate in at least one intergovernmental forum meeting per province between provinces and municipalities per year • Identify challenges and risks and prepare mitigation strategies • Monitor and evaluate implementation • Evaluate annual performance of the grant for the previous financial year, for submission to National Treasury within four months after the end of the financial year • Submit monthly financial and quarterly performance reports to the National Treasury • Determine outputs and targets for 2019/20 with provincial departments <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • 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 • Provincial departments must establish capacity to monitor and evaluate SLAs with municipalities • Provinces must maintain the number of staff appointed using this conditional grant • Submit evaluation reports to the DAC within two months after the end of the financial year • Submit signed monthly financial reports of provinces to DAC within 15 days after the end every month • Submit quarterly performance reports to the DAC within 30 days after the end of the quarter • Provinces must undertake a costing exercise of converting contract staff to permanent staff by the end of June 2018
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Provinces must submit a draft function shift progress report for comment to DAC by 3 August 2018. A final report must be submitted by 3 October 2018 • Progress reports must detail at least the following: <ul style="list-style-type: none"> ○ criteria that will be used to evaluate the capacity of municipalities to administer the function on behalf of the province ○ a policy framework for funding municipalities that administer the service ○ this framework must provide for funding the service over a three-year time horizon • Provinces to submit draft business plans to DAC by 7 September 2018. Business plans must be aligned to their strategies for full funding of the function • DAC to evaluate provincial business plans and provide feedback to provinces by 26 October 2018 • Provinces to submit final provincial business plans to DAC by 11 January 2019 • DAC approves business plans and submits them to National Treasury by 29 March 2019

BASIC EDUCATION GRANTS

Education Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To supplement provinces to fund the provision of education infrastructure in line with the regulations relating to minimum uniform norms and standards for public school infrastructure
Grant purpose	<ul style="list-style-type: none"> • To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation • To enhance capacity to deliver infrastructure in education • To address damages to infrastructure • To address achievement of the targets set out in the minimum norms and standards for school infrastructure
Outcome statements	<ul style="list-style-type: none"> • Improved quality of education service delivery by provincial departments as a result of an improved and increased stock of schools infrastructure • Aligned and coordinated approach to infrastructure development at the provincial sphere • Improved education infrastructure expenditure patterns • Improved response to the rehabilitation of school infrastructure • Improved rates of employment and skills development in the delivery of infrastructure
Outputs	<ul style="list-style-type: none"> • Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided • Number of existing schools' infrastructure upgraded and rehabilitated • Number of new and existing schools maintained • Number of work opportunities created • Number of new special schools provided and existing special and full service schools upgraded and maintained
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Documents to be assessed as per the Performance Based Approach System guidelines	<ul style="list-style-type: none"> • This grant uses an infrastructure plan that includes: <ul style="list-style-type: none"> ○ the infrastructure programme management plan (IPMP) ○ the procurement strategy ○ the capacitation strategy ○ the infrastructure reporting model (IRM) ○ the year-end evaluation report
Conditions	<ul style="list-style-type: none"> • Provinces may use a maximum of R45.1 million of this grant in 2018/19 for the appointment of public servants to their infrastructure units in line with the human resource capacitation circular published by National Treasury • The flow of the first instalment of the grant depends upon receipt by the national Department of Basic Education (DBE) and provincial treasuries of: <ul style="list-style-type: none"> ○ approved and signed-off infrastructure plan with tabled prioritised project lists for the 2018 medium term expenditure framework (MTEF) by no later than 30 March 2018. The infrastructure plan must where applicable also include the implementation plans for schools affected by natural disasters ○ preventative and corrective maintenance plan for all maintenance programmes over the MTEF period accompanied by a project list no later than 30 March 2018 • The flow of the second instalment depends upon receipt by DBE and provincial treasuries of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in a format determined by the National Treasury and DBE ○ national education infrastructure management system (NEIMS) assessment forms for the fourth quarter of the 2017/18 financial year no later than 27 April 2018 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the fourth quarter of the 2017/18 financial year within 22 days after the end of the fourth quarter • The flow of the third instalment is dependent upon receipt by DBE, the relevant provincial treasuries and the National Treasury, on a date and in a format determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ infrastructure plan for all infrastructure programmes for a period of 10 years (including the initial list of prioritised projects) on a date specified in the performance based approach guidelines ○ the 2018/19 project list must be drawn from the prioritised project list for the MTEF tabled in 2017/18 ○ preventative and corrective maintenance plans for all maintenance programmes over the MTEF period accompanied by a project list on a date specified in the performance based approach guidelines

Education Infrastructure Grant	
	<ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the first quarter of 2018/19 by 27 July 2018 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the first quarter of the 2018/19 financial year within 22 days after the end of the first quarter ○ the conditional grant year-end evaluation report on financial and non-financial performance no later than 31 May 2018 ● The flow of the fourth instalment is conditional upon receipt by the DBE and relevant provincial treasury of the approved and signed off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the second quarter of 2018/19 by 26 October 2018 ○ IPMP for infrastructure programmes envisaged to commence within the period for the medium term expenditure framework on a date specified in the performance based approach guidelines ○ procurement strategy for infrastructure programmes envisaged to commence within the period of the medium term expenditure framework on a date specified in the performance based approach guidelines ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the second quarter of the 2018/19 financial year within 22 days after the end of the second quarter ● The flow of the fifth instalment is conditional upon receipt by the DBE and the relevant provincial treasuries, on a date determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the third quarter of 2018/19 to DBE not later than 23 January 2019 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the third quarter of the 2018/19 financial year within 22 days after the end of the third quarter ● Provincial education departments (PEDs) must provide school governing bodies with maintenance guidelines to conduct minor maintenance. This should be in accordance with the sector maintenance strategy ● PEDs should allocate no less than 20 per cent of the Education Infrastructure Grant (EIG) allocation to address preventative and corrective maintenance at schools ● Included in the baseline for the 2018 MTEF is an amount of R1.5 billion earmarked for maintenance of schools (R300 million in 2018/19; R350 million in 2019/20 and R800 million in the 2020/21 financial year) ● In schools without section 21 responsibilities, PEDs should put in place the necessary measures to ensure that planned maintenance at these schools occurs as per the scheduled maintenance plan for such schools ● PEDs must provide all the necessary equipment and furniture in the spaces provided when constructing new projects ● PEDs to submit their plans for the procurement of mobile classrooms to the DBE and that any deviation from these plans should be approved in writing by the DBE and National Treasury ● PEDs must adhere to the prescripts of the National Treasury instruction number 2 of 2015/16, on the implementation of the school cost norms ● Compliance with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2018 Division of Revenue Act (DoRA) ● Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers
Allocation criteria	<ul style="list-style-type: none"> ● Allocations for 2018/19 are based on historical allocations for this grant ● Allocations also include incentive based allocations as described in part 4 to Annexure W1 of the 2018 DoRA
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure in a coordinated and efficient manner, and consistent with national norms and standards for school buildings
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of the R10.1 billion allocated, R9.9 billion (98.5 per cent) was transferred to provinces of which R9.7 billion (97.4 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● 3 237 teaching spaces, 1 214 administrative spaces, 3 533 maintenance or upgrading projects ● 368 water, 521 sanitation, 130 electricity and 843 fencing infrastructure projects ● 32 sports facilities were provided ● The sector has provided a total of 63 new and replacement schools in respective provinces
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R9.9 billion; 2019/20: R10.3 billion and 2020/21: R11.5 billion
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with a payment schedule approved by National Treasury

Education Infrastructure Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Visit selected infrastructure sites in provinces • DBE and National Treasury to support provinces to improve infrastructure delivery capacity and systems • Provide guidance to provinces in planning and prioritisation • Issue guidelines on the capacitation process of infrastructure units as well as the conditions attached to the utilisation of the funding • DBE and National Treasury to jointly evaluate progress with the capacitation of provincial infrastructure units and provide feedback to all provinces in terms of the guidelines • DBE and National Treasury must jointly evaluate and provide feedback to all provinces on the assessment of all documents as outlined on the performance based approach system guidelines • Assess the reports submitted by PEDs and provide feedback before transferring the instalment • Submit reports to the National Treasury in terms of quarterly achievements by PEDs • Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2018 DoRA <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Approve monthly provincial infrastructure reports on infrastructure programmes within 15 days after the end of each month to the relevant provincial treasury and DBE • Submit a signed-off monthly provincial infrastructure report on infrastructure programmes within 22 days after the end of each month to the relevant provincial treasury and DBE • Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes in 2018 DoRA • Submit quarterly capacitation reports within 45 days after the end of each quarter • Ensure that section 42 transfers as per the Public Finance Management Act are effected
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • The process for approval for the 2019 MTEF allocations will be in line with the performance based incentive approach guidelines published by National Treasury

HIV and AIDS (Life Skills Education) Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • Addressing social and structural drivers on HIV, sexually transmitted infections (STIs) and Tuberculosis (TB) prevention, care and impact • Preventing new HIV, STIs and TB infections • To increase access to sexual and reproductive health services including HIV as well as TB services for learners and educators, with a specific focus on schools that are located in high priority areas
Grant purpose	<ul style="list-style-type: none"> • To support South Africa's HIV prevention strategy by: <ul style="list-style-type: none"> ○ providing comprehensive sexuality education and access to sexual and reproductive health services to learners; and ○ supporting the provision of employee health and wellness programmes for educators • To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators • To reduce the vulnerability of children to HIV, TB and STIs, with a particular focus on orphaned children and girls
Outcome statements	<ul style="list-style-type: none"> • Increased HIV, STI and TB knowledge and skills amongst learners, educators and officials • Decrease in risky sexual behaviour among learners, educators and officials • Decreased barriers to retention in schools, in particular for vulnerable learners and girls
Outputs	<ul style="list-style-type: none"> • 20 000 educators trained to implement comprehensive sexuality education (CSE) and TB prevention programmes for learners to be able to protect themselves from HIV and TB, and their associated key drivers including alcohol and drug use, leading to unsafe sex, learner pregnancy and HIV infection, prioritising schools located in areas with a high burden of HIV, TB infections • 8 000 school management teams and governing bodies trained to develop policy implementation plans focusing on keeping mainly young girls in school, ensuring that CSE and TB education is implemented for all learners in schools, access to sexual and reproductive health (SRH) and TB services. A component of training will also address multiple sexual partners among boys • Co-curricular activities on provision of CSE, access to SRH and TB services implemented in schools including a focus on prevention of alcohol and drug use and learner pregnancy, targeting 213 000 learners. Priority will be in schools located in high burden areas • Care and support programmes implemented to reach 190 000 learners and 15 000 educators. Expand the appointment of learner support agents to 3 000 to support vulnerable learners, with a specific focus on keeping girls in school, using the care and support for teaching and learning framework • 400 250 copies of curriculum and assessment policy statement compliant material, including material for learners with barriers to learning, printed and distributed to schools. Printing of the school policy pack will be prioritised over learner teacher support material (LTSM) to ensure that all schools have a copy of the Department of Basic Education's (DBE) National Policy on HIV, STIs and TB for learners, educators, support staff and officials in all primary and secondary schools in the basic education sector • Advocacy and social mobilisation events host with 400 000 learners, educators and school community members on the new DBE National Policy on HIV, STIs and TB to review and change societal norms and values on the provision of CSE and access to SRH and TB services, including a focus on key risk behaviours such as alcohol and drug use, learner pregnancy, inter-generational and transactional sex amongst girls as well as to advocate for the integrated school health programmes including SRH services such as contraception, STIs, pregnancy and HIV testing, condom distribution and information on safe circumcision in secondary schools
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • Provincial education departments (PEDs) must distribute the grant allocation in accordance with the following weights for the key performance areas: <ul style="list-style-type: none"> ○ training and development (10 per cent) ○ co-curricular activities (20 per cent) ○ care and support (25 per cent) ○ learning and teaching support material (10 per cent) ○ advocacy and social mobilisation (20 per cent) ○ monitoring and support (8 per cent) ○ management and administration (7 per cent) • PEDs must report on implementation and expenditure according to the above seven key performance areas per quarter • Instalments are dependent on the DBE receiving these reports, adherence to approved business plans and attendance at the biannual inter-provincial meetings • The above percentages are guidelines and may be deviated from in accordance with provincial needs with the approval of the national transferring officer. However, provinces must prioritise areas with high rates of HIV, TB and learner pregnancy • These deviations should be informed and motivated by achievements and/or critical challenges relating

HIV and AIDS (Life Skills Education) Grant	
	<p>to the trends in the epidemic as relevant to respective provinces and PEDs</p> <ul style="list-style-type: none"> • PEDs must ensure that they have the necessary capacity and skills to manage the implementation of the grant
Allocation criteria	<ul style="list-style-type: none"> • The education component of the provincial equitable share formula, as explained in Part 4 of Annexure W1 of the 2018 Division of Revenue Act, is used to allocate the grant amongst provinces
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • To enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with: <ul style="list-style-type: none"> ○ National Strategic Plan for HIV, TB and STIs (2017–2022) ○ DBE National Policy on HIV, STIs and TB • This enables DBE to exercise an oversight role in the implementation of the HIV and AIDS Life Skills Education programme in schools
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R231 million allocated to provinces, R224 million (96.9 per cent) was transferred to provinces, of which R224 million (98.5 per cent) was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 2 185 master trainers, 20 511 Life Orientation educators and 11 263 educators were trained in the integration of life skills in the curriculum • 81 175 functional peer education programmes were undertaken, 71 858 learners trained on the learner retention and learner pregnancy programme, 68 323 learners trained in the substance use programme and 7 520 educators trained to mentor peer education in primary schools • 17 076 school based support teams established, 2 125 learner support agents in schools, 9 392 school management teams trained to develop policy implementation plans, and 188 899 vulnerable learners identified and referred for services • 657 999 sets of learning and teaching support material delivered to 21 933 schools and 17 500 first aid kits distributed to 17 500 schools • Advocacy reached 243 433 learners and educators as well as 187 307 members of the school communities and reaching 92 167 learners through advocacy activities focusing on the prevention of TB • 13 191 schools reached through monitoring and support visits and 351 meetings held
Projected life	<ul style="list-style-type: none"> • The grant will be reviewed on an ongoing basis to respond to the nature and trends in the HIV and TB epidemics
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R243 million; 2019/20: R257 million and 2020/21: R271 million
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 13 April 2018; 27 July 2018; 26 October 2018 and 25 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Identify risks and challenges impacting on provincial implementation • Develop risk management strategies to address these risks • Ensure synergy with national strategies and processes aimed at reducing HIV and the related chronic illnesses such as TB infection in the country together with their risk factors such as alcohol and drug use • Agree on outputs and targets with PEDs in line with grant objectives and national imperatives for 2019/20 by 28 September 2018 • Provide evidence based guidance for the development of business plans based on monitoring and findings from international and national research • Monitor implementation of the programme and provide support to provinces • Develop partnerships with key stakeholders • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Ensure synergy with national strategies and processes aimed at reducing HIV and TB infections and all other related issues including their risk factors such as alcohol and drug use • Identify risks and challenges impacting on implementation • Develop risk management strategies and implementation plans to address these risks • Submit monthly expenditure reports, quarterly and annual performance reports to the DBE in line with the 2018 Division of Revenue Act and Public Finance Management Act • Agree with the DBE on outputs and targets to ensure effective implementation of the programme • Monitor implementation of the programme and provide support to districts and schools • PEDs to implement the projects according to the approved business plans • Any deviation should first be communicated to and approved by the DBE before implementation • Evaluate and submit a provincial evaluation report on the performance of the conditional grant to the DBE by 31 May 2018
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Communication and meeting with provinces to inform targets for the next financial year by 31 October 2018 • PEDs submit draft business plans to DBE for evaluation by 30 November 2018 • DBE evaluates provincial business plans from 7 December 2018 • Comments sent to PEDs to amend the plans by 8 January 2019 • PEDs submit amended and signed plans to DBE by 28 February 2019 • DBE approves provincial business plans by 29 March 2019

Learners with Profound Intellectual Disabilities Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure that learners with severe to profound intellectual disabilities access quality publicly funded education and support
Grant purpose	<ul style="list-style-type: none"> • To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities
Outcome statements	<ul style="list-style-type: none"> • Improved access to quality basic education for children with severe to profound intellectual disabilities in conditions that ensure dignity, promote self-reliance and facilitate active participation in the community
Outputs	<ul style="list-style-type: none"> • Human resources specific to inclusive education through the provision of key additional staff on three year contracts, such as: <ul style="list-style-type: none"> ○ nine deputy chief education specialists as provincial project managers ○ 280 transversal itinerant team members to deliver education support programmes to special care centres consisting of one psychologist or social worker, one special needs teacher at post level 2 (PL2), one chief education speech therapist, one chief education occupational therapist, one chief education physiotherapist • Database of selected schools and care centres <ul style="list-style-type: none"> ○ information of 320 care centres that provide support and services to children with severe to profound intellectual disabilities • Transversal itinerant outreach team members, caregivers, teachers and officials trained <ul style="list-style-type: none"> ○ provision of an endorsed training programme for identified teachers and caregivers of children with severe to profound intellectual disabilities ○ training of 280 outreach officials to provide outreach services as part of the district-based support teams to care centres as well as to ordinary, full-service and special schools ○ training of teachers from 79 special/full-service schools to support the special care centres and implement the learning programme ○ training of teachers at 79 identified schools to support children with severe to profound intellectual disabilities enrolled at these schools by delivering the learning programmes ○ capacity building of caregivers at 320 centres contributing towards their professionalisation • Outreach services provided <ul style="list-style-type: none"> ○ 6 654 learners with severe to profound intellectual disabilities utilising the learning programme ○ 6 654 learners with severe to profound intellectual disabilities with access to therapeutic and psychosocial support services that will enable them to improve their participation in learning ○ learning and teaching support materials (LTSM) and toolkits provided to 320 care centres and 79 schools annually
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating centres and schools list (separate annexure)
Conditions	<p>Grant structure and allocation</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general roll-out for all schools and centres • The focus of the grant is children with severe to profound intellectual disabilities who are currently not accessing public funded education • A nationally approved learning programme for learners with severe to profound intellectual disabilities should be offered at centres and schools that are targeted by the grant • The centres' needs and allocation of funds shall be determined through a criteria indicated in the framework in partnership with provinces and the national Departments of Health (DoH), Social Development (DSD) and other relevant departments • Allocations to consider the number of centres and schools to ensure equitable funding • The grant will support a total of 320 centres and 186 schools across all provinces • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ 4 per cent for training of teachers and outreach teams ○ 13 per cent for LTSM, toolkits and equipment for centres and designated schools ○ 65 per cent for compensation of itinerant teams and provincial co-ordinators ○ 18 per cent for administration including travel, vehicles, accommodation and subsistence • Provinces may deviate from the prescribed guidelines provided the transferring officer approves such deviations • The outreach teams must consist of one special needs teacher (PL2), one chief education occupational

Learners with Profound Intellectual Disabilities Grant	
	<p>therapist, one chief education speech therapist, one chief education physiotherapist and one psycho-social support specialist</p> <ul style="list-style-type: none"> • A nationally approved learning programme for learners with severe to profound intellectual disabilities should be offered at centres and schools that are targeted by the grant. The transferring and receiving departments must appoint or identify qualified and experienced person/s to administer, manage and coordinate the activities of the grant in accordance with the provisions of the framework and business plan <p>Business planning process</p> <ul style="list-style-type: none"> • Training of teachers and outreach teams will be conducted through nationally developed training manuals and at times as agreed upon with the DBE and will be monitored by national and provincial project coordinators • Provinces may contract specialist training providers in consultation with the DBE to offer training that enhances the implementation of the learning programme • Items such as LTSM, equipment and toolkits, should be procured as per the minimum specifications as defined by the DBE and in line with the learning programme for learners with severe to profound intellectual disabilities. The grant also supports the training of all end-users in the utilisation of all resources provided to a school. The grant should not be used to procure LTSM and assistive devices and technology for general use for special schools that are already funded through voted funds • Outreach teams will be appointed and compensated in accordance with post levels as agreed upon with DBE. They will be appointed at district level as members of the district-based support team and could be based at the district, circuit or school level from where they will be responsible for providing educational support to designated care centres and targeted schools on an itinerant basis • The support provided by the itinerant teams will consist of an assessment of learners, provision of therapeutic programmes, training and mentoring of caregivers and teachers and monitoring the implementation of the learning programme, as well as providing psycho-social support to learners and to families. They may also provide support to other children in the community as and when needed • Administrative support will include purchasing or leasing of appropriate vehicles, provision of tools of trade (in line with the DBE guidelines), travel, and subsistence and accommodation costs when visiting distantly located care centres <p>Procurement matters</p> <ul style="list-style-type: none"> • Transversal tenders will be developed with the advice of DoH as well as DSD and entered into with multiple suppliers and provinces will be invited to participate in such procurement contracts. In the absence of a DBE transversal tender, provinces must continue to procure on their own • Provincial education departments (PEDs) will be included in the various bid committees for the toolkit transversal tender • The grant funds and implementation (procurement, delivery and payment) are to be managed at provincial level • Before equipment and LTSM can be transferred to schools/centres, PEDs should ensure that LTSM management and administrative systems are in place and staff have the capacity to manage and maintain the LTSM and equipment is available
Allocation criteria	<ul style="list-style-type: none"> • The allocation of the grant will be in accordance with the number of schools and centres that will be participating in the programme
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • In order to address the needs of this marginalised population of children with disabilities of whom the majority are not in school and not accessing educational subsidies through the educational norms applied at schools, the funding has to be ring-fenced in the form of a conditional grant. This will enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with the policy on the provision of quality education and support for children with severe to profound intellectual disabilities which will be promulgated in the course of 2018
Past performance	<p>2016/17 financial audited outcomes</p> <ul style="list-style-type: none"> • New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant will be reviewed on an ongoing basis to respond to the nature and trends in the education of learners with severe to profound intellectual disabilities
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R185 million; 2019/20: R221 million and 2020/21: R243 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made on a quarterly basis on 6 April 2018; 3 July 2018; 2 October 2018 and 2 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise policy and learning programme for children with severe to profound intellectual disabilities • Develop training materials, guidelines and advocacy materials • Coordinate training of officials on the grant activities • Evaluate, approve and submit provincial business plans to National Treasury • Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) • Develop and provide capacity building programmes for provincial implementation teams to assist them in implementing the grant • Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school/centre resources • Ensure compliance with reporting requirements in line with the provisions of the 2018 Division of Revenue Act (DoRA) • Monitor implementation at provincial, district and school/centre level on a monthly and quarterly basis or as and when required in line with the grant framework

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

Maths, Science and Technology Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the implementation of the National Development Plan and the Action Plan 2019 by increasing the number of learners taking Mathematics, Science and Technology (MST) subjects, improving the success rates in the subjects and improving teachers' capabilities
Grant purpose	<ul style="list-style-type: none"> • To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements (CAPS) for the improvement of MST teaching and learning at selected public schools
Outcome statements	<ul style="list-style-type: none"> • Improved learner participation and success in MST subjects in the country
Outputs	<ul style="list-style-type: none"> • School support • Information, Communication and Technology (ICT) subject specific resources: <ul style="list-style-type: none"> ○ 300 schools supplied, with subject specific computer hardware in accordance with the minimum specifications prescribed by CAPS ○ 300 schools supplied with subject related software in accordance with the minimum specifications • Workshop, equipment and machinery: <ul style="list-style-type: none"> ○ 200 technical schools' workshop equipment for technology subjects repaired, maintained and/or replaced in accordance with the minimum specifications ○ 200 technical Schools' workshop machinery for technology subjects repaired, maintained and replaced in accordance with the minimum specifications • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ 1 000 schools supplied with Mathematics and Science kits ○ 1 000 laboratories supplied with apparatus for Mathematics and Science subjects in accordance with the minimum specifications ○ 500 laboratories and workshops supplied with consumables for Mathematics, Science and Technology subjects in accordance with the minimum specifications • Learner Support <ul style="list-style-type: none"> ○ 50 000 learners registered for participation in Mathematics, Science and Technology, Olympiads/Fairs/Expos and other events based on a structured annual calendar including support through learner camps and additional learning, teaching and support material such as study guides • Teacher Support <ul style="list-style-type: none"> ○ 1 500 participants attending specific structured training and orientation for teachers and subject advisors in subject content and teaching methodologies on CAPS for Electrical, Civil and Mechanical Technology, Technical Mathematics, and Technical Sciences ○ 1 000 teachers and subject advisors attending targeted and structured training in teaching methodologies and subject content either for Mathematics, Physical, Life, Natural and Agricultural Sciences, Technology, Computer Applications Technology, Information Technology, Agricultural Management and Technology subjects
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating schools list (separate annexure)
Conditions	<p>Grant structure and allocations</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general roll-out for all schools • Schools' needs and allocation of funds shall be identified through a criteria indicated in the framework in partnership with provinces and districts in the preceding financial period • The grant will support a total of 1000 schools across all provinces covering all MST subjects from grades R-12 • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ five per cent for ICT resources including training of ICT integration for educators ○ 40 per cent for repair/replace and maintenance of workshop equipment and machinery ○ 40 per cent for laboratories and workshop apparatus and consumables ○ nine per cent for learner support ○ five per cent for Mathematics, Science and Technology teachers' subject content training ○ one per cent for grant administration, monitoring and evaluation • Provinces may deviate from the prescribed guidelines provided the transferring officer approves all deviations <p>Priorities</p> <ul style="list-style-type: none"> • All the grant outputs are prioritised in accordance with the allocation percentages unless the province has requested a deviation

Maths, Science and Technology Grant	
	<p>Outputs</p> <ul style="list-style-type: none"> • ICT resource items should be procured as per the minimum specifications defined by the DBE and in line with CAPS. Subject specific ICT resources refer to hardware and software, which are compulsory and required by the curriculum. The grant also supports the training of all end-users in the utilisation of all ICT resources provided to a school • Workshop equipment and machinery items should be repaired, maintained and/or replaced where appropriate in order to meet the minimum specifications defined by the DBE and in line with CAPS • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ these items should be procured as per the minimum specifications as defined by the DBE and in line with CAPS. This should be prioritised in line with the budget allocated to this item. These resources are provided to improve practical teaching and learning in all MST subjects with special attention to mathematics • Learner support is provided to all identified learners in line with provincial needs in support of curriculum delivery based on a structured annual calendar. This includes competition participation expenses, learner coaching, printing, delivery and mediation of study materials. This support includes study camps for identified learners as per the provincial programme including a focus to enhance the girl learners • Teacher support is provided to all identified teachers in line with provincial needs in support of curriculum delivery. Teacher training or development should be based on a structured programme, which must be submitted to the transferring department as and when required. No ad-hoc training will be supported by the grant <p>Grant administration, monitoring and evaluation</p> <ul style="list-style-type: none"> • All provincial grant managers are supported to manage, administer, monitor and evaluate the implementation of the grant in line with the business plan. The support includes payment for expenses such as travelling, accommodation, stationery, flight fares, subsistence and other incidental costs <p>Procurement matters</p> <ul style="list-style-type: none"> • The transferring officer shall develop centralised procurement processes and all provinces shall participate in such processes. In the absence of a DBE transversal tender, provinces must continue to procure on their own • The grant funds and implementation (procurement, delivery and payment) must be managed at provincial level unless a transversal tender has been issued or the school has demonstrated capacity, systems and controls to efficiently manage the processes of the grant • Before funds can be transferred to schools, there should be assurance that systems, controls and capacity to manage the funds, implementation and delivery processes of the grant are in place
Allocation criteria	<ul style="list-style-type: none"> • Participating schools should be identified according to the following criteria: <ul style="list-style-type: none"> ○ the schools must be classified between quintile 1-3 ○ provinces may include schools in quintile 4 and 5 subject to the approval of the transferring officer ○ the average learner performance in all subjects including MST at the level below 60 per cent at Grade 8-12 ○ primary schools will be supported as feeder schools to secondary schools participating in the grant based on the provincial needs analysis in line with the outputs of the grant ○ at least 30 learners are enrolled for each grade in mathematics and sciences subjects at a general education and training, and further education and training band, and 15 learners are enrolled for technology subjects in further education and training band ○ 50 per cent of all learners in the school must be enrolled for mathematics or technical mathematics in cases of technical schools
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The grant is a targeted systemic capacity improvement programme. It should therefore be noted that the number of schools requiring support is not proportionally distributed across the provinces. The level of support required by schools differs across provinces
Past performance	<ul style="list-style-type: none"> • ICT: <ul style="list-style-type: none"> ○ 719 schools (42: Eastern Cape, 77: Free State, 207: Gauteng, 32: KwaZulu-Natal, 75: Limpopo, 136: Mpumalanga, 27: Northern Cape, 100: North West and 23: Western Cape) • Workshop equipment, machinery and tools: <ul style="list-style-type: none"> ○ 226 workshops (10: Eastern Cape, 30: Free State, 42: Gauteng, 32: KwaZulu-Natal, 24: Limpopo, 30: Mpumalanga, 17: Northern Cape, 19: North West and 22: Western Cape) • Laboratories and workshop equipment, apparatus and consumables: <ul style="list-style-type: none"> ○ 713 laboratories (70: Eastern Cape, 82: Free State, 173: Gauteng, 74: KwaZulu-Natal, 108: Limpopo, 136: Mpumalanga, 20: Northern Cape and 50: Western Cape) • Learner support: <ul style="list-style-type: none"> ○ 116 105 learners (20 409: Eastern Cape, 3 000: Free State, 1 286: Gauteng, 2 402: KwaZulu-Natal, 30 794: Limpopo, 40 330: Mpumalanga, 1 886: Northern Cape, 4 982: North West, 11 016: Western Cape) • Teacher support: <ul style="list-style-type: none"> ○ 28 682 Teachers (2 040: Eastern Cape, 3 446: Free State, 694: Gauteng, 3 672: KwaZulu-Natal, 2 531: Limpopo, 5 544: Mpumalanga, 3 145: Northern Cape, 432: North West, 7 178: Western Cape)
Projected life	<ul style="list-style-type: none"> • Grant continues until 2020/21 thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R370 million; 2019/20: R391 million and 2020/21: R413 million
Payment schedule	<ul style="list-style-type: none"> • 11 May 2018; 17 August 2018; 16 November 2018 and 8 February 2019

Maths, Science and Technology Grant	
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Evaluate, approve and submit provincial business plans to National Treasury • Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) • Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school resources • Ensure compliance with reporting requirements in line with the provisions of the 2018 Division of Revenue Act (DoRA) • Monitor implementation at provincial, district and school level on a quarterly basis or as and when required in line with the grant framework • Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2018 DoRA <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Develop and submit approved business plans to DBE • Provinces shall submit lists of schools to DBE as per the timeframes set by the grant framework • Develop and submit an approved procurement plan in line with the business plan targets by the end of the financial year • Ensure compliance with reporting requirements by providing consolidated monthly expenditure reports, 15 days after the end of the month, and quarterly reports 30 days after the end of the quarter including other monitoring or diagnostic reports and reviews as required from time to time • Using a portion of the grant funding, manage and implement the programme in line with the 2018 DoRA and the Public Finance Management Act • Where applicable, participate in transversal tenders issued by the DBE or other provinces in order to procure goods and services related to the outputs of the grant • Monitor and provide support to districts/regions, circuits and schools on a monthly and quarterly basis or as and when required • Provide human resource capacity at all relevant levels including the appointment or identification of a qualified and experienced person/s to administer, manage and co-ordinate the activities of the grant in accordance with the provisions of the framework and compliance certificates • Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial year • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated, in writing, and approved by DBE's transferring officer before implementation • Submit schools business plans to DBE if funds being transferred to schools on by the end of June every year <p>Responsibilities of schools</p> <ul style="list-style-type: none"> • Submit schools' needs on MST to the districts as required by the province • Submit schools' business plans to provinces before funds can be transferred to schools • Submit quarterly MST activity reports on equipment, machinery, consumables, maintenance, learner and teaching support material and training support • Submit learner performance data for all grades in MST subjects to the district and grant manager • Ensure that capacity, systems and controls are in place to implement the grant, to receive funds where a transfer to a school has been agreed upon • Receive funds from provincial departments of education and manage the procurement, delivery and payment processes where necessary • Participate in relevant structures that have been put in place to support implementation of the grant such as annual principals' meetings • Monitor and ensure quality of work of the service providers and sign-off on the completeness of the service delivery processes
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • The first draft of the consolidated provincial business plans and revised school lists to be submitted to DBE for appraisal by 31 October 2018 • The DBE team will meet to evaluate the consolidated business plans by 16 November 2018 • The comments on the business plans will be sent to provinces for amendments by 14 December 2018 • Provinces will be required to submit approved deviations before submitting amended business plans on 01 February 2019 • Provinces will be required to submit the provincially approved amended business plans to DBE by 1 February 2019 • DBE will approve the final business plans by 8 March 2019 • DBE's transferring officer approves business plans to be submitted to the National Treasury by 20 March 2019

National School Nutrition Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enhance learning capacity and improve access to education
Grant purpose	<ul style="list-style-type: none"> • To provide nutritious meals to targeted schools
Outcome statements	<ul style="list-style-type: none"> • Enhanced learning capacity and improved access to education
Outputs	<ul style="list-style-type: none"> • 19 800 schools that prepare nutritious meals for learners
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Risk management plan
Conditions	<ul style="list-style-type: none"> • Spending must be in line with national and provincial business plans • The budget allocation must be distributed in terms of the following weightings for both secondary and primary schools: <ul style="list-style-type: none"> ○ school feeding: minimum of 95.3 per cent ○ cooking facilities, equipment and utensils: minimum of 0.7 per cent and not exceeding R10 million ○ administration: maximum of 3.5 per cent ○ nutrition education (including de-worming and hygiene practices): maximum of 0.5 per cent • Minimum feeding requirements: <ul style="list-style-type: none"> ○ provide nutritious meals to all learners in quintile 1 - 3 primary and secondary schools, as well as identified special schools on all school days ○ annual meal costs per learner will increase at a minimum of four per cent in all benefiting primary schools and two per cent for all 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 ○ pay honorarium of a minimum of R 1 188 per person for 12 months, plus R24 to the Unemployment Insurance Fund for a food handler with a learner ratio of 1:200. Food handlers must be allocated in line with approved sliding scales submitted with provincial business plans ○ comply with approved food specifications and menu specifications consisting of meals containing: starch, protein and fresh vegetable/fruit ○ fresh vegetables/fruits must be served daily and vary between green, yellow and red ○ a variety of protein-rich foods must be served in line with approved menu options. Raw sugar beans must be packed separately from samp, not mixed in one packet ○ soya mince should be served once a week and must meet approved specifications ○ pilchards mackerel must be served at least once a week. High quality protein products can replace pilchards in areas where these are not socially acceptable ○ ultra-high temperature (UHT) full cream milk or pasteurised maas must be served once a week. Milk must be approved in line with dairy standards set by Milk South Africa ○ provinces must promote sustainable food production and nutrition education • Provinces must promote local economic empowerment, including procurement of fresh produce from smallholder farmers. The farmers should be registered with the Department of Agriculture, Forestry and Fisheries and adhere to good agricultural practices • Provinces that are transferring funds for meals to schools (Eastern Cape, Free State, Limpopo, Northern Cape and North West) are required to reconcile expenditure by schools against budget transfers on a quarterly basis • Provincial business plans will be approved in line with the above minimum requirements and available resources. The following variations may be approved by the transferring officer based on achievements and/or critical challenges in each province: <ul style="list-style-type: none"> ○ feeding days reduced to a minimum of 189 days-feeding cost below the minimum requirements, provided the quality of meals is not compromised ○ reduction in the number of learners due to learner verification ○ number of learners that exceed the gazetted quintiles ○ serving of processed vegetables or fruit in remote areas ○ targeting of learners in quintile 4 and 5 schools ○ quintile 1-3 schools that do not feed all learners (Gauteng and Western Cape) need to approved letters from schools requesting a deviation from whole school feeding must be provided to the provincial office and kept on record • Provinces must conduct school needs assessments on cooking facilities, equipment and utensils as per the equipment specifications provided by the Department of Education (DBE) before 2 May 2018 • The flow of the first instalment of the grant depends upon receipt by the DBE of: <ul style="list-style-type: none"> ○ evidence of transfer of funds to schools in provinces that are transferring funds to schools ○ submission of quarterly performance (narrative and indicators) and financial reports • The flow of the 30 May 2018 instalment of the grant depends upon receipt by the DBE of: <ul style="list-style-type: none"> ○ the provincial needs assessment audit reports on cooking facilities, equipment and utensils ○ submission of quarterly performance (narrative and indicators) and financial reports

National School Nutrition Programme Grant	
	<ul style="list-style-type: none"> • The flow of the 6 December 2018 and the 30 January 2019 instalments of the grant depend upon receipt by the DBE of: <ul style="list-style-type: none"> ○ evidence (copies of orders, invoices, etc.) of procured cooking facilities, equipment and utensils including beneficiary schools ○ evidence of procurement of resources to district offices in line with approved business plans ○ submission of the approved transfer schedules for the 2019/20 financial year by provinces that are transferring funds to schools ○ submission of quarterly performance (narrative and indicators) and financial reports • Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of budget transfers
Allocation criteria	<ul style="list-style-type: none"> • The distribution formula is poverty-based in accordance with the poverty distribution table used in the national norms and standards for school funding as gazetted by the Minister of Basic Education on 17 October 2008
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The National School Nutrition Programme (NSNP) is a government programme for poverty alleviation, specifically initiated to uphold the rights of children to basic food and education • The conditional grant framework enables the DBE to play an oversight role in the implementation of all NSNP activities in schools
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R6.1 billion allocated to provinces, R6.1 billion (99.7 per cent) was transferred to provinces, of which R5.8 billion (96.2 per cent) was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 9 million learners were provided with meals in 20 300 primary, secondary and special schools. Primary school learners were also de-wormed to maximize absorption of nutrients • 55 168 volunteer food handlers prepared meals for learners • 4 148 small medium enterprises and local cooperatives were contracted to supply food to learners
Projected life	<ul style="list-style-type: none"> • It is envisaged that, given the levels of poverty in the country and the impact of various health conditions such as HIV and Aids, diabetes and debilitating chronic conditions, the need for such a grant will persist for at least another 10 years. The programme ensures learners from the poorest communities have decent opportunities to learn
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R6.8 billion; 2019/20: R7.2 billion and 2020/21: R7.7 billion
Payment schedule	<ul style="list-style-type: none"> • The payment schedule will be in line with respective provincial procurement models as follows: <ul style="list-style-type: none"> ○ provinces that transfer funds directly to all schools (Eastern Cape, Free State, North West and Northern Cape) receive five instalments as follows: 10 April 2018; 23 May 2018; 21 June 2018; 13 September 2018 and 6 December 2018 ○ provinces that procure from service providers on behalf of schools receive five instalments as follows: 10 April 2018; 23 May 2018; 19 July 2018; 19 October 2018 and 30 January 2019 ○ the 30 May 2018 budget transfer is for cooking facilities, equipment and utensils as per equipment specifications provided by the DBE
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop and submit approved national business plans to the National Treasury • Evaluate, approve and submit provincial business plans to the National Treasury • Manage, monitor and support programme implementation in provinces and districts • Ensure compliance with reporting requirements and NSNP guidelines • Transfer funds to provinces in line with the approved payment schedule • Consolidate and submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter • Evaluate performance of the conditional grant and submit an evaluation report to the National Treasury four months after the end of the financial year <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Develop and submit approved business plans to the DBE. The business plans should include databases reflecting distribution of volunteer food handlers and cooking fuel per school • Monitor and provide support to districts/regions/area project officers and schools • Manage and implement the programme in line with the 2018 Division of Revenue Act and the Public Finance Management Act • Ensure that districts are resourced in line with provincial business plans to conduct effective monitoring and support to schools in line with Goal 27 of the Action Plan to 2019, Towards the Realisation of Schooling 2030 • Consult districts on the development and implementation of the provincial business plans • Implement monitoring and evaluation plans • Provide human resource capacity at all relevant levels • Evaluate the performance of the conditional grant annually and submit evaluation reports to the DBE two months after the end of the financial year • Submit quarterly financial and performance reports including consolidated monitoring, reporting and response system (MRR) reports where applicable, to DBE after the end of each quarter • Provinces that are transferring funds to schools are required to: <ul style="list-style-type: none"> ○ develop and submit 2018/19 transfer schedules reflecting actual dates on which funds will be transferred to schools by 10 April 2018

National School Nutrition Programme Grant	
	<ul style="list-style-type: none"> ○ reconcile expenditure by schools against budget transfers on a quarterly basis. Reports for June 2018 and December 2018 on actual expenditure by schools should be submitted six weeks after the end of the quarter
	<p>Responsibilities of districts</p> <ul style="list-style-type: none"> ● Monitor and support schools ● Submit monthly and quarterly reports (narrative and expenditure reports to the provincial department, as well as reports on expenditure by schools, where applicable). This should include consolidated MRR reports, where applicable ● Coordinate all NSNP activities in the district
	<p>Responsibilities of schools</p> <ul style="list-style-type: none"> ● Implement the programme in line with the conditions of the NSNP framework ● Submit reports to districts as per the provincial reporting requirements, i.e. performance and expenditure reports ● Safeguarding of programme resources, i.e. cooking facilities, equipment and utensils
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> ● Planning meeting by 20 July 2018 ● Consultation with district officials, provincial treasuries, provincial finance sections and the National Treasury ● Inter-provincial meeting to be held in October 2018 to consult provinces on the 2019/20 conditional grant framework ● Provinces submit first draft business plans to the DBE by 2 November 2018 ● DBE to evaluate first draft business plans and send comments to provinces by 27 November 2018 ● Provinces submit final business plans to DBE by 29 January 2019 ● The transferring officer to approve national and provincial business plans by 29 March 2019

School Infrastructure Backlogs Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • The eradication of inappropriate education structures and backlogs in basic services
Grant purpose	<ul style="list-style-type: none"> • Eradication of all inappropriate school infrastructure • Provision of water, sanitation and electricity to schools
Outcome statements	<ul style="list-style-type: none"> • Improved access to enabling learning and teaching environments • Build the capacity of provinces benefiting from an indirect grant allocation to carry out this function in the future
Outputs	<ul style="list-style-type: none"> • Eradication and replacement of 50 inappropriate schools and provision of related school furniture • 286 schools provided with water • 325 schools provided with sanitation
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the infrastructure programme management plan	<ul style="list-style-type: none"> • This grant uses an infrastructure programme management plan (IPMP) that includes the following: <ul style="list-style-type: none"> ○ institutional framework ○ procurement and contract management plan ○ scope management ○ time management plan ○ cost management plan ○ risk management plan ○ quality management plan ○ monitoring and reporting details ○ budgeting and programme accounting details ○ performance management plan ○ communication management plan
Conditions	<ul style="list-style-type: none"> • This is an in-kind grant administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant (EIG) if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects • DBE must submit an IPMP • Programme governance will be conducted by the following committees established to ensure that various processes are initiated within the programme: <ul style="list-style-type: none"> ○ national steering committee ○ technical committee ○ project steering committee ○ infrastructure bid specification and evaluation committee ○ infrastructure bid adjudication committee • The provincial planning and monitoring teams (PPMTs) or equivalent in each province should meet monthly to ensure information flows between the stakeholders; unblock processes; monitor progress; and enhance cooperation • DBE must submit monthly project reports with cash flow to National Treasury 15 days after the end of each month, that shows how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow • Assets will be transferred to custodians in the respective provinces at final completion. The provincial Departments of Education (PEDs) must report in their annual report and describe how the schools have been considered in their future maintenance plans • The DBE must agree in writing with the provinces on projects that they will administer on behalf of each province • The department and/or implementing agents must ensure skills transfer takes place as part of the implementation of projects
Allocation criteria	<ul style="list-style-type: none"> • The grant allocation is based on the distribution of inappropriate structures and schools without access to water, sanitation and electricity across provinces • Final allocations will be based on the finalised IPMP of the DBE as approved by the transferring officer
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant to eradicate the basic safety norms backlogs in schools without water, sanitation and electricity, and to replace those schools constructed from inappropriate material including mud schools to contribute towards improved learning and teaching. The grant will be administered by the DBE to achieve maximum impact in the shortest time possible
Past performance	<p>2016/17 audited financial performance</p> <ul style="list-style-type: none"> • Allocated and transferred R2 billion of which R1.1 billion (55 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 184 new schools built, 635 schools provided with water, 450 schools provided with sanitation and 335 schools provided with electricity
Projected Life	<ul style="list-style-type: none"> • The grant will be reviewed on an ongoing basis to respond to the nature of the infrastructure projects and the ability of provinces to take over
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R1.5 billion; 2019/20: R1.3 billion and 2020/21: R969 million

School Infrastructure Backlogs Grant	
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to verified invoices from service providers or advance payments in line with approved memoranda of agreements, implementation plans and reviewed monthly cash flow projections from implementing agents
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Undertake planning of processes, activities, and Accelerated School Infrastructure Delivery Initiative (ASIDI) programme policies required to realise the outputs and identify required resources • Undertake the necessary procurement measures to secure the services of implementing agents, professional service providers, contractors and secondary procurement objectives to respond to the scope of work identified in the IPMP • Monitor and evaluate performance of the programme support unit, implementing agents, conduct project site inspections at selected sites to verify progress and quality of the works to secure programme outputs and deliverables • Harness the opportunities offered through the programme to contribute towards skills development • The DBE must submit a draft skills transfer and capacity building plan for Schedule 6, Part A allocations to National Treasury by 29 June 2018; a final plan must be submitted to National Treasury by 31 August 2018. The skills transfer and capacity building plan must set out how the capacity of benefiting provinces will be developed so that they can continue to perform the function after the Schedule 6, Part A funded project ends. The plan must set measurable targets that will be achieved over the 2018 medium-term expenditure framework. The plan must set out how existing and new capacity building initiatives will be used to achieve these targets • The DBE must submit an annual assessment of progress against its skills transfer and capacity building plan to National Treasury two months after the end of the national financial year • DBE will convene and chair meetings of the national steering committee which will: <ul style="list-style-type: none"> ○ provide strategic direction to the ASIDI programme ○ provide general oversight on the programme ○ ensure that the management of the programme brings together those players responsible for different elements of project success and ensure a holistic approach in support of the programme ○ ensure that standards are in line with different prescripts e.g. norms and standards for school infrastructure are adhered to ○ facilitate the establishment of sub-programme management, their membership, reporting modalities and their interaction with the steering committee ○ establish the modalities linking the targeted PEDs with DBE ○ supervise the programme and ensure appropriate coordination and cooperation between different agencies and departments involved ○ facilitate the linkages between national stakeholders such as the National Treasury (infrastructure delivery improvement plan), Construction Industry Development Board, and the national Department of Human Settlements, Water and Sanitation, Energy, and Public Works ○ ensure ASIDI strategies and targets are in line with national goals and targets ○ monitor progress in terms of national goals and targets ○ assist the management of the programme in solving particular issues that may arise and that may require the intervention of the committee ○ report to the Minister of Basic Education, the Council for Education Ministers, the Heads of Education Departments Committee, and senior management • Develop a sector procurement strategy and procurement strategy for this grant in terms of the practice guide prescribed by the infrastructure delivery management toolkit • The DBE will develop a procurement strategy for this grant that will lead to the quickest possible achievement of the grant objectives which may require the clustering of projects across provincial boundaries • Submit an approved IPMP including projects list to the National Treasury • Ensure compliance with reporting requirements and adherence to projected cash flow schedules • Consolidate and submit quarterly reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter • Conduct site visits to selected projects to assess performance • Create the necessary organisational structures and build capacity within the department to oversee and monitor the implementation of the grant • The DBE must ensure that the heads of education departments committee meets at least once a month and is provided with sufficiently detailed reports to assess project implementation and projected cash flow schedules reconciled at the end of the month preceding the monthly meetings • Provide an operations and maintenance manual to the PEDs

School Infrastructure Backlogs Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provide the list of schools to be included in the ASIDI programme • Ensure that the list of schools identified includes all the schools in their entirety that were not constructed of appropriate materials in their entirety • Ensure that the list of schools identified includes all the schools that never had basic sanitation, water and electricity • Ensure that, where schools are identified for rationalisation and mergers, DBE is made aware on time, in writing, and that all necessary supporting documents are provided • Establish PPMTs that will provide support to the DBE when implementing projects funded by this grant • Convene the PPMTs and report to the national steering committee • Generate a maintenance plan from the operations and maintenance manual provided
Process for approval of the 2019/20 Infrastructure Programme Management Plan (IPMP)	<ul style="list-style-type: none"> • Submission to National Treasury by DBE of the IPMP for 2019/20 projects by 15 February 2019

COOPERATIVE GOVERNANCE GRANT

Provincial Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part A
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> Emergency repair of critical infrastructure Emergency provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 12: An efficient, effective and development oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> copy of the classification letter in terms of the Disaster Management Act copy of the declaration of a state of disaster in terms of the Disaster Management Act number of people affected and the extent of damages and losses sectors affected total funds required for disaster response resources (both financially and in-kind) allocated by the province to respond and mitigate the effects of the disaster resources (both financially and in-kind) allocated by other role players, including municipalities, national departments and non-government organisations the affected provincial sector department must indicate funds spent or contributed towards dealing with the disaster support received from non-government organisations and businesses or any other stakeholder copy of the applicable contingency plan and emergency procedures in use by the province (Section 35(1)(d) of the Disaster Management Act) cost-benefit analysis of the projects to be implemented Implementation plan with the following: <ul style="list-style-type: none"> details of the projects to be repaired including GPS coordinates cost of the project consolidated projects cash flow over a three months period as an annexure to the implementation plan An initial funding application from the Provincial Disaster Relief Grant may be based on the initial disaster assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> Copies of the declaration notice and classification letter in terms of the Disaster Management Act must be submitted to the NDMC This grant may only be used to fund expenditure in the event that the responsible line function organ of state is unable to deal with the effects of the disaster utilising own legislation/ guidelines and resources Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds to the province A provincial department may request the NDMC to apply to the National Treasury to approve that an allocation be utilised more than three calendar months after the date of transfer, in terms of section 26(3)(d) of the Division of Revenue Act Emergency procurement system as provided for in the Public Finance Management Act should be invoked to ensure assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated for declared and classified disasters based on reports from assessments conducted by the NDMC and the relevant Provincial Disaster Management Centre (PDMC) and affected sectors of immediate disaster relief needs. Additionally it must be established that there are immediate disaster relief needs that cannot be met by the province through the contingency arrangements already in place. The Accounting Officer for the relevant organ of state must indicate in their application that the total funds required from the grant for disaster response exceed the available resources and or resources already allocated for disaster relief. Funding may however be released in tranches, with the first tranche based on an initial assessment, verification of the immediate disaster relief needs and the submitted cash flow projection
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for response and relief from unforeseen and unavoidable disasters
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> Of the R112 million allocated, no transfers were made

Provincial Disaster Relief Grant	
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • There were no transfers
Projected life	<ul style="list-style-type: none"> • This grant is expected to continue over the 2018 medium term expenditure framework, but will be subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R124 million; 2019/20: R131 million and 2020/21: R138 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made subject to approval by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre:</p> <ul style="list-style-type: none"> • Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days of receiving a written funding request or a submission that meets the conditions • Confirm support to be provided by relevant national sector departments to prevent duplication of support and resources • Seek approval from National Treasury for the disbursement of funds to provincial sector departments within 35 days of receipt of the written funding request and submission of the preliminary report from the PDMC • Notify the relevant PDMC and provincial treasury of a transfer at least 2 days before transfer. Funds must be transferred no later than five days after notification • Provide National Treasury with written notification of the transfer within 14 days of a transfer of the grant • Submit financial and non-financial reports to National Treasury within 20 days of the end of each month • Provide a performance report, within 45 days of the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury • Together with the PDMC monitor the implementation of disaster funded projects
	<p>Responsibilities of Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> • Together with the affected provincial departments, conduct initial assessments of disaster impacts to verify the applications for initial funding within 14 days following the occurrence of a reported incident that meets the conditions • Conduct assessments of disaster impacts together with NDMC and the affected provincial departments, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the Disaster Management Act • Confirm support to be provided by relevant provincial sector departments to prevent duplication of support and resources • Submit requests for disaster funding, monitor projects and provide reports to the NDMC, and the relevant provincial treasury • Provide financial reports to NDMC within 15 days of the end of each month • Provide a performance report which includes evidence on progress implementation of the projects to the NDMC within 35 days of the end of the quarter in which funds are spent • Provide a performance report, within 30 days of the end of the quarter in which the funds were spent, to NDMC using the relevant disaster grant allocation-reporting template • Monitor the implementation of funded disaster project by sectors • Establish provincial project steering committees
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Cooperate with the NDMC, PDMC and the sector department to conduct damage assessment and cost verification • Sector departments to submit the relevant contingency plans • Submit initial request for funding to the PDMC within 14 days following the declaration of a disaster • Consult with the relevant national sector departments and provincial treasuries for support on existing resources to address the disasters • Consult with relevant national sector department on funding request before submission to the PDMC • Notify provincial treasury of all submitted requests for funding • Ensure sector departments invoke emergency procurement processes to implement the immediate disaster projects • Report and monitor implementation of projects • Provide a financial and non-financial report to the PDMC and relevant national sector department within 10 days of the end of each month. Include evidence in the form of invoices and pictures of the projects as annexures • Provide a performance report which includes evidence, and progress on implementation of the projects, to the PDMC and relevant national sector department within 20 days of the end of the quarter in which funds are spent
	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Provide support and guidance to provincial sector departments and NDMC regarding line function related matters on assessments and costing verifications

Provincial Disaster Relief Grant	
	<ul style="list-style-type: none"> • Sector departments to submit the relevant contingency plans • Provide support and guidance to provincial sector and NDMC in the preparation of funding requests • Provide support and guidance to provincial sector departments in the preparation of reports and ensure compliance to the guidelines • Monitor and evaluate implementation of projects by provincial sectors
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Not applicable

HEALTH GRANTS

Comprehensive HIV, AIDS and TB Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of the National Strategic Plan on the HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022 • There are two components to this grant that allows for the achievement of the stated strategic goal <ul style="list-style-type: none"> ○ Comprehensive HIV, AIDS and TB component ○ Community Outreach Services component (with a separate framework)
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to HIV and AIDS and TB • To fund Community Outreach Services • Prevention and protection of health workers from exposure to hazards in the work place
Outcome statements	<ul style="list-style-type: none"> • Improved coordination and collaboration in the implementation of Comprehensive HIV, AIDS and TB grant between national and provincial government • Improved quality of HIV and AIDS and TB services including access to: <ul style="list-style-type: none"> ○ HIV counselling and testing ○ TB case finding, screening and diagnosis ○ Antiretroviral Treatment (ART) ○ treatment for TB, including drug-resistant TB ○ adherence monitoring and support ○ prevention of TB ○ prevention of mother-to-child-transmission ○ medical male circumcision • Improved health workers capacity at provincial and district levels • Strengthened health system
Outputs	<ul style="list-style-type: none"> • Number of new patients started on ART • Total number of patients on ART remaining in care • Number of male condoms distributed • Number of female condoms distributed • Number of exposed infants HIV positive at 10 weeks Polymerase Chain Reaction test • Number of clients tested for HIV (including antenatal) • Number of medical male circumcision performed • Number of patients on ART initiated on Isoniazid Preventative Therapy • Number of clients initiated on new generation multi-drug resistant and extensive drug resistant regimen • TB symptom clients screened in facility rate • TB client start on treatment rate • TB client treatment success rate • TB Rifampicin Resistant confirmed treatment start rate • TB multi-drug resistant treatment success rate • Number of adherence clubs • Number of patients participating in adherence clubs • Community health workers trained
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • The following priority areas must be supported through the grant: <ul style="list-style-type: none"> ○ ART related interventions ○ care and support ○ condom distribution and high transmission area interventions ○ post exposure prophylaxis ○ prevention of mother to child transmission ○ programme management strengthening (PMS) ○ regional training centres ○ HIV counselling and testing ○ medical male circumcision ○ TB screening, prevention, treatment

Comprehensive HIV, AIDS and TB Grant	
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on antenatal HIV prevalence, estimated share of AIDS cases and population numbers post-demarcation
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • HIV, AIDS and TB are key national priorities and require a coordinated responses for the country as a whole and is effectively achieved through a conditional grant
Past performance	<p>2016/17 audited financial performance</p> <ul style="list-style-type: none"> • Allocated and transferred R15.3 billion to provinces of which R15.3 billion (100 per cent) was spent by provinces by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 834 165 new patients that started on ART • 3.8 million patients on ART remaining in care • 917 million male condoms distributed • 26 million female condoms distributed • 151 084 of the infants exposed to HIV got a Polymerase Chain Reaction test at 10 weeks (59 per cent) • 14 million clients tested for HIV (including antenatal) • 413 880 Medical Male Circumcision performed (59 per cent) • 384 563 new patients on ART initiated on isoniazid preventative therapy (67 per cent) • 2 997 patients on bedaquiline
Projected life	<ul style="list-style-type: none"> • Ongoing in line with National Strategic Plan on HIV and AIDS
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R19.9 billion; 2019/20: R22 billion and 2020/21: R24.4 billion • Of this baseline the following is served for the Community Outreach Services component: 2018/19: R1.4 billion; 2019/20: R1.5 billion and 2020/21: R1.5 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Visit provinces twice a year to monitor implementation and provide support • Report to the National Treasury on an additional set of indicators agreed upon between the two departments • Meet with National Treasury to review grant performance on a quarterly basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Submit an electronic version to be followed by a hard copy signed by the provincial grant receiving manager • Clearly indicate measurable objectives and performance targets as agreed with the national department in provincial departmental business plans for 2018/19 and over the medium term expenditure framework
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Submission of draft business plans to national Department of Health by 31 October 2018 • Submission of final business plans to national Department of Health by 28 February 2019 • Submission of final business plans to National Treasury by 29 March 2019

Comprehensive HIV, AIDS and TB Grant: Community Outreach Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To improve access to community based primary health care (PHC) services • To improve quality of services at PHC level
Grant purpose	<ul style="list-style-type: none"> • To ensure provision of quality community outreach services through Ward Based Primary Health Care Outreach Teams (WBPHCOTs) • To improve efficiencies of the WBPHCOTs programme by harmonising and standardising services and strengthening performance monitoring
Outcome statements	<ul style="list-style-type: none"> • Improved access and quality to community based PHC services • Improved monitoring and evaluation of WBPHCOTs • Improved coordination and management of the programme
Outputs	<ul style="list-style-type: none"> • Number of functional WBPHCOTs • Number of community health workers receiving stipends • Number of outreach team leaders employed • Number of TB defaulters traced • Number of HIV defaulters traced
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Input • Output indicators • Milestones with projected dates when this will be achieved • Description of how the project will be managed including roles and responsibilities of national and provincial departments • Key activities and resource schedule • Cash flow projections
Conditions	<ul style="list-style-type: none"> • Completion of a business plan signed by the receiving officer and submitted to the transferring officer by 28 February 2018, and signed by transferring officer and submitted to the National Treasury by 30 March 2018 • All contracted non-governmental organisations receiving funding from this grant must have a service level agreement with the relevant provincial department of health including performance indicators • Provinces that have contracted implementing partners for the programme should make transfer payments as per the stipulations of section 8.4 of the Treasury regulations and section 38(1)(j) of the Public Finance Management Act
Allocation criteria	<ul style="list-style-type: none"> • Allocation is based on the number of established WBPHCOTs per province which is based on the number of people in the wards where services of community health workers are needed
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Community outreach services is a national priority that requires systematic, focused and monitored implementation in order to achieve the desired outputs and outcomes across the country and to have the desired impact of improving quality health care services
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • New grant component <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • Subject to policy developments that will be finalised as part of the implementation of the National Health Insurance
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R1.4 billion; 2019/20: R1.5 billion and 2020/21: R1.5 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments based on the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Manage, monitor and support community outreach services planning and implementation • Report quarterly to the National Treasury on an additional set of indicators agreed upon between the two departments
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Clearly indicate measurable objectives and performance targets as agreed to between the national department and provincial departments, in the provincial departmental business plan for 2018/19 and over the MTEF • Provide a list of contracted non-governmental organisations to provide the service • Provincial health departments must provide the national Department of Health with full and unrestricted access to all records and data related to the programme and must facilitate the achievement of grant outputs

Comprehensive HIV, AIDS and TB Grant: Community Outreach Services Component	
	<ul style="list-style-type: none"> • Include the indicators in the provincial annual performance plans and ensure compliance with the 2018 Division of Revenue Act • Programme to be managed as part of the HIV/AIDS & TB grant by the provincial grant manager however each province must assign an official to manage the Community Outreach Services component
Process for completion of 2019/20 business plan	<ul style="list-style-type: none"> • Receiving officer to submit the signed business plan to the transferring officer by 28 February 2019 • Transferring officer to make these available to the National Treasury by 29 March 2019

Health Facility Revitalisation Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enable provinces to plan, manage, and transform health infrastructure in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance • To enhance capacity to deliver health infrastructure • To accelerate the fulfilment of the requirements of occupational health and safety
Outcome statements	<ul style="list-style-type: none"> • Improved service delivery by provincial departments as a result of an enhanced and better quality of health services • Improved quality and quantity of well-maintained health infrastructure (backlog and preventative maintenance) • Improved rates of employment and skills development in the delivery of infrastructure • Value for money and cost effective design of facilities in line with the Standard for Infrastructure Procurement and Delivery Management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number of new facilities completed • Number of facilities maintained • Number of facilities upgraded and renovated • Number of facilities commissioned in terms of health technology
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The business plan for this grant consists of the following: <ul style="list-style-type: none"> ○ the user-asset management plan (U-AMP) for at least 10 years ○ infrastructure programme management plan (IPMP) over the 2018 MTEF including a list of projects ○ annual implementation plan (AIP)
Conditions	<ul style="list-style-type: none"> • Projects should be initiated in terms of the control framework of the SIPDM stage 0 which requires an initiation report. Pre-feasibility and feasibility reports are required for all projects • With the exception of funding for costs incurred on stages 0, 1 and 2 of SIPDM, projects must be approved by the transferring officer before funds can be released for such projects • The management and procurement of all projects funded through this grant must follow the prescripts of the Infrastructure Delivery Management System and SIPDM • Annual Implementation Plans signed-off by the Head of Department, sent to the national Department of Health (DoH) for approval by 6 March 2018 • The 2018 MTEF project list as captured in the AIP for both current and capital budgets should cover: <ul style="list-style-type: none"> ○ maintenance of infrastructure ○ renovations, upgrading and additions of infrastructure ○ new and replacement of infrastructure • Provinces may utilise a portion of grant funding for the appointment of public servants on permanent basis to their infrastructure units in line with human resource capacitation circular published by National Treasury • In instances where the capacity of the provincial departments of Public Works is deemed insufficient, the provincial department of Health will be entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for appointment of service providers are followed • Provincial departments of health must enter into a service delivery agreement with their implementing agents • Appropriately qualified built environment representatives from the provincial departments' infrastructure units must assist in the procurement of professional service providers and contractors by its implementing agent, through representation as a member on the specification and evaluation committees of the implementing agent • As from 2018/19 financial year, new facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial health department will have to be acquired as part of the approval
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2018/19 are project and performance based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through a conditional grant enables the national department to ensure the delivery, rehabilitation, maintenance and upgrading of health infrastructure in a coordinated and efficient manner and ensure consistency with national norms, standards and guidelines for health facilities
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R5.4 billion made available R5.3 billion was transferred to provinces (96.2 per cent) of which R5.2 billion was spent (95.1 per cent) by provinces

Health Facility Revitalisation Grant	
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • Number of Projects: <ul style="list-style-type: none"> ○ planned 33 ○ equipped 33 ○ constructed 12 ○ maintained 31
Projected life	<ul style="list-style-type: none"> • Health is a key government priority and given the need to continually maintain health infrastructure to ensure that norms and standards are maintained, the grant will remain in place until at least the end of the 2018/19 MTEF
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R5.8 billion; 2019/20: R6 billion and 2020/21: R6.4 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made on a quarterly basis in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Coordinate and facilitate site visits • Attend quarterly provincial infrastructure progress review meetings with National Treasury • Provide guidance to provinces on planning, prioritisation and evaluating of U-AMP, IPMP, AIP, project proposals and concept reports that provinces develop and submit • Review if provinces comply with the SIPDM • Issue guidelines on the capacitation process of infrastructure units, as well as the conditions attached to the utilisation of funds • DoH and National Treasury must jointly evaluate progress with 2018 Division of Revenue Act capacitation of provincial infrastructure units and provide feedback to all provinces • DoH must submit quarterly infrastructure reports to National Treasury, according to the agreed template between National Treasury and DoH, within 45 days after the end of each quarter
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments must hold progress review meetings with the relevant implementing agents • Provinces must submit to national DoH quarterly reports for all projects funded in the 2018/19 financial year in this grant through the project management information system and infrastructure reporting model • Provincial departments of Health must align infrastructure plans (U-AMP and IPMP) with their respective Strategic Plans and Annual Performance Plans • Provinces will include completed projects in their asset register • Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant
Process for approval of the 2019/20 Implementation Plans	<ul style="list-style-type: none"> • The process for approval for the 2019 MTEF will be in line with the performance based incentive approach guidelines published by National Treasury and national DoH • Provincial departments of Health must submit 2018/19 AIP signed-off by the Head of Department to the DoH by 6 March 2019 • Submission of draft IPMPs for 2018/19 by DoH to National Treasury by 10 August 2018 • Submission of final IPMPs for 2018/19 by DoH to National Treasury by 6 March 2019

Health Professions Training and Development Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To contribute to the implementation of the national human resource plan for health through the clinical training and supervision of health science trainees in designated public health facilities in South Africa
Grant purpose	<ul style="list-style-type: none"> • Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform
Outcome statements	<ul style="list-style-type: none"> • Progressive realisation of the national human resource plan for health • Clinical training and supervision capacity established in designated developmental provinces (Northern Cape, North West, Limpopo, Mpumalanga and Eastern Cape)
Outputs	<ul style="list-style-type: none"> • To report on the number of clinical supervisors associated with clinical training and supervision of students, funded on the public health service delivery platform: <ul style="list-style-type: none"> ○ number of specialists ○ number of registrars ○ number of medical officers ○ number of clinical associates ○ number of post graduates ○ number of clinical supervisors/trainers per category in nursing, emergency medical services (EMS) and allied health and pharmacy ○ number of grant administration staff
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Non-financial business plan – number of specialists, registrars, medical officers, clinical supervisors/tutors per category in nursing, emergency medical services, allied health, pharmacy and grant administration staff funded from the grant • Financial business plan – allocation by economic classification to each category of clinical trainer/supervisor
Conditions	<ul style="list-style-type: none"> • Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national Department of Health by 28 February 2018, and to the National Treasury by 30 March 2018 • Cost of administration of the grant must not exceed 1 per cent of the total grant allocation
Allocation criteria	<ul style="list-style-type: none"> • Based on historical allocations and spending patterns
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Provinces give effect to the national human resource strategy by the clinical training and supervision of health science trainees on the public health service platform • National coordination needed for health science training
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R2.5 billion to provinces, of which R2.5 billion (100 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 285 post graduates • 1 771 registrars • 413 specialists • 327 clinical supervisors • 21 grant management • 10 resource centre staff
Projected life	<ul style="list-style-type: none"> • The grant is subject to review at the end of the 2018 MTEF. Its projected life will be guided by the need for health science trainees to be trained and supervised on the public health service platform
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R2.8 billion; 2019/20: R2.9 billion and 2020/21: R3.1 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Convene at least one annual meeting of national, provincial and facility programme managers • Monitor the number of health science trainers/clinical supervisors that are responsible for health science training on the public health service delivery platform • Conduct a minimum of two site visits to provinces and site visits to selected facilities on a rotational basis. Provincial visits to include facilities

Health Professions Training and Development Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must provide the allocated amounts for individual facilities to the relevant provincial treasury for gazetting as per the number of agreed upon business plans per province and be facility/cluster specific, by 26 April 2018 • Provinces must maintain a separate budget for each benefiting facility/cluster • Each benefiting facility/cluster budget letter must be supplied by the receiving officer to the facility head by 26 April 2018 • Provinces to monitor the following categories of health science trainers/ clinical supervisors on the public health service delivery platform by category: <ul style="list-style-type: none"> ○ number of specialists ○ number of registrars ○ number of medical officers ○ number of clinical associates ○ number of post graduates ○ number of clinical supervisors/trainers per category in nursing, EMS and allied health and pharmacy ○ number of grant administration staff • Submission of updated specialist details funded by the grant at facility level by 30 November 2018 • Submission of updated specialist details funded on the equitable share by 30 November 2018 • Report quarterly (by economic classification) on financial and non-financial performance in the approved expenditure areas • Conduct a minimum of two site visits to each budgeted facility/complex per annum and submit reports of these site visits to the national Department of Health
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Draft business plans for 2019/20 must be submitted in the approved format by 31 October 2018 • Completion of an approved business plans, in the prescribed format, signed by each receiving officer by 28 February 2019 and the transferring officer by 29 March 2019

Human Papillomavirus Vaccine Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce the incidence of cancer of the cervix through the provision of the Human Papillomavirus (HPV) vaccination to grade four school girls in all public schools and special schools
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to prevent cervical cancer by making available HPV vaccination for grade four school girls in all public and special schools
Outcome statements	<ul style="list-style-type: none"> • Increased access to HPV vaccines by grade four school girls in all public and special schools
Outputs	<ul style="list-style-type: none"> • 80 per cent of grade four school girls aged 9 and above vaccinated for HPV • 80 per cent of schools with grade four girls reached by the HPV vaccination team
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The grant uses a business plan and should contain the following: <ul style="list-style-type: none"> ○ agreed upon services ○ output indicators ○ inputs ○ key activities and allocation ○ risk management plans ○ cash flow management
Conditions	<ul style="list-style-type: none"> • Completion of the business plan in the prescribed format determined by the national Department of Health (DoH), signed and submitted by each receiving officer to the transferring officer by 28 February 2018 and submitted to National Treasury by 30 March 2018 • Ensure provinces include HPV vaccination indicators in provincial annual performance plans • Grant funding must also be used to strengthen capacity in provinces to manage the programme • Social mobilisation to promote the uptake of HPV vaccination to prevent cervical cancer should be done as part of this programme • In the 2019/20 financial year, the target group for vaccination will be grade five girls
Allocation criteria	<ul style="list-style-type: none"> • Allocations based on the number of grade four girls and schools with grade four from the education management information system in each province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Cervical cancer is a high national priority and requires uniform implementation in order to achieve the minimum coverage of 80 per cent and have the desired impact of significantly reducing incidences of cervical cancer • To develop provincial capacity in order for provinces to assume responsibility of the programme from 2018/19
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Allocated R190 million and of which R190 million (100 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 63 per cent of eligible grade four school girls received the HPV vaccination • 75 per cent of schools with grade four girls reached by the HPV vaccination team
Projected life	<ul style="list-style-type: none"> • Grant will continue until 2020/21, thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R200 million; 2019/20: R211 million and 2020/21: R223 million
Payment schedule	<ul style="list-style-type: none"> • Payment will be made according to the approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Manage the contracts for vaccine and supporting information systems • Monitor and support provincial planning and implementation and meet the province twice a year to review performance • Meet with National Treasury to review performance of the grant on a quarterly basis • Strengthen the capacity of provinces to deliver the HPV vaccination programme <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme • Assign a dedicated official the responsibility of managing the HPV vaccination programme • Where possible utilise existing human resource and transport capacity at all relevant levels and augment capacity where needed on a contractual basis
Process for completion of 2019/20 business plan	<ul style="list-style-type: none"> • Draft business plans for 2019/20 must be submitted in an approved format by 31 October 2018 • Final business plans signed by each receiving officer and the transferring officer by 28 February 2019 and submitted to the National Treasury by 29 March 2018

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure appropriate health infrastructure that is in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance (NHI) • To enhance capacity and capability to deliver infrastructure for NHI • To accelerate the fulfilment of the requirements of Occupational Health and Safety
Outcome statements	<ul style="list-style-type: none"> • Appropriate procurement of service providers for infrastructure delivery for NHI • Improved spending, performance, monitoring and evaluation of infrastructure projects for NHI • Improved employment and skills development in the delivery of infrastructure for NHI • Value for money and cost-effectively designed facilities in line with the standard for infrastructure procurement and delivery management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number of new facilities completed • Number of facilities maintained • Number of facilities upgraded, and additions • Number of facilities renovated and refurbished • Number of facilities commissioned in terms of health technology
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The infrastructure programme management plan (IPMP) for the 2018 MTEF aligned to the infrastructure delivery management system and SIPDM will be submitted on 28 May 2018 and will include the following: <ul style="list-style-type: none"> ○ costed project lists with annual cash flow projections per project for the full duration of the projects on the programme ○ projected milestones per project for SIPDM control framework stages indicating current stage of the project
Conditions:	<ul style="list-style-type: none"> • The national Department of Health (DoH) must, in consultation with the provinces, have in place an intergovernmental protocol framework covering the 2018 MTEF and outlining how the grant will operate as well as the responsibility and functions of each sphere. Project sheets will form part of the agreement • Should there be an amendment to an existing protocol agreement, the amended agreement should be submitted to the National Treasury by 29 June 2018 • Prior to submitting the IPMP, each provincial department must have signed-off a project sheet for all projects funded from the grant which list scope of work, current stage and anticipated target dates for achieving stages of control framework, operational budgets (i.e. personnel, equipment, etc.) and maintenance budgets • With all new projects, DoH must comply with SIPDM processes • For projects with a total project cost exceeding R500 million, DoH should convene a gateway review at the end of SIPDM stage 3. National Treasury should be invited to participate in such a review • The grant component must only be spent on projects included in the business plan and project lists signed by provinces. Projects can only be added to the business plan as part of the adjustment budget process, subject to National Treasury approval • In instances where the capacity of the DoH and the provincial department are deemed insufficient, DoH is entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for the appointment of service providers are followed. In those cases, service level agreements between DoH and the implementing agent must be in place • Appropriately qualified built environment representatives from the national department must assist in the procurement of professional service providers and contractors by its implementing agent • DoH may utilise a portion of grant funding for the appointment of public servants on 36-month contracts to their infrastructure units. The amount that can be used for this is determined in terms of the conditions by the 2018 Appropriation Act • DoH must convene quarterly progress review committee meetings with all project managers, implementing agents and National Treasury for monitoring and oversight of the performance of all funded projects • All completed projects must have a close-out report with a documented maintenance plan • New facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial department must be acquired as part of the approval
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2018/19 are project based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through an indirect conditional grant enables the national department to ensure the delivery and maintenance of health infrastructure in a coordinated and efficient manner that is consistent with national norms, standards and guidelines for health facilities

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R697 million of which R686 million (98 per cent) was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 67 facilities maintained, repaired or refurbished in the backlog maintenance programme • 61 doctors' consulting rooms constructed or partially constructed • 20 clinics and community health centres in process that comply with gazetted infrastructure norms & standards, either constructed or partially constructed over multiple years • One incomplete housing project • Total projects: 338 <ul style="list-style-type: none"> ○ initiation and planning (88); ○ tendered (16); ○ construction and retention (124); ○ closed out (110)
Projected life	<ul style="list-style-type: none"> • Health is a key government priority and given the need to continually maintain health infrastructure and ensure that norms and standards are maintained, the grant will continue over the 2018 MTEF, subject to a review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R891 million; 2019/20: R941 million and 2020/21: R992 million
Payment schedule	<ul style="list-style-type: none"> • Monthly payments made according to verified and approved invoices from the services providers
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Build and demonstrate the capacity necessary to manage this grant • Ensure alignment between the IPMP and the annual performance plan • Undertake the infrastructure development cycle to the extent agreed with the provinces in the implementation protocol agreements • Convene progress review committees with appropriate reporting and invite National Treasury and Provinces • DoH must maintain an up-to-date database (project management information system), infrastructure reporting model (IRM) with all contracts that are fully or partially funded by this grant and provide the IRM report on a monthly basis • Meet with National Treasury to review grant performance on a quarterly basis • Collaboration and coordination with provincial departments of health for the full development cycle of infrastructure development in respect of projects funded by this grant • Provide provincial departments of health with progress of the projects under this grant for inclusion in provincial annual reports • DoH must submit quarterly infrastructure reports to National Treasury, according to the agreed template between National Treasury and DoH, within 45 days after the end of each quarter <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces will include completed projects in their asset register • Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant by the DoH • All immovable asset management and maintenance responsibilities of the completed projects under this grant as prescribed by the Government Immovable Asset Management Act of 2007 rests with the provinces • Provinces should report on progress of the projects under this grant in their annual reports and describe how these facilities have been considered in their future planning and budgeting. The projects must be included in the provincial user-asset management plans
Process for approval of the 2019/20 annual implementation plans	<ul style="list-style-type: none"> • Submission of a draft IPMP to National Treasury by 31 August 2018 • Submission of the final IPMP to National Treasury by 29 March 2019 • Submission of signed implementation protocol by 28 June 2019

National Health Insurance Indirect Grant: Non-Personal Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the public healthcare system in preparation for National Health Insurance (NHI) • To strengthen the design of NHI through innovative testing of new reforms • To improve quality of services at primary health care facilities
Grant purpose	<ul style="list-style-type: none"> • To expand the alternative models for the dispensing and distribution of chronic medication • To fund the development of and roll-out of the new health information systems in preparation for NHI • Develop a risk-adjusted capitation model for the reimbursement of primary health care (PHC) • To enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results
Outcome statements	<ul style="list-style-type: none"> • Expand the alternative dispensing and distribution model for chronic medication • Improved quality health services in all primary health care facilities • Build the enterprise architecture design for patient information systems, procurement and management of health commodities • A risk-based capitation model for the reimbursement of PHC developed
Outputs	<ul style="list-style-type: none"> • An alternative chronic medicines dispensing and distribution model implemented • Number of new and number of total patients registered in the programme, broken down by the following: <ul style="list-style-type: none"> ○ Antiretroviral Treatment ○ Antiretroviral with Co-Morbidities ○ non communicable diseases ○ number of pickup points (state and non-state) • Number and percentage of primary healthcare facilities peer reviewed • Number and percentage of primary healthcare facilities achieving an ideal status • Number and percentage of facilities implementing the health patient registration systems • Number of patients registered on the health patient registration systems • Number and percentage of primary healthcare facilities implementing an electronic stock replenishment system • Number and percentage of hospitals implementing an electronic stock replenishment system • A base capitation model for the reimbursement of PHC facilities developed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Input • Output indicators • Outcome indicators • Milestones with projected dates when this will be achieved • Description of how the project will be managed including roles and responsibilities of national and provincial departments • Key activities and resource schedule • Monitoring and evaluation plan • Risk management plans • Cash flow projections
Conditions	<ul style="list-style-type: none"> • Completion of a business plan by the national Department of Health (DoH) signed by the transferring officer by 30 March 2018 and submitted to the National Treasury by 30 March 2018 • All information systems developed and implemented under this grant component must comply with the interoperability norms and standards as approved by the National Health Council
Allocation criteria	<ul style="list-style-type: none"> • The alternative chronic care medication dispensing and distribution model will be implemented across the country, with priority given to previously disadvantaged areas • Ideal clinic sub-component allocation is based on the number of identified facilities and their needs in each province • Information systems sub-component is not allocated per province and will be utilised towards the development and making sure that implementation is standardised across provinces, districts and public health facilities, towards the establishment of a unified health information and management of health commodities for the country
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The importance of central coordination in development of models and the establishment of NHI to inform ongoing NHI designs • Ideal clinic is a key national priority and requires systematic implementation to achieve quality health care services • In line with the National Health Act sections 74(1) and 74(2), the national department has to develop and coordinate all Health Information Systems in the country. This is a complex programme with many facets that requires an iterative process of testing and implementation in a phased manner. This situation calls for dedicated funding which will allow for institutionalisation over time

National Health Insurance Indirect Grant: Non-Personal Services Component	
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • New grant component <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant component
Projected life	<ul style="list-style-type: none"> • Subject to policy developments that will be finalised as part of the implementation of NHI
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R700 million; 2019/20: R773 million and 2020/21: R852 million • Centralised chronic medicines dispensing and distribution: 2018/19: R360 million; 2019/20: R420 million and 2020/21: R476 million • Capitation 2018/19: R10 million • Ideal Clinic 2018/19: R20 million; 2019/20: R23 million and 2020/21: R26 million • Information Systems 2018/19: R310 million; 2019/20: R330 million and 2020/21: R350 million
Payment schedule	<ul style="list-style-type: none"> • Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans from the service providers • Monthly instalments which may be altered at the discretion of National Treasury based on invoices paid
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • To establish contracts with service providers for the delivery of goods as services as necessary in the four sub-components outlined above • Establish the necessary organisational structures and build capacity within the DoH to implement, oversee and monitor the execution of all approved projects using the 3 per cent administrative costs provision • Manage, monitor and support provincial programme planning and implementation • Meet with the National Treasury to review performance of the grant on a quarterly basis • Strengthen the capacity of provinces to realise and maintain Ideal Clinic status • Maintain the Ideal Clinic software
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Facilitate the achievement of grant outputs • Delegate a person responsible for managing the Ideal clinic programme and health patient registration system programme • Ensure compliance with all reporting requirements and adherence to the provisions of service level agreements • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems (storage space for filing cabinets etc) • Include performance indicators related the four sub-components in the provincial annual performance plans • Provinces must develop draft implementation plans to assume responsibility for the centralised chronic medicines dispensing and distribution, Ideal Clinic and information systems • Submit quarterly performance reports to national DoH
Process for completion of 2019/20 business plan	<ul style="list-style-type: none"> • Submission of business plan signed by the transferring officer on 29 March 2019 to National Treasury

National Health Insurance Indirect Grant: Personal Services Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To achieve universal health access through the phased implementation of National Health Insurance (NHI) and to improve access to quality healthcare services
Grant purpose	<ul style="list-style-type: none"> • To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers
Outcome statements	<ul style="list-style-type: none"> • Implementation of strategic purchasing platform for healthcare providers • Screen learners and deliver primary care services where appropriate • Finalisation of a risk-adjusted capitation model for the reimbursement of primary healthcare (PHC) services • Implement community based mental healthcare services • Enhance access to healthcare services for obstetric and cancer patients
Outputs	<ul style="list-style-type: none"> • Number of health professionals contracted (total and by discipline) • Number of health professionals contracted through capitation arrangements • Improved identification and management of high risk pregnancies • Improved care of women during labour with management of complications • Number of patients screened and treated for mental health problems • Percentage reduction in the backlog of forensic mental observations • Number of learners who have been referred by school health services for further assessment and management to audiologists, optometrists, speech therapists and others • Number of learners equipped with required assistive devices through school health services • Percentage reduction in radiation oncology backlog • Number of Human Papillomavirus Vaccine (HPV) DNA tests rendered • Number of patients confirmed to have cervical cancer screened by HPV DNA
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Number of health professionals to be contracted, including: <ul style="list-style-type: none"> ○ process of accreditation of providers ○ performance monitoring requirements ○ processes for the management and reimbursement of health professionals • Output indicators, including: <ul style="list-style-type: none"> ○ target population ○ number of patients to access care ○ elimination of backlogs ○ key milestones with projected dates when this will be achieved • Key activities and resource schedule • Monitoring and evaluation plan • Risk management plans • Cash flow projections • The project will be managed by the national department and will report to the National Health Council, via the National Health Council's technical advisory committee
Conditions	<p>The funding will be used for the following services:</p> <ul style="list-style-type: none"> • With respect to addressing oncology backlogs: <ul style="list-style-type: none"> ○ provincial health departments to supply verified data on oncology backlogs and all costs of drugs, consumables and laboratory tests to be covered by the provincial health department • With respect to obstetric care, <ul style="list-style-type: none"> ○ specialist and general practitioners time to support identified high-risk obstetric case management including support to do elective and emergency caesarean sections • With respect to school health services: <ul style="list-style-type: none"> ○ to address the backlog of learners who have been screened to date but have not yet received the required healthcare and to provide assistive devices for learners • Contracting of the national health laboratory services for pathology related services including supply of test kits submission of completed and signed-off business plan and implementation framework by the national transferring authority by 30 March 2018 to the National Treasury
Allocation criteria	<ul style="list-style-type: none"> • As identified in the business plan, allocations will be based on the following criteria: <ul style="list-style-type: none"> ○ prevalence of identified conditions ○ provinces with greatest needs will be prioritised ○ number of health professionals contracted ○ defined reduction in specified backlogs

National Health Insurance Indirect Grant: Personal Services Component	
	<ul style="list-style-type: none"> ○ defined follow-up treatment of school health learners and provision of assistive devices
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The principle of a single fund is articulated in the Cabinet approved White Paper on National Health Insurance. This situation calls for dedicated funding which will allow for institutionalisation over time as a single NHI Fund
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● New grant component <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● New grant component
Projected life	<ul style="list-style-type: none"> ● Remain in place until the NHI Fund is created through legislation passed by Parliament
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R713 million; 2019/20: R1.3 billion and 2020/21: R1.9 billion
Payment schedule	<ul style="list-style-type: none"> ● Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans with the service providers
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● The national Department of Health will be responsible for the creation of the interim structures until NHI Fund is fully established ● A committee comprising of national Department of Health and National Treasury officials has been established, with specific terms of reference to set up the NHI Fund ● Establishment of a steering committee comprising of the national Department of Health and the National Treasury to oversee implementation and progress of the NHI Fund ● Submission of quarterly financial and non-financial performance reports to the National Health Council and the National Treasury <p>Responsibilities for the interim structures prior to the establishment of the NHI Fund</p> <ul style="list-style-type: none"> ● The interim structures, prior to the establishment of the NHI Fund will be responsible for feasibility testing of contracting and strategic purchasing of personal health services from appropriately accredited health care providers on behalf of the covered population: ● The Interim structure will be responsible for the following functions: <ul style="list-style-type: none"> ○ develop mechanisms for purchasing of services funded by NHI ○ develop mechanisms for procuring of goods including drugs, medical equipment and technology on behalf of providers that will be contracted for NHI ○ develop payment strategies for contracted providers at various levels of care ○ process utilisation transactions received from contracted service providers ○ collate utilisation data, and implement information management systems ○ develop contracting and payment policies ○ supervise the actual contracting with hospitals at provincial and central levels ● Submission of quarterly financial and non-financial performance reports to the national Department of Health <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Facilitate the achievement of grant outputs ● Ensure that the provision and funding of existing programmes and services continues and is not substituted by the implementation of this grant ● Submission of quarterly financial and non-financial performance reports to the national Department of Health with respect to continuation of provision and funding of existing programmes and services ● Provincial health departments must provide the national DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> ● Submission of signed business plan by the transferring officer to the National Treasury on 29 March 2019

National Tertiary Services Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform
Grant purpose	<ul style="list-style-type: none"> • Ensure provision of tertiary health services in South Africa • To compensate tertiary facilities for the additional costs associated with provision of these services
Outcome statements	<ul style="list-style-type: none"> • Modernised and transformed tertiary services that allow for improved access and equity to address the burden of disease • Accelerated modernisation of tertiary services in developmental provinces (Eastern Cape, Limpopo, Mpumalanga, Northern Cape and North West)
Outputs	<ul style="list-style-type: none"> • Number of inpatient separations • Number of day patient separations • Number of outpatients first attendances • Number of outpatient follow-up attendances • Number of inpatient days • Average length of stay by facility (tertiary) • Bed utilisation rate by facility (all levels of care)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses business plans which are signed between the national Department of Health (DoH) and each province and contain the following: <ul style="list-style-type: none"> ○ provincial and institutional allocations ○ tertiary services specifications (approved YES list) funded by the grant, by facility by province ○ annual targets for inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits per facility per province per year ○ monitoring and reporting responsibilities ○ validation and revision of data ○ deviations or changes to tertiary services ○ referral responsibilities ○ approved business plan ○ approved specialists funded from the grant (approved specialist detail list) ○ national guidelines on definitions of tertiary services that may be funded by the grant
Conditions	<ul style="list-style-type: none"> • Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national DoH by 28 February 2018, and to the National Treasury by 30 March 2018 • The grant allocation to each central/provincial tertiary facility must not exceed a maximum of 65 per cent of the total facility budget • Cost of administration of the grant must not exceed one per cent of the total grant allocation • The following amounts in the allocation to Gauteng are earmarked to fund the operations of the Nelson Mandela Children's Hospital: <ul style="list-style-type: none"> ○ R200 million in 2018/19 ○ R300 million in 2019/20 ○ R317 million in 2020/21 • Total remuneration packages to staff at the Nelson Mandela Children's Hospital, paid from this grant and any other sources, may not exceed Department of Public Service and Administration approved remuneration rates; total remuneration packages must be captured and submitted to both the provincial, and the national Department of Health • The services offered by the Nelson Mandela Children's Hospital should be integrated into the service delivery platform in collaboration with relevant provinces, particularly Gauteng
Allocation criteria	<ul style="list-style-type: none"> • Based on historical allocations and spending patterns
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • There are significant cross boundary flows associated with tertiary services that are not affected by provincial boundaries due to their specialised nature
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R10.9 billion to provinces, of which R10.9 billion (100 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 359 932 day patient separations • 3 890 496 inpatient days • 619 101 inpatient separations • 1 182 153 outpatient first attendances • 2 958 960 outpatient follow up attendances

National Tertiary Services Grant	
Projected life	<ul style="list-style-type: none"> Support for tertiary services will continue because of the need to sustain and modernise tertiary services
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R12.4 billion; 2019/20: R13.2 billion and 2020/21: R14.1 billion
Payment schedule	<ul style="list-style-type: none"> Monthly instalments as per payment schedule approved by National Treasury with the exception of the Nelson Mandela Children's Hospital where the first payment of R100 million will be made in April 2018. Payments of R50 million each will be made in July and October 2018 based on evidence of satisfactory performance
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Convene at least one annual meeting of national, provincial and facility programme managers Monitor expenditure by economic classification, and patient activity and provide on-site support to facilities/complexes and provinces Conduct a minimum of two site visits to provinces and a minimum of one site visit to facilities/complexes. Provincial visits to include facilities
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Completion of a provincial service level agreement/memorandum of understanding signed by the receiving officer and the benefitting institution by 30 March 2018 and submission to the national DoH by 26 April 2018 (due date for Nelson Mandela Children's Hospital is 30 March 2018) Provinces must provide the allocated amounts for individual funded facilities/clusters to the relevant provincial treasury for gazetting as per the number of agreed upon business plans per province and be facility/cluster specific, by 26 April 2018 Provinces must maintain a separate budget for each benefitting facility The receiving officer must supply the head of each benefitting facility/complex with a budget letter which includes the equitable share allocation by 30 April 2018 Conduct a minimum of two sites visit to each budgeted facility/complex per annum and submit reports of these site visits to the national DoH Submission of updated specialist details funded by the equitable share at facility level by 30 November 2018 Submission of updated specialist details funded by the grant at facility level by 30 November 2018 Submission of service specifications funded at each facility by 30 November 2018 Submission of quarterly reports in the approved expenditure areas in the prescribed format Provide patient utilisation data (inpatient separations, inpatient days, day case separations, outpatient first visits, outpatient follow up visits and patient-day equivalents) average length of stay (tertiary) and bed utilisation rates (all levels of care) as per the prescribed format Provide the number of inpatient separations for intensive care units (ICU) and neonatal ICU quarterly Provide the number of inpatient days for ICU and neonatal ICU quarterly Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted no later than the 15 October 2018. This will be the only time that provinces can request amendments to their approved business plan. Revised plans will be approved by 31 October 2018
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> Submission of draft business plans (provincial and facility) by 31 October 2018 Completion of a business plan, in the prescribed format, signed by each receiving officer by 28 February 2019 and the transferring officer by 29 March 2019

HUMAN SETTLEMENTS GRANTS

Human Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> The creation of sustainable and integrated human settlements that enable improved quality of household life, access to basic services and secure tenure
Grant purpose	<ul style="list-style-type: none"> To provide funding for the creation of sustainable and integrated human settlements
Outcome statements	<ul style="list-style-type: none"> The facilitation and provision of adequate housing opportunities and improved quality living environments A functionally equitable and integrated residential property market Enhanced institutional capabilities for effective coordination of spatial investment decisions
Outputs	<ul style="list-style-type: none"> Number of housing opportunities created may include the following: <ul style="list-style-type: none"> number of residential units delivered in all housing programmes number of serviced sites delivered in all housing programmes Number of households in informal settlements provided with access to basic services at upgrading of informal settlements programme level 2 standard Number of informal settlements upgraded on site and/or relocated Number of households in backyards provided with access to services/upgraded services Number of title deeds issued for projects completed post 31 March 2014 Hectares of well-located land acquired and zoned to create housing opportunities Number of work opportunities created through related programmes Percentage of project value procured as per the targeted groups in the amended Preferential Procurement Regulation 2017, issued by National Treasury Number of socio-economic amenities delivered in human settlements Number of catalytic projects planned, approved and implemented for integrated human settlements developments
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Medium term strategic framework targets, outputs and outcomes Project planning and facilitation Outputs and targets Cash flow projections (payment schedule) Quarterly reporting Project information Project readiness matrix Title deeds project pipeline matrix Infrastructure reporting model Informal settlements plan and National Upgrading Support Programme Professional fees and pre-planning Number of job opportunities to be created
Conditions	<ul style="list-style-type: none"> Funds for this grant should be utilised for the priorities as set out in the 2014-19 Medium Term Strategic Framework for human settlements The transfer of the first tranche of funds is conditional upon national Department of Human Settlements (DHS) approving provincial business plans consistent with the provisions of the Housing Act, 2018 Division of Revenue Act (DoRA) and in compliance with the National Housing Code The transfer of subsequent tranches is conditional on provinces capturing the targets and budget, delivery statistics, and expenditure monthly on the Housing Subsidy System (HSS) and the Basic Accounting System at sub-sub-programme level and project level, and submitting monthly reconciliations within the required time frames Provinces must ensure reconciliation and alignment of financial and non-financial outputs between the HSS and Basic Accounting System on a monthly basis All projects in the approved business plan must be aligned with the Integrated Development Plan (IDP) and the spatial development framework of municipalities as well as the Built Environment Performance Plan (BEPP) for metropolitan municipalities Draft and final business plans must be aligned to provincial annual performance plans Provincial heads of departments (HoDs) must sign-off and confirm that projects captured in their business plans are assessed and approved for implementation in the 2018/19 financial year Provinces may utilise up to a maximum of 5 per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects contained in the business plan Provinces must indicate budget allocations consistent with provincial and related municipal backlogs for adequate housing

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Provinces must gazette planned expenditure for three years for the accredited municipalities in terms of the DoRA by no later than 31 May 2018. This should specify the amount of operational funding to be transferred to accredited municipalities • Where municipalities have been accredited for the housing function, the provincial business plans must reflect relevant allocations, targets and outputs as agreed and approved with the respective municipalities • Provinces may utilise a maximum of 2 per cent of the Human Settlements Development Grant (HSDG) for the provision of bulk infrastructure projects for basic services in non-metropolitan municipalities to unlock human settlement projects on condition that the funding is complementary with commitments by municipalities in their Integrated Development Plan and municipal budget for provision of such bulk and infrastructure with Municipal Infrastructure Grant funding. Prior approval of the transferring officer is required • Provinces may request in writing to the transferring officer approval to amend their approved business plan. Requests must be submitted between 15 August and 15 October 2018. This will be the only time that provinces can request amendment to the approved business plan. Revised plans will be approved by 30 October 2018 • The payment schedules should be derived from the cash flows contained in the approved business plan • A total of R842 million is ring-fenced for the Finance Linked Individual Subsidy Programme (FLISP). The following ring-fenced funds may only be used for planned FLISP spending as contained in the approved business plans of each province: <ul style="list-style-type: none"> ○ Eastern Cape: R10 million ○ Free State: R14 million ○ Gauteng: R616 million ○ KwaZulu-Natal: R110 million ○ Limpopo: R5 million ○ Mpumalanga: R5 million ○ Northern Cape: R2 million ○ North West: R7 million ○ Western Cape: R73 million • A minimum of 30 per cent of the total must be allocated for the upgrading of informal settlements programme with targets segregated per province in the delivery agreement • In addition, the following funds must be earmarked to support the upgrading of informal settlements in the area of each respective mining town. These are additional funds and may not be used to replace existing baseline funds allocated to projects in these areas. The following funds may only be utilised to fund projects and related infrastructure (including bulk) for housing and human settlements developments in the following prioritised mining towns: <ul style="list-style-type: none"> ○ Free State: <ul style="list-style-type: none"> – Matjhabeng: R66.2 million ○ Gauteng: <ul style="list-style-type: none"> – Merafong City: R46.9 million – Rand West City: R73.4 million – Mogale City: R31.1 million ○ Limpopo: <ul style="list-style-type: none"> – Thabazimbi: R32.4 million – Elias Motsoaledi: R25.6 million – Lephale: R28.1 million – Fetakgomo Tubatse: R59.1 million – Mogalakwena: R20.0 million ○ Mpumalanga: <ul style="list-style-type: none"> – Emalahleni: R63.9 million – Steve Tshwete: R37.5 million – Thaba Chweu: R32.9 million ○ Northern Cape: <ul style="list-style-type: none"> – Tsantsabane: R24.8 million – Ga-Segonyana: R25.7 million – Gamagara: R24.7 million – Kgatelopele: R20.9 million – Joe Morolong: R20.0 million – Khai-Ma: R20.0 million ○ North West: <ul style="list-style-type: none"> – Kgetlengriver: R34.7 million – Madibeng: R79.5 million – Moses Kotane: R71.8 million – Rustenburg: R66.3 million – City of Matlosana: R94.2 million

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • Ring-fenced funds that are underperforming in-year may be stopped and reallocated to a different province for the same ring-fenced purpose • Provinces must include the nationally approved human settlements catalytic projects in their business plans as per the catalytic programme requirements. In addition provinces must allocate a reasonable percentage of their grant allocation to the approved national priority catalytic projects in line with their projects readiness status • A minimum of 30 per cent of HSDG allocations should be allocated to contracts awarded to all targeted groups as per the amended Preferential Procurement Regulations 2017, issued by National Treasury • At least 2 per cent of the HSDG grant should be allocated to programmes and projects for the implementation of innovative building technologies in the human settlements implementation delivery chain • Provinces should ensure that the allocation for land acquisition and related purposes is included in the business plans • Provinces must agree with municipalities on a plan for the provision of basic services to all households served in new housing developments
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated through the HSDG allocation formula approved by the Human Settlements MINMEC and National Treasury. The formula is based primarily on the share of inadequate housing in each province but also accounts for population size and extent of poverty in each province • Funds for informal settlement upgrading in mining towns are allocated based on project plans as agreed with provinces and municipalities in terms of the Presidential Mining Towns Intervention
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • A conditional grant enables the national department to provide effective oversight and ensure compliance with the National Housing Code
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Of the R18.7 billion made available, R18.3 billion (98 per cent) was transferred of which R18.3 billion was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 90 692 housing units completed • 56 336 serviced sites completed
Projected life	<ul style="list-style-type: none"> • This is a long term grant as government has an obligation to assist the poor with the provision of human settlements in terms of the Constitution
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R18.2 billion; 2019/20: R18.8 billion and 2020/21: R20.1 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise and ensure the approval of the applicable subsidy quantum per programme and the allocation formula for the delivery of sustainable and integrated human settlements • Approve the final national and provincial business plans and issue national compliance certificates • Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein • Ensure that provinces align financial and non-financial information in terms of reporting in Basic Accounting System, HSS, provincial business plans and provincial quarterly reports • Monitor provincial financial and non-financial grant performance and control systems related to the HSDG • Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input • Provide support to provinces and accredited municipalities with regard to human settlements delivery as may be required • Undertake structured and other visits to provinces and metropolitan municipalities as is necessary • Facilitate regular interaction between DHS and provincial departments of human settlements and accredited municipalities • Submit an annual evaluation report for 2017/18 on the financial and non-financial performance of the grant to National Treasury by 27 July 2018 • Evaluate the audited provincial annual reports for submission to National Treasury by 14 December 2018 • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Provide systems including HSS that support the administration of the human settlements delivery process • Comply with the responsibilities of the transferring officer outlined in the 2018 DoRA • Publish approved business plans • Ensure provinces only implement programmes that are contained in the approved business plans

Human Settlements Development Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must conclude implementation protocols with the Housing Development Agency (HDA) for the preparation and programme management of catalytic projects • Submit 2017/18 annual evaluation reports to DHS by 30 May 2018 • Submit 2017/18 audited annual reports to the DHS by 28 September 2018 • Prioritise funds in order to build houses to meet the quota set for the military veterans • Support accredited municipalities in carrying out delegated functions as per the accreditation framework • Provinces must utilise the HSS for the administration and related performance reporting of all the human settlement delivery programmes and processes • Projects to be funded and included in the business plan must be registered on the HSS and HSS project number included in the business plan • Any malicious use or non-compliance to the HSS will result in funds being withheld or stopped in terms of the 2018 DoRA • Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, approved provincial business plans, and provincial quarterly reports • Ensure effective and efficient utilisation of and access to the HSS by municipalities • Comply with the Housing Act, 2018 DoRA, Housing Code and the national delivery agreements that have been concluded • The monthly expenditure report, as contemplated in section 12(3) of the 2018 DoRA and section 40(4)(c) of the Public Finance Management Act, must be submitted by the 15th of every month for the preceding month with work in progress inclusive of expenditure, monthly BAS and HSS reconciliation as stipulated on the Practice Note dated 24 April 2015 • Provinces must report on a quarterly basis the minimum 30 per cent of the grant awarded to the targeted group as the amended Preferential Procurement Regulations 2017, issued by National Treasury • Monthly expenditure and quarterly reports must be signed by both the HoD and the relevant provincial treasury HoD • Submit the reports on the outputs as mentioned on this framework above by the 15th of every month for the preceding month • There should be alignment of business plan with the gazetted allocations to accredited municipalities • Provinces should ensure that they only implement the programmes in the approved business plans • Consult with municipalities on the programme and projects submitted for approval in terms of the HSDG business plan • Ensure all projects to be implemented are contained in the municipal IDP and Spatial Development Frameworks of municipalities • Ensure that the relevant amounts to be applied and transferred to municipalities are gazetted by no later than 31 May 2018 • Provinces to align their business plan with provincial annual performance plans • On completion of units for military veterans, provincial departments should forward the claims to Department of Military Veterans for the top-up as agreed in terms of the memorandum of understanding between national Department of Military Veterans and DMV
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Draft provincial business plans for 2019/20 financial year and project readiness matrix to be submitted to the national department by 31 August 2018 • The second draft business plans to be submitted by 12 October 2018 • Submit final provincial business plans, project readiness matrix, including cash flow projections and compliance certificates for 2019/20 financial year to the DHS by 8 February 2019 • Specific approval from transferring officer should be sought, for rectification (pre and post 1994), IDP chapters, blocked projects, community residential units (upgraded), project linked, consolidation subsidies (blocked projects) and their allocation must appear in the draft and final business plans • Programmes that require ministerial approval (in terms of ministerial directives), must be submitted in the first draft of the business plan

Provincial Emergency Housing Grant	
Transferring department	<ul style="list-style-type: none"> • Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> • Schedule 7, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act, 2002)
Grant purpose	<ul style="list-style-type: none"> • To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters
Outcome statements	<ul style="list-style-type: none"> • Households accommodated in adequate temporary shelter following a disaster
Outputs	<ul style="list-style-type: none"> • Emergency and short term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> ○ provision of temporary shelter ○ temporary relocation of households to safer accommodation and/or shelter
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> • Applications for funding from this grant use the Emergency Housing Grant application form which includes the following: <ul style="list-style-type: none"> ○ details of the disaster, the impact thereof and number of temporary shelters required and the number of households affected ○ total funds required for disaster response ○ implementation plan ○ summary of the projects ○ consolidated project cash flow over a two months' period as an annexure to the implementation plan ○ a copy of the province's emergency procurement policy
Conditions	<ul style="list-style-type: none"> • Province must submit an application to the national Department of Human Settlements (DHS) within 14 days of the agreement by the MEC that a housing emergency exists in terms of section 2.3.1 (a) and (b) of the Emergency Housing Programme • The relevant Provincial Disaster Management Centre must be informed of the application • Provincial Heads of Departments (HoDs) must sign-off and confirm the information captured in application • Shelter solutions funded from the grant must comply with the National Building Regulations and utilise materials that comply with the South African Bureau of Standards • Funds may only be spent on items and activities included in the application approved by the transferring officer of the national DHS • Provincial officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national DHS until the funds are fully utilised • The emergency procurement system as guided by the Public Finance Management Act (PFMA) and Treasury Regulations should be invoked to ensure immediate assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> • This grant funding is intended to address the housing needs of households who for reasons beyond their control, find themselves in an emergency housing need such as: <ul style="list-style-type: none"> ○ existing shelter destroyed or damaged by a disaster ○ displaced following a disaster ○ relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster • The grant is allocated to provinces on application and approval thereof by the Accounting Officer of the national DHS
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • A conditional grant enables the national department to respond to disasters as they arise
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • This is a new grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • This is a new grant
Projected life	<ul style="list-style-type: none"> • This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R260 million; 2019/20: R277 million and 2020/21: R295 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Advise and guide provinces about the existence of the Provincial Emergency Housing Grant and how it can be accessed • Develop and publish the provincial Emergency Housing Grant application form template, in consultation with National Treasury and the National Disaster Management Centre (NDMC) • Monitor programme implementation including establishing and maintaining a register or database of human settlements disasters • Support provinces and municipalities to plan for potential disasters. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required

Provincial Emergency Housing Grant	
	<ul style="list-style-type: none"> • Facilitate a coordinated housing assistance intervention response in circumstances where disasters affected more than one province • Coordinate assistance with the NDMC to ensure there is no duplication of funding with the provincial and municipal disaster relief grants • Seek approval from National Treasury for the disbursement of funds to provinces and municipalities within 10 days of receipt of an application for funding from this grant • Notify the relevant provinces and provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after notification • Transfer funds to the provincial administration with a clear stipulation of the purpose of the funds • Provide National Treasury with written notification of the transfer within 10 days of a transfer of the grant • Submit financial and non-financial reports to National Treasury within 20 days after the end of each month • Provide a performance report, within 45 days after the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury • Together with the provinces monitor the implementation of funded projects
	<p>Responsibilities of the provincial departments of human settlements</p> <ul style="list-style-type: none"> • Provinces are responsible for providing the first response in the immediate aftermath of a housing emergency • Conduct initial assessments of disaster impacts to verify the applications for funding within five days following the occurrence of a reported incident that meets the conditions • Ensure contingency plans are in place to facilitate the provision of emergency shelter in the immediate aftermath of a housing emergency. These plans could include having standby contract in place that allow for the rapid deployment of emergency shelter and/or identifying safe sites for temporary shelter • Prepare and submit complete application(s) for funding in the event of disasters occurring within their jurisdiction • Upon approval of the application and receipt of funding, implement the intended relief measure (emergency housing solutions) in respect of the affected households and communities • Ensure that emergency procurement policies in line with the Public Finance Management Act (PFMA) and Treasury Regulations are in place • Submit required reports to the national DHS on the expenditure of funds received • Conduct assessments of disaster impacts together with the affected municipalities, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the emergency housing programme • Confirm support to be provided by emergency housing programme to prevent duplication of support and resources • Submit requests for funding, monitor projects and provide reports to the national DHS, and the relevant provincial treasury • Provide financial reports to national DHS within 15 days after the end of each month • Provide a performance report which includes evidence on progress implementation of the projects to the national DHS within 30 days after the end of the quarter in which funds are spent • Identify communities and/or households for temporary relocation due to an imminent disaster event • Ensure that the shelter solutions comply with the National Building Regulations and utilise material that comply with the South African Bureau of Standards • Monitor the implementation of funded disaster projects by sectors • Ensure sector invokes emergency procurement processes to implement the immediate disaster projects
Process for approval of 2019/20 the annual business plans	<ul style="list-style-type: none"> • Not applicable

Title Deeds Restoration Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> The creation of security of tenure and well-functioning equitable residential property market
Grant purpose	<ul style="list-style-type: none"> To provide funding for the eradication of the pre-2014 title deeds registration backlog and the professional fees associated with it, including beneficiary verification
Outcome statements	<ul style="list-style-type: none"> Tenure security for all recipients of government-subsidised houses Improved functioning of the secondary property market Improved quality of life
Outputs	<ul style="list-style-type: none"> Number of title deeds registered in favour of beneficiaries of government subsidised housing (pre 1994 and post 1994) for projects completed by 31 March 2014 Number of title deeds issued to beneficiaries of government subsidised housing (pre 1994 and post 1994) for projects completed by 31 March 2014 Number of townships proclaimed and registers opened Number of beneficiaries confirmed as title deed holders Enhanced institutional capacity of municipalities and provinces in respect of property registration
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Medium term strategic framework, medium term expenditure framework targets, outputs and outcomes Implementation agreement between national, provincial and local government Proof of joint planning with municipalities Title deeds project pipeline matrix Annual and quarterly outputs and targets Project social facilitation plan Cash flow projections (payment schedule) Quarterly reporting Procurement plan, confirming the appointment of requisite service providers
Conditions	<ul style="list-style-type: none"> These funds cannot be used to fund title deeds for housing for projects completed after 31 March 2014 Provinces must submit implementation business plans approved by the transferring officer by 9 February 2018 The transfer of the first tranche of funds to be paid at the beginning of the financial year, is conditional on approval by the national Department of Human Settlements (DHS) of provincial business plans The transfer of subsequent tranches is conditional on provinces submitting a detailed report on the delivery and expenditure on the previous transfer. The said report is to include: <ul style="list-style-type: none"> agreed deliverables supported by evidence actual expenditure against the planned cash flows for the same period compliance with the housing subsidy system and the title restoration project dashboard cash flows for the remainder of the year Provinces must capture the targets and budget and delivery statistics and expenditure monthly on the housing subsidy system (HSS), the basic accounting system, the Title Restoration Project Dashboard and the Project Readiness Matrix Provincial Heads of Human Settlements Departments (HoDs) must sign-off and confirm that projects captured in the implementation plans are assessed and approved for implementation in the 2018/19 financial year Provinces may only spend funds in line with the approved business plans Provinces must submit monthly and quarterly financial and non-financial reports to the national Department of Human Settlements Provinces which do not spend 60 per cent of their transferred funds by the end of each quarter, may have subsequent transfers stopped and reallocated in terms of sections 18 and 19 of the 2018 Division of Revenue Act Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted between 15 August and 15 October 2018. Revised plans will be approved by 30 October 2018
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated per province on the basis of a comprehensive business plan informed by the confirmed title deed backlog per province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Funds were previously ring-fenced under the Human Settlements Development Grant
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> Three years, ending in 2020/21
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R519 million; 2019/20: R548 million and 2020/21: R578 million
Payment schedule	<ul style="list-style-type: none"> Monthly instalments as per the payment schedule approved by National Treasury

Title Deeds Restoration Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Assess and make recommendations on the credibility of the provincial implementation business plans and the readiness of projects therein • Ensure that provinces align financial and non-financial information in terms of reporting in BAS, HSS, the title restoration project dashboard, provincial business plans and provincial quarterly reports • Monitor provincial financial and non-financial grant performance as well as control systems related to the grant • Draft an institutional enhancement capacity plan and submit to the National Treasury by 28 September 2018 • Provide technical and advisory support • Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input • Undertake structured and other visits to provinces and metropolitan municipalities as is necessary • Submit quarterly performance reports to National Treasury <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, approved provincial business plans and provincial quarterly reports • The monthly expenditure report, as contemplated in section 12(3) of the 2018 Division of Revenue Act (DoRA) and section 40(4)(c) of the Public Finance Management Act • The monthly DoRA expenditure and quarterly financial and non-financial reports must be signed by both the HoD and the relevant provincial treasury HoD • Submit the reports on the outputs as mentioned on this framework above by the 15th of every month for the preceding month • Facilitate regular interaction between DHS and provincial departments of human settlements and municipalities
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Draft provincial implementation plans for the 2019/20 financial year and project readiness matrix to be submitted to the national Department of Human Settlements by 31 August 2018, with second draft plans submitted before end of October 2018, and the final plans submitted before 15 February 2019 for consideration • Consideration (assessment and possible approval) of the final provincial business must finalised before 15 March 2019 • National department to assess and inform provinces by 16 November 2018, whether provinces are allocated direct or indirect allocations in 2019/20

PUBLIC WORKS GRANTS

Expanded Public Works Programme Integrated Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To provide funding for job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines: <ul style="list-style-type: none"> road maintenance and the maintenance of buildings low traffic volume roads and rural roads other economic and social infrastructure tourism and cultural industries sustainable land based livelihoods waste management
Outcome statements	<ul style="list-style-type: none"> Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities Reduced level of poverty Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> Number of people employed and receiving income through the EPWP Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth
Details contained in the business plan	<ul style="list-style-type: none"> The programme is implemented through provinces using incentive agreements that contain project lists and targets for the creation of full time equivalents (FTEs) and work opportunities
Conditions	<ul style="list-style-type: none"> EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works (DPW) and the ministerial determination Eligible provincial departments must sign a funding agreement with their final EPWP project list attached, before the first planned disbursement of the grant Provincial departments must report quarterly on all projects via DPW's EPWP reporting system Reports must be loaded on the EPWP reporting system within 30 days after the end of every quarter in order for progress to be assessed The grant cannot be used for departmental personnel costs, however a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods The grant can only be utilised for EPWP purposes and for the projects approved in the EPWP Integrated Agreement signed by each eligible provincial department To receive the first planned grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> submit a final EPWP project list by the 26 April 2018 sign a grant agreement with DPW Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> reporting on EPWP performance quarterly within the required time frames reporting on all EPWP Integrated Grant funded projects implementing their approved EPWP project list as planned towards the agreed job creation targets submit, on a quarterly basis, non-financial reports by the timelines stipulated in the clauses of the 2018 Division of Revenue Act Reporting on EPWP Integrated Grant expenditure monthly within the required time frames EPWP branding must be incorporated in any existing signage as per corporate identity manual Provincial departments must maintain beneficiary and or payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests
Allocation criteria	<ul style="list-style-type: none"> To be eligible for EPWP grant allocation in 2018/19, a provincial department must have reported at least 13 FTEs in either the Infrastructure or Environment and Culture sector in 2016/17 financial year Newly reporting provincial departments must have reported 2017/18 EPWP performance (in either the infrastructure or environment and culture sector) by 30 October 2017 The EPWP grant allocations are based on EPWP performance in the past 18 months, number of FTEs created per million rand, and the duration of the work opportunities created
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions

Expanded Public Works Programme Integrated Grant for Provinces	
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> The R402 million allocated was transferred to provincial departments and R389 million (97 per cent) was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> 205 928 work opportunities reported and 75 839 FTEs created
Projected life	<ul style="list-style-type: none"> Grant continues until the end of 2020/21 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R416 million; 2019/20: R452 million and 2020/21: R476 million
Payment schedule	<ul style="list-style-type: none"> Three instalments per annum: 25 per cent, 15 May 2018; 45 per cent, 15 August 2018 and 30 per cent, 15 November 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Determine eligibility and set grant allocations and FTE targets for eligible provincial departments Publish on the EPWP website all documents relevant for provincial departments to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination Support provincial departments, in the manner agreed to in the funding agreement, to identify suitable EPWP projects, develop EPWP project lists in accordance with the EPWP project selection criteria, apply the EPWP project selection criteria and EPWP guidelines to project design, report using the EPWP reporting system Monitor the performance and spending of provincial departments and assess progress towards their implementation of EPWP project lists Disburse the grant to eligible provinces Report to National Treasury progress against FTE targets and spending against the grant allocation on a quarterly basis Conduct data quality assessments on a continuous basis to support good governance and identify areas for administrative improvement Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP web-based system
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Develop and submit an EPWP project list to DPW by 26 April 2018 Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement by 26 April 2018 Agree on the areas requiring technical support from DPW upon signing the grant agreement Report on all EPWP projects into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> Provincial departments must report on performance of EPWP projects for the 2017/18 financial year by 27 April 2018 or report on 2018/19 performance by 30 October 2018 to be eligible for a grant allocation Provincial departments must submit draft 2019/20 EPWP project lists to DPW by 26 April 2019 Eligible provincial departments must sign the standard funding agreement with an approved 2019/20 EPWP project list by 26 April 2019

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To increase job creation through the expansion of the social sector Expanded Public Works Programme (EPWP)
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial social sector departments, identified in the 2017 social sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential
Outcome statements	<ul style="list-style-type: none"> Improved service delivery to communities by expanding the reach and quality of social services Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained Strengthened capacity of non-government delivery partners through increased access to funds for training, wages and administration
Outputs	<ul style="list-style-type: none"> 16 975 full time equivalents (FTEs) funded through this grant A minimum of 16 269 people employed and receiving income through the EPWP A minimum average duration of 200 person days for work opportunities created A minimum of 60 000 households to which services are provided A minimum of 150 000 beneficiaries to whom services are provided A minimum of 1 000 beneficiaries who received training
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth Outcome 5: A skilled and capable workforce to support an inclusive growth path
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Provincial departments must report EPWP expenditure on the monthly In-Year Monitoring (IYM) tool in accordance with section 32 of the Public Finance Management Act Financial and non-financial performance must be reported onto the EPWP reporting system Provincial departments must adhere to the audit requirements stipulated in the social sector EPWP incentive grant manual The incentive grant allocation must be used to expand job creation programmes in the social sector The incentive grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> to provide stipends to unpaid volunteers at a minimum of R88 per day and further adjustments as per the Ministerial Determination for EPWP Workers and the prescripts of the Department of Labour to expand social sector EPWP programmes as identified in the EPWP social sector log-frame for creation of additional work opportunities A minimum of 80 per cent of the total incentive allocation must be used to pay stipends or wages The balance of the overall incentive allocation must be used for administration and capacity-building at the implementation level To receive the first grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> submit a signed business plan by 30 March 2018 submit a compliant signed project list by 30 March 2018 sign a grant agreement with DPW by 30 March 2018 Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> reporting all grant funded projects in the EPWP reporting system reporting expenditure of at least 25 per cent and 50 per cent (of the transferred amount) for the second and third tranches, respectively Submit quarterly non-financial reports on a prescribed template by the timelines stipulated in the clauses of the Division of Revenue Act EPWP branding must be incorporated in any existing signage as per corporate identity manual Maintain beneficiary and payroll records as specified in the audit requirements of the EPWP grant manual
Allocation criteria	<ul style="list-style-type: none"> To be eligible for an incentive allocation in 2018/19, a provincial department must have reported performance of 2016/17 and first two quarters of 2017/18 into the EPWP reporting system by 15 October 2017 Departments receive a participation allocation of R1.5 million for reporting FTEs in the EPWP reporting system for the period ending 15 October 2017 Departments receive a performance allocation provided they have achieved at least 50 per cent performance against their sector plan FTE targets: <ul style="list-style-type: none"> performance allocation is divided into two parts calculated based on: <ul style="list-style-type: none"> provincial department's contribution towards the total FTEs reported FTE achievement and compliance to sector standards (persons with disability, women, youth, training days, duration and wages) Past compliance will affect future allocations. The following penalties are applied where there is non-compliance to conditions of the grant:

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
	<ul style="list-style-type: none"> ○ 1 per cent for non-compliance in submission of planning documents ○ 0.5 per cent for late submission of each quarterly non-financial report ○ 0.5 per cent for each tranche withheld ○ 1 per cent for less than 100 per cent expenditure reported in the assessment period ○ 1 per cent for non-achievement of FTE target given in the assessment period
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The incentive allocation is based on the performance of programmes in a prior financial year and use of the allocation is specifically earmarked for EPWP programme expansion
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of the total grant allocation of R360 million, 100 per cent was transferred to all eligible provincial departments. Expenditure of R348 million (97 per cent) of the allocation was reported <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● 12 019 FTEs were created ● 371 924 beneficiaries received social services ● 30 564 households received social services ● 1 318 non-profit organisations administratively supported
Projected life	<ul style="list-style-type: none"> ● Grant continues until the end of 2019/20 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R408 million; 2019/20: R431 million and 2020/21: R454 million
Payment schedule	<ul style="list-style-type: none"> ● Three instalments per annum: 25 per cent, 16 April 2018; 45 per cent, 27 July 2018 and 30 per cent, 31 October 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations ● Revise the incentive manual that will provide provincial departments with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations ● Develop an incentive agreement outlining the requirements of the incentive grant and ensure that each provincial department signs the agreement by 30 March 2018 ● Reach agreements with national sector departments on their roles in ensuring effective implementation of the incentive grant by 30 March 2018 ● Support provincial departments to develop plans to meet job creation targets ● Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system ● Monitor the performance of provincial departments and the use of the incentive grant against the conditions in the framework and report to National Treasury on monthly and quarterly progress ● Audit the final performance of provincial departments after the end of the financial year ● Issue guidelines to provincial departments on how to report expenditure by 30 March 2018 ● Identify anomalies in reported data <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Compile and sign business plans and project lists on how to achieve the incentive grant targets by 30 March 2018 ● By 30 March 2018, sign the standard incentive agreement with national Department of Public Works (DPW) agreeing to comply with the conditions and obligations of the grant before receiving any incentive payment ● Report EPWP performance onto the EPWP reporting system and update progress monthly in accordance with the reporting requirements in the incentive agreement ● Submit financial and non-financial reports on the use of the incentive grant on a monthly and quarterly basis in the format and manner prescribed by National Treasury and DPW ● Submit annual evaluation report on the use of the incentive grant in the format and manner prescribed by National Treasury and DPW
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> ● Provincial departments must have reported EPWP performance by 16 April 2018 to be eligible for an allocation ● Provincial departments participate in the planning exercise from December to January each year and submit their business plans, project lists and targets to DPW during this process in the format prescribed ● DPW to distribute the incentive agreements for provincial Heads of Department endorsement by end of February every year ● Provincial departments sign the incentive agreement with DPW by 29 March 2019 and agree to comply with the conditions and obligations of the incentive grant

SOCIAL DEVELOPMENT GRANTS

Early Childhood Development Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To increase the provision of early childhood development (ECD) services through centre-based ECD services to poor children
Grant purpose	<ul style="list-style-type: none"> • To increase the number of poor children accessing subsidised ECD services through centre-based ECD services • To improve the registration status of centre-based ECD centres providing an ECD programme to meet basic requirements
Outcome statements	<ul style="list-style-type: none"> • The provision of ECD services to poor children contributing towards universal access • Improving health and safety conditions in which stimulation and early learning takes place
Outputs	<p>Subsidy component</p> <ul style="list-style-type: none"> • Number of all children attending registered ECD services in fully registered centres • Number of all children attending ECD services in conditionally registered centres • Number of poor children that benefit from the subsidy component of the conditional grant in fully registered centres • Number of poor children that benefit from the subsidy component of the conditional grant in conditionally registered centres • Number of days subsidised for centre based programmes <p>Maintenance component</p> <ul style="list-style-type: none"> • Number of ECD centres that are conditionally registered • Number of ECD centres assessed for the maintenance component • Number of ECD centres that moved from conditional registration to full registration as a result of the maintenance component
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • The provincial departments will use a business plan issued by the national Department of Social Development (DSD) which contains the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • Conditional grant funding cannot be used to replace funding that provinces have previously allocated for ECD subsidies • Each province may use a maximum of R2.8 million of their conditional grant allocation for administrative management of the grant which includes capacity to manage the grant and funding for maintenance assessments of ECDs <p>Subsidy component</p> <ul style="list-style-type: none"> • Only fully registered and conditionally registered facilities offering ECD programmes will be eligible for the subsidy • The subsidy is targeted for children from birth until six years in ECD centres • The provincial DSD and ECD centres will enter into service level agreements (SLAs) which stipulate the purpose of the subsidy, the amount of the subsidy, conditions of the subsidy and obligations of both provincial DSD and ECD centres with regards to the payment of the subsidy and the reporting requirements • The value of the subsidy paid to each ECD centre will be calculated as follows: <ul style="list-style-type: none"> ○ R15 multiplied by the number of days (264), multiplied by the number of qualifying children attending the ECD centre as agreed to in the SLA • The full value of the subsidy will be paid in equal parts in line with the SLA and any changes to the payment schedule must be aligned to a determination of non-compliance as defined in the SLA • Once funds are transferred to ECD centres the department may not pre-approve how the funds are to be utilised • All allocations must be aligned to the number of children as per the SLA and can only be reduced as per the process outlined in the SLA. Allocations must not be changed in-year, based on how many children attend • The subsidy must target ECD centres or qualifying children in line with the process set out below: <ul style="list-style-type: none"> ○ an ECD centre is eligible to be subsidised if it is located in a designated municipal ward that has been identified for universal targeting of subsidies. A ward is eligible for universal targeting if more than 80 per cent of children aged 0-6 years within the ward are child support grant beneficiaries. Children attending these ECD centres will not be subject to an individual means test and all children in these centres must be taken into account when calculating the subsidy for the ECD centre ○ if the child is attending an ECD centre falling outside of those municipal wards that have been identified for universal targeting of the subsidy, the subsidy will be targeted to an individual child using the means test criteria

Early Childhood Development Grant	
	<ul style="list-style-type: none"> ○ a child is eligible to be subsidised if her/his parents' income falls below the following prescribed test ● Income-based means test: <ul style="list-style-type: none"> ○ income of parents or caregivers may not exceed R45 600 per annum if single and R91 200 per annum if married as aligned to the means test applied for the receipt of the Child Support Grant. This is updated each year with an increase in the grant value ○ in the case of children receiving a child related social assistance grant; original, reprinted or certified copies of proof of receipt of the child related grant (Child Support Grant or the Foster Care Grant) as issued by South African Social Security Agency must be submitted ○ In the case of children who are not beneficiaries of a child related grant the following must be submitted: <ul style="list-style-type: none"> - proof of income of parents (or caregivers) - three months bank statement of parents or guardians; or - affidavit declaring status of income ● Maintenance component <ul style="list-style-type: none"> ● ECD centres must be conditionally registered ● The maximum value to be spent per ECD centre for maintenance improvements is R180 000 ● Provinces must conduct assessments of conditionally registered ECD centres and cost them in order to qualify for maintenance grant funding in 2019/20 by 28 September 2018 ● All maintenance projects must be recorded on the National Treasury's infrastructure reporting model
Allocation criteria	<ul style="list-style-type: none"> ● The provincial subsidy allocations are determined based on the gap between: <ul style="list-style-type: none"> ○ the number of poor children that should be accessing ECD subsidy ○ the number of poor children currently accessing the ECD subsidy ● The provincial maintenance allocations are determined based on: <ul style="list-style-type: none"> ○ the number of centres that require a minor upgrade ○ the average cost of a minor upgrades
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● To allow DSD to better ring-fence expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● New grant
Projected life	<ul style="list-style-type: none"> ● Given the nature of the programme and the drive to expand provision of ECD services, the grant will be needed for the MTEF and subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R491 million; 2019/20: R518 million and 2020/21: R553 million allocated as follows: <ul style="list-style-type: none"> ○ ECD subsidies: 2018/19: R412 million; 2019/20: R435 million and 2020/21: R464 million ○ ECD maintenance improvements: 2018/19: R79 million; 2019/20: R83 million and 2020/21: R89 million
Payment schedule	<ul style="list-style-type: none"> ● Quarterly instalments on 13 April 2018; 18 July 2018; 12 October 2018 and 15 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Review the standardised reporting framework and monitoring tool ● Review the standardised format for the business plans ● Assist the provincial Departments of Social Development with their planning ● To assess and approve the business plans submitted by provinces ● Review standardised SLAs to be entered into between provincial DSDs and ECD service providers ● Develop and issue an ECD conditional registration framework that clearly outlines the criteria for conditional registration before September 2018 ● Review guidelines on the implementation of the ECD centre maintenance component ● Monitoring of project progress and compliance to conditional grant framework ● Provide continuous monitoring and support to provinces on a monthly and quarterly basis ● Submit a monthly financial report to National Treasury 20 days after the end of the reporting month ● Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter ● Monitor the utilisation of the grant against the set outcomes and to take appropriate action in cases of non-compliance with the framework ● Submit an annual evaluation report four months after the end of the 2018/19 financial year ● Facilitate approval of the payment schedule and approval of in-year adjustments to the payment schedule ● Develop a proposal on a short to long term management information system for ECD ● Provide provinces with a threshold cost guide for maintenance

Early Childhood Development Grant	
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Submit approved business plans signed off by the HoD to the DSD by 1 March 2018 • Provinces to implement the business plan as approved by the DSD (national must approve any deviation in writing) • Conclude SLAs with ECD centres in a format prescribed by the DSD • Ensure that payments are made in line with the payment schedule as per the SLAs with ECD centres • Provinces must submit a list of all conditionally registered centres that have been assessed and that require maintenance upgrades citing both the type of upgrade required and costs to DSD by 28 September 2018 • Provinces must provide a plan on how they will proceed with the actual maintenance upgrade of the conditionally registered ECD centres in the 2019/20 financial year • The reasons for conditional registration must be attached to the ECD registration certificate and kept on file • Ensure that claims are submitted to DSD to allow for transfer of funds by DSD in line with the payment schedule approved by the National Treasury • Subsidies must be made into the ECD centres designated bank accounts, which must be with a registered deposit taking institution in the Republic of South Africa • Subsidies may only be reduced in cases of non-compliance as outlined in the prescribed SLA • Use the information reported in the quarterly reports from ECD centres to develop and maintain a master list of all children benefitting from the ECD subsidy • Maintain a database on the status of registration of all ECD centres in the province that is inclusive of the following basic information: <ul style="list-style-type: none"> ○ registration status ○ capacity of the centre ○ number of children in attendance ○ number of children subsidised • Maintain a database of all ECD centres that have been assisted through the maintenance grant • Maintain a database of all ECD centres that have improved their registration status • Submit monthly financial reports to DSD 15 days after the end of the reporting month • Provinces must upload all ECD maintenance projects on the Infrastructure Reporting Model and update it monthly • Submit quarterly performance reports to national department within 30 days after the end of each quarter • Submit an evaluation report two months after the end of the 2018/19 financial year
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Engagement with provincial departments on submission of business plans between September 2018 and February 2019 • Provinces to submit revised business plans and assessment of business plans to the DSD by 14 November 2018 • Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by HoDs for 2019/20 financial year to the DSD by 15 February 2019 • The transferring officer must approve provincial business plans by 1 April 2019

Social Worker Employment Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • Strengthen delivery of high priority social welfare services through employment of social work graduates who benefitted from the national Department of Social Development' (DSD) scholarship programme (hereafter referred to as social work graduates)
Grant purpose	<ul style="list-style-type: none"> • To reduce the national backlog of unemployed social work graduates through appointment by provincial departments of Social Development
Outcome statements	<ul style="list-style-type: none"> • Strengthen the capacity of provincial departments of Social Development to deliver quality integrated social welfare services
Outputs	<ul style="list-style-type: none"> • Maintain the appointment of 566 social work graduates by provincial Department of Social Development by end of March 2019 • Updated unemployed social work graduates database by end of June 2018
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • The grant will use a business plan containing the following elements: <ul style="list-style-type: none"> ○ project background ○ review of 2017/18 progress on implementation of the grant based on 2017/18 approved business plan ○ needs analysis (service demands against capacity requirements, including office and tools of trade) ○ project objectives ○ budget allocation ○ final outputs/deliverables to be achieved ○ project plan linked to objectives and deliverables ○ risk assessment with management plan ○ project governance structure ○ reporting requirements
Conditions	<p>Scope of allocation</p> <ul style="list-style-type: none"> • The grants to be used to sustain salaries of the minimum 566 social work graduates employed in 2017/18. It may not be used to employ supervisors for any purposes or to implement social worker induction programmes to graduates • Tools of trade will be procured using savings accrued from the conditional grant after appointment of the total number of social workers agreed with and the cost of employment including employment benefits • Any savings accrued from the grant are to be used for procurement of office tools in respect of social work graduates guided by the needs analysis report • Regular status reports on office tools and tools of trade procured from savings from the grant must be compiled <p>Status on social work graduates backlog</p> <ul style="list-style-type: none"> • Provincial Departments of Social Development to increase social work capacity by appointing additional social work graduates through Provincial Equitable Share (PES) funding • National Department of Social Development to update unemployed social work graduates database with 2017 graduates as additional to current backlog • Provincial Departments of Social Development to submit lists of social work graduates employed by other sectors (departments) and remove such names from the provincial backlog database <p>Monitoring and reporting</p> <ul style="list-style-type: none"> • Compliance with the conditional grant framework by all stakeholders • Submission of signed-off reports according to the reporting framework
Allocation criteria	<ul style="list-style-type: none"> • The overall provincial allocations for the MTEF were determined based on the proportion of unemployed social work graduates as reported by provinces in September 2016
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Allocations across provincial Departments of Social Development towards employment of social work graduates through PES are insufficient to address the backlog in employment of social work graduates. Therefore to accelerate the absorption of social workers into the sector in a targeted manner that matches the needs across the country, and to address the backlog in employment of social work graduates, this grant is created to be allocated outside the general criteria used for PES
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant continues until 2020/21 financial year; subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R197 million; 2019/20: R213 million and 2020/21: R227 million

Social Worker Employment Grant	
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments on 12 April 2018; 12 July 2018; 11 October 2018 and 14 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop a standardised template for the business plan • Assist provincial departments of Social Development in planning for the 2019/20 financial year • Develop a standard template for reporting by provincial departments of Social Development • Assess and approve business plans as submitted by provincial departments of Social Development • Facilitate approval of payment schedule and approval of in-year adjustments to the payment schedule by National Treasury • Monitor implementation and provide support on a monthly and quarterly basis • Submit monthly financial reports to National Treasury 20 days after the end of each month • Monitor utilisation of the grant against set outputs and outcomes by taking appropriate action in cases of non-compliance with the framework and payment schedule • Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit an annual evaluation report four months after the end of the 2018/19 financial year <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments of Social Development must provide the DSD and National Treasury with a list of all graduates employed with the grant, including (for each worker) their salary levels, type of service or sector they are employed in, and tools of trade provided using grant funds. • Establish provincial project governance structure to be functional for the duration of the grant • Submit and implement signed-off business plans as approved by DSD in the standardised template • Submit claims in the claims certificate, to DSD to allow transfer of funds in line with approved payment schedule • Submit signed-off monthly financial report to DSD which include expenditure against spending plans 15 days after the end of reporting month (BAS report) • Submit signed-off quarterly performance report to DSD within 30 days after the end of each quarter • Submit lists of 2017 social work graduates as update to 2017/18 backlog • Submit lists of social work graduates employed by other sectors and remove such names from the provincial database of unemployed social work graduates • Ensure provision of supervision to newly employed social workers using provincial equitable share and report to DSD on a quarterly basis • Implement induction programme for newly employed social work graduates using provincial equitable share • Submit request for approval of any amendments to approved business plans • Submit an annual evaluation report two months after the end of the 2018/19 financial year • Develop a costed plan for employment of the current graduates beyond the MTEF allocation
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Engagements with provincial DSDs through heads of social development meeting/s between September/October 2018 for orientation on the 2019/20 framework • Provinces to submit revised business plans by January 2019 • Submit final revised provincial business plans, including cash flow projections and compliance certificates signed off by heads of departments by 15 February 2019 • Approval of revised provincial business plans by the transferring officer by 25 March 2019 • Approval of payment schedule by National Treasury by 01 April 2019

Substance Abuse Treatment Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the harm reduction programme by providing treatment for substance abuse • To improve access to public substance dependency treatment facilities
Grant purpose	<ul style="list-style-type: none"> • To provide funding for the operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West
Outcome statements	<ul style="list-style-type: none"> • Reduction in recurrence of substance abuse • Affordable public treatment programmes
Outputs	<ul style="list-style-type: none"> • Four operational substance dependency treatment facilities
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The business plan will include the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ quarterly reporting requirements ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • The substance dependency treatment facilities are to be operationalised in compliance with the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008), its regulations and norms and standards • All centres must be registered as a treatment centre before commencing with operations • Centres must comply with occupational health and safety standards • All the facilities should adhere to the National Health Act (Act No. 61 of 2003) • All required reports must be signed-off by the relevant delegated official within the provincial department • Operational business plans must be signed off by the Head of Department (HoD) of the provincial Department of Social Development and submitted to the national Department of Social Development (DSD) by 1 February 2018 • The flow of the first instalment of the grant depends upon receipt of the following by DSD: <ul style="list-style-type: none"> ○ monthly progress reports via the infrastructure reporting model (IRM) including a narrative progress report on projects ○ status report on the provinces readiness to commence with operationalisation of the facility ○ operational business plan signed by the HoD of the provincial DSD ○ spending plan for operationalisation expenditure for the 2018/19 financial year • The flows of the subsequent tranches are dependent upon DSD and National Treasury receiving: <ul style="list-style-type: none"> ○ monthly financial reports ○ monthly IRM reports ○ quarterly statistics measuring the intake profile of service users and staff from facilities that are operational • Provincial DSDs to provide sustainability plans to the national DSD by 31 August 2018
Allocation criteria	<ul style="list-style-type: none"> • Provinces were allocated funds according to the cost calculations for a standard design guideline of a substance dependency treatment facility
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant supplements the cost of running the newly constructed public substance abuse treatment facilities in Eastern Cape, Free State, Northern Cape and North West
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • Of the R96 million made available, R85.5 million was transferred to provinces (88.6 per cent), of which R14.6 million (15.1 per cent) was spent by the end of the financial year <p>2016/17 Service delivery performance</p> <ul style="list-style-type: none"> • Free State <ul style="list-style-type: none"> ○ a revised construction programme was received from the contractor on 24 march 2017 ○ at construction phase at the end of the financial year ○ clear view fence - 15 per cent ○ road paving - 50 per cent ○ storm water channel - 90 per cent ○ sewer line started at site boundary ○ superstructure brickwork to block d - 90 per cent, block c and g at 70 per cent, block f at 80 per cent • Northern Cape <ul style="list-style-type: none"> ○ a revised project implementation plan has been submitted. Earthworks have been completed and construction works are in progress
Projected life	<ul style="list-style-type: none"> • The temporary allocation for operationalisation of the centers commenced in 2017/18 and will continue until 2020/21; thereafter will be added to the equitable share baseline

Substance Abuse Treatment Grant	
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R71 million; 2019/20: R75 million and 2020/21: R79 million
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments on 25 April 2018; 27 July 2018; 23 October 2018 and 25 January 2019
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitoring compliance to conditional grant framework • Develop a standardised reporting format for provinces to report on their monthly financials, as well as quarterly statistics reports to be provided by 1 February 2018 • Monitor implementation through site visits and provide appropriate support • Provide the guidelines and criteria for the development and approval of the operational business plan • Submit an annual evaluation report after the end of the 2017/18 financial year, four months after the financial year end • Provide National Treasury with a quarterly report against the project plan 45 days after the end of each quarter • Facilitate a process to guide the allocation criteria of funds for operation budgets starting 2018/19 • Submit monthly financial reports to National Treasury 20 days after the end of the month • Monitor the utilisation of the grant against the set outcomes and take appropriate action in cases of non-compliance with the framework
	<p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Submit an operational business plan to national DSD in the template provided • Provinces to implement the business plan as approved by national DSD • Submit monthly financial reports to DSD 15 days after the end of the month • Approve monthly IRM reports within 15 days after the end of the reporting month if construction is being finalised • Submit signed copies of approved IRM reports to National Treasury within 22 days after the end of each month • Submit quarterly performance reports to national DSD within 20 days after the end of each quarter • Provinces to submit evaluation reports to national DSD two months after the end of the financial year • Ensure that claims are submitted to national DSD to allow for transfer of funds by national DSD in line with the payment schedule approved by the National Treasury
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> • Engagement with provincial departments on submission of business plans from August 2018 to January 2019 • Provinces submit revised business plan to the national DSD by 14 November 2018 • Submit final provincial business plan, including cash flow projections and compliance certificates signed off by HoD's for 2019/20 financial year to the national DSD by 1 February 2019 • The transferring officer approves provincial business plans by 29 March 2019

SPORT AND RECREATION SOUTH AFRICA

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

Mass Participation and Sport Development Grant

- The provincial allocation is rationalised after the deduction of 10 per cent for the national training centre and three per cent for the club development pilot project from the national grant allocation.
 - The provincial allocation is then balanced out to 100 per cent in order for the respective provinces funding to be aligned and allocated consistently
 - The provincial allocation must be utilised as follows:
 - school sport 38 per cent
 - community sport and active recreation 35 per cent
 - sport academies 11 per cent
 - transversal matters 7 per cent
 - management 9 per cent
 - provinces based on their provincial dynamics may apply to the transferring officer to change the above sub-allocations
- School sport: 38 per cent**
- Provinces must ring-fence R10 million to provide transport, attire and delivery of provincial teams to the national school sport championships. Provincial allocation to provinces will consider funds necessary for hosting national championship games and will include accommodation, breakfast and dinner for the provinces that will be hosting the three national championship games this year, (2018 autumn). Provincial allocations will already reflect the deduction of the amount for accommodation
 - The remaining school sport allocation must be allocated as follows:
 - 10 per cent for training of people to deliver school sport
 - 20 per cent to purchase equipment and or attire for schools below quintile 3 identified through participation in leagues
 - 40 per cent to deliver district and provincial competitions
 - 15 per cent to remunerate coordinators who coordinate, support, monitor and evaluate school sport at district and local level
 - 15 per cent to support school sport structures
- Community sport and active recreation: 35 per cent**
- Siyadlala: 17 per cent**
- Youth Camps:
 - provinces must ring-fence R3 million for the national youth camp to provide transport, accommodation, meals, attire, security, public liability, medical support, stationery, and the costs associated with plenary meetings
 - The remaining Siyadlala allocation must be allocated as follows:
 - 40 per cent for organising and implementing
 - 20 per cent for tournament support, such as transport and catering
 - 10 per cent to purchase equipment
 - 10 per cent to purchase attire
 - 5 per cent for ministerial outreach programmes
 - 15 per cent for training
- Club development: 18 per cent**
- The portion of the grant ring-fenced for club development must be used as follows:
 - 25 per cent to support the clubs that are participating in the Rural Sport Development Programme
 - 15 per cent for training in sport administration; team management; coaching or technical officiating
 - 40 per cent for leagues
 - 20 per cent to purchase sport equipment and attire
- Sport academies: 11 per cent**
- The allocation must be used for the establishment and development of district and provincial academies in line with sport academies framework and guidelines of SRSA
 - 10 per cent for training in the following: talent identification and scouting, coaching, medical and scientific, life skills and counselling
 - 40 per cent for resourcing in terms of equipment and remuneration of personnel of district and provincial academies
 - 35 per cent for athlete support as documented in the academy framework
 - 15 per cent for sport focus schools
 - The allocation must be used to provide support to accredited sport focus schools that meet the specified requirements outlined in the sport academies framework. Provision of support to schools includes amongst others the following:
 - upgrading sport facilities
 - resourcing them with a gymnasium
 - putting a basic medical facility/room with basic equipment
 - providing sport codes specific equipment
- Transversal matters: 7 per cent**
- Provincial Sport Confederation: 3 per cent
 - Provinces may transfer funds to the provincial sport confederation provided:
 - a transfer plan has been developed and submitted together with a signed business plan approved by SRSA

Mass Participation and Sport Development Grant	
	<ul style="list-style-type: none"> ○ a service level agreement has been entered into between the provincial department and the provincial sport confederation stating clearly what is expected of the provincial sport confederation ○ a monitoring mechanism is in place to monitor expenditure and performance by the sport confederation as per the SLA ● Provincial Programmes: 3 per cent <ul style="list-style-type: none"> ○ these are specific provincial programmes that contribute to the main purpose of the grant ● Branding: 1 per cent <ul style="list-style-type: none"> ○ the allocation must be used to provide branding for all programmes that are funded through the Conditional Grant. Annually there will be dedicated allocation to specified branding material ○ the SRSA corporate identity manual must be utilised for all matters relating to programming and branding <p>Management: 9 per cent</p> <ul style="list-style-type: none"> ● Appointing staff: 6 per cent <ul style="list-style-type: none"> ○ the portion of the grant ring-fenced for the appointment of staff must be used to appoint staff on a three year contract. The appointed staff must implement conditional grant programmes. The allocation is not for support staff in programmes such as finance, planning, monitoring and evaluation or research ● Administration: 3 per cent ● provinces are expected to use this portion of allocation to ensure that all their submissions are packaged properly (These will vary from business plans, Projects Implementation Agreement, reports (monthly, quarterly, and annual))
Allocation Criteria	<ul style="list-style-type: none"> ● Each province is allocated a baseline of R20 million, thereafter the equitable share formula is applied to determine the remaining amount ● The Northern Cape allocation is increased due to a need to increase participation in the rural areas, R2 million and R3 million is deducted from Gauteng and KwaZulu-Natal to fund this. three per cent per province is reallocated equally to Limpopo and KwaZulu-Natal for the club development pilot ● 10 per cent per province is reallocated to the Free State for the national training centre
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The conditional grant is assisting the sport sector in implementing the National Sport and Recreation Plan and National Development Plan objectives
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> ● R556 million was allocated, of this R555 million was transferred to provinces, of the total R561 million including the provincial roll-over of R5.6 million. An amount of R553 million was spent (99 per cent) by provinces <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● 342 050 people actively participating in organised sport and active recreation events ● 67 297 learners participating in school sport tournaments at district level ● 2 964 schools, hubs and clubs provided with equipment and/ or attire ● 4 358 athletes supported by the sport academy ● 38 sport academies supported
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R587 million; 2019/20: R620 million and 2020/21: R654 million
Payment schedule	<ul style="list-style-type: none"> ● Four instalments: 31 May 2018; 31 August 2018; 30 November 2018 and 31 January 2019
Responsibilities of national transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Evaluate annual reports for the 2017/18 grants for submission to the National Treasury by 27 July 2018 ● Agree on outputs and targets with provincial departments in line with grant objective for 2019/20 by 24 August 2018 ● Provide the guidelines and criteria for the development and approval of business plans ● Monitor implementation and provide support ● Submit approved business plan for 2018/19 to the National Treasury on 30 April 2018 ● Submit quarterly performance reports to National Treasury 45 days after the end of each quarter ● Ensure that all the conditional grant practice notes issued by National Treasury are adhered to ● Desktop monitoring: monthly and quarterly reports analysis received by provinces ● Physical verification visits to the provinces to verify what has been reported in the monthly and quarterly reports ● Quarterly review sessions with all role players of the conditional grant from the provinces ● May implement internal mechanisms to manage the quarterly disbursements of the grant where there is non-compliance with the conditions of the grant and this may include withholding and reallocation of tranche payments <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Submit the 2017/18 annual evaluation report to SRSA by 31 May 2018 ● Submit monthly reports as per the requirements contained in the 2018 Division of Revenue Act ● Monitor progress of programmes delivered through the conditional grant ● Ensure that conditional grant managers attend all national conditional grant meetings ● Ensure that capacity exists to manage the grant and that there is a grant manager responsible for the grant framework, planning, implementation and reporting

Mass Participation and Sport Development Grant	
	<ul style="list-style-type: none"> • Ensure organisational capacity to deliver on the programmes that are implemented through the grant
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Provinces provide draft business plan to SRSA by 16 October 2018 • SRSA evaluates draft business plans by 23 November 2018 • Comments sent to provinces by 30 November 2018 • Provinces submit revised business plans to SRSA by 31 January 2019 • Head of Department approves business plan by 15 February 2019 • SRSA submits business plans to National Treasury by 29 March 2019

TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework for South Africa in line with the S’hamba Sonke road programme and other related road infrastructure asset management programmes
Grant purpose	<ul style="list-style-type: none"> • To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance) • To ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines • To implement and maintain Road Asset Management Systems (RAMS) • To supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidences including natural disasters • To improve the state of the road network serving electricity generation infrastructure • To improve road safety with a special focus on pedestrian safety in rural areas
Outcome statements	<ul style="list-style-type: none"> • Improve the condition and lifespan of provincial roads and level of service • Improved rates of employment and community participation through labour-intensive construction methodologies and skills development through the delivery of roads infrastructure projects
Outputs	<ul style="list-style-type: none"> • Final Road Asset Management Plan (RAMP) and tabled project list for the 2018 Medium Term Expenditure Framework (MTEF) in a Table B5 format by 30 March 2018 • Network condition assessment and determination of projects priority list from the RAMS • The following actual delivery related measures against 2018/19 targets defined in the final RAMP and annual performance plan (APP) for each province: <ul style="list-style-type: none"> ○ number of m² of surfaced roads rehabilitated (quarterly) ○ number of m² of surfaced roads resurfaced (overlay or reseal) ○ number of m² of blacktop patching (including pothole repairs) ○ number of kilometres of gravel roads re-gravelled ○ number of kilometres of gravel roads bladed ○ number of kilometres of gravel roads upgraded (funded from provincial equitable share) • The following performance based on national job creation indicators <ul style="list-style-type: none"> ○ number of jobs created ○ number of full time equivalents created ○ number of youths employed (18 – 35) ○ number of women employed ○ number of people living with disabilities employed • Reporting on the provinces contractor development programme <ul style="list-style-type: none"> ○ number of small medium micro enterprises contracted • Submission of updated road condition data (paved and unpaved) including instrumental/ automated road survey data, traffic data, safety audit report and bridge condition report by 28 September 2018
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the Road Asset Management Plan (RAMP)	<ul style="list-style-type: none"> • This grant uses a RAMP, which contains the following details: <ul style="list-style-type: none"> ○ network hierarchy ○ performance management framework ○ gap analysis ○ information and systems, lifecycle planning ○ current and future demand ○ financial plan ○ monitoring, reviewing and continual improvements
Conditions	<ul style="list-style-type: none"> • This grant funds routine, periodic and special maintenance • Provinces must show commitment by budgeting from the provincial equitable share to match or exceed grant allocations • Improvements, upgrading from gravel to surface roads and new facilities must be funded from the provincial equitable share • Provinces may use a maximum of 25 per cent of the allocation for rehabilitation activities • The framework must be read in conjunction with the practice note as agreed with National Treasury • The payment of the first instalment is dependent upon submission to the national Department of Transport (DoT) and the relevant provincial treasury of the following: <ul style="list-style-type: none"> ○ planning for the infrastructure reporting model (IRM) for 2018 MTEF by 23 April 2018 ○ final RAMP and tabled project list for the 2018 MTEF in a Table B5 format by 30 March 2018 ○ submission to DoT of the third quarter performance report of the 2017/18 financial year • Payment of subsequent instalments is dependant upon the submission of monthly IRM and quarterly performance reports

Provincial Roads Maintenance Grant	
	<ul style="list-style-type: none"> • The following amounts per province must be used in 2018/19 for the repair of infrastructure damaged by floods declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): <ul style="list-style-type: none"> ○ Eastern Cape: R80 million ○ Limpopo: R130 million • Should the cost of repairing the disaster affected infrastructure exceed the amounts earmarked above provinces must fund that shortfall from their provincial equitable share • Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC and DoT prior to the transfer of the allocation • All new provincial roads new infrastructure projects funded through the grant must be branded on the contract sign boards with the S'hamba Sonke logo • Provinces may participate in the S'hamba Sonke programme technical support services of the DoT through the Public Finance Management Act and Treasury Regulations
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the Public Roads Maintenance Grant formula, which takes into account the extent of the provincial road network (gravel/paved), the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors • The funding for road networks supporting electricity generation infrastructure are subject to separate allocation criteria based on the programme schedule <ul style="list-style-type: none"> ○ Mpumalanga must allocate R501 million in 2018/19 to coal haulage road projects • The funding for rehabilitation and repair of roads and bridges that were assessed by the NDMC is subject to separate allocation criteria • R1.1 billion top-up for 2019/20 will be redistributed to provinces as an incentive per level of service efficiency achieved in road project investments, undertaken in the 2018/19 financial year as a performance indicator • Allocation criteria from 2018/19 onwards shall consider compliance by provinces in submitting recently updated road condition data/reports
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant is intended to ensure that provinces give priority to road infrastructure and promote efficiency in road investment
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R10.8 billion allocated, R10 billion, (93.4 per cent) was spent by provinces by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 31 113 m² of roads re-sealed • 3 775 km of roads re-gravelled • 1 534 166 m² of roads patched • 398 113 km bladed • 1 266 km rehabilitated
Projected life	<ul style="list-style-type: none"> • The grant is ongoing, but will be subject to periodic review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R11 billion; 2019/20: R11.5 billion and 2020/21: R12.1 billion
Payment schedule	<ul style="list-style-type: none"> • Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Submit quarterly performance reports to National Treasury 45 days after the end of each quarter • Submit a grant evaluation report to National Treasury 4 months after the end of the financial year • Review the performance based allocation mechanism for use in determining future allocations • Confirm the correctness of submitted data by provinces by assessing a representative sample <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> • Provincial departments must submit monthly infrastructure reports that comply with the IRM to DoT and the relevant provincial treasury • Submit completed quarterly performance report templates 30 days after the end of each quarter • Provincial departments must implement their projects in line with the S'hamba Sonke and the Expanded Public Works Programme guidelines • Ensure that approved grant funded projects are published as part of the Estimates of Provincial Revenue and Expenditure through the provincial legislative system and processes • Ensure projects are selected using RAMS as the primary source of information • Design and implement projects in compliance with the S'hamba Sonke Principles and Expanded Public Works Programme guidelines
Process for approval of the 2019/20 Road Asset Management Plan (RAMP)	<ul style="list-style-type: none"> • Provinces must submit a draft 2018/19 RAMP with a minimum of five years of planned projects selected using RAMS as the primary source, by 28 September 2018 • RAMPs, including 2018 MTEF prioritised project lists must be reviewed by DoT and feedback provided by 30 January 2019 • Provinces to submit final 2018/19 RAMP to DoT, relevant provincial treasury and National Treasury by 29 March 2019

Public Transport Operations Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • Subsidised road based public transport services
Grant purpose	<ul style="list-style-type: none"> • To provide supplementary funding towards public transport services provided by provincial departments of transport
Outcome statements	<ul style="list-style-type: none"> • The provision of public transport services in terms of contracts which are kilometre based and affordable to the users of the services • Improve efficiencies in public transport spending
Outputs	<ul style="list-style-type: none"> • Number of vehicles subsidised • Number of cumulative annual vehicles subsidised • Number of scheduled trips • Number of trips operated • Number of passengers • Number of kilometres • Number of employees
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • Not applicable
Conditions	<ul style="list-style-type: none"> • This conditional grant, which is supplementary, is a national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised transport services • The contracting authority must supervise, monitor and verify the correctness of the operators' claim in terms of the kilometres of service provided and provide a monthly summary report to the transferring officer • If the contracting function is devolved to any municipality before the 2018/19 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality. Where contracts are not devolved provinces must continue performing the contracting function until it is assigned to a municipality in terms of the provisions of the National Land Transport Act (NLTA) 5 of 2009 • The implementation of the devolution should be in terms of section 17 of the 2018 Division of Revenue Act (DoRA) • The municipality and province will have to make transitional arrangements to ensure payments to operators meet contractual commitments. Should contracts be devolved during 2018/19, a service level agreement between the province and the municipality must be signed and funds must flow in line with 2018 DoRA requirements. Provinces must take all reasonable measures to assist the transition within a framework to be prescribed by the national Department of Transport (DoT) and National Treasury • In cases where contracts are transferred in terms of section 12(1) of NLTA 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 • For the purpose of planning, provinces must share relevant information with municipalities, where services link to integrated public transport networks • All new contracts, including designs and operators' business plans detailing subsidised services, must be approved by the Public Transport Integration Committee (PTIC), and be in line with relevant legislation and in compliance with the public transport strategy. Where an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act (NLTA), the functions of the two committees must be consolidated to ensure integration of planning, services and modes • Provinces must ensure that PTIC are functional and that no new contracts are paid from the grant if they are not approved by the PTIC <p>Arrangements for the IC52/97 (Moloto Road Bus Contract)</p> <ul style="list-style-type: none"> • Part of Gauteng's allocation is ring-fenced, in 2018/19, for the IC52/97 (Moloto Road Bus Contract) as determined by National Treasury, after consultation with the national Department of Transport and the province • In the event that a service level agreement is signed between Gauteng and the national Department of Transport, Gauteng must make payments to the national Department of Transport as stipulated in the service level agreement • Should Gauteng fail to make payment to the national Department of Transport, as per the specified terms in the service level agreement, the National Treasury, after consultation with the national Department of Transport, may take appropriate interventions as provided for in the 2018 Division of Revenue Act
Allocation criteria	<ul style="list-style-type: none"> • The allocations are based on 2009 DoRA allocation baseline, weighted for the average shares of historical contributions that supplement the grant. Provinces/contracting authorities should determine individual operator's budgets and ensure that the operation stays within the allocation or provide supplementary funds from the provincial budget
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Subsidies are earmarked for the provision of public transport services

Public Transport Operations Grant	
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> Allocated and transferred R5.4 billion to provinces of which R5.2 billion was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> Number of cumulative annual vehicles subsidised 77 831 Number of vehicles subsidised 67 343 Number of kilometres subsidised 242 012 716 Subsidy per passenger R17.37 Subsidy per kilometre operated R21.66 Kilometres operated per vehicles 3 109 Passengers per vehicle 3 877 Passengers per trip operated 49 Employees per vehicle 2
Projected life	<ul style="list-style-type: none"> As provided for in the National Land Transport Act 5 of 2009
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R6 billion; 2019/20: R6.3 billion and 2020/21: R6.7 billion
Payment schedule	<ul style="list-style-type: none"> Monthly instalments according to a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Maintain national database with key performance indicators of public transport services as per data received from contracting authorities Advise contracting authorities regarding the design of contracted services Draft public transport operational subsidy policy by 2019 In the event that a service level agreement is signed between Gauteng province and the national department for the management of the IC52/97 contract, the service level agreement must include provision for capacity and resources needed to administer the contract <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> Any contractual agreement entered into by a contracting authority in relation to this grant will be the responsibility of the contracting authority As a supplementary grant, provincial departments remain responsible for funding any shortfall on provision of this service funded through the provincial equitable share Ensure that contracted operators' certified claims are paid within 30 days from the date of receipt Certify and submit monthly performance reports to DoT within 25 days after the month following the operation, and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT Provinces must inform the transferring officer of any disputes or challenges experienced with municipalities so as to avoid service disruptions
Process for approval of the 2019/20 business plans	<ul style="list-style-type: none"> Not applicable

ANNEXURE W3:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO MUNICIPALITIES

Annexure W3: Frameworks for Conditional Grants to Municipalities

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

Introduction

This annexure provides a brief description for each grant in Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B of the 2018 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
- 2018 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2019/20

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 2018 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2018/19 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

Municipal Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part B
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to immediate needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the immediate release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Immediate consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> Emergency repair of critical infrastructure Emergency provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> copy of the applicable contingency plan and emergency procedures in use by the municipality (Section 49(1)(d) of the Disaster Management Act) copy of the classification letter in terms of the Disaster Management Act copy of the declaration of a state of disaster in terms of the Disaster Management Act number of people affected and the extent of damage and losses sectors affected total funds required for disaster response resources (both financial and in-kind) allocated by the municipality to respond and mitigate the effects of the disaster resources (both financial and in-kind) committed by other role players, including provinces, the private sector, national departments and non-government organisations consolidated project cash flow as an annexure intervention and mitigation strategies as per the disaster management plan cost-benefit analysis of the projects to be implemented An implementation plan with the following: <ul style="list-style-type: none"> details of the projects to be repaired including GPS coordinates costs of the project consolidated projects cash flow over a three month period as an annexure to the implementation plan An application for a funding contribution may be based on the rapid assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> Copies of the disaster declaration and classification letter in terms of the Disaster Management Act must be submitted to the NDMC This grant may only be used to fund expenditure in the event that the municipality responsible for the provision of the affected service is unable to deal with the effects of the disaster utilising own legislation/guidelines and resources Municipalities must fund a portion of the costs of the disaster response from their own budget, if unable to do so, proof must be provided Funds from this grant may be utilised to reimburse municipalities for expenditure incurred which could not be accommodated within the municipality's own budget. In cases where municipalities require reimbursement of funds spent, municipalities are to consult the NDMC through the relevant Provincial Disaster Management Centre (PDMC) for approval prior to spending the funds. Proof of expenditure in the form of invoices must be availed to the relevant PDMC and NDMC in case reimbursement is required. Items purchased must fall within the competency of municipalities Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds to the municipality A municipality may request the NDMC to apply to the National Treasury to approve that an allocation be utilised more than three calendar months after the date of transfer, in terms of section 26(3)(d) of the Division of Revenue Act The emergency procurement system provided for in Treasury Regulations should be invoked to ensure immediate assistance by the affected municipalities A copy of the contingency plan for the relevant hazard is to be submitted with the funding request
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated for declared and classified disasters, based on reports from assessments conducted by the NDMC and PDMC and affected sectors of immediate disaster relief needs. Additionally, it must be established that there are immediate disaster relief needs that cannot be met by the municipality through the contingency arrangements already in place. The Accounting Officer for the relevant organ of state must indicate in their application that the total funds required from the grant for disaster response exceed the available resources and or resources already allocated for disaster relief Funding may however be released in tranches, with the first tranche being based on an initial assessment and verification of the disaster relief needs
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant provides funding for responding to and providing relief for unforeseeable and unavoidable disasters
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R270 million was allocated and R118 million was transferred to the Merafong City Local Municipality in Gauteng Province to address damages caused by sinkholes

Municipal Disaster Relief Grant	
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> Funding for emergency relief measures was provided to Merafong City Local Municipality for the repair of damages caused by sinkholes
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term, and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R349 million; 2019/20: R335 million and 2020/21: R354 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre</p> <ul style="list-style-type: none"> Advise and guide municipalities and PDMCs about the existence of the grant and how grant funding can be applied for and the criteria to qualify for the grant Conduct a preliminary cost verification and submit this to the National Treasury for disasters that meet criteria for funding within 14 days following receipt of the written initial funding request from the PDMC and municipalities Together with the affected municipalities and provinces, conduct assessments of disaster impacts to verify the applications for funding within 35 days following the receipt of written funding requests and as per the requirements of the Disaster Management Act Submit funding request to National Treasury for consideration within 35 days following the receipt of the written funding request from the municipalities through the PDMCs Confirm what support national sector departments are providing and ensure there is no duplication of support Provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund Notify the relevant municipality of a transfer at least one day before the transfer is made and transfer the funds no later than five days after notification Notify the relevant PDMC together with the relevant sector departments, National Treasury and the relevant provincial treasury of a transfer and reason for transfer within five days of the transfer of funds to municipalities Build relationships and establish the necessary communication channels with relevant national and provincial departments to ensure the country has a coordinated approach to disaster response Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant Provide expenditure reports to National Treasury in line with the Division of Revenue Act and the Public Finance Management Act (PFMA) within 20 days after the end of each month Provide a performance report to National Treasury in the disaster allocation monitoring template agreed to with the National Treasury within 45 days after the end of the quarter in which funds are spent, with invoices as annexures to the report Together with the relevant PDMC monitor the implementation of disaster projects
	<p>Responsibilities of Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> Together with the affected municipalities and the relevant sector departments, conduct initial assessments to verify the impact of the disaster for applications for funding within 14 days following the occurrence of the incident Together with the NDMC and the affected municipalities, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the occurrence of the disaster and as per the requirements of the Disaster Management Act Confirm what support provincial sector departments are providing and ensure there is no duplication of support Assist municipalities with requests for disaster funding, and monitor projects to ensure that the funds are used for intended purposes and provide reports to the NDMC and relevant provincial treasury Coordinate, analyse and submit expenditure reports on progress regarding the implementation of the projects to NDMC within 15 days after the end of each month in which funds are spent, with invoices as annexures to the reports Coordinate, analyse and submit performance reports, which include evidence, on progress with implementation of the projects to the NDMC within 35 days after the end of the quarter in which funds are spent The PDMC should establish a project task team comprising of affected municipalities and sector departments Monitor the implementation of disaster funds All reports must be signed off by the head of the PDMC
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Cooperate with the NDMC, relevant PDMC and provincial and national sector departments to conduct damage assessment and cost verification Submit disaster assessment reports and funding requests to the PDMC within 14 days following the declaration and classification of a disaster Municipalities must invoke emergency procurement processes provided for within the Treasury Regulations when spending the funds allocated, to ensure immediate assistance to the affected municipalities and must provide proof that measures were put in place to mitigate the occurrence in the form of contingency plan for the specific hazard Municipalities must implement all projects approved and ensure that the funds allocated are spent for the intended purposes

Municipal Disaster Relief Grant	
	<ul style="list-style-type: none"> • Establish project task teams during the implementation of disaster projects • 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 • 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 • All reports must be signed-off by the Accounting Officer
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

Municipal Disaster Recovery Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To restore functionality of municipal infrastructure following a disaster
Grant purpose	<ul style="list-style-type: none"> To rehabilitate and reconstruct municipal infrastructure damaged by a disaster
Outcome statements	<ul style="list-style-type: none"> Municipal infrastructure damaged by a disaster rehabilitated and reconstructed
Outputs	<ul style="list-style-type: none"> Municipal infrastructure damaged by a disaster reconstructed and rehabilitated
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the template/framework developed by the National Disaster Management Centre (NDMC) which must include a project implementation plan, highlighting: <ul style="list-style-type: none"> list of projects to be implemented in order of priority timeframes within which the projects will be implemented estimated costs of projects disaster risk reduction measures for the proposed reoccurrence of disaster related damage in the future number of households to benefit from the projects and estimated jobs to be created
Conditions	<ul style="list-style-type: none"> A business plan and project implementation plan signed by the Accounting Officer aligned to the post disaster verification assessment report must be submitted to the NDMC Disaster reconstruction and rehabilitation funds must only be utilised for approved projects as listed in the post disaster verification assessment reports and approved business plans Monthly and quarterly financial and non-financial performance reports on disaster allocations must be submitted to the NDMC through the relevant Provincial Disaster Management Centre (PDMC) Annual performance evaluation report on financial and non-financial performance to be submitted to the NDMC through the relevant PDMC Municipalities must liaise and align the disaster recovery projects with the Municipal Infrastructure Grant projects to ensure proper monitoring and reporting on the progress for implementation of the projects Transfers will only be made if municipalities have submitted financial and non-financial reports required in terms of the 2018 Division of Revenue Act for this financial year and the previous financial year (if funds for disaster recovery were allocated in that year) Funds will be transferred in tranches, the transfer of funds will depend on the past and current performance of the municipalities in relation to the conditions of the grant in case funds for disaster recovery were allocated in the previous year
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated based on approved post disaster reconstruction and rehabilitation assessment reports Only post disaster reconstruction and rehabilitation projects that have been submitted for verification assessments within a six month time frame following a disaster will be considered
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for recovery after unforeseen disasters
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R140 million was allocated and transferred (100 per cent) to municipalities <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> Following disasters, the grant was provided for the repair and replacement of infrastructure in the following municipalities: <ul style="list-style-type: none"> Umzumbe Local Municipality: repair roads and bridges eThekweni Metropolitan Municipality: repair roads and bridges Alfred Duma Local Municipality: repair storm water, roads, bridges and streetlights Umdoni Local Municipality: repair of roads and storm water drainage Nkomazi Local Municipality: repair of culverts Hessequa Local Municipality: repair of storm water infrastructure, municipal infrastructure and roads
Projected life	<ul style="list-style-type: none"> The 2018 budget only allocated funds for the 2018/19 financial year. Allocations for future years will be considered through the budget process
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R21 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Disaster Management Centre</p> <ul style="list-style-type: none"> Advise municipalities about the existence of the grant and its conditions Provide municipalities with a final post disaster verification assessment report that includes a project list and projected costs for all infrastructure to be reconstructed or rehabilitated. This report must be provided through the relevant PDMC Monitor the implementation of projects together with the affected municipalities and provinces Make payments to municipalities in accordance with the approved payment schedule Transfer funds only when evidence on project performance and expenditure reports are submitted <p>Responsibilities of the Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> Advise municipalities about the existence of the grant and its conditions Assist municipalities with the rapid assessment reports to be submitted to the NDMC

Municipal Disaster Recovery Grant	
	<ul style="list-style-type: none"> • Provide support to municipalities with regard to the final post disaster verification report • Ensure that the final post disaster verification report is signed-off by both the Accounting Officer in the municipality and the provincial department • Provide a copy of the final post disaster verification report to municipalities • Assist municipalities with business plans incorporating the implementation plan and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damage in future • Conduct on-site visits to monitor and report on the implementation of projects and provide reports of progress to the NDMC • Provide financial and non-financial reports to the NDMC within 10 days after the end of each month. Photographs depicting the projects progress should be included as an annexure • Provide expenditure and project performance reports including evidence to the NDMC within 35 days after the end of the quarter in which funds are spent
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Develop and submit business plans incorporating implementation plans and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damages in future • Conduct on-site visits to monitor and evaluate the impact of projects and provide reports which include evidence to the NDMC through the relevant PDMC • Utilise the funds in line with the approved post disaster verification assessment report • Provide financial and non-financial reports to the PDMC within five days of the end of each month. Photographs depicting the project progress should be included as an annexure • Provide financial and non-financial performance reports signed-off by the Municipal Manager to the PDMC within 30 days after the end of the quarter in which funds are spent
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

Municipal Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> Subsidise the capital costs of providing basic services to poor households
Grant purpose	<ul style="list-style-type: none"> To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities A Municipal Infrastructure Grant (MIG)-2 funding stream is introduced in 2018/19 as a step towards a new funding arrangement for intermediate city municipalities to facilitate more integrated planning and funding of capital investments
Outcome statements	<ul style="list-style-type: none"> Improved access to basic services infrastructure for poor communities
Outputs	<ul style="list-style-type: none"> Number of poor households impacted through the construction of new infrastructure and the upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> basic water and sanitation services central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites sport and recreation facilities street and community lighting public facilities Number of kilometres of municipal roads developed and maintained Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<p>MIG</p> <ul style="list-style-type: none"> This portion of the grant uses the MIG registration form as agreed with sector departments, which includes: <ul style="list-style-type: none"> project title sector timeframes for implementation cost of the project <p>MIG-2</p> <ul style="list-style-type: none"> This portion of the grant uses a three-year capital programme that must be aligned with a 10-year Capital Expenditure Framework The three-year capital programme must demonstrate alignment with the 10-year Capital Expenditure Framework The three-year capital programme must provide the following detail for each sub-programme that is partially or fully funded by MIG-2: <ul style="list-style-type: none"> classification of sub-programme as informal settlement upgrading, other new infrastructure or infrastructure renewal anticipated outputs indication of the proportion of outputs that will be delivered in priority areas as identified in the Spatial Development Framework (SDF) indication of the proportion of outputs that will benefit low-income households, high-income households and non-residential customers The three-year capital programme must demonstrate appropriate co-funding for the portion of the programme that does not benefit low-income households
Conditions	<p>MIG</p> <ul style="list-style-type: none"> To receive the first tranche, municipalities must have followed the process for approval of 2018/19 projects and have confirmed by 30 April 2018 with the Department of Cooperative Governance (DCoG), their programme, project planning and implementation readiness in the form of an implementation plan that includes cash flow projections Municipal allocations must be fully committed to registered projects prior to the year of implementation and be informed by the Integrated Development Plans (IDPs) and three-year capital plans MIG priorities set by municipalities (as stated in their MIG implementation plans) can only be changed in-year for other projects within the MIG project register, after municipal council approval MIG must be allocated and transferred directly to a category B or C municipality that has the powers and functions for basic services referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide basic municipal infrastructure to the poor, in line with their functions Municipalities must prioritise MIG for eligible beneficiaries and infrastructure that includes:

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> ○ basic residential infrastructure for the poor for water, sanitation, roads and stormwater, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure ○ new or upgrading of municipal bulk, connector and reticulation infrastructure to support existing areas and the formalisation of settlements ○ renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality of how on-going operations and maintenance of the renewed infrastructure will be funded and performed ○ maintenance of roads infrastructure mainly servicing the poor ● Municipalities must spend at least 60 per cent of their first transfer and comply with reporting provisions before the second and subsequent transfers are made ● Municipalities must spend 40 per cent of their total MIG allocation by 31 December 2018 ● Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes ● Local municipalities investing in roads infrastructure must utilise data from the Rural Road Asset Management System (RRAMS) where available, to identify and prioritise their investment on roads projects including maintenance ● Municipalities with bucket sanitation backlogs in formal areas must prioritise the eradication of these backlogs. Bucket eradication projects in formal areas 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 ● Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> ○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA) ○ municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation unless an exemption from this requirement is approved by SRSA ○ initial transfers of funds from the ring-fenced R273 million to identified projects will be subject to signing of a memorandum of understanding between SRSA and the beneficiary municipalities ○ subsequent transfers of projects funded through the ring-fenced amount will also be subject to approval by SRSA ● Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> ○ municipalities must submit technical reports for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects ● All sport infrastructure plans and technical reports must be submitted as part of the normal MIG planning process but will be reviewed and approved by SRSA to ensure they comply with norms and standards before construction can begin ● Municipalities must ensure compliance to EPWP infrastructure guidelines in aligning their projects and reporting the work opportunities created on the EPWP reporting system ● A municipality must consider procuring goods and services for water and sanitation projects through nationally set up framework contracts, where available, before utilising municipal procurement processes ● Municipalities must submit monthly and quarterly reports in the prescribed national template and signed-off by the Municipal Manager or delegated official ● Municipalities must utilise the Municipal Infrastructure Grant Management Information System (MIG-MIS) to facilitate programme and project management and reporting ● A maximum of 5 per cent of a municipality's MIG allocations may be used for project management costs related to grant-funded projects and only if a business plan for their Project Management Unit is approved by 30 April 2018. If these funds (5 per cent) are not planned or spent for this purpose they must revert back for MIG capital projects ● At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor ● Withholding or stopping of transfers and reallocation or conversion of MIG allocations will be instituted where municipalities do not comply with the conditions above <p>MIG-2</p> <ul style="list-style-type: none"> ● Initial eligibility and qualification: <ul style="list-style-type: none"> ○ uMhlatuze and Polokwane Local Municipalities are eligible for MIG-2 in 2018/19 ● To qualify for the MIG-2 funding stream, the eligible municipalities must submit a first draft of the three-year capital programme and 10-year Capital Expenditure Framework to the transferring officer by 30 March 2018

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> • If the three-year capital programme and 10-year Capital Expenditure Framework are not in place, the eligible municipalities will revert to the MIG funding stream • To receive the first tranche the three-year capital programme and 10-year Capital Expenditure Framework must have been approved through processes led by the Department of Cooperative Governance • MIG-2 funds may be spent on: <ul style="list-style-type: none"> ○ basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure ○ expenditure may be on new infrastructure, upgrading existing infrastructure or renewing existing infrastructure ○ maintenance of roads infrastructure mainly serving the poor • A maximum of 5 per cent of a municipality's MIG-2 allocations may be used for programme management costs related to grant-funded projects and only if a business plan for their Programme Management Unit is approved • Municipalities must spend 60 per cent of their transferred MIG-2 funds by the end of the second quarter • Local municipalities investing in roads infrastructure must utilise data from the RRAMS, where available, to identify and prioritise their investment on roads projects; including maintenance • Municipalities must submit quarterly reports in a prescribed format, signed-off by the municipal Accounting Officer or delegated official
Allocation criteria	<ul style="list-style-type: none"> • Part 5 of Annexure W1 to the 2018 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data • The funds ring-fenced for sport infrastructure are allocated based on estimated costs of projects that: <ul style="list-style-type: none"> ○ fill identified gaps and are confirmed with the provincial departments responsible for sport and the municipalities ○ align to the National Sport and Recreation Plan, National Sport Facilities Plan and transformation imperatives ○ align to priority sport codes
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • The MIG programme was allocated R14.9 billion in the 2016/17 financial year. The full amount was transferred and 93 per cent of this was spent <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> ○ 166 555 households basic water and 136 982 households sanitation services ○ 105 005 households on street and community lighting • Number of infrastructure constructed (new infrastructure and upgrading and renewal of existing infrastructure): <ul style="list-style-type: none"> ○ four central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites developed ○ 34 sport and recreation facilities developed ○ 62 public facilities developed • 1 145 kilometres of municipal roads developed • 161 253 work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Projected life	<ul style="list-style-type: none"> • The programme will continue up to 2020/21, subject to review • The MIG-2 funding stream will be available for 2018/19 only and will be replaced by a new grant, the Integrated Urban Infrastructure Grant in 2019/20
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R15.3 billion; 2019/20: R15.7 billion and 2020/21: R16.6 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • DCoG administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> ○ report to sector departments on outputs ○ monitor expenditure and non-financial performance in collaboration with provincial DCoGs ○ coordinate overall programme implementation ○ provide support to municipalities in the utilisation of the MIG-MIS ○ approve the final versions of the three-year capital programme and 10-year Capital Expenditure Framework for the MIG-2 by 31 May 2018

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> • The Municipal Infrastructure Support Agent (MISA) must: <ul style="list-style-type: none"> ○ support municipalities that have been identified collaboratively by DCoG and its provincial counterparts as needing assistance ○ assist municipalities in the submission of asset management data where available, and provide the necessary training on access and use of the Municipal Infrastructure Performance Management Information System for the development of individual municipal asset registers where required • In addition to their sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> ○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal IDPs ○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs • For the MIG funding stream, sector departments will be expected to: <ul style="list-style-type: none"> ○ evaluate reports and provide final recommendations to the municipality by 28 September 2018 ○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes ○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects ○ advise which sphere (provincial or national - even if different across provinces) should sign-off MIG projects ○ sign-off on project close out reports, thereby acknowledging the projects have been completed as intended • For the MIG-2 funding stream sector departments will be expected to participate in processes to approve the 10-year Capital Expenditure Framework • Department of Water and Sanitation must: <ul style="list-style-type: none"> ○ support and monitor municipalities to prepare and implement water services development plans ○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant ○ for the MIG funding stream, monitor and oversee progress on water and sanitation projects implemented through the MIG • Department of Environmental Affairs must support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector • Department of Energy must support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector • Department of Transport must support municipalities with planning and implementation of municipal roads projects in terms of the RRAMS data and monitor municipalities' performance and compliance with conditions applicable to this sector • Sport and Recreation South Africa must: <ul style="list-style-type: none"> ○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula ○ award transversal tenders for the procurement of services relating to sport infrastructure ○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector ○ review, approve and sign-off all MIG projects before recommendation by the provincial sports departments to the MIG appraisal committee • Department of Public Works must: <ul style="list-style-type: none"> ○ monitor compliance with the EPWP infrastructure guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches ○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP and assist municipalities in meeting their set targets ○ ensure that municipalities register their projects on the EPWP reporting system and monitor compliance with norms and standards applicable to this sector
	<p>Responsibilities of provincial departments responsible for local government</p> <ul style="list-style-type: none"> • Coordinate technical support to municipalities • Monitor performance of municipal Programme/Project Management Units and recommend relevant sanctions for under-performance to DCoG • Provide assistance to municipalities in managing municipal infrastructure projects • Provide support to municipalities in the utilisation of the MIG-MIS • For the MIG funding stream: <ul style="list-style-type: none"> ○ monitor and reconcile reported expenditure with proof of payment signed-off by the municipality ○ monitor the accuracy of project registration forms and coordinate monthly, quarterly and annual reports from municipalities and forward them to DCoG

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> ○ coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited ○ issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG ○ monitor project implementation in collaboration with sectors and submit site visit reports to DCoG ○ monitor compliance with provincial legislation and alignment to provincial growth and development strategies through project registration ● For the MIG-2 funding stream: <ul style="list-style-type: none"> ○ participate in processes to approve the 10-year Capital Expenditure Framework ○ verify outputs and outcomes reported by municipalities on a sample of projects annually
	<p>Responsibilities of provincial sector departments</p> <ul style="list-style-type: none"> ● Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ● Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project ● For the MIG funding stream: <ul style="list-style-type: none"> ○ participate in district appraisal and progress committee meetings ○ evaluate and provide recommendations on sector technical reports before projects are appraised <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> ● Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the IDP, three-year capital programme and (for municipalities in the MIG-2 stream) the 10-year Capital Expenditure Framework ● Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered under the MIG-MIS ● The municipality must report monthly, quarterly and annually in the prescribed formats and timelines, reports must be signed-off by the Municipal Manager or the delegated official and submitted to national government via the provincial department responsible for local government ● Utilise the MIG-MIS to inform the content of the reports mentioned above
Process for approval of 2019/20 business plans	<p>Under the MIG funding stream</p> <ul style="list-style-type: none"> ● Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 27 July 2018 for all projects to be implemented in 2019/20 ● The responsible sector department must evaluate reports and provide final recommendations to the municipality by 28 September 2018 ● The municipality must submit all project registration forms by 1 October 2018, for the projects to be implemented in 2019/20, to the provincial department responsible for local government ● The provincial departments must provide final recommendations to municipalities by 30 November 2018 ● Projects not implemented within three-years of approval by the relevant appraisal committee will be deregistered ● Municipalities must submit to DCoG by 31 January 2019, detailed project implementation plans for all the projects to be implemented in the 2019/20 and 2020/21 financial years ● Such plans should include timelines regarding project designs, initiation of procurement, and environmental impact assessment (EIA) and/or relevant permit/license approvals in the prescribed format ● Municipalities must submit updated implementation plans as mentioned above by 30 April 2019, justifying any changes from the 31 January 2019 submission <p>Under the new Integrated Urban Development Grant (intermediate city municipalities)</p> <ul style="list-style-type: none"> ● Eligibility for the Integrated Urban Development Grant and minimum conditions for qualification are outlined in part 6 of Annexure W1 to the 2018 Division of Revenue Bill. Eligible municipalities who wish to be considered for qualification must submit an application form indicating compliance with minimum conditions by 27 July 2018 ● Municipalities must submit a first draft of the three-year capital programme and 10-year Capital Expenditure Framework to the transferring officer by 29 March 2019 and the final versions of the three-year capital programme and 10-year Capital Expenditure Framework must be approved through processes led by the Department of Cooperative Governance by 31 May 2019

Municipal Systems Improvement Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> An efficient and developmental sphere of government capable of delivering services to local communities
Grant purpose	<ul style="list-style-type: none"> To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation
Outcome statements	<ul style="list-style-type: none"> A responsive, accountable, effective and efficient local government
Outputs	<ul style="list-style-type: none"> Number of municipalities supported to develop organograms for their structures Number of municipalities benefitting through the integrated property and consumer database project Number of municipalities benefitting from the rollout and implementation of simplified revenue plans Number of municipalities supported through the implementation of the Integrated Urban Development Framework (IUDF) Number of municipalities supported to implement the Municipal Property Rates Act Number of municipalities supported on gazetting of municipal by-laws Number of municipalities supported on municipal tariff data management and related matters Number of municipalities supported on transitional matters following boundary re-demarcations Number of municipalities supported to institutionalise the local government monitoring and evaluation system Number of municipalities supported in the improvement of their records management and ICT infrastructure Municipalities benefitting from the preparation of an institutional recovery plan and the implementation thereof, where appropriate
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the Back to Basics support plan which identifies governance and institutional weaknesses in municipalities which are planned to be addressed through the grant allocation This grant also uses a memorandum of understanding that includes: <ul style="list-style-type: none"> outcome indicators output indicators key activities inputs details of how the systems and practices developed will be sustained over the long-term
Conditions	<ul style="list-style-type: none"> The Department of Cooperative Governance and the benefitting municipality must sign a memorandum of understanding that includes details of the activities and deliverables being funded, responsibilities of each stakeholder, protocols for engagements and feedback, budget for each activity, and timeframes for implementation Funds from this grant may be spent on building the capacity of municipalities with respect to the purpose and outputs listed for this grant Technical support to municipalities must include transfer of skills to municipal officials The preparation of an institutional recovery plan and the implementation thereof by municipalities may be supported, where appropriate Implementation of institutional reforms to address shortcomings identified in the Back to Basics assessment report for that municipality may be supported
Allocation criteria	<ul style="list-style-type: none"> Priority given to municipalities classified as Back to Basics municipalities Priority is given to municipalities with challenges/shortcomings in processes, procedures and systems to effectively implement the Municipal Systems Act and related local government legislation including municipalities with a history of poor audit outcomes; municipalities with institutional challenges and municipal tariff data management challenges; and non-metropolitan municipalities with large outstanding debts owed to creditors Intermediate cities are targeted for programmes in support of the IUDF Municipalities affected by major boundary changes in 2016 are prioritised for transitional support Over the medium-term expenditure framework, funds will be allocated to some municipalities not reached in 2018/19 Funds may be reallocated if a memorandum of understanding is not signed

Municipal Systems Improvement Grant	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is aimed at building the capacity of targeted municipalities to implement sound institutional and governance systems required in terms of the Municipal Systems Act and related local government legislation
Past performance	2016/17 audited financial outcomes <ul style="list-style-type: none"> The grant had an allocation of R103 million of which R19 million (23 per cent) was spent
	2016/17 service delivery performance <ul style="list-style-type: none"> 30 municipalities benefitted from the rollout and implementation of simplified revenue plans Finalised the procurement processes relating to the prototype staff establishment project Finalised the procurement processes relating to the integrated property and consumer database project
Projected life	<ul style="list-style-type: none"> The grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R115 million; 2019/20: R122 million and 2020/21: R128 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Management, monitoring and reporting of the programme Agree and sign memorandum of understanding with participating municipalities Coordinate with the National Treasury to ensure that the capacity building activities of the two departments are complimentary
	Responsibilities of municipalities <ul style="list-style-type: none"> Agree and sign memorandum of understanding with transferring officer Identify municipal officials that will be recipients of skills transfer Ensure that municipal officials participate actively in all activities funded through this grant Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality Municipalities to submit a detailed report upon the completion of the project with a detailed expenditure report
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> Targeted municipalities must sign a memorandum of understanding in support of this Municipal Systems Improvement Grant programme

ENERGY GRANTS

Energy Efficiency and Demand Side Management Grant	
Transferring department	<ul style="list-style-type: none"> Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To reduce electricity consumption by promoting energy efficient practices
Grant purpose	<ul style="list-style-type: none"> To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
Outcome statements	<ul style="list-style-type: none"> Reduced demand for electricity Increased awareness of energy saving Skills development in energy efficiency Energy management capability enhanced
Outputs	<ul style="list-style-type: none"> Amount of electricity saved in kilowatt hours (KWh) Number of energy efficient street lights installed Number of energy efficient traffic lights installed Number of buildings retrofitted Number of units of water services infrastructure retrofitted
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government Outcome 10: Protect and enhance our environmental assets and natural resources
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Projected energy savings Key activities Inputs
Conditions	<ul style="list-style-type: none"> Funds can only be used to implement electricity saving projects in municipal infrastructure The focus for implementation of energy efficiency interventions shall be limited to municipal buildings, streetlights, traffic lights, waste water treatment works and pump stations Municipalities shall determine a detailed and extended electricity consumption baseline in line with standards set by the South African Bureau of Standards (SABS) Municipalities must respond to the request for proposals issued by the Department of Energy (DoE) in the format provided Municipalities must commit to energy savings (in KWh) to be achieved through the retrofits to the DoE A performance agreement with specific conditions shall be entered into between the municipality and the DoE The municipality shall prepare a project work plan and business plan in the templates provided by the DoE
Allocation criteria	<ul style="list-style-type: none"> The following criteria are used for selecting municipalities to receive allocations from the grant: <ul style="list-style-type: none"> municipalities that have responded to the request for proposals as issued by the DoE municipalities with higher electricity consumption and higher electricity saving potential municipalities with clearly defined objectives on energy efficiency improvements proposals that use proven energy efficient technologies with low pay-back periods municipalities that show readiness and capacity to implement EEDSM projects good past performance if a municipality has previously participated in the programme quality, viability and financial feasibility of proposed projects
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional transfer in support of the EEDSM programme
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R186 million was allocated and transferred to participating municipalities <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> An unverified total electricity saving of 12.1 GWh was reported by municipalities against the total projected savings of 30.9 GWh. The process of verifying the savings is underway and will be concluded in July 2018
Projected life	<ul style="list-style-type: none"> The grant will continue until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R215 million; 2019/20: R227 million and 2020/21: R240 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Monitoring and evaluation of the EEDSM programme including measurement and verification of energy savings Provide municipalities with guidance and support through capacity building workshops on best practices and pricing for EEDSM projects Communicate to municipalities the process and requirements for obtaining EEDSM grant funds in 2019/20 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

Energy Efficiency and Demand Side Management Grant	
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit proposals as per the request for proposals issued by DoE • Ensure that proposals are in the format and template provided by DoE • Implement the EEDSM programme as per the framework and contractual agreement • In the implementation of EEDSM projects, use service providers accredited by DoE • Submit to the DoE the monthly and quarterly reports approved by the municipal manager • In a case where a municipality delegates the implementation of the programme to its entity (i.e. Johannesburg City Power, Mangaung CENTLEC, etc.) such an entity shall enter into an implementation contract with the municipality for the purposes of reporting and accountability. A copy of this implementation contract must be shared with DoE
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Allocations for 2019/20 will be based on the proposals submitted in line with the request for proposal issued by the DoE • Proposals must be submitted by 28 September 2018 and shall be evaluated against the criteria set out in this framework and the request for proposals issued by DoE

Integrated National Electrification Programme (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce electrification backlogs through funding of bulk infrastructure (substations and lines) to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrading informal settlements, new, and normalisation of existing dwellings) and the installation of relevant bulk infrastructure
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of connections to households per annum • The number of bulk infrastructure installations • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Key activities • Inputs
Conditions	<ul style="list-style-type: none"> • Adhere to labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. • 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 • Bulk infrastructure can only be funded for infrastructure serving poor households (where infrastructure serves tariff-funded areas and poor households costs should be shared) • Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by the DoE • Utilise own funding if the subsidy is insufficient (top-up funding must be available) • Minimum size of supply of 1.2 kVA After Diversity Maximum Demand, standard installation of 20 Amp per household connection, in line with the Suite of Supply Policy • Municipalities may utilise up to R1.5 million of their total allocation for service fees (pre-engineering and Eskom connection fee) if approved by the DoE in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an assessment of applications from municipalities based on: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ number of planned households for connection projects ○ past performance ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan, catalytic projects, and mining towns ○ the financial, technical and staff capabilities to distribute electricity and expand and maintain networks ○ unlicensed municipalities must appoint service providers with the required knowledge and expertise for implementation ○ consultation with communities in terms of the Integrated Development Plan process ○ ensuring that universal access objectives are fast tracked ○ infrastructure which is in a state of disrepair, unsafe and which prohibits further connections ○ informal settlements where service delivery has been prioritised ○ new and upgrading of bulk infrastructure projects that support future electrification needs, and, where distribution network reliability (refurbishment) adversely impacts economic activity and cannot sustain current electrification
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> • R1.9 billion was allocated and transferred to municipalities <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 94 540 households were connected including connections funded from roll-overs
Projected life	<ul style="list-style-type: none"> • Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R1.9 billion; 2019/20: R2.1 billion and 2020/21: R2.2 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury

Integrated National Electrification Programme (Municipal) Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with municipalities on outputs and targets • Continuously monitor implementation and provide support to municipalities • Verify reports from municipalities <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Ensure that projects are implemented in line with what is reflected in the Integrated Development Plan of the municipality • Report accurately and timeously on the management of this grant and include invoices on their monthly reports, when reporting to the DoE • Municipalities need to appoint service providers to implement their projects by the end of July 2018
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Application forms are sent to municipalities and the evaluation of all applications and business plan proposals received from municipalities is completed by 30 October 2018

Integrated National Electrification Programme (Eskom) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce the backlogs of un-electrified households and fund bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of 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
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of household connections per annum • The number of bulk infrastructure installations • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • Plans need to have undergone pre-engineering and project feasibility approval • 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 • Eskom to comply with requirements to provide approved bulk projects in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities according to the following criteria: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan and other infrastructure programmes like catalytic projects and mining towns ○ the cost of a project is within benchmarked norms ○ the project is aligned with the IDP for a particular municipality
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households and bulk infrastructure
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • The grant was allocated R3.5 billion and the entire amount was transferred to Eskom, of which R3.3 billion (94 per cent) was spent by the end of the financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 207 436 connections were completed at the end of the financial year (includes connections funded from roll-overs)
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R3.3 billion; 2019/20: R3.4 billion and 2020/21: R3.6 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with Eskom on outputs and targets • Continuously monitor implementation • Provide central coordination for bulk infrastructure • Approve submissions for refurbishment of critical infrastructure <p>Responsibilities of Eskom</p> <ul style="list-style-type: none"> • Minimum size of supply of 1.2 KVA, after diversity maximum demand, 20 Amp per household connection and applicable supply for clinic connections, in line with the Suite of Supply Policy • Report to the Department of Energy and the National Treasury on monthly and quarterly expenditure for the grant
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Eskom and the Department of Energy must ensure that all planned projects are in line with municipal IDPs and priority lists • Eskom and the Department of Energy must ensure that planned projects are feasible and have gone through the pre-engineering process

HUMAN SETTLEMENTS GRANTS

Municipal Emergency Housing Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part B
Strategic goal	<ul style="list-style-type: none"> To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act, 2002)
Grant purpose	<ul style="list-style-type: none"> To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters
Outcome statements	<ul style="list-style-type: none"> Households accommodated in adequate temporary shelter following a disaster
Outputs	<ul style="list-style-type: none"> Emergency and short term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> provision of temporary shelter temporary relocation of households to safer accommodation and/or shelter
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the Municipal Emergency Housing Grant (MEHG) application form which includes the following: <ul style="list-style-type: none"> details of the disaster, the impact thereof and number of temporary shelters required and the number of households affected total funds required for disaster response implementation plan summary of the projects consolidated project cash flow over a two-month period as an annexure to the implementation plan a copy of the municipality's emergency procurement policy
Conditions	<ul style="list-style-type: none"> Municipalities must submit an application to the national Department of Human Settlements within 14 days of the agreement by the Mayor that a housing emergency exists in terms of section 2.3.1(a) and (b) of the Emergency Housing Programme The relevant Provincial Disaster Management Centre must be informed of the application The Municipal Manager must sign-off and confirm the information captured in the application Shelter solutions funded from the grant must comply with the National Building Regulations and utilise material that complies with standards set by the South African Bureau of Standards The transfer of the first tranche of funds is conditional on approval by the national Department of Human Settlements of the submitted assessment/application by the municipality Funds may only be spent on items and activities included in the application approved by the Accounting Officer of the national Department of Human Settlements Municipal officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national Department of Human Settlements until the funds are fully utilised The emergency procurement system as guided by Public Finance Management Act, Municipal Finance Management Act and Treasury Regulations should be invoked to ensure immediate assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> This grant funding is intended to address the housing needs of households who for reasons beyond their control, find themselves in an emergency housing need such as: <ul style="list-style-type: none"> existing shelter destroyed or damaged by a disaster displaced following a disaster relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster The grant is allocated to municipalities on application and approval thereof by the Accounting Officer of the national Department of Human Settlements
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This is a conditional grant with a specific purpose to provide for a rapid response to emergencies through the provision of temporary housing
Past performance	<ul style="list-style-type: none"> This is a new grant
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R140 million; 2019/20: R149 million and 2020/21: R159 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the National Department</p> <ul style="list-style-type: none"> Advise and guide municipalities about the existence of the MEHG and how it can be accessed Develop and publish the MEHG application form template in consultation with National Treasury and the National Disaster Management Centre Monitor programme implementation including establishing and maintaining a register or database of human settlements disasters

Municipal Emergency Housing Grant	
	<ul style="list-style-type: none"> • Support municipalities to plan for potential disasters. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required • Facilitate a coordinated housing assistance intervention response in circumstances where disasters affect more than one municipality • Coordinate assistance with the National Disaster Management Centre to ensure there is no duplication of funding with the provincial and municipal disaster relief grants and the Provincial Emergency Housing Grant • Seek approval from the National Treasury for the disbursement of funds to municipalities within 10 days of receipt of an application for funding from this grant • Notify the municipality and the relevant provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after the notification • Transfer funds to the municipalities with a clear stipulation of the purpose of the funds • Provide the National Treasury with written notification of the transfer within 10 days after a transfer of the funds • Submit financial and non-financial reports to the National Treasury within 20 days after the end of each month • Provide a performance report within 45 days after the end of the quarter in which the funds were spent, to the National Treasury, using the disaster allocation monitoring template agreed to with the National Treasury • Together with the municipalities monitor the implementation of funded projects • Support municipalities in accessing the MEHG <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Prepare and submit a complete application for the MEHG in the event of disaster incidents occurring within their jurisdiction • Upon approval of the application and receipt of funding, implement the intended relief measure (emergency housing solutions) • Submit required reports to the national Department of Human Settlements on the expenditure of funds received • Manage implementation of emergency interventions including establishing and maintaining a register or database of human settlements disasters and emergencies in the municipality • Plan disaster mitigation measures in collaboration with the relevant Local Disaster Management Centre; these include: <ul style="list-style-type: none"> ○ public awareness and community outreach initiatives in respect of disaster mitigation ○ identifying communities/households that reside on inadequate land posing a threat to health and safety ○ identifying households in areas prone to flooding and/or other disasters • Facilitate the release of municipal owned land for emergency housing and resettlement purposes • Facilitate that identified and prioritised communities and/or households are relocated and properly housed in formalised townships that comply with human settlement development norms and standards • Ensure that the shelter solutions comply with the municipal integrated development plan, the National Building Regulations and utilise material that complies with the South African Bureau of Standards • Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Not applicable

Urban Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> • Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> • 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
Grant purpose	<ul style="list-style-type: none"> • Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households
Outcome statements	<ul style="list-style-type: none"> • The outcomes to be realised in order to promote integrated sustainable human settlements and improved quality of household life are: <ul style="list-style-type: none"> ○ increased individual household access to basic services and related infrastructure ○ increased acquisition and availability of well-located land for human settlements development ○ increased access of poor households to public and socio-economic amenities ○ supporting densification and transit-oriented development projects connecting existing and new housing developments ○ 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 developments ○ improving the sustainability of the livelihoods of poor households within each municipality's area of jurisdiction
Outputs	<ul style="list-style-type: none"> • The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> ○ increase in bulk infrastructure capacity ○ increase in the 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 ○ increase in land provision for informal settlement upgrading, subsidised housing, or mixed use developments in support of approved human settlements developments ○ increase in access to public and socio-economic amenities ○ improved dwelling unit densities within an improved human settlements spatial integration framework ○ increase in the number of serviced sites in informal settlements upgrading and/or on-site projects and green-fields and/or infill developments
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 8: Sustainable human settlements and improved quality of household life • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses the Urban Settlements Development Grant (USDG) performance matrix and Built Environment Performance Plans (BEPP) that are 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
Conditions	<ul style="list-style-type: none"> • 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 on-site upgrades, relocation or integrated development projects • Municipalities must submit an annual BEPP, and the USDG performance matrix aligned to the SDBIP and IDP, to the national Department of Human Settlements and National Treasury • The flow of the first instalment is subject to: <ul style="list-style-type: none"> ○ submission of the 2017/18 third quarter report, signed-off by the municipal accounting officer including the performance matrix with non-financial information ○ submission of the annual BEPP and USDG performance matrix for 2018/19 that is aligned to the municipal IDP, SDBIP and national priorities by 31 May 2018 • The flow of the second instalment will be conditional upon the: <ul style="list-style-type: none"> ○ submission of the 2017/18 fourth quarter report signed-off by the accounting officer of the municipality including the performance matrix with non-financial information ○ submission of the 2018/19 first quarter report signed-off by the accounting officer of the municipality to the transferring officer and the National Treasury • The flow of the third instalment will be conditional upon submission and approval of the signed-off second quarter report by the accounting officer to the transferring officer and the National Treasury, including the performance matrix with non-financial information

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> • Municipalities 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 • A maximum of 3 per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium Term Strategic Framework (MTSF) and in line with the capacity building guideline published by the national Department of Human Settlements • Municipalities must indicate the amounts of their annual allocations for spending on the identified catalytic projects in their BEPPs as approved by municipal council • A minimum of 30 per cent of USDG allocations should be allocated to contracts awarded to targeted groups as per the amended Preferential Procurement Regulations 2017, issued by National Treasury
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated to all metropolitan municipalities • The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2018 Division of Revenue Bill • The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) aimed at improving outcomes of the application of the equitable share
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • The grant was allocated R10.8 billion, and R10.8 billion (100 per cent) was transferred to municipalities <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • Delivery performance is indicated in the performance evaluation reports for 2016/17
Projected life	<ul style="list-style-type: none"> • The programme will continue until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R11.3 billion; 2019/20: R11.9 billion and 2020/21: R12.5 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers will be made in accordance with a payment schedule approved by National Treasury
Responsibilities of transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop indicators for the outcomes and outputs • Convene a structured forum to meet with municipalities on a quarterly basis • Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities • Provide support to municipalities with regards to human settlement programmes • Publish a guideline by 30 May 2018 on how capacity funds from this grant should be used by cities • Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable • Undertake oversight visits to municipalities as may be necessary • Facilitate strategic and spatial planning support related to human settlements development • Provide systems, including the Housing Subsidy System that support the administration of the human settlements delivery process • Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities • When under expenditure and under performance is identified, the department may shift funds between municipalities in line with the 2018 Division of Revenue Act (DoRA) processes and requirements and with the concurrence of donor and receiving municipalities • Participate in the municipal budget benchmarking process as and when indicated by the National Treasury • Review and approve the USDG performance matrix • Review BEPP guidelines

Urban Settlements Development Grant	
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit 2017/18 evaluation reports in terms of the USDG performance matrix, as contained in the SDBIP, to the transferring officer on or before 24 August 2018 • Metropolitan municipalities may replace non-performing projects with performing projects providing a similar infrastructure that fulfils the same policy objectives. This replacement should not jeopardise the achievement of the overall MTSF targets committed to by the municipality • Changes to the approved project list may only be made once a quarter and the metro must notify the national Department of Human Settlement in writing and provide all the relevant details of the new project within 30 days after the end of the quarter • Submit monthly financial reports, as contemplated in section 71(5) of the Municipal Finance Management Act (MFMA), within 10 working days after the end of each month indicating reasons for deviations and remedial actions. Such reports must be submitted to the national department, provincial departments and National Treasury • Municipalities must report on a quarterly basis, the minimum of 30 per cent of the grant awarded to the targeted groups as the amended Preferential Procurement Regulations of 2017, issued by National Treasury • Ensure that the USDG performance matrix is consistent and aligned with national priorities and provincial human settlements plans • Comply with the terms and conditions of the receiving officer outlined in the DoRA • Municipalities should request the roll-over of unspent funds through National Treasury and inform the transferring officer of all processes regarding the request • Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant • Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements • Ensure that the USDG is used to meet municipality MTSF targets as contained in Outcome 8
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Municipalities must submit a comprehensive USDG performance matrix as included in the BEPP targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget • Municipalities must submit their first draft of the USDG performance matrix to the transferring officer by 29 March 2019 and the final USDG performance matrix should be submitted by 31 May 2019

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To secure sound and sustainable management of the fiscal and financial affairs of municipalities
Grant purpose	<ul style="list-style-type: none"> To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcome statements	<ul style="list-style-type: none"> Strengthen capacity in the financial management of municipalities Improved and sustained skills development, including the appointment of interns supporting the implementation of financial management reforms focusing on the gaps identified in the Financial Management Grant (FMG) support plans Appropriately skilled financial officers, appointed in municipalities consistent with the minimum competency regulations Improved financial management maturity and capabilities Timely submission of financial statements and improved audit outcomes Improvement in municipal financial governance and oversight
Outputs	<ul style="list-style-type: none"> Number of municipal officials registered for financial management training Number of interns serving on the internship program, and permanently appointed in municipalities Number of municipalities that have reassessed priority modules in the Financial Management Capability Maturity Model (FMCMM) Number of municipalities with established internal audit units and audit committees Number of municipalities that submitted their annual financial statements timeously Number of municipalities with disclaimers and adverse opinions that developed audit action plans Number of municipalities that prepared and implemented financial recovery plans, where appropriate Submission of FMG support plans
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government Outcome 12: An efficient, effective and development oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation
Conditions	<ul style="list-style-type: none"> FMG funds can be used towards the following: <ul style="list-style-type: none"> strengthen capacity and up-skilling officials in the Budget and Treasury Office, internal audit and audit committees at least five interns in local municipalities and three interns in metropolitan and district municipalities must be appointed over a multi-year period. Municipalities must submit a plan for the retention of skills developed through the internship programme on-going review, revision and submission of FMG support plans to the National Treasury that address weaknesses in financial management acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the municipal Standard Chart of Accounts (mSCOA) support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in the Government Gazette 29967 of June 2007 support the preparation and timely submission of annual financial statements for audits. Technical support to municipalities must include the transfer of skills to municipal officials support the implementation of corrective actions to address the root causes of audit findings in municipalities that received adverse and disclaimer opinions the preparation of a financial recovery plan and the implementation thereof, where appropriate implementation of financial management reforms to address shortcomings identified in the FMCMM assessment report for that municipality FMG support plan must be consistent with the conditions of the grant and must be submitted timeously Timely submission of reports with complete information as prescribed in the Division of Revenue Act Expenditure must be maintained at appropriate levels
Allocation criteria	<ul style="list-style-type: none"> All municipalities benefit from allocations to augment their own resources in support of implementation of the financial management reforms Priority is given to municipalities: <ul style="list-style-type: none"> with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA, as identified in the FMCMM assessment with adverse and disclaimer audit opinions
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA and its regulations
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R465 million was allocated and R465 million was transferred to municipalities

Local Government Financial Management Grant	
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • All municipalities submitted FMG support plans • As at 30 June 2017, 1 230 graduate finance interns were serving on the internship program in municipalities • Internship workshops to improve the programme and sustain reforms were concluded in seven provinces (Free State, Gauteng, KwaZulu-Natal, Mpumalanga, Northern Cape, North West and Western Cape) • The grant supported the following outputs: <ul style="list-style-type: none"> ○ a total of 1252 officials received a statement of results for attaining minimum competencies ○ of the 126 municipalities that utilised the FMG to prepare their 2016/17 annual financial statements, 117 (93 per cent) submitted their annual financial statements to the Auditor-General for auditing by 31 August 2017 ○ 50 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2015/16 audit findings ○ 215 municipalities utilised the FMG to acquire/upgrade and maintain their financial management systems ○ 69 municipalities utilised the FMG to establish internal audit units and audit committees
Projected life	<ul style="list-style-type: none"> • Ongoing with periodic reviews as the financial reforms are still in progress
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R505 million; 2019/20: R533 million and 2020/21: R562 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Management, monitoring and reporting of the programme • Transfer funds to municipalities in terms of the 2018 Division of Revenue Act • Undertake on-going monitoring of the municipalities
	<p>Responsibilities of the municipalities</p> <ul style="list-style-type: none"> • Submit support plans which are consistent with the conditions of the grant • Submit reports consistent with the reporting requirements in the 2018 Division of Revenue Act
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> • On-going review, revision and submission of the FMG support plans to address weaknesses in financial management • The programme is based on the FMG support plans which municipalities must submit to the National Treasury by 29 March 2018

Integrated City Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities
Grant purpose	<ul style="list-style-type: none"> To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments
Outcome statements	<ul style="list-style-type: none"> Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact, inclusive, productive and sustainable urban spatial form
Outputs	<ul style="list-style-type: none"> Number of infrastructure projects including public transport, roads, water, energy, housing, land acquisition and development in implementation within identified integration zones Number of integrated strategic/catalytic projects planned within identified integration zones Number of authorised studies/strategies completed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Eligibility is restricted to metropolitan municipalities which must have: <ul style="list-style-type: none"> obtained a financially unqualified audit opinion from the Auditor-General (AG) for the 2016/17 financial year or finalised an audit action plan by 23 February 2018 achieved acceptable levels of capital expenditure performance (reported a variance between adjusted budgeted and actual expenditure of 35 per cent or lower to the National Treasury for the 2016/17 financial year) Municipalities have the authority to select preferred investments within their functional mandates and within identified integration zones. Eligible expenditures include: <ul style="list-style-type: none"> any capital expenditure within the functional mandate of the municipality within identified integration zones authorised direct operating expenditure to produce analytical or diagnostic studies, strategy development or transaction advisory assistance related to the development or implementation of strategies for identified integration zones A municipality may apply to the transferring officer, by no later than 31 August 2018 to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities within integration zones, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> property market empirical and diagnostic studies integrated infrastructure and spatial planning for identified integration zones investment pipeline development (excluding direct project preparation) development of infrastructure financing strategies and instruments development of policies, by-laws and systems for the administration of development charges enhanced policies and procedures for environmental and social management in infrastructure delivery the municipality can demonstrate the ability to implement these activities within the financial year The first transfer of the grant will only be released to a municipality that has submitted a council approved Built Environment Performance Plan (BEPP) in the prescribed format by 31 May 2018 that includes: <ul style="list-style-type: none"> a pipeline of catalytic programmes that has been compiled according to a prescribed format built environment outcome indicators and targets for 2018/19 that have been compiled according to a prescribed format The second transfer will only be released to a municipality that has submitted detailed information on the catalytic projects, emanating from the programme and that are in the pipeline in accordance with the standard format provided
Allocation criteria	<ul style="list-style-type: none"> Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities. Final allocations are adjusted by performance against the following weighted indicators: <ul style="list-style-type: none"> BEPP evaluation score for 2017/18 (30 per cent) no decrease in total debt to revenue ratio in 2016/17 (15 per cent) no Section 57 vacancies for longer than six months in 2017 (10 per cent) unqualified audit opinion by AG (with or without findings) for the last financial year (25 per cent)

Integrated City Development Grant	
	<ul style="list-style-type: none"> ○ decrease in total value of irregular, fruitless and wasteful expenditure identified by AG (20 per cent) ● For the outer years of the MTEF, allocations per metropolitan municipality have been provided without taking into account any performance adjustments. The allocation figures for the 2019 MTEF will be adjusted based on actual performance against the weighted indicators listed above as well as any new built environment indicators agreed with the metros
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment
Past performance	2016/17 audited financial outcomes <ul style="list-style-type: none"> ● R266 million was allocated and transferred to municipalities
	2016/17 service delivery performance <ul style="list-style-type: none"> ● All eight metropolitan municipalities submitted BEPPs timeously and identified a total of 14 integration zones ● Municipalities also indicated 12 catalytic projects being planned and 10 projects under implementation in these integration zones
Projected life	<ul style="list-style-type: none"> ● The grant will continue over the 2018 MTEF, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2018/19: R294 million; 2019/20: R310 million and 2020/21: R327 million
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> ● National Treasury will review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment ● National Treasury in consultation with the national departments of Cooperative Governance and Rural Development and Land Reform, will facilitate engagements on the BEPPs with metropolitan municipalities and other sector departments ● National Treasury will provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme ● National Treasury will authorise applications for the utilisation of grant funds for specified operating purposes ● National Treasury will review the credibility and measurability of audit plans
	Responsibilities of municipalities <ul style="list-style-type: none"> ● Submit BEPPs and in-year reports ● Ensure consistent planning in integration zones, including alignment of integrated development plans, social housing restructuring zones, priority housing development areas and urban development zones ● Strengthen and align their own capacity to support BEPP implementation
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> ● Eligible municipalities must submit their draft BEPP by 29 March 2019 in accordance with requirements outlined in the BEPP guidelines

Infrastructure Skills Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To improve infrastructure delivery management capacity within municipalities by developing a long-term and sustainable pool of registered professionals with built environment and related technical skills in engineering, town planning, architecture, quantity surveying, geographic information systems and project management
Grant purpose	<ul style="list-style-type: none"> To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment
Outcome statements	<ul style="list-style-type: none"> Developed technical capacity within local government to enhance infrastructure provision, and service delivery, through improved infrastructure planning, implementation, operations and maintenance Registered professionals with built environment qualifications (national diplomas and degrees) as per the statutory councils' requirements Increased number of qualified and registered professionals employed within local government
Outputs	<ul style="list-style-type: none"> Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils Number of graduates recognised as registered professionals by the relevant statutory councils Number of graduates employed as registered professionals within the built environment in local government
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> The business plan must demonstrate that the municipality has projects in which the graduates can be trained, and provide the relevant complexity of work and responsibility that can support graduates to meet the registration requirements of the relevant statutory councils Graduates must be seconded to an entity (public or private) if no relevant training is available to develop the necessary competence of the graduates Where graduates are placed in another entity (public or private) a memorandum of agreement must be developed and signed between the municipality and the entity, according to Infrastructure Skills Development Grant (ISDG) guidelines. The memorandum of agreement must clearly demonstrate the supervision requirements and the roles and responsibilities of all parties associated with the training of graduates Graduates must have a national diploma or degree in the built environment from higher education institutions i.e. Universities or Universities of Technology recognised by the statutory council Municipalities must provide training as per the road-to-registration requirements of the relevant statutory council Mentoring must be provided by registered professionals in the same field as the graduates in training. The full names and proof of registration of the mentor must be submitted to the National Treasury, and a contract must be entered into with each mentor, in accordance with the ISDG guidelines The ISDG funding is to be utilised exclusively for costs associated with the training and professional development process of graduates (refer to ISDG guidelines) The business plan of a municipality must include an absorption strategy for the graduates within the municipality or any other municipality A project administrator may be appointed per municipality for the purpose of the ISDG administration if approved by National Treasury (refer to ISDG guidelines) Graduates are to be placed in units to support the management, maintenance and/or implementation of infrastructure, infrastructure related projects and accelerated service/infrastructure delivery Graduates must be assigned to a supervisor with experience in the same field as the graduates-in-training Graduates' training progress is to be evaluated by professionally registered mentors on a quarterly basis and development of the required competencies of graduates is to be evaluated bi-annually Municipalities must submit monthly and quarterly reports timeously Graduate reports and/or log books must be completed in the format of the statutory council and must be signed by the registered mentor/supervisor as required by statutory councils Municipalities must sign a service level agreement (SLA) with the National Treasury and such an agreement must be adhered to Non-compliance with the above conditions can result in the funds being withheld, stopped or re-allocated
Allocation criteria	<ul style="list-style-type: none"> Allocations are based on business plans submitted and ability of municipalities to provide training and professional development of graduates for the duration of the candidate phase as stipulated by statutory councils

Infrastructure Skills Development Grant	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This conditional grant is meant to develop technical skills within identified municipalities
Past performance	2016/17 audited financial outcomes <ul style="list-style-type: none"> R130 million was allocated and transferred to 16 municipalities
	2016/17 service delivery performance <ul style="list-style-type: none"> The grant has created employment and training opportunities for 502 graduates The following municipalities hosted graduates through the grant: <ul style="list-style-type: none"> Buffalo City (26 graduates) Nelson Mandela Bay (43 graduates) eThekweni (72 graduates) City of Johannesburg (28 graduates) Westonaria (9 graduates) Polokwane (27 graduates) Govan Mbeki (170 graduates) Gert Sibande (11 graduates) Lukhanji (8 graduates) Alfred Nzo (15 graduates) Umhlathuze (12 graduates) Sol Plaatjie (14 graduates) John Taolo Gaetsewe (7 graduates) King Sabata Dalindyebo (11 graduates) City of Cape Town (36 graduates) George (13 graduates)
Projected life	<ul style="list-style-type: none"> The grant is expected to continue over the 2018 Medium Term Expenditure Framework (MTEF), subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R141 million; 2019/20: R149 million and 2020/21: R158 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the National Treasury <ul style="list-style-type: none"> Issue guidelines and supporting documentation for the implementation of the ISDG Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts Manage, monitor and report on the programme Ensure professional development is aligned to statutory council requirements Monitor the registration progress of graduates with the relevant statutory councils by municipalities Monitor financial and non-financial performance of the ISDG Maintain graduates database for the ISDG Work with the Municipal Infrastructure Support Agent, and other stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals
	Responsibilities of municipalities <ul style="list-style-type: none"> Comply with the requirements of the Division of Revenue Act, ISDG guidelines, the service level agreement and the requirements of the relevant statutory councils Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates achieve competencies in relevant activities and are developed professionally to meet the outcome(s) requirements for professional registration Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work with adequate responsibility for the candidate to progress Provide the candidate with the requisite workspace, supervisor, tools of profession/trade, and logistics to perform the recommended activities within their training plans Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils Attend all meetings and workshops convened by the National Treasury relating to this grant Support and supervise graduates on the road-to-registration training Recruit professionally registered mentors who are able to provide the skills training required and ensure that they are adequately orientated on the registration process and its requirements Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury Manage the utilisation of ISDG funds and report to the National Treasury

Infrastructure Skills Development Grant	
	<ul style="list-style-type: none"> • The municipality must provide, and update, the list of business tools procured with ISDG funds. The business tools must be procured in accordance with ISDG guidelines • Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months, and where not initially eligible, must complete the additional requirements for acceptance as a candidate within 12 months of intake • Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Interested municipalities must submit a three-year business plan by 31 August 2018 for assessment by the National Treasury • Participating municipalities must submit revised business plans to the National Treasury by 31 August 2018

Neighbourhood Development Partnership Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities
Grant purpose	<ul style="list-style-type: none"> To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships
Outcome statements	<ul style="list-style-type: none"> Spatially integrated cities and towns Diversity of public and private capital investments leveraged into targeted locations Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third-party capital investment into strategic locations Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation
Outputs	<ul style="list-style-type: none"> Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> urban hub precincts with secondary linkages or; built environment upgrade projects in urban and rural townships Leveraged third-party capital investment into targeted locations The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events Enhanced municipal strategic competencies in investment targeting, implementation, and urban management
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Compliance with the aims and objectives outlined in a signed memorandum of agreement or funding agreement between the municipality and the transferring officer Submit cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the transferring officer Programme execution is dependent on a sequential and formal acceptance/approval by the transferring officer of NDPG-related municipal plans or deliverables Municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investment required to ensure long-term and sustainable outcomes for each precinct
Allocation criteria	<ul style="list-style-type: none"> The grant funds the following activities in targeted locations that are defined as urban hubs: <ul style="list-style-type: none"> planning and the development of catalytic projects the development of built environment upgrade projects in rural townships Schedule 6, Part B: Technical assistance allocations support planning and professional programme management costs for projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria Schedule 5, Part B: Capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process, in targeted locations Allocations are focused on municipalities whose circumstances align with the NDPG's criteria, these include: higher population densities, diverse nature of economic activity, concentrations of poverty, inefficient spatial-historical development, improved connectivity and mobility (in particular through improved public transport networks)
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> R624 million allocated in Schedule 5, Part B direct transfers to municipalities and R592 million of this was transferred to municipalities R22 million allocated in Schedule 6, Part B indirect transfers to municipalities and R14 million of this was spent by the end of the national financial year <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> 61 NDPG projects under construction in 2016/17 R5 billion in estimated third party investment leveraged (cumulative since 2007/08) 459 catalytic projects approved (cumulative since 2007/08) 18 long-term urban regeneration programmes registered (cumulative since 2013/14)
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term, subject to review

Neighbourhood Development Partnership Grant	
MTEF allocations	<p>Direct transfers (Schedule 5, Part B)</p> <ul style="list-style-type: none"> • 2018/19: R602 million; 2019/20: R621 million and 2020/21: R655 million <p>Allocation-in-kind (Schedule 6, Part B)</p> <ul style="list-style-type: none"> • 2018/19: R29 million; 2019/20: R31 million and 2020/21: R33 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • 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"> ○ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships (NDP) page on the National Treasury website ○ reporting in terms of the 2018 Division of Revenue Act (DoRA) ○ determining grant allocations for the Medium Term Expenditure Framework (MTEF) period ○ performing the obligations as set out in the memorandum of agreement/funding agreements signed between the municipality and the national department ○ governing the acceptance or approval milestones of NDPG-related municipal plans or deliverables ○ monitoring, managing and evaluating financial and non-financial performance ○ overseeing and enforcing the conditions of this grant ○ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management • 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"> ○ acting as the agent of the National Treasury on identified and agreed NDPG projects ○ appointing a dedicated project manager to ensure the continuity of NDPG activities ○ reporting monthly to the National Treasury on the progress of NDPG projects ○ providing programme and project management support to municipalities until the NDPG projects are completed and closed ○ motivating to the National Treasury for the reallocation of funding for specific municipal projects ○ integrating existing project and information systems to ensure efficient and effective management of existing NDP projects ○ participating in a joint advisory committee with National Treasury to govern the direction and coordination of the agency function ○ exploring the feasibility of developing grant management capacity <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the DoRA • Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the transferring officer • Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects • Coordinate the development of NDPG related municipal plans or deliverables and ensure that they are aligned with the grant objectives against which performance will be assessed • Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money • Maintain accurate and up to date grant and performance information as specified in NDPG management information formats and systems • Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations • Collect and provide evidence of funding leveraged into each precinct • Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal: <ul style="list-style-type: none"> ○ Spatial Development Frameworks (SDFs) and Capital Investment frameworks (as a chapter in the municipal SDF) ○ Integrated Development Plans (IDPs) ○ Built Environment Performance Plans (BEPPs) - only applicable to metropolitan municipalities
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans • Plans and/or deliverables must include an indication of: <ul style="list-style-type: none"> ○ the ability to attract and report on third-party funding leveraged ○ the quality of performance and progress reporting ○ the level of NDPG alignment across all municipal development strategies and plans including coordination, targeting, and prioritisation with other related capital projects as reflected through municipal SDFs and capital investment frameworks

PUBLIC WORKS GRANT

Expanded Public Works Programme Integrated Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> • Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> • To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: <ul style="list-style-type: none"> ○ road maintenance and the maintenance of buildings ○ low traffic volume roads and rural roads ○ basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) ○ other economic and social infrastructure ○ tourism and cultural industries ○ waste management ○ parks and beautification ○ sustainable land-based livelihoods ○ social services programmes ○ community safety programmes
Outcome statements	<ul style="list-style-type: none"> • Contribute towards increased levels of employment • Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> • 119 765 Full-Time Equivalents (FTEs) to be created through the grant • Number of people employed and receiving income through the EPWP • Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive growth • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • The programme is implemented through municipalities using EPWP integrated agreements and project lists that specify the number of FTEs and work opportunities to be created
Conditions	<ul style="list-style-type: none"> • EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by the Department of Public Works (DPW) and the Ministerial Determination updated annually on 01 November each year • Eligible municipalities must sign a funding agreement with the DPW before the first grant disbursement, with their final EPWP project list attached • Municipalities must report quarterly on all EPWP projects via DPW's EPWP reporting system • Reports must be loaded on the EPWP reporting system within 15 days after the end of every quarter in order for progress to be assessed • Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual • The EPWP grant cannot be used to fund the costs of permanent municipal personnel; however, a maximum of 5 per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods • The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list • To receive the first planned grant disbursement, eligible municipalities must submit a signed integrated agreement with a project list by 08 June 2018 • Subsequent grant disbursements are conditional upon: <ul style="list-style-type: none"> ○ eligible municipalities reporting quarterly on EPWP performance within the required timeframes ○ reporting on all EPWP Integrated Grant funded projects ○ submitting on a quarterly basis non-financial reports including for the last quarter of the previous financial year ○ reporting on EPWP Integrated Grant expenditure monthly within the required time frames ○ municipalities must implement their approved EPWP project list and meet agreed job creation targets • EPWP branding must be incorporated on any existing signage as per corporate identity manual
Allocation criteria	<ul style="list-style-type: none"> • To be eligible for EPWP grant allocation in 2018/19, a municipality must have reported FTEs that meet the minimum threshold in either the infrastructure or social sector or environment and culture sector in 2016/17 financial year • Newly reporting municipalities must have reported 2017/18 EPWP performance (in either the infrastructure, social, or environment and culture sector) by 30 October 2017 • The EPWP grant allocations are based on: <ul style="list-style-type: none"> ○ past EPWP performance ○ the number of FTE jobs created in the prior 18 months ○ past performance with regard to labour intensity in the creation of EPWP work opportunities ○ service delivery information from 2016 Community Survey was used as an adjustment factor • Allocation criteria include a rural bias

Expanded Public Works Programme Integrated Grant for Municipalities	
	<ul style="list-style-type: none"> Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPW
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund the expansion of labour intensity in specific focus areas as well as incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	2016/17 audited financial outcomes <ul style="list-style-type: none"> The grant had an allocation of R664 million, 255 municipalities were eligible for the grant and 100 per cent of the allocation was transferred to these municipalities
	2016/17 service delivery performance <ul style="list-style-type: none"> 174 404 work opportunities were reported by 255 municipalities and validated on the EPWP system 57 786 FTE jobs were reported by 255 municipalities and validated on the EPWP system
Projected life	<ul style="list-style-type: none"> Grant continues until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R693 million; 2019/20: R742 million and 2020/21: R783 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Determine eligibility and set grant allocations and FTE targets for eligible municipalities Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination Support municipalities in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria apply the EPWP project selection criteria and EPWP guidelines to project design report using the EPWP reporting system Monitor the performance and spending of municipalities according to the signed incentive agreement Disburse the grant to eligible municipalities Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions Conduct site visits to identify where support is needed
	Responsibilities of the eligible municipalities <ul style="list-style-type: none"> Develop and submit an EPWP project list to DPW by 08 June 2018 Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement Agree on the areas requiring technical support from DPW upon signing the grant agreement Ensure that reporting is done within the timelines stipulated in the grant agreement and that information is captured in the EPWP reporting system Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests Reports must be loaded within 15 days after the end of every quarter in order for progress to be assessed Submission of quarterly non-financial reports by the timelines stipulated in the clauses of the Division of Revenue Act
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> Municipalities must report performance on EPWP projects for the 2018/19 financial year by 31 October 2018 to be eligible for a grant allocation Municipalities must submit a signed EPWP integrated agreement and project list by 07 June 2019

TRANSPORT GRANTS

Public Transport Network Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To support the National Land Transport Act (Act No. 5 of 2009) and Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable integrated municipal public transport network services
Grant purpose	<ul style="list-style-type: none"> • To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services
Outcome statements	<ul style="list-style-type: none"> • Improved public transport network infrastructure and services that function optimally and are safe, convenient, affordable, well managed and maintained • Public transport systems that are accessible to an increasing percentage of the population of urban municipalities and contribute to more spatially efficient urban areas
Outputs	<p>Network Operations Component</p> <ul style="list-style-type: none"> • Number of average weekday passenger trips carried on Public Transport Network Grant (PTNG) funded networks • Number and percentage of municipal households within a 500m walk to an Integrated Public Transport Network (IPTN) station or stop that has a minimum peak period frequency of 15 minutes or better • Percentage uptime for network operating systems as a proportion of the network's public operating hours • Passengers per network vehicle per average weekday <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> • Public transport network infrastructure including dedicated lanes, routes and stops/shelters, stations, depots, signage and information displays, control centres and related information technology, fare systems and vehicles (if the national Department of Transport (DoT) in consultation with National Treasury approves use of grant funds to purchase vehicles), non-motorised transport (NMT) infrastructure that supports network integration (e.g. sidewalks, cycleways, cycle storage at stations, etc.) • Plans and detailed design related to IPTN infrastructure and operations
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses IPTN operational and related plans that include financial modelling
Conditions	<ul style="list-style-type: none"> • Projects must be based on and form part of a strategic, municipal wide, long-term IPTN plan and strategy approved by the municipal council • Projects funded by this grant must be based on an operational and business plan, which must include a multi-year financial operational plan approved by the municipal council. This multi-year financial operational plan must cover the full duration of any contracts for each phase funded by the PTNG and include operating and maintenance costs and universal design access plans • Projects must support an integrated multi-modal network approach as defined in the National Land Transport Act (NLTA) and the Public Transport Strategy and municipalities must manage operations to progressively achieve the standard of service defined in the Public Transport Strategy within available resources • Projects in metropolitan municipalities must demonstrate alignment to Built Environment Performance Plans (BEPPs) • Payments will be conditional on the attainment of milestones specified in the grant allocation letter to each municipality from the DoT. Milestones are based on the approved IPTN operational plans of cities and are defined after consultation with municipalities • All public transport infrastructure and services funded through this grant must ensure that there is provision for the needs of special categories of passengers (including disabled, elderly and pregnant passengers) in line with the requirements of section 11(c)(xiv) of the NLTA • Allocations for this grant are made through two components, with separate conditions applicable to each component as set out in the allocations criteria section below. Allocations for the Network Operations Component will be determined by DoT once municipalities submit an annual operations plan including financial forecasts for 2018/19 by 1 June 2018. Funds for one component can be shifted to the other if approved by DoT • The first tranche is subject to cities submitting, by 1 June 2018, an updated multi-year financial operational plan if requested by DoT for the duration of the vehicle operating contract/s pertaining to any phase on which 2018/19 grant funds will be spent • All new Intelligent Transport Solutions (ITS) related contracts that will incur grant expenditure must be jointly approved by DoT and National Treasury before grant funds may be spent on them

Public Transport Network Grant	
	<p>Network Operations Component</p> <ul style="list-style-type: none"> • Operating subsidies from this component can fund security, station management, fare collection services, control centre operations, information and marketing, network management, insurance, compensation for the economic rights of existing operators and maintenance of infrastructure and systems • From the start of operations, IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operating costs consist of fuel, labour, operator administration and vehicle maintenance • From the start of operations on a route, the grant can fund a portion of the per kilometre rate to subsidise up to 100 per cent of the capital cost (including interest and related fees) of vehicles purchased by the vehicle operating company • IPTN operational plans and on-going operations management must target improved farebox cost coverage, through minimising costs and maximising fare revenues. Municipalities operating network services are required to supply detailed operating performance and operating cost and revenue reports quarterly in the formats prescribed by the DoT • Operating subsidies for any new or existing service, line, route or phase, will only be transferred after a municipality meets the requirements of DoT's Operational Readiness Framework • Municipalities must enforce rules and by-laws regarding usage of dedicated lanes, fare payment, and operator/supplier compliance with contractual provisions • Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations • Verified data on operator revenue and profitability and draft agreements for the compensation of existing economic rights of affected operators must be provided to DoT prior to concluding agreements on compensation for economic rights • Municipalities must enforce agreements that only legal operators operate on routes subject to compensation agreements <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> • The grant can fund all IPTN-related infrastructure, including for non-motorised transport, upgrades of existing public transport infrastructure and for new infrastructure • Municipalities must demonstrate in their IPTN operational plans that they have attempted to give maximum priority to public and non-motorised transport while minimising costs through using existing infrastructure, road space and public land • For each phase, final network routing, service design and related financial modelling must be submitted to DoT for review and approval before municipalities proceed with detailed infrastructure design • IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations) • Contracted operators should finance and own vehicles unless a case for the exceptional use of limited infrastructure funding for vehicle procurement is approved by DoT, in consultation with National Treasury. If approval is granted, any vehicles purchased with grant funds must remain the property of the municipality
Allocation criteria	<ul style="list-style-type: none"> • Allocations are only made to municipalities that submit business plans in line with the above conditions, that demonstrate sufficient capacity to implement and operate any proposed projects, and credibly demonstrate the long-term fiscal and financial sustainability of the proposed projects • 75 per cent of available funds are allocated according the three public transport demand factors. The three demand factors which are equally weighted are: <ul style="list-style-type: none"> ○ size of population ○ size of economy ○ number of public transport users • 20 per cent of available funds are allocated through a base component shared equally between participating municipalities • 5 per cent of available funds are allocated at the discretion of DoT, however from 2019/20 this component will be allocated as a performance incentive to operating municipalities • Allocations for the Network Operations Component are based on municipalities' Annual Operations Plans (to be submitted to DoT by 1 June 2018) which indicate the amount of the 2018/19 total allocation to be used within the rules of this component. Approval of these allocations is specified in the DoT allocation letter to municipalities and is based on the following rules: <ul style="list-style-type: none"> ○ DoT approval of the annual operations plan ○ the network operations component can be used in each phase and sub-phase of the introduction of services to fund up to 70 per cent of indirect operating costs for two years after the municipal financial year in which operations start. Thereafter the grant can fund up to 50 per cent. Non-PTNG sources must cover the remaining costs ○ compensation for the economic rights of existing operators can be funded up to 100 per cent in each phase

Public Transport Network Grant	
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Infrastructure and operational costs associated with the implementation of the PTS and NLTA were not included in municipal budgets prior to the introduction of IPTN services
Past performance	<p>2016/17 audited financial outcomes:</p> <ul style="list-style-type: none"> Public Transport Network Grant: R5.6 billion was allocated and R5.6 billion (100 per cent) was transferred to municipalities <p>2016/17 service delivery performance:</p> <ul style="list-style-type: none"> Cape Town: operational MyCiTi service consists of 40 routes, 42 stations, 416 bus stop pairs, 558 drivers in 255 peak buses, and transport 61 974 passengers on a weekday as at end June 2017 Ekurhuleni: trunk routes 1A, 1B, 2A, 2B, 4A and 4B completed; detailed designs for main depot completed; construction of roads and parking bays at Vosloorus interim depot completed; MOU with Ekurhuleni Taxi Industry signed and implemented; and section 67 agreement signed to facilitate commencement of operations of the interim service provider eThekweni: 24.9 km right of way roadway on route C3 95 per cent complete and bridges and structures are completed. Routes C1A and C9 detailed designs complete and route C9 interchange 50 per cent complete George: 83 km of routes in mixed traffic inclusive of non-motorised transport facilities are complete. The system transports 13 500 passenger trips per weekday with R37.3 million in annual fare revenue Johannesburg: 50 475 average daily passenger trips; 1 137 average number of passenger trips with special categories of need (2 per cent of total weekday trips). 48 trunk stations in use; 272 feeder and complementary kerbside stops in use; 82 trunk vehicles in use; and 195 complementary and feeder vehicles in use Rustenburg: 5.3 km trunk in corridor A is completed; 13 km trunk in corridor B is completed; six stations are 80 per cent complete in corridor A; five station substructures are complete in corridor B; and universal access compliant non-motorised transport infrastructure along the Corridor A trunk is completed Mbombela: 6.7 km of bi-directional network completed; 2.9 km of non-motorised facilities completed; three transfer or primary stations (hubs) and 17 secondary stations completed Msunduzi: construction for Phase 1A 3.7 km complete; and upgrade of 12 km of strategic feeder routes of on-going Polokwane: 1.35 km of dedicated trunk completed; 2.3 km of mixed traffic trunk completed; 1.45 km of feeder completed; 3.43 km of non-motorised facilities; and three bus stops (kerbside-no shelter) completed Tshwane: 0.8 km of line 2B 64 per cent constructed; 0.64 km of line 1A (WP4B) 55 per cent constructed; and 0.9 km of line 2C 15 per cent constructed. At Belle Ombre bus depot, bulk earthworks 96 per cent completed and civil works 94 per cent complete while Kopanong intermodal public transport facility Phase 2 is 35 per cent complete; and Park Street non-motorised infrastructure (walkways and cycle paths) 84 per cent complete
Projected life	<ul style="list-style-type: none"> The grant is expected to continue until 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2018/19: R6.3 billion; 2019/20: R6.1 billion and 2020/21: R6.5 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with an agreed payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Disburse PTNG funds and monitor PTNG expenditure Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy Verify reports from municipalities by conducting at least one site visit per annum Allocate funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury Review and comment on draft compensation agreements for economic rights Review and comment on the network model submitted by each municipality Evaluate the performance of the grant annually Maintain the database of operational performance based on the indicators and continue to track, report and evaluate the performance of the grant based on these measures Finalise the public transport subsidy policy for South Africa Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated to municipalities by DoT Submit copies of allocation letters and milestones to National Treasury Review the Public Transport Strategy to ensure its requirements enable municipalities to develop fiscally sustainable IPTN systems <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Ensure that projects are implemented in line with approved business plans and are also reflected in the integrated development plan of the municipality. Additional plans that municipalities will need to complete include: <ul style="list-style-type: none"> network operational plans, including universal design access plans business and financial plans (including financial modelling, economic evaluation, and operator transition plans) institutional network management plans engineering and architectural preliminary and detailed designs

Public Transport Network Grant	
	<ul style="list-style-type: none"> ○ public transport vehicle and technology plans ○ marketing and communication plans ● Projects funded by this grant must promote the integration of the public transport networks in a municipality, through: <ul style="list-style-type: none"> ○ physical integration between different services within a single network ○ fare integration between different services ○ marketing integration with unified branding ○ institutional integration between the services ○ spatial integration, in conjunction with other grants directed at the built environment ● Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> ○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum ○ indicate the intended allocations between the network operations component and network infrastructure component ● Establish a dedicated project team to plan, manage and monitor infrastructure development and maintenance, as well as operations with an emphasis on optimising vehicle kilometres through full use of procured Intelligent Transport System tools ● Compile and submit data that indicates the efficiency and effectiveness of operational services in the formats and using the indicators defined by the DoT
Process for approval of 2019/20 MTEF allocations	<ul style="list-style-type: none"> ● Municipalities must submit business plans based on a fiscally and financially sustainable IPTN (or an agreed plan to compile this), supported by credible multi-year financial operational plans by 31 July 2018 ● DoT and National Treasury will jointly evaluate these plans – based on pre-determined criteria regarding financial and fiscal sustainability and sufficient capacity – for the municipality’s eligibility for an allocation in the 2019/20 financial year ● Municipalities that fail to pass the eligibility criteria will be informed by 31 August 2018 and may be asked to resubmit plans ● Municipalities must include plans for how all municipal owned bus will be integrated into the 10 year IPTN programme

Rural Roads Asset Management Systems Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • Ensure efficient and effective investment in municipal roads through development of Road Asset Management Systems (RAMS) and collection of data
Grant purpose	<ul style="list-style-type: none"> • To assist district municipalities to set up rural RAMS, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)
Outcome statements	<ul style="list-style-type: none"> • Improved data on municipal roads to guide infrastructure maintenance and investments • Reduced vehicle operating costs
Outputs	<ul style="list-style-type: none"> • Road condition data (paved and unpaved) • Traffic data • Data on condition of structures as per Technical Methods for Highways (TMH) 19 (including bridges and culverts) • Prioritised project list for roads to inform Municipal Infrastructure Grant project selection
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Comprehensive rural development and land reform • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses Road Asset Management Business Plans which contain the following details: network hierarchy, performance management framework, gap analysis, information systems, lifecycle planning, current and future demand, financial plan, monitoring, reviewing and continual improvements including sharing data with local municipalities
Conditions	<ul style="list-style-type: none"> • Transfer of the first tranche is conditional on submission of an approved business plan by 28 May 2018 • Transfer of the second tranche is conditional on submission of evidence of engagements and sharing of data with local municipalities and compliance with monthly and quarterly report submissions to the national Department of Transport (DoT), and the relevant Provincial Roads Authorities • Road authorities must conduct regular condition assessments for paved and unpaved roads, structure, traffic data and any other road inventory data • District municipalities must provide local municipalities with validated information from the condition data collected to enable municipalities to identify and prioritise road maintenance requirements within their own budgets, to improve the condition and extend the lifespan of road infrastructure • District municipalities must submit the above data to the national repository by August 2018 • Data collection must be in terms of the asset management practice note issued by the DoT • The framework must be read in conjunction with the practice note as agreed with National Treasury • Systems developed to record data must be compatible with DoT specifications • District municipalities must participate in grant management structures, including attending quarterly RRAMS meetings • A maximum of five per cent may be used for municipal costs incurred as part of coordination, project management and reporting by the district municipality. This must not be used to appoint municipal officials • District municipalities must appoint an independent assessor to assess a representative sample of all roads assessed (which is about 10 per cent of their assessed network) to confirm the correctness of the assessment made by the municipality
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the extent of road network and number of local municipalities within a district municipality • All 44 district municipalities will benefit from this grant in the 2018 MTEF
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant mainly for the provision of systems to collect data on traffic and conditions of rural roads and access bridges
Past performance	<p>2016/17 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the R102 million that was allocated, R102 million (100 per cent) was transferred to municipalities <p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • 52 114 kilometres of paved road network, and 170 837 kilometres of unpaved road network were assessed by the programme in the 44 district municipalities receiving the grant • 163 graduates were recruited into the programme
Projected life	<ul style="list-style-type: none"> • The grant has a life span up to 2020/21, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2018/19: R108 million; 2019/20: R114 million and 2020/21: R120 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in two tranches in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitoring implementation of RAMS together with provincial road authorities • Data integrity will be checked by DoT and provincial road authorities • Provide guidance on sustainable RAMS operations and standards

Rural Roads Asset Management Systems Grant	
	<ul style="list-style-type: none"> • Facilitate interaction between local municipalities and district municipalities in using RAMS outputs as guidance in municipal road infrastructure management • Check the quality of data captured on municipalities' RAMS in collaboration with provincial road authorities
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Municipalities must make provision to maintain RAMS after the lifespan of the grant • Data for all rural roads to be updated within two years • Recruit unemployed youth, S3 experiential training students and young graduates • Ensure human capacity at municipalities for the operation of RAMS is built • Road quality data on RAMS must be used for planning Municipal Infrastructure Grant (roads) investments as well as roads maintenance funded from other sources • Submission of updated RAMS data in TMH 18 format by 30 May 2018
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • District municipalities must submit a Road Asset Management Plan (RAMP)/business plan annually to DoT by 31 May 2019 • RAMP must contain the following: <ul style="list-style-type: none"> ○ the extent of the road network in the municipality ○ the proportion of municipal roads with updated data captured on its RAMS ○ the condition of the network in the municipality ○ the maintenance and rehabilitation needs of the municipal road network ○ the status of the municipality's RAMS ○ status of institutionalisation of RAMS in the district municipality • TMH 22 RAMP guideline can be used as template • DoT together with provincial roads authorities will evaluate the business plans and progress reports by 28 June 2019

WATER AND SANITATION GRANTS

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Facilitate achievement of targets for access to bulk water and sanitation through successful execution and implementation of bulk projects of regional significance
Grant purpose	<ul style="list-style-type: none"> To develop new, refurbish, upgrade and replace ageing water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality To implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements
Outcome statements	<ul style="list-style-type: none"> Access to water supply enabled through regional bulk infrastructure Proper wastewater management and disposal enabled through regional wastewater infrastructure
Outputs	<ul style="list-style-type: none"> Number of regional bulk water and sanitation projects under construction Number of projects/project phases completed Number of households targeted to benefit from bulk supply Number of municipalities benefitting Number of job opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 7: Comprehensive rural development and land reform Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses approved implementation readiness studies (IRS) and memorandums of understanding (MoU) which include the following: <ul style="list-style-type: none"> cash flow and implementation milestones details of key stakeholders and main contractors specific funding conditions related to the project outline of the roles and responsibilities of the respective parties
Conditions	<ul style="list-style-type: none"> The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the social component of regional bulk water and sanitation projects approved by the Department of Water and Sanitation (DWS), unless exemptions based on affordability are recommended by DWS and approved by National Treasury All identified projects must be referenced to and included in the municipal Integrated Development Plan (IDP) and Water Services Development Plans (WSDP) and show linkages to projects under the Municipal Infrastructure Grant (MIG) and/or the Water Services Infrastructure Grant (WSIG) Funds may only be used for drought relief interventions based on a business plan approved by DWS <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> The municipality must spend grant funds in line with the IRS approved by DWS The municipality must submit monthly financial and quarterly non-financial reports to DWS on stipulated dates Grant funds must be reflected in the capital budget of the municipality All sources of funding for the cost of the project must be clearly outlined in the approved IRS The financing plan with associated co-funding agreements must be in place prior to implementation of the project unless exemption to co-funding requirements has been approved by National Treasury <p>Schedule 6, Part B allocations</p> <ul style="list-style-type: none"> This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems A financing plan with associated co-funding agreements must be in place prior to implementation of RBIG funded projects All sources of funding for the full cost of the project must be outlined in the IRS and the MoU, which must be signed by DWS and the benefiting municipality RBIG payments for Schedule 6, Part B allocations will be made to DWS's contracted implementing agent based on invoices for work done All projects must be implemented and transferred in line with the approved IRS
Allocation criteria	<ul style="list-style-type: none"> Projects are assessed individually, and allocations are made by DWS on a project basis, taking into account the following factors: <ul style="list-style-type: none"> demand and availability of water the overall infrastructure needs the strategic nature of the project socio-economic importance of an area urgency and impact of the intervention
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Regional bulk projects are closely linked to water resource planning and development, which is a DWS competency
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> Of an approved revised budget allocation (Schedule 5, Part B) of R1.8 billion; R1.8 billion (100 per cent) was transferred Of an approved revised budget allocation (Schedule 6, Part B) of R3.5 billion; 98 per cent was spent

Regional Bulk Infrastructure Grant	
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> • Five project phases were completed: <ul style="list-style-type: none"> ○ Masilonyana-Brandfort phase1 ○ Kalahari East to Mier pipeline ○ Steytlerville Water Supply Scheme ○ Noupoort Bulk Water Supply ○ Gariep Dam to Norvaltspond Bulk Water Supply • 81 project phases were in construction
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2020/21, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> • 2018/19: R2 billion; 2019/20: R2.1 billion and 2020/21: R2.2 billion <p>Allocation-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> • 2018/19: R2.9 billion; 2019/20: R3 billion and 2020/21: R3.2 billion
Payment schedule	<ul style="list-style-type: none"> • Payments for Schedule 5, Part B allocations are made in terms of a payment schedule approved by National Treasury • Payments for Schedule 6, Part B payments are made after verification of work performed
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Support the development of Water Services Authorities' (WSA) water services infrastructure master plans • Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility study and IRS • Enter into agreements with WSAs regarding the construction, ownership, funding arrangements, and operation and maintenance of proposed infrastructure prior to the commencement of construction. These agreements must be specified in the IRS and/or in the funding agreement • If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained • Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework) • Ensure that suitable agreements are in place between an implementing agent who will continue to operate the infrastructure after completion and the WSA • All drought related plans and expenditure must be shared with the National Disaster Management Centre
	<p>Responsibilities of Water Services Authorities</p> <ul style="list-style-type: none"> • Develop and regularly update water services infrastructure master plans • Submit monthly, quarterly and annual progress reports to DWS • Ensure that projects are appropriately linked to the municipality's water services infrastructure master plans, their IDP and WSDP and projects funded through the MIG and WSIG • Once a project is completed, ensure adherence to operations and maintenance plans and/or any other requirements agreed to as part of the funding agreement, and ensure the sustainability of infrastructure • Ensure integration of planning, funding, timing and implementation of bulk and reticulation projects • Ensure provision of reticulation services and/or reticulation infrastructure to connect to the bulk infrastructure funded through this grant
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> • Due to the long-term nature of projects, dates of the various processes are not fixed • All proposed projects which comply with the RBIG criteria must be registered and listed in DWS's bulk master plans • At regional level, a coordination committee of key stakeholders to assist with planning of regional bulk projects and the assessment of the IRS and feasibility studies must be in place • Pre-feasibility studies must assess potential for WC/WDM interventions • IRS and feasibility studies will be evaluated and approved by the transferring officer • All projects are allocated a budget by DWS and submitted to National Treasury for gazetting as indicative budget allocations • Project funding approval letters will be issued to the benefiting municipalities • Based on the outcome of the IRS, DWS will nominate the implementing agent for the construction phase of Schedule 6, Part B projects and designate the owner of the infrastructure. National Treasury and benefitting municipalities will be informed of the decisions

Water Services Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To assist Water Services Authorities (WSAs) to reduce water and sanitation backlogs
Grant purpose	<ul style="list-style-type: none"> • Facilitate the planning and implementation of various water and on-site sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities • Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection and groundwater development • Support municipalities in implementing water conservation and water demand management (WC/WDM) projects • Support the existing Bucket Eradication Programme intervention in formal residential areas • Support drought relief projects in affected municipalities
Outcome statements	<ul style="list-style-type: none"> • An increased number of households with access to reliable, safe drinking water and sanitation services
Outputs	<ul style="list-style-type: none"> • Number of households provided with water and sanitation through: <ul style="list-style-type: none"> ○ reticulated water supply ○ on-site sanitation ○ bucket systems replaced with appropriate sanitation facilities for households identified by the Department of Water and Sanitation (DWS) in the 2015/16 verification process ○ source identification ○ water conservation/water demand management provision • Number of households reached by health and hygiene awareness and end-user education • Number of job opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 7: Comprehensive rural development and land reform • Outcome 8: Sustainable human settlements and improved quality of household life • Outcome 9: Responsive, accountable, effective and efficient developmental local government
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Roles and responsibilities
Conditions	<ul style="list-style-type: none"> • All projects funded must be aligned to, and not duplicate, any existing or planned projects funded by other conditional grants or municipalities' own funds • Municipalities must demonstrate in their business plans how they plan to manage, operate and maintain the infrastructure over the long term <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> • Municipalities must submit business plans signed off by their Accounting Officer in line with their Water Services Development Plans (WSDPs) and Intergrated Development Plans (IDPs) • DWS must approve the business plans before projects can be implemented • WSAs may only spend funds in line with approved business plans • WSAs must submit monthly financial and quarterly non-financial reports to DWS • Funds must be reflected in the capital budget of the municipality • Grant funds must not be spent on operations and routine maintenance • The Project Management Unit funded through the Municipal Infrastructure Grant should be utilised to manage the implementation of projects funded through this grant • Funds may only be used for drought relief interventions based on a plan approved by DWS <p>Schedule 6, Part B allocations</p> <ul style="list-style-type: none"> • Municipal accounting officers must sign-off that business plans are in line with their WSDP/IDP. In the case of Bucket Eradication Programme projects, a memorandum of understanding (MoU) will guide implementation • DWS must approve the business plans before projects can be implemented • DWS must enter into a MoU with the relevant municipality before any project is implemented • Service level agreements (SLAs) between DWS and the WSA must specify: <ul style="list-style-type: none"> ○ the location of the project and communities impacted ○ the consultation process that was undertaken with affected communities ○ the alignment between the project plan and the municipality's WSDP and IDP ○ the interim/intermediate and/or localised infrastructure that will be built or the intervention that will be implemented ○ the cost of the project and timeframe for completion ○ how maintenance of the infrastructure will be conducted and funded in future by the municipality

Water Services Infrastructure Grant	
	<ul style="list-style-type: none"> ○ details of how the capacity of the municipality will be strengthened through the project implementation process so that it can implement projects itself in future ○ DWS's implementing agent ○ agreement by the municipality that the project should be implemented as an allocation-in-kind
Allocation criteria	<ul style="list-style-type: none"> ● Allocations are based on the number of households with water and sanitation backlogs, prioritising the 27 priority district municipalities identified by government ● Allocations for the Bucket Eradication Programme in Schedule 6, Part B, are based on the remaining work needed to replace bucket systems with appropriate sanitation facilities for households identified by DWS in the 2015/16 verification process
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The grant is earmarked for specific projects aimed at providing access to basic water and sanitation services
Past performance	<p>2016/17 audited financial outcome</p> <ul style="list-style-type: none"> ● Water Services Infrastructure Grant (Schedule 5, Part B): <ul style="list-style-type: none"> ○ of the R2.8 billion allocated, R2.4 billion (83 per cent) was transferred ● Water Services Infrastructure Grant (Schedule 6, Part B): <ul style="list-style-type: none"> ○ of the R311 million allocated, R297 million (95 per cent) was spent
	<p>2016/17 service delivery performance</p> <ul style="list-style-type: none"> ● Water Services Infrastructure Grant: <ul style="list-style-type: none"> ○ 28 200 households served ○ 509 jobs created
Projected life	<ul style="list-style-type: none"> ● The grant will continue until the 2020/21 financial year, subject to review
MTEF allocations	<p>Direct transfers (Schedule 5, Part B):</p> <ul style="list-style-type: none"> ● 2018/19: R3.5 billion; 2019/20: R3.7 billion and 2020/21: R3.9 billion <p>Allocations-in-kind (Schedule 6, Part B):</p> <ul style="list-style-type: none"> ● 2018/19: R608 million; 2019/20: R642 million and 2020/21: R678 million
Payment schedule	<ul style="list-style-type: none"> ● For Schedule 5, Part B, transfers are made in accordance with a payment schedule approved by National Treasury ● For Schedule 6, Part B, payments are made to contracted implementing agents (including water boards and private service providers) after verification of work performed
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Evaluate and approve the business plans for each project before funds can be transferred ● Ensure that the conditions of the grant and approved business plans are adhered to ● Submit statutory reports (monthly financial, quarterly non-financial and annual performance) to National Treasury ● Ensure that implementing agents submit monthly financial and quarterly non-financial reports ● In cases where DWS appoints a contractor, the contract between DWS and the appointed contractor must be signed before the project can commence ● All drought-related plans and expenditure must be shared with the National Disaster Management Centre
	<p>Responsibilities of water services authorities</p> <ul style="list-style-type: none"> ● Compile and submit signed-off business plans for each project (for the relevant financial year) ● Sustainably operate and maintain funded water and sanitation projects over their lifetime ● Ensure integrated planning for all projects funded through the different grants and programmes ● Municipalities must submit a technical report for each project to the regional office ● Ensure adequate participation and involvement of the public in each project ● Manage project implementation in line with the business plan ● Submit monthly, quarterly and annual progress reports in the format prescribed by DWS ● Comply with all the funding conditions agreed to in the business plan and MoU
Process for approval of 2019/20 business plans	<ul style="list-style-type: none"> ● Municipalities must submit a technical report for each project to the regional office ● Regional offices must assess technical reports ● Municipalities must prepare business plans based on the assessed technical reports ● Business plans must be submitted to DWS by 29 March 2019 ● Business plans must be approved by DWS by 1 May 2019

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS
(National and Municipal Financial Years)**

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B); CURRENT GRANTS

Category	Municipality	Energy Efficiency and Demand Side Management Grant			Infrastructure Skills Development Grant			Local Government Financial Management Grant			Expanded Public Works Programme Integrated Grant for Municipalities			SUB-TOTAL: CURRENT ¹			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
FREE STATE																	
A.	MAN	-	-	-	-	-	-	3 345	3 000	2 500	2 423	-	-	-	5 768	3 000	2 500
B.	FSM61	-	-	-	-	-	-	1 970	2 435	2 867	1 000	-	-	2 970	2 435	2 867	
B.	FSM62	-	-	-	-	-	-	1 700	2 132	2 867	1 000	-	-	2 700	1 700	2 132	
B.	FSM63	-	-	-	-	-	-	1 970	2 435	2 867	1 000	-	-	2 970	2 435	2 867	
C.	DC16 - Xhelen District Municipality	-	-	-	-	-	-	1 320	1 510	1 029	1 029	-	-	2 349	1 785	1 510	
Total: Xhelen Municipalities																	
B.	FSM81	-	-	-	-	-	-	6 600	8 355	9 376	4 029	-	-	10 899	8 355	9 376	
B.	FSM82	-	-	-	-	-	-	1 970	1 970	2 402	1 000	-	-	2 970	1 970	2 402	
B.	FSM83	-	-	-	-	-	-	1 970	2 435	2 867	1 000	-	-	2 970	2 435	2 867	
B.	FSM84	-	-	-	-	-	-	1 970	1 970	1 970	1 000	-	-	2 970	1 970	1 970	
B.	FSM85	5 000	6 000	6 000	-	-	-	2 215	2 680	3 112	1 000	-	-	3 215	2 680	3 112	
B.	FSM85	-	-	-	-	-	-	2 415	2 880	3 312	1 000	-	-	3 415	2 880	3 312	
C.	DC18 - Lejolele District Municipality	-	-	-	-	-	-	1 000	1 000	1 000	1 000	-	-	10 500	9 785	10 217	
C.	DC19 - Thabo Mofuswana District Municipality	8 000	8 000	8 000	-	-	-	1 320	1 785	2 217	1 180	-	-	10 500	9 785	10 217	
Total: Free State Municipalities																	
B.	FSM91	-	-	-	-	-	-	13 405	16 600	19 525	10 001	-	-	31 406	24 600	27 525	
B.	FSM92	-	-	-	-	-	-	1 700	2 165	2 165	1 517	-	-	3 217	2 165	2 165	
B.	FSM93	-	-	-	-	-	-	1 770	2 235	2 667	1 000	-	-	2 770	2 235	2 667	
B.	FSM94	-	-	-	-	-	-	1 770	2 235	2 667	1 000	-	-	2 824	2 235	2 667	
B.	FSM95	-	-	-	-	-	-	2 215	2 680	3 112	4 120	-	-	6 335	2 680	3 112	
B.	FSM96	-	-	-	-	-	-	2 415	2 880	3 312	-	-	-	2 415	2 880	3 312	
B.	FSM96	-	-	-	-	-	-	2 215	2 680	3 112	1 130	-	-	3 345	2 680	3 112	
C.	DC19 - Thabo Mofuswana District Municipality	8 000	8 000	8 000	-	-	-	1 320	1 785	2 217	1 180	-	-	10 500	9 785	10 217	
Total: Free State Municipalities																	
Total: Free State Municipalities		13 000	14 000	14 000	-	-	-	44 865	51 960	58 097	24 453	-	-	82 318	65 960	72 097	
GAUTENG																	
A.	EMU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.	HBB	14 000	13 065	15 000	-	-	-	1 000	1 000	1 000	25 054	-	-	40 054	14 065	16 000	
A.	FSH	10 000	15 000	15 000	-	-	-	2 650	2 250	2 250	34 737	-	-	42 937	8 500	9 000	
A.	FSH	-	-	-	-	-	-	-	-	-	32 013	-	-	44 663	17 250	17 250	
B.	GT421	-	-	-	-	-	-	1 550	2 015	2 015	2 746	-	-	4 296	2 015	2 015	
B.	GT422	-	-	-	-	-	-	1 550	1 550	1 550	1 151	-	-	2 701	1 550	1 550	
B.	GT423	6 000	6 000	6 000	-	-	-	1 550	1 550	1 550	1 297	-	-	8 847	7 550	7 550	
C.	DC32 - Sedibeng District Municipality	-	-	-	-	-	-	1 250	1 000	1 000	1 000	-	-	2 250	1 000	1 000	
Total: Sedibeng Municipalities																	
B.	GT481	-	-	-	-	-	-	5 900	6 115	6 115	6 224	-	-	18 124	12 115	12 115	
B.	GT484	-	-	-	-	-	-	1 550	1 550	1 550	4 346	-	-	5 896	1 550	1 550	
B.	GT485	6 000	5 000	5 000	-	-	-	1 700	2 165	2 597	1 180	-	-	2 880	2 165	2 597	
B.	GT485	-	-	-	-	-	-	3 170	2 500	2 000	2 135	-	-	11 305	7 500	7 000	
C.	DC34 - West Rand District Municipality	6 000	5 000	5 000	-	-	-	1 000	1 000	1 000	1 105	-	-	2 105	1 000	1 000	
Total: West Rand Municipalities																	
Total: Gauteng Municipalities		36 000	39 065	41 000	-	-	-	17 970	17 580	17 512	106 794	-	-	167 964	64 145	66 512	

ANNEXURE W4
 SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
 (SCHEDULE 5, PART B AND SCHEDULE 7, PART B); CURRENT GRANTS

Category	Municipality	Energy Efficiency and Demand Side Management Grant		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT ¹		
		2018/19 (R'000)	2020/21 (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)	2020/21 (R'000)	
WESTERN CAPE												
A	CPT - City of Cape Town	10 000	10 000	15 000	16 000	1 000	1 000	1 000	24 266	48 871	26 935	32 000
B	WC001 - Matielanda	-	-	-	-	1 550	1 550	1 550	1 630	3 180	1 550	1 550
B	WC002 - Cederberg	-	-	-	-	1 620	1 620	1 620	1 819	3 439	2 085	2 085
B	WC003 - Bergaview	-	-	-	-	1 550	1 550	1 550	1 413	2 963	1 550	1 550
B	WC004 - Saldanha Bay	-	-	-	-	1 550	1 550	1 550	2 055	3 605	1 550	1 550
B	WC005 - Swartland	3 000	5 000	5 000	-	1 550	1 550	1 550	1 572	6 122	6 550	6 550
C	DC1 - West Coast District Municipality	-	-	-	-	1 000	1 000	1 000	1 047	2 047	1 000	1 000
	Total: West Coast Municipalities	3 000	5 000	5 000	-	8 220	9 285	9 285	9 536	21 556	14 285	14 285
B	WC022 - Wizenberg	-	-	-	-	1 550	1 550	1 550	1 780	3 330	1 550	1 550
B	WC023 - Drakenstein	-	-	-	-	1 550	1 550	1 550	4 433	5 983	1 550	1 550
B	WC024 - Stellenbosch	-	-	-	-	1 550	1 550	1 550	5 722	7 272	1 550	1 550
B	WC025 - Breede Valley	-	-	-	-	1 550	1 550	1 550	3 066	4 616	1 550	1 550
B	WC026 - Langeberg	-	-	-	-	1 550	1 550	1 550	1 740	3 290	1 550	1 550
C	DC2 - Cape Winelands District Municipality	-	-	-	-	1 000	1 000	1 000	1 391	2 391	1 000	1 000
	Total: Cape Winelands Municipalities	-	-	-	-	8 750	8 750	8 750	18 132	26 882	8 750	8 750
B	WC031 - Theewaterskloof	-	-	-	-	1 700	1 700	1 700	1 451	3 151	1 700	1 700
B	WC032 - Overstrand	-	-	-	-	1 550	1 550	1 550	1 926	3 476	1 550	1 550
B	WC033 - Cape Agulhas	5 000	5 000	5 000	-	1 550	1 550	1 550	1 141	7 691	6 550	6 550
B	WC034 - Swellendam	-	-	-	-	1 770	1 770	1 770	1 266	3 036	1 770	1 770
C	DC3 - Overberg District Municipality	-	-	-	-	1 000	1 000	1 000	1 125	2 125	1 000	1 000
	Total: Overberg Municipalities	5 000	5 000	5 000	-	7 570	7 570	7 570	6 909	19 479	12 570	12 570
B	WC041 - Kaimoed	-	-	-	-	2 215	2 215	2 215	1 055	3 270	2 215	2 647
B	WC042 - Hessesqu	-	-	-	-	1 550	1 550	1 550	1 026	2 576	1 550	1 550
B	WC043 - Mosel Bay	-	-	-	-	1 550	1 550	1 550	2 337	3 887	1 550	1 550
B	WC044 - George	7 000	5 000	5 000	7 000	1 320	1 320	1 320	2 695	20 010	9 085	13 570
B	WC045 - Oudshoorn	-	-	-	6 500	1 550	1 550	1 550	2 517	4 465	1 550	1 550
B	WC047 - Bloubaan	-	-	-	-	1 550	1 550	1 550	2 615	4 165	1 550	1 550
B	WC048 - Knysna	6 000	6 000	5 000	-	1 550	1 550	1 550	1 187	8 337	7 550	6 550
C	DC4 - Eden District Municipality	-	-	-	-	1 000	1 000	1 000	1 021	2 021	1 000	1 000
	Total: Eden Municipalities	13 000	11 000	10 000	7 000	12 585	13 950	13 950	17 529	49 114	30 550	30 914
B	WC051 - Lingsburg	-	-	-	-	1 800	1 800	1 800	1 000	2 800	1 800	1 800
B	WC053 - Prince Albert	-	-	-	-	1 700	1 700	1 700	1 042	2 742	1 700	1 700
B	WC053 - Beaufort West	-	-	-	-	1 700	1 700	1 700	1 285	2 985	1 700	1 700
C	DC5 - Central Karoo District Municipality	-	-	-	-	1 000	1 000	1 000	1 013	2 013	1 000	1 000
	Total: Central Karoo Municipalities	-	-	-	-	6 200	6 200	6 200	4 340	10 540	6 200	6 200
	Total: Western Cape Municipalities	31 000	31 000	35 000	23 400	44 925	45 855	46 719	80 712	176 242	99 290	104 719
	Unallocated	-	-	-	-	-	-	-	-	-	-	-
	National Total	215 024	227 065	239 554	141 492	504 566	532 822	561 173	692 878	2 043 240	1 226 505	1 810 075

¹ Includes unallocated amounts for the Municipal Disaster Relief Grant (MDRG), Municipal Emergency Housing Grant (MEHG) and the Municipal Retrenching Grant (MRG). The MDRG is allocated R34.4 million in 2020/21. The MEHG is allocated R140 million in 2018/19, R149.1 million in 2019/20 and R158.8 million in 2020/21. The MRG is allocated R33.3 million in 2018/19, R33.3 million in 2019/20 and R33.9 million in 2020/21. The MHEG is allocated R140 million in 2018/19, R149.1 million in 2019/20 and R158.8 million in 2020/21.

ANNEXURE W5

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

(National and Municipal Financial Years)

ANNEXURE W5
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership Grant (Capital)			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
		(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)
EASTERN CAPE																
A	BUF Buffalo City	762 992	801 772	845 886	95 165	234 464	247 020	14 120	21 210	10 003	11 494	12 134	887 610	1 084 250	1 158 250	
A	NMA Nelson Mandela Bay	905 664	951 696	1 004 059	304 942	298 144	314 541	20 000	5 000	12 335	17 534	18 311	1 248 609	1 319 374	1 374 111	
B	EC101 Dr Beyers Naude	-	-	-	-	-	-	-	-	-	-	-	24 767	27 008	27 950	
B	EC102 Blue Crane Route	-	-	-	-	-	-	-	-	-	-	-	70 117	19 440	18 083	
B	EC104 Makhana	-	-	-	-	-	-	-	-	-	-	-	66 976	30 799	28 770	
B	EC105 Ndabane	-	-	-	-	-	-	-	-	-	-	-	26 809	33 695	33 641	
B	EC106 Sundays River Valley	-	-	-	-	-	-	-	-	-	-	-	41 893	38 412	42 856	
B	EC108 Kouga	-	-	-	-	-	-	-	-	-	-	-	41 386	38 171	39 786	
B	EC109 Kou-Kamma	-	-	-	-	-	-	-	-	-	-	-	15 170	21 796	19 224	
C	DC10 Sarah Baartman District Municipality	-	-	-	-	-	-	-	-	-	-	-	2 240	2 372	2 509	
	Total: Sarah Baartman Municipalities	-	-	-	-	-	-	-	-	-	-	-	289 538	211 693	212 819	
B	EC121 Mhlabhe	-	-	-	-	-	-	-	-	-	-	-	79 138	75 992	76 111	
B	EC122 Matigama	-	-	-	-	-	-	-	-	-	-	-	72 492	72 209	78 886	
B	EC123 Great Kei	-	-	-	-	-	-	-	-	-	-	-	17 116	17 653	18 030	
B	EC124 Amalathini	-	-	-	-	-	-	-	-	-	-	-	32 634	37 739	35 936	
B	EC126 Ngqushwa	-	-	-	-	-	-	-	-	-	-	-	27 454	22 504	29 960	
B	EC129 Raymond Mhlaba	-	-	-	-	-	-	-	-	-	-	-	39 886	52 033	50 899	
C	DC12 Amathole District Municipality	-	-	-	-	-	-	7 080	-	-	-	-	529 251	533 585	564 933	
	Total: Amathole Municipalities	-	-	-	-	-	-	7 080	-	-	-	-	797 971	811 715	854 755	
B	EC131 Inxuba Yethemba	-	-	-	-	-	-	-	-	-	-	-	22 862	30 404	26 374	
B	EC135 Inxuba Yethu	-	-	-	-	-	-	-	-	-	-	-	46 982	47 471	54 915	
B	EC136 Emalabeni	-	-	-	-	-	-	-	-	-	-	-	43 902	37 924	38 446	
B	EC137 Engcobo	-	-	-	-	-	-	-	-	-	-	-	37 794	51 325	61 549	
B	EC138 Sakiszwe	-	-	-	-	-	-	-	-	-	-	-	17 912	21 400	25 396	
B	EC139 Enoch Mgijima	-	-	-	-	-	-	-	-	-	-	-	59 202	61 712	76 276	
C	DC13 Chris Hani District Municipality	-	-	-	-	-	-	-	-	-	-	-	4 998 079	4 898 454	4 482 922	
	Total: Chris Hani Municipalities	-	-	-	-	-	-	-	-	-	-	-	724 768	652 690	730 945	
B	EC141 Elundini	-	-	-	-	-	-	-	-	-	-	-	63 843	58 148	60 151	
B	EC142 Senqunyama	-	-	-	-	-	-	-	-	-	-	-	43 738	41 685	45 506	
B	EC146 Walter Sisulu	-	-	-	-	-	-	-	-	-	-	-	23 801	23 992	26 110	
C	DC14 Joe Slovo District Municipality	-	-	-	-	-	-	-	-	-	-	-	214 759	283 182	299 302	
	Total: Joe Slovo Municipalities	-	-	-	-	-	-	-	-	-	-	-	346 121	407 007	431 069	
B	EC153 Ngqozo Hill	-	-	-	-	-	-	-	-	-	-	-	74 326	62 706	67 094	
B	EC154 Port St Johns	-	-	-	-	-	-	-	-	-	-	-	59 645	47 145	48 916	
B	EC155 Nyandeni	-	-	-	-	-	-	-	-	-	-	-	77 814	76 844	70 614	
B	EC156 Mhlantlo	-	-	-	-	-	-	-	-	-	-	-	43 394	57 050	53 019	
B	EC157 King Sabata Dalindyebo	-	-	-	-	-	-	-	-	-	-	-	104 306	108 679	103 985	
C	DC15 O.R. Tambo District Municipality	-	-	-	-	-	-	-	-	-	-	-	1 022 328	1 023 233	1 088 550	
	Total: O.R. Tambo Municipalities	-	-	-	-	-	-	-	-	-	-	-	1 381 813	1 375 657	1 432 178	
B	EC441 Mankiele	-	-	-	-	-	-	-	-	-	-	-	100 850	106 855	109 526	
B	EC442 Umzimvubu	-	-	-	-	-	-	-	-	-	-	-	76 707	72 011	68 110	
B	EC443 Mhizana	-	-	-	-	-	-	-	-	-	-	-	72 446	70 062	70 179	
B	EC444 Nqunakulu	-	-	-	-	-	-	-	-	-	-	-	78 413	59 164	66 902	
C	DC44 Alfred Nzo District Municipality	-	-	-	-	-	-	-	-	-	-	-	480 204	468 434	495 917	
	Total: Alfred Nzo Municipalities	-	-	-	-	-	-	-	-	-	-	-	808 620	776 526	810 634	
	Total: Eastern Cape Municipalities	1 668 656	1 753 468	1 849 945	400 107	532 608	561 561	34 120	26 210	22 358	29 028	30 645	6 484 865	6 659 912	7 004 761	

ANNEXURE W5

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

Category	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership Grant (Capital)			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
FREE STATE															
A. MAN. Manguang	756 216	794 652	838 374	234 831	229 596	242 223	13 000	17 790	30 000	7 207	11 376	12 009	1 026 704	1 079 014	1 154 606
B. FSU61. Leseseng	-	-	-	-	-	-	-	-	-	-	-	-	49 849	44 349	47 011
B. FSU62. Kromburg	-	-	-	-	-	-	-	-	-	-	-	-	42 201	51 740	72 160
B. FSU63. Mookkang	-	-	-	-	-	-	-	-	-	-	-	-	104 708	71 191	61 715
C. DC16. Xhariep District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 149	2 277	2 408
Total: Xhariep Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	109 007	169 557	183 294
B. FSU81. Mashayanya	-	-	-	-	-	-	-	-	-	-	-	-	34 019	26 621	29 447
B. FSU82. Tokologo	-	-	-	-	-	-	-	-	-	-	-	-	29 401	22 313	24 447
B. FSU83. Tswelopele	-	-	-	-	-	-	-	-	-	-	-	-	23 837	19 688	22 095
B. FSU84. Matlhabeng	-	-	-	-	-	-	-	-	-	-	-	-	163 406	126 750	132 355
B. FSU85. Nala	-	-	-	-	-	-	-	-	-	-	-	-	32 407	34 765	35 613
C. DC18. Lejweletswena District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 281	2 415	2 556
Total: Lejweletswena Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	288 351	232 582	246 513
B. FSU91. Setsoo	-	-	-	-	-	-	-	-	-	-	-	-	108 464	129 138	171 433
B. FSU92. Dhlahabeng	-	-	-	-	-	-	-	-	-	-	-	-	67 914	57 371	62 189
B. FSU93. Nkomoa	-	-	-	-	-	-	-	-	-	-	-	-	24 927	28 572	31 516
B. FSU94. Maloti-a-Pheung	-	-	-	-	-	-	-	-	-	-	-	-	223 321	231 963	263 435
B. FSU95. Phumella	-	-	-	-	-	-	-	-	-	-	-	-	35 698	46 168	49 517
B. FSU96. Matsoapa	-	-	-	-	-	-	-	-	-	-	-	-	60 259	53 171	24 074
C. DC19. Thabo Mofutsanyane District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 405	2 547	2 695
Total: Thabo Mofutsanyane Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	522 988	548 930	604 859
B. FSU01. Moqheka	-	-	-	-	-	-	-	-	-	-	-	-	49 410	59 018	64 526
B. FSU03. Newabhe	-	-	-	-	-	-	-	-	-	-	-	-	102 164	110 811	123 102
B. FSU04. Masetshelo	-	-	-	-	-	-	-	-	-	-	-	-	70 438	51 052	79 045
B. FSU05. Mankie	-	-	-	-	-	-	-	-	-	-	-	-	2 684	3 177	3 437
C. DC20. Ficksie-Dishi District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	3 068	3 217	3 451
Total: Ficksie-Dishi Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	261 262	258 292	299 021
Total: Free State Municipalities	756 216	794 652	838 374	234 831	229 596	242 223	13 000	17 790	30 000	7 207	11 376	12 009	2 295 312	2 388 255	2 488 293
GAUTENG															
A. EKU. City of Ekurhuleni	1 971 737	2 071 952	2 185 954	694 640	679 152	716 586	75 262	42 190	72 800	45 537	48 375	51 069	2 832 176	2 879 669	3 038 329
A. HIB. City of Johannesburg	1 852 262	1 946 406	2 053 499	1 112 916	1 088 124	1 147 971	40 220	55 000	65 000	63 536	67 496	71 255	3 100 152	3 195 026	3 382 525
A. TSH. City of Tshwane	1 605 607	1 687 214	1 780 046	808 194	731 750	771 997	7 105	19 635	55 000	45 013	44 464	46 540	2 505 919	2 521 063	2 635 983
B. GT421. Emfuleni	-	-	-	-	-	-	37 849	35 880	3 400	-	-	-	223 238	231 847	210 790
B. GT422. Midvaal	-	-	-	-	-	-	-	-	-	-	-	-	54 201	66 868	74 827
B. GT423. Lesedi	-	-	-	-	-	-	-	-	-	-	-	-	59 371	56 404	56 320
C. DC32. Sedibeng District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 456	2 580	2 729
Total: Sedibeng Municipalities	-	-	-	-	-	-	37 849	35 880	3 400	-	-	-	319 246	357 699	344 576
B. GT481. Mogale City	-	-	-	-	-	-	18 610	24 635	55 000	-	-	-	169 890	191 321	233 851
B. GT484. Memphong City	-	-	-	-	-	-	-	-	-	-	-	-	157 255	120 475	119 699
B. GT485. Rand West City	-	-	-	-	-	-	-	-	-	-	-	-	154 275	181 646	184 015
C. DC34. West Rand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	2 594	2 748	2 907
Total: West Rand Municipalities	-	-	-	-	-	-	18 610	24 635	55 000	-	-	-	484 054	496 190	540 472
Total: Gauteng Municipalities	5 429 606	5 705 572	6 019 499	2 615 770	2 499 026	2 636 474	178 866	177 340	251 200	154 086	160 335	169 264	9 261 547	9 449 647	10 011 885

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 Grant (Capital)		Integrated City Development Grant		SUB-TOTAL: INFRASTRUCTURE		
		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)	
LIMPOPO												
B	LIM31 Greater Gyani	-	-	-	-	-	-	-	-	70 673	73 488	
B	LIM32 Greater Letaba	-	-	-	-	-	-	-	-	62 443	68 243	
B	LIM33 Greater Znaneen	-	-	-	-	-	-	-	-	108 311	110 263	
B	LIM34 Bq-Phalabowa	-	-	-	-	-	-	-	-	31 437	32 026	
B	LIM35 Mandeng	-	-	-	-	-	-	-	-	26 337	33 212	
C	DC33 Mopani District Municipality	-	-	-	-	-	-	-	-	553 699	566 632	
Total: Mpumalanga Municipalities											882 900	939 704
B	LIM31 Bloeborg	-	-	-	-	-	-	-	-	44 492	51 416	
B	LIM33 Motemole	-	-	-	-	-	-	-	-	149 323	124 983	
B	LIM34 Probekwane	-	-	-	-	-	-	-	-	104 645	106 217	
B	LIM35 Lepelo-Nkumpi	-	-	-	-	-	-	-	-	100 350	98 031	
C	DC34 Vhembe District Municipality	-	-	-	-	-	-	-	-	550 895	567 150	
Total: Vhembe Municipalities											948 705	947 797
B	LIM51 Bloeborg	-	-	-	-	-	-	-	-	47 786	65 550	
B	LIM53 Motemole	-	-	-	-	-	-	-	-	24 493	51 151	
B	LIM54 Probekwane	-	-	-	-	-	-	-	-	922 219	1 342 277	
B	LIM55 Lepelo-Nkumpi	205 107	179 433	189 302	189 302	35 000	35 000	-	-	306 244	336 353	
C	DC35 Capricorn District Municipality	-	-	-	-	-	-	-	-	1 404 083	1 822 105	
Total: Capricorn Municipalities											205 107	179 433
B	LIM41 Tloetseng	-	-	-	-	-	-	-	-	42 612	46 028	
B	LIM42 Lushale	-	-	-	-	-	-	-	-	52 813	92 243	
B	LIM46 Bole-Bole	-	-	-	-	-	-	-	-	93 110	83 711	
B	LIM47 Mopani	-	-	-	-	-	-	-	-	205 416	245 617	
B	LIM48 Motmedit-Mookgong	-	-	-	-	-	-	-	-	97 826	128 558	
C	DC56 Waterberg District Municipality	-	-	-	-	-	-	-	-	2 133	2 260	
Total: Waterberg Municipalities											403 910	509 417
B	LIM471 Ephraim Mogahe	-	-	-	-	-	-	-	-	32 823	33 443	
B	LIM472 Elias Motsoledi	-	-	-	-	-	-	-	-	63 830	67 721	
B	LIM473 Makhudumani	-	-	-	-	-	-	-	-	78 012	68 522	
B	LIM476 Fetakgomo Tloetse	-	-	-	-	-	-	-	-	97 638	93 969	
C	DC37 Sekhukhune District Municipality	-	-	-	-	-	-	-	-	532 227	547 621	
Total: Sekhukhune Municipalities											804 530	811 276
Total: Limpopo Municipalities											4 504 128	5 065 459
MPUMALANGA												
B	MP301 Chief Albert Luthuli	-	-	-	-	-	-	-	-	128 289	131 272	
B	MP302 Mookalagwa	-	-	-	-	-	-	-	-	91 744	91 590	
B	MP303 Mkhondo	-	-	-	-	-	-	-	-	120 235	112 956	
B	MP304 Dr Phiso, ka Isaka Seme	-	-	-	-	-	-	-	-	68 331	61 544	
B	MP305 Lekwa	-	-	-	-	-	-	-	-	50 054	63 964	
B	MP306 Dipaleseng	-	-	-	-	-	-	-	-	48 810	26 496	
B	MP307 Govan Mbeki	-	-	-	-	-	-	-	-	161 734	173 790	
C	DC30 Gert Sibande District Municipality	-	-	-	-	-	-	-	-	312 082	341 000	
Total: Gert Sibande Municipalities											740 848	877 207
B	MP311 Victor Khamye	-	-	-	-	-	-	-	-	34 477	33 232	
B	MP312 Emahlalen	-	-	-	-	-	-	-	-	105 972	150 082	
B	MP313 Steve Biko	-	-	-	-	-	-	-	-	67 740	60 456	
B	MP314 Emahlangeni	-	-	-	-	-	-	-	-	46 960	43 355	
B	MP316 Dr. S. P. Thibe District Municipality	-	-	-	-	-	-	-	-	170 845	176 629	
B	MP317 Dr. S. P. Thibe District Municipality	-	-	-	-	-	-	-	-	124 041	137 031	
C	DC21 Ngwenya District Municipality	-	-	-	-	-	-	-	-	2 180	2 308	
Total: Ngwenya Municipalities											631 315	642 073
B	MP321 Thibe Chweu	-	-	-	-	-	-	-	-	75 392	69 420	
B	MP324 Nkomati	-	-	-	-	-	-	-	-	260 261	279 263	
B	MP325 Bushbuckridge	-	-	-	-	-	-	-	-	481 988	490 840	
B	MP326 City of Mbombela	-	-	-	-	-	-	-	-	605 014	567 291	
C	DC32 Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	2 352	2 491	
Total: Ehlanzeni Municipalities											1 425 007	1 415 067
Total: Mpumalanga Municipalities											2 797 170	2 934 347

**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 Grant (Capital)		Integrated City Development Grant		SUB-TOTAL: INFRASTRUCTURE	
		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)
NORTHERN CAPE											
B	NC061 Richtersveld	-	-	-	-	-	-	-	-	16 287	13 738
B	NC062 Nama-Klas	-	-	-	-	-	-	-	-	23 384	17 092
B	NC064 Kamiesberg	-	-	-	-	-	-	-	-	18 587	7 553
B	NC065 Hartam	-	-	-	-	-	-	-	-	61 403	34 463
B	NC066 Karoo-Hogland	-	-	-	-	-	-	-	-	41 020	28 087
B	NC067 Khai-Ma	-	-	-	-	-	-	-	-	14 362	9 693
C	DE-6 Namakwa District Municipality	-	-	-	-	-	-	-	-	2 894	3 078
Total: Namakwa Municipalities											
B	NC071 Uitenhage	-	-	-	-	-	-	-	-	14 862	13 170
B	NC073 George	-	-	-	-	-	-	-	-	24 348	14 690
B	NC074 Knersvlakte	-	-	-	-	-	-	-	-	52 190	19 267
B	NC075 Renssenaersburg	-	-	-	-	-	-	-	-	60 796	8 038
B	NC076 Thembulille	-	-	-	-	-	-	-	-	14 926	9 400
B	NC077 Siyathamba	-	-	-	-	-	-	-	-	33 677	19 609
B	NC078 Symbonoma	-	-	-	-	-	-	-	-	18 324	13 029
C	DE-7 Pletzer-Ka-Soms District Municipality	-	-	-	-	-	-	-	-	28 855	19 168
Total: Pletzer-Ka-Soms Municipalities											
B	NC082 Ika-Gaib	-	-	-	-	-	-	-	-	27 086	24 336
B	NC084 Iibeis	-	-	-	-	-	-	-	-	14 675	12 241
B	NC085 Pannaspan	-	-	-	-	-	-	-	-	20 312	15 843
B	NC086 Kameelkops	-	-	-	-	-	-	-	-	15 675	22 666
B	NC087 Dierik-Koerier	-	-	-	-	-	-	-	-	48 652	30 210
C	DE-8 Z.F. Mngwenzi District Municipality	-	-	-	-	-	-	-	-	2 866	3 035
Total: Z.F. Mngwenzi Municipalities											
B	NC091 Sef Phatleng	-	-	-	-	171 699	154 447	-	-	278 063	223 440
B	NC092 Digaolong	-	-	-	-	-	-	5 696	-	27 710	20 807
B	NC093 Magereng	-	-	-	-	-	-	-	-	20 029	23 963
B	NC094 Phokwane	-	-	-	-	-	-	-	-	60 292	63 823
C	DE-9 Frances Baard District Municipality	-	-	-	-	-	-	-	-	2 521	2 670
Total: Frances Baard Municipalities											
B	NC451 Joe Moleong	-	-	-	-	171 699	154 447	5 696	-	388 615	344 706
B	NC452 Galesogwana	-	-	-	-	-	-	-	-	116 324	170 766
B	NC453 Galesonke	-	-	-	-	-	-	-	-	108 793	151 802
C	DE-14 John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-	-	27 335	102 840
Total: John Taolo Gaetsewe Municipalities											
Total: Northern Cape Municipalities											
B	NW371 Moretele	-	-	-	-	-	-	-	-	172 384	194 780
B	NW372 Mafikeng	-	-	-	-	-	-	-	-	283 238	297 797
B	NW373 Rustenburg	-	-	-	-	-	-	-	-	593 336	581 213
B	NW374 Kgalekgotleng	-	-	298 212	218 912	-	-	10 000	-	676 210	656 553
D	NW375 Mmase-Kgama	-	-	-	-	-	-	-	-	189 535	204 693
D	NW376 Rethabile	-	-	-	-	-	-	-	-	2 364	2 504
Total: Botswana Municipalities											
B	NW381 Rerouk	-	-	298 212	218 912	240 953	10 000	-	-	1 308 269	1 316 839
B	NW382 Tswaing	-	-	-	-	-	-	-	-	28 867	29 400
B	NW383 Mafikeng	-	-	-	-	-	-	-	-	39 294	35 674
B	NW384 Ditsobotla	-	-	-	-	-	-	-	-	60 004	61 230
B	NW385 Ramoshare Motema	-	-	-	-	-	-	-	-	45 851	42 940
C	DE-18 Ngaka Modiri Molema District Municipality	-	-	-	-	-	-	-	-	45 722	43 354
Total: Ngaka Modiri Molema Municipalities											
B	NW392 Naledi	-	-	-	-	-	-	-	-	295 614	302 189
B	NW393 Mmasisa	-	-	-	-	-	-	-	-	51 552	51 997
B	NW394 Greater Tloane	-	-	-	-	-	-	-	-	35 043	33 079
B	NW396 Letlamo	-	-	-	-	-	-	-	-	15 462	16 234
B	NW397 Karoo-Boesmans	-	-	-	-	-	-	-	-	46 675	47 604
B	NW399 Dr Ruth Segomotsi Mompati District Municipality	-	-	-	-	-	-	-	-	19 579	27 593
C	DE-19 Dr Ruth Segomotsi Mompati District Municipality	-	-	-	-	-	-	-	-	29 521	30 068
Total: Dr Ruth Segomotsi Mompati Municipalities											
B	NW403 City of Mafikeng	-	-	-	-	48 485	56 475	-	-	524 913	521 615
B	NW404 Mankgodi Hills	-	-	-	-	-	-	40 000	-	173 174	169 447
B	NW405 JB Marks	-	-	-	-	-	-	-	-	47 703	28 209
C	DE-10 Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	109 261	85 890
Total: Dr Kenneth Kaunda Municipalities											
B	NW406 North West	-	-	298 212	218 912	210 953	56 475	-	-	332 598	286 151
Total: North West Municipalities											

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 Grant (Capital)		Integrated City Development Grant		SUB-TOTAL: INFRASTRUCTURE			
		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)		
WESTERN CAPE													
A	CPT - City of Cape Town	1 484 790	1 560 257	1 644 104	-	841 001	-	40 000	64 362	56 921	2 604 674	2 479 938	2 899 997
B	WC001 - Matieland	-	-	-	-	-	-	-	-	-	33 481	36 427	39 241
B	WC002 - Cederberg	-	-	-	-	-	-	-	-	-	28 434	32 787	35 370
B	WC003 - Bergaview	-	-	-	-	-	-	-	-	-	22 754	17 748	21 524
B	WC004 - Saldanha Bay	-	-	-	-	-	-	-	-	-	22 101	22 615	23 485
B	WC005 - Swartland	-	-	-	-	-	-	-	-	-	24 945	27 061	28 685
C	DC1 - West Coast District Municipality	-	-	-	-	-	-	-	-	-	2 558	2 710	2 866
Total: West Coast Municipalities													
B	WC022 - Wizeberg	-	-	-	-	-	-	-	-	-	36 531	46 362	29 862
B	WC023 - Dnakenstein	-	-	-	-	-	-	-	-	-	40 222	41 542	46 561
B	WC024 - Stellenbosch	-	-	-	-	-	-	-	-	-	40 107	40 259	44 036
B	WC025 - Breede Valley	-	-	-	-	-	-	-	-	-	38 810	38 932	55 282
B	WC026 - Langeberg	-	-	-	-	-	-	-	-	-	24 612	24 543	26 208
C	DC2 - Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	2 689	2 848	3 012
Total: Cape Winelands Municipalities													
B	WC031 - Theewaterskloof	-	-	-	-	-	-	-	-	-	30 962	33 470	34 123
B	WC032 - Overstrand	-	-	-	-	-	-	-	-	-	25 901	29 050	29 436
B	WC033 - Cape Agulhas	-	-	-	-	-	-	-	-	-	12 874	16 125	14 567
B	WC034 - Swellendam	-	-	-	-	-	-	-	-	-	13 786	17 057	15 556
C	DC3 - Overberg District Municipality	-	-	-	-	-	-	-	-	-	2 649	2 805	2 968
Total: Overberg Municipalities													
B	WC041 - Kammalund	-	-	-	-	-	-	-	-	-	20 156	13 342	13 789
B	WC042 - Hesseku	-	-	-	-	-	-	-	-	-	16 462	15 570	17 373
B	WC043 - Mossel Bay	-	-	-	-	-	-	-	-	-	33 688	39 277	34 838
B	WC044 - George	-	-	-	117 667	124 139	-	-	-	-	23 382	30 071	15 962
B	WC045 - Oudtshoorn	-	-	-	-	-	-	-	-	-	37 842	39 773	37 498
B	WC047 - Bitou	-	-	-	-	-	-	-	-	-	43 894	33 351	29 440
B	WC048 - Knysna	-	-	-	-	-	12 000	-	-	-	2 425	2 568	2 717
C	DC4 - Eden District Municipality	-	-	-	-	124 139	-	-	-	-	407 112	331 319	327 586
Total: Eden Municipalities													
B	WC051 - Lingsberg	-	-	-	-	-	-	-	-	-	10 588	11 101	10 564
B	WC052 - Prince Albert	-	-	-	-	-	-	-	-	-	13 065	12 681	10 916
B	WC053 - Beaufort West	-	-	-	-	-	-	-	-	-	23 776	23 572	24 433
C	DC5 - Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	1 920	2 015	2 152
Total: Central Karoo Municipalities													
Total: Western Cape Municipalities		1 484 790	1 560 257	1 644 104	914 827	965 140	12 000	40 000	64 362	56 921	3 464 461	3 292 987	3 428 430
Unallocated		-	-	-	306 514	322 509	-	-	-	-	-	715 256	740 704
National Total		11 306 137	11 880 786	12 534 479	6 114 248	6 450 172	601 867	621 172	293 609	310 051	41 214 350	42 637 486	44 982 418

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	Integrated National Elected Officials Programme Grant (R200)		Neighbourhood Development Partnership Grant (Technical Assistance)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL - INDIRECT		
	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)	
NORTHERN CAPE													
B NC061 Richtersveld													
B NC062 Saniabab	3 078												
B NC064 Komaggas													
B NC065 Hartam		2 364											
B NC066 Karoo Hoopland													
B NC067 Kudu-Ma													
C DC6	3 078	2 364											
Total: Northern Cape Municipalities													
B NC071 Ubuntu	83												
B NC072 Umsobomvu	415	403											
B NC073 Imbitjani	64												
B NC074 Kaniembag													
B NC075 Kaniembag	1 587												
B NC076 Kaniembag													
B NC077 Sipebeke	5 788												
B NC078 Siyobane	48	1 321											
C DC7	7 985	1 724											
Total: Pletze Ka Semo Municipalities													
B NC082 Kei-Garib	7 320	619											
B NC084 Kheis	616												
B NC085 Tsamabane	1 559	8 561											
B NC086 Kgabapole	3 326	172											
B NC087 David Keizer													
C DC8	11 421	9 352											
Total: Z.F. Mngwenya Municipalities													
B NC091 Sol Plaatje		16 549											
B NC092 Dikgatlong	319	8 016											
B NC093 Marogane		24 185											
B NC094 Pekawane	1 596												
C DC9	1 915	40 150											
Total: Frances Baard Municipalities													
B NC451 Joe Morolong	47 910	11 549											
B NC452 Ga-Segonyana	83 853	60 782											
B NC453 Gamaqun	6 540	72 358											
C DC15	138 103	144 689											
Total: John Tshepo-Gwenya District Municipalities													
Total: Northern Cape Municipalities	162 402	207 279	215 516	200	200	200	165 515	151 450	85 000	79 125	17 445	15 600	14 900
NORTH WEST													
B NW371 Moretele	22 997	16 256											
B NW372 Mabileng	80 312	59 322											
B NW373 Roshaneng	13 756	55 303											
B NW374 Kgolegryver	148	128											
B NW375 Moses Kotane	9 743	12 765											
C DC37	126 956	143 974	151 892	200	200	200	145 233	103 000	98 270	80 000	171 275	1 700	1 800
Total: Botshabela District Municipalities													
B NW380 Rietou	13 514	13 131											
B NW381 Tlokweng	3 254	6 233											
B NW382 Maroteng	49 151	14 062											
B NW384 Dikobela	867	6 317											
B NW385 Ramotshere Moema	11 511	7 633											
C DC38	78 357	47 365	48 915	200	200	200	145 233	103 000	98 270	80 000	171 275	1 700	1 800
Total: Ngema Moteng-Moema Municipalities													
B NW392 Naledi	148	2 157											
B NW393 Mmasisa	13 646	20 813											
B NW394 Greater Tlokweng	32 403	14 119											
B NW396 Lebowa-Terrane	148	96											
B NW397 Kgatleng-Molopo	22 660	29 300											
C DC39	60 935	66 485	70 141										
Total: Dr Ruth Segamane-Moteng District Municipalities													
B NW403 City of Mafeseng	1 701	2 947											
B NW404 Mankweng Hills	754	2 931											
B NW405 JB Marks	4 822	2 778											
C DC40	7 277	6 157	6 495	150	1 200	1 200	12 386	50 000	1 055				
Total: Dr Kenneth Kaunda District Municipalities													
Total: North West Municipalities	281 625	263 981	277 444	350	1 400	1 400	325 233	300 000	248 270	251 375	7 855	6 800	7 200

ANNEXURE W6
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme Grant (E-shon)		Neighbourhood Development Partnership Grant (Technical Assistance)		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)	
WESTERN CAPE														
A	CPTT City of Cape Town	85 105	37 880	39 963	150	150	-	-	-	-	-	85 255	38 630	39 963
B	WC011 Matrxama	-	58	62	-	-	-	9 949	15 000	29 000	1 700	11 649	16 758	30 862
B	WC012 Cedarberg	8 551	14 736	15 847	-	-	-	22 752	-	-	1 700	32 983	16 436	17 347
B	WC013 Bergvler	-	81	86	-	-	-	-	5 000	1 000	-	9 878	81	86
B	WC014 Saldanha Bay	9 878	58	62	-	-	-	-	-	-	-	3 060	5 058	1 062
B	WC015 Swartland	3 060	726	766	-	-	-	-	-	-	-	3 060	726	766
C	DC1 - West Coast District Municipality	21 489	15 661	16 522	-	-	-	32 681	20 000	30 000	3 400	57 570	39 061	50 122
Transvaal														
B	WC022 Wierzenberg	-	110	116	-	-	-	-	-	-	-	2 750	110	116
B	WC023 Dikensstein	-	-	-	-	-	-	-	-	-	-	2 750	2 000	500
B	WC024 Stellenbosch	-	-	-	-	-	-	-	-	-	-	2 750	2 750	3 800
B	WC025 Breede Valley	-	11 584	12 221	-	-	-	-	-	-	-	11 584	11 584	12 221
B	WC026 Cape Winelands District Municipality	-	22	23	-	-	-	-	-	-	-	-	22	23
C	DC2 - Cape Winelands District Municipality	-	11 716	12 360	-	-	-	-	-	-	-	2 750	16 466	16 660
Transkei														
B	WC031 Theewaterskloof	13 660	5 399	4 641	-	-	-	-	-	-	-	13 660	5 399	4 641
B	WC032 Overstrand	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC033 Cape Agulhas	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC034 Swellendam	-	23	24	-	-	-	-	-	-	1 700	1 700	1 700	1 834
C	DC3 - Overberg District Municipality	-	23	24	-	-	-	-	-	-	-	1 700	1 700	1 834
Transkei														
B	WC041 Kamaland	-	-	-	-	-	-	-	-	-	-	15 360	7 122	6 465
B	WC042 Hessequa	-	110	116	-	-	-	25 000	47 000	45 000	-	25 000	47 000	45 000
B	WC043 Mossel Bay	2 279	1 421	1 499	-	-	-	-	-	-	-	2 279	1 421	1 499
B	WC044 George	-	88	93	-	-	-	-	-	-	-	2 279	2 838	3 593
B	WC045 Outshoorn	-	290	306	-	-	-	15 000	30 000	20 000	-	15 000	30 290	20 306
B	WC047 Bitou	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC048 Knysna	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC4 - Eden District Municipality	2 279	1 909	2 014	-	-	-	40 000	77 000	65 000	2 750	42 279	81 659	70 514
Transkei														
B	WC051 Langsburg	-	21	22	-	-	-	-	-	-	-	1 700	1 721	1 822
B	WC052 Prince Albert	-	22	23	-	-	-	-	-	-	-	1 700	1 722	1 823
B	WC053 Beaufort West	-	272	287	-	-	-	-	5 000	15 000	-	1 700	5 272	15 287
C	DC5 - Central Karoo District Municipality	-	272	287	-	-	-	-	5 000	15 000	-	1 700	5 272	15 287
Transkei														
B	WC061 Central Karoo District Municipality	-	315	333	-	-	-	-	5 000	15 000	3 400	3 400	8 715	18 933
Transkei														
B	WC062 Western Cape Municipalities	122 533	72 903	75 868	150	150	-	72 681	102 000	110 000	11 250	206 614	191 053	202 658
Unallocated														
National Total		3 262 031	3 432 453	3 621 488	32 702	30 997	642 233	2 880 922	3 037 295	3 204 346	115 116	6 985 507	7 264 540	7 664 340

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 ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
EASTERN CAPE								
A	BUF	Buffalo City	778 048	844 411	918 677	1 708 902	1 970 715	2 130 273
A	NMA	Nelson Mandela Bay	939 530	1 021 661	1 119 805	2 327 257	2 572 479	2 660 434
B	EC101	Dr Beyers Naude	83 278	90 038	97 079	123 266	126 843	147 042
B	EC102	Blue Crane Route	49 012	52 907	56 634	126 899	78 082	79 384
B	EC104	Makana	85 578	92 675	100 381	187 462	179 539	157 950
B	EC105	Ndlambe	88 241	95 785	104 202	123 793	132 384	141 204
B	EC106	Sundays River Valley	71 971	79 108	86 898	132 636	130 044	161 130
B	EC108	Kouga	113 151	124 344	137 852	158 886	165 631	180 828
B	EC109	Kou-Kamma	45 406	48 983	53 004	76 340	75 937	91 913
C	DC10	Sarah Baartman District Municipality	88 342	92 787	96 772	92 582	96 159	100 281
Total: Sarah Baartman Municipalities			624 979	676 627	732 822	1 021 864	984 619	1 059 733
B	EC121	Mbhashe	225 391	243 648	260 961	428 924	365 482	385 338
B	EC122	Mnquma	234 368	252 875	270 104	365 553	373 276	399 739
B	EC123	Great Kei	38 154	41 775	44 455	58 853	61 843	64 900
B	EC124	Amahlathi	97 114	103 450	110 129	142 868	153 123	158 533
B	EC126	Ngqushwa	75 488	80 838	86 067	110 673	112 837	126 318
B	EC129	Raymond Mhlaba	156 192	170 046	182 203	214 978	243 496	255 038
C	DC12	Amathole District Municipality	785 546	833 685	899 283	1 390 903	1 391 463	1 521 216
Total: Amathole Municipalities			1 612 253	1 726 317	1 853 202	2 712 752	2 701 520	2 911 082
B	EC131	Inxuba Yethemba	39 507	42 339	45 481	67 740	77 123	76 767
B	EC135	Intsika Yethu	147 779	155 357	165 527	219 049	234 141	253 356
B	EC136	Emalahleni	115 774	120 890	129 098	177 559	176 397	186 367
B	EC137	Engcobo	136 131	144 889	154 753	191 129	217 474	238 638
B	EC138	Sakhisizwe	61 718	66 602	71 145	105 338	102 303	111 535
B	EC139	Enoch Mgijima	164 680	176 220	189 777	254 448	251 492	279 145
C	DC13	Chris Hani District Municipality	524 527	542 195	583 613	1 038 044	966 899	1 032 602
Total: Chris Hani Municipalities			1 190 116	1 248 492	1 339 394	2 053 307	2 025 829	2 178 410
B	EC141	Elundini	138 382	149 117	160 009	267 374	263 726	279 193
B	EC142	Senqu	136 434	146 559	156 973	229 224	214 113	229 677
B	EC145	Walter Sisulu	52 677	57 413	62 187	84 010	86 105	92 097
C	DC14	Joe Gqabi District Municipality	258 283	273 008	295 103	476 596	557 975	595 915
Total: Joe Gqabi Municipalities			585 776	626 097	674 272	1 057 204	1 121 919	1 196 882
B	EC153	Ngquza Hill	227 562	251 396	271 260	329 429	389 944	418 273
B	EC154	Port St Johns	135 729	149 561	161 091	232 232	229 544	244 950
B	EC155	Nyandeni	234 532	256 041	275 422	342 925	360 182	374 740
B	EC156	Mhlontlo	165 930	179 871	191 665	231 906	245 891	254 015
B	EC157	King Sabata Dalindyebo	292 112	322 658	350 127	458 321	485 422	510 764
C	DC15	O.R. Tambo District Municipality	791 526	853 638	925 329	1 820 851	1 878 986	2 015 994
Total: O.R. Tambo Municipalities			1 847 391	2 013 165	2 174 894	3 415 664	3 589 969	3 818 736
B	EC441	Matatiele	207 642	229 612	247 823	372 201	390 204	412 893
B	EC442	Umzimvubu	193 075	212 895	228 698	322 135	360 695	376 668
B	EC443	Mbizana	230 525	254 380	275 837	352 875	367 238	391 044
B	EC444	Ntabankulu	108 982	119 728	128 076	285 773	264 887	286 001
C	DC44	Alfred Nzo District Municipality	510 344	555 404	602 513	1 081 657	1 071 703	1 210 420
Total: Alfred Nzo Municipalities			1 250 568	1 372 019	1 482 947	2 414 641	2 454 727	2 677 026
Total: Eastern Cape Municipalities			8 828 661	9 528 789	10 296 013	16 711 591	17 421 776	18 632 575

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
FREE STATE								
A	MAN	Mangaung	683 500	735 867	804 822	1 834 204	1 973 440	2 053 268
B	FS161	Letsemeng	58 082	63 091	68 025	112 902	131 637	119 768
B	FS162	Kopanong	77 880	84 441	90 521	129 519	159 611	166 644
B	FS163	Mohokare	61 723	67 819	73 566	171 412	143 237	140 045
C	DC16	Xhariep District Municipality	40 544	43 116	45 257	45 042	47 178	49 175
Total: Xhariep Municipalities			238 229	258 467	277 369	458 875	481 662	475 632
B	FS181	Masilonyana	107 442	117 395	127 406	159 669	216 065	259 338
B	FS182	Tokologo	49 390	53 961	57 977	207 859	149 787	165 373
B	FS183	Tswelopele	67 019	73 330	78 787	114 115	115 033	102 899
B	FS184	Matjhabeng	459 037	501 919	544 687	705 950	677 450	786 597
B	FS185	Nala	111 110	120 679	128 442	152 208	164 546	173 601
C	DC18	Lejweleputswa District Municipality	121 164	127 452	132 806	125 445	130 867	136 362
Total: Lejweleputswa Municipalities			915 162	994 736	1 070 105	1 465 246	1 453 748	1 624 171
B	FS191	Setsoto	173 927	190 361	205 219	620 191	325 300	382 653
B	FS192	Dihlabeng	147 861	163 327	178 687	223 783	245 134	268 865
B	FS193	Nketoana	87 543	96 073	104 320	502 328	171 903	199 352
B	FS194	Maluti-a-Phofung	538 719	591 738	641 031	798 650	871 052	942 506
B	FS195	Phumelela	68 083	74 619	80 558	143 719	148 104	148 068
B	FS196	Mantsopa	74 811	81 889	88 548	138 616	137 798	115 795
C	DC19	Thabo Mofutsanyana District Municipality	107 303	114 283	120 222	120 208	126 615	133 134
Total: Thabo Mofutsanyana Municipalities			1 198 247	1 312 290	1 418 585	2 547 495	2 025 905	2 190 373
B	FS201	Moqhaka	185 144	203 848	221 685	243 313	279 137	291 650
B	FS203	Ngwathe	174 340	190 804	207 217	304 823	329 319	353 456
B	FS204	Metsimaholo	163 296	182 247	202 871	276 778	288 296	330 396
B	FS205	Mafube	86 279	94 776	102 789	145 617	172 672	166 011
C	DC20	Fezile Dabi District Municipality	149 188	154 316	159 061	152 376	157 633	162 512
Total: Fezile Dabi Municipalities			758 247	825 991	893 623	1 122 907	1 227 056	1 304 024
Total: Free State Municipalities			3 793 385	4 127 351	4 464 504	7 428 727	7 161 812	7 647 468
GAUTENG								
A	EKU	City of Ekurhuleni	3 145 138	3 478 292	3 848 841	6 088 049	6 385 139	6 935 646
A	JHB	City of Johannesburg	4 229 919	4 689 158	5 207 760	7 399 807	7 912 365	8 619 624
A	TSH	City of Tshwane	2 398 120	2 642 492	2 938 221	4 958 690	5 192 213	5 654 424
B	GT421	Emfuleni	707 724	770 960	838 676	1 201 863	1 322 815	1 472 829
B	GT422	Midvaal	97 192	107 139	118 994	213 924	182 557	300 371
B	GT423	Lesedi	119 340	133 181	148 616	187 558	197 135	212 486
C	DC42	Sedibeng District Municipality	258 891	268 120	276 650	263 577	271 700	280 379
Total: Sedibeng Municipalities			1 183 147	1 279 400	1 382 936	1 866 922	1 974 207	2 266 065
B	GT481	Mogale City	369 809	408 061	451 269	571 697	606 634	690 715
B	GT484	Merafong City	185 872	203 628	222 151	396 776	329 069	345 792
B	GT485	Rand West City	274 916	302 974	332 695	476 589	830 520	685 634
C	DC48	West Rand District Municipality	198 007	206 677	214 544	202 706	210 425	218 451
Total: West Rand Municipalities			1 028 604	1 121 340	1 220 659	1 647 768	1 976 648	1 940 592
Total: Gauteng Municipalities			11 984 928	13 210 682	14 598 417	21 961 236	23 440 572	25 416 351

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
LIMPOPO								
B	LIM331	Greater Giyani	253 351	280 648	304 314	344 454	423 242	453 652
B	LIM332	Greater Letaba	244 692	271 964	295 117	332 492	364 184	393 578
B	LIM333	Greater Tzaneen	338 344	375 418	409 819	466 798	535 364	577 017
B	LIM334	Ba-Phalaborwa	132 485	147 759	161 573	183 584	197 947	224 177
B	LIM335	Maruleng	109 416	121 726	132 327	151 171	175 057	188 077
C	DC33	Mopani District Municipality	840 762	918 021	1 005 282	1 730 485	1 696 011	1 937 591
Total: Mopani Municipalities			1 919 050	2 115 536	2 308 432	3 208 984	3 391 806	3 774 092
B	LIM341	Musina	124 015	140 324	157 252	185 944	223 839	241 090
B	LIM343	Thulamela	391 032	432 979	470 957	586 107	587 915	632 553
B	LIM344	Makhado	316 259	349 723	381 094	454 755	491 607	529 951
B	LIM345	Collins Chabane	327 068	361 343	392 029	459 408	463 419	502 696
C	DC34	Vhembe District Municipality	910 477	994 153	1 091 706	1 584 452	1 623 633	1 775 274
Total: Vhembe Municipalities			2 068 851	2 278 522	2 493 038	3 270 666	3 390 413	3 681 564
B	LIM351	Blouberg	167 730	182 071	195 348	243 340	282 791	300 018
B	LIM353	Molemole	128 184	139 356	149 334	182 635	200 736	213 850
B	LIM354	Polokwane	831 436	915 810	1 010 785	1 872 268	2 428 008	2 660 549
B	LIM355	Lepele-Nkumpi	322 970	244 135	263 221	304 056	328 184	351 233
C	DC35	Capricorn District Municipality	547 862	587 746	636 853	858 788	997 099	1 080 758
Total: Capricorn Municipalities			1 898 182	2 069 118	2 255 541	3 461 087	4 236 818	4 606 408
B	LIM361	Thabazimbi	86 028	93 557	103 553	132 326	225 918	235 050
B	LIM362	Lephalale	130 526	146 617	164 498	196 383	332 591	374 861
B	LIM366	Bela-Bela	81 986	90 159	99 555	178 094	177 224	190 448
B	LIM367	Mogalakwena	395 279	430 255	466 088	713 917	956 524	1 022 031
B	LIM368	Modimolle-Mookgophong	100 804	109 080	118 015	204 821	243 907	259 497
C	DC36	Waterberg District Municipality	122 853	129 261	135 047	125 986	132 521	138 437
Total: Waterberg Municipalities			917 476	998 929	1 086 756	1 551 527	2 068 685	2 220 325
B	LIM471	Ephraim Mogale	129 676	141 749	153 984	178 078	185 773	200 591
B	LIM472	Elias Mtooaedi	237 506	262 705	286 108	330 111	345 993	373 299
B	LIM473	Makhuduthamaga	241 518	261 729	282 569	364 309	394 616	422 352
B	LIM476	Fetakgomo Tubatse	361 513	405 334	446 874	515 484	537 645	595 020
C	DC47	Sekhukhune District Municipality	711 481	767 769	843 333	1 491 774	1 577 175	1 585 541
Total: Sekhukhune Municipalities			1 681 694	1 839 286	2 012 868	2 879 756	3 041 202	3 176 804
Total: Limpopo Municipalities			8 485 253	9 301 391	10 156 635	14 372 020	16 128 923	17 459 193
MPUMALANGA								
B	MP301	Chief Albert Luthuli	278 934	306 814	333 088	428 853	456 530	484 085
B	MP302	Msakaligwa	154 338	171 134	189 253	265 741	276 120	291 547
B	MP303	Mkhondo	209 667	232 593	255 434	366 799	385 896	426 168
B	MP304	Dr Pixley ka Isaka Seme	107 567	117 944	127 450	190 782	184 758	200 636
B	MP305	Lekwa	107 256	118 034	129 277	166 060	211 714	230 219
B	MP306	Dipaleseng	64 569	71 204	77 865	115 086	146 974	166 437
B	MP307	Govan Mbeki	257 245	284 504	315 700	366 678	429 363	449 317
C	DC30	Gert Sibande District Municipality	282 406	291 654	300 301	454 585	611 236	648 301
Total: Gert Sibande Municipalities			1 461 982	1 593 881	1 728 368	2 354 584	2 702 590	2 896 710
B	MP311	Victor Khanye	87 187	95 709	105 798	130 538	164 775	159 368
B	MP312	Emalaheni	325 738	360 048	402 983	527 456	543 893	610 231
B	MP313	Steve Tshwete	179 370	200 511	227 065	263 074	276 849	294 658
B	MP314	Emakhazeni	58 495	62 833	68 570	115 981	111 498	127 410
B	MP315	Thembisile Hani	364 153	398 455	434 938	639 024	732 029	809 261
B	MP316	Dr JS Moroka	345 667	373 368	402 026	483 380	534 257	573 623
C	DC31	Nkangala District Municipality	343 962	355 755	366 881	350 768	359 063	370 323
Total: Nkangala Municipalities			1 704 572	1 846 679	2 008 261	2 510 221	2 722 363	2 944 874
B	MP321	Thaba Chweu	132 627	142 451	157 222	214 631	229 517	239 464
B	MP324	Nkomazi	516 133	562 066	613 852	912 045	988 292	1 001 730
B	MP325	Bushbuckridge	720 236	776 728	841 299	1 282 938	1 419 596	1 496 858
B	MP326	City of Mbombela	661 329	720 518	793 825	1 351 927	1 369 895	1 560 984
C	DC32	Ehlanzeni District Municipality	239 132	251 449	263 037	245 801	255 190	266 672
Total: Ehlanzeni Municipalities			2 269 457	2 453 212	2 669 235	4 007 342	4 262 489	4 565 708
Total: Mpumalanga Municipalities			5 436 011	5 893 772	6 405 864	8 872 147	9 687 443	10 407 291

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
NORTHERN CAPE							
B	NC061 Richtersveld	15 473	16 937	18 422	44 730	54 892	55 688
B	NC062 Nama Khoi	43 917	47 587	51 472	75 636	69 760	73 476
B	NC064 Kamiesberg	20 768	22 505	24 106	42 750	32 938	37 045
B	NC065 Hantam	22 818	24 628	26 505	87 536	63 425	50 192
B	NC066 Karoo Hoogland	20 251	22 233	24 179	66 241	57 755	40 320
B	NC067 Khâi-Ma	17 420	18 779	20 323	36 452	32 607	34 850
C	DC6 Namakwa District Municipality	47 152	49 067	50 803	51 376	53 928	56 274
Total: Namakwa Municipalities		187 799	201 736	215 810	404 721	365 305	347 845
B	NC071 Ubuntu	31 165	34 209	37 074	78 720	51 514	53 931
B	NC072 Umsobomvu	44 259	48 914	53 423	71 992	65 977	69 619
B	NC073 Emthanjeni	40 793	44 551	48 243	125 047	74 014	73 172
B	NC074 Kareeberg	22 024	24 050	26 047	85 790	34 523	37 136
B	NC075 Renosterberg	22 237	24 382	26 345	43 349	36 662	40 487
B	NC076 Thembelihle	22 988	25 113	27 059	61 780	48 742	41 889
B	NC077 Siyathemba	29 848	32 598	35 384	69 272	48 507	52 017
B	NC078 Siyancuma	45 402	49 180	52 413	169 217	89 249	89 508
C	DC7 Pixley Ka Seme District Municipality	47 820	50 609	53 012	53 149	55 581	57 894
Total: Pixley Ka Seme Municipalities		306 536	333 606	359 000	758 316	504 769	515 653
B	NC082 !Kai !Garib	77 186	84 147	92 320	117 204	123 682	135 597
B	NC084 !Kheis	23 163	25 065	26 755	41 761	41 836	41 102
B	NC085 Tsantsabane	35 385	38 823	42 678	80 629	67 506	73 000
B	NC086 Kgatelopele	20 469	22 242	24 365	38 559	47 728	76 750
B	NC087 Dawid Kruiper	77 934	84 739	92 253	210 292	153 543	156 497
C	DC8 Z.F. Mgcawu District Municipality	66 094	69 284	72 111	69 960	73 319	76 322
Total: Z.F. Mgcawu Municipalities		300 231	324 300	350 482	558 405	507 614	559 268
B	NC091 Sol Plaatjie	172 437	188 812	206 040	510 087	442 101	309 514
B	NC092 Dikgatlong	76 057	83 956	91 218	112 585	115 659	125 311
B	NC093 Magareng	41 743	45 699	49 114	74 879	96 282	89 068
B	NC094 Phokwane	94 534	103 413	111 092	158 637	169 918	181 237
C	DC9 Frances Baard District Municipality	116 209	120 350	124 125	120 843	124 020	127 950
Total: Frances Baard Municipalities		500 980	542 230	581 589	977 031	947 980	833 080
B	NC451 Joe Morolong	128 635	139 765	149 890	296 531	264 019	335 952
B	NC452 Ga-Segonyana	141 895	157 567	174 003	337 756	372 531	339 693
B	NC453 Gamagara	33 008	37 204	42 363	115 688	214 272	245 621
C	DC45 John Taolo Gaetsewe District Municipality	85 253	89 326	93 411	92 436	96 891	101 133
Total: John Taolo Gaetsewe Municipalities		388 791	423 862	459 667	842 411	947 713	1 022 400
Total: Northern Cape Municipalities		1 684 337	1 825 734	1 966 548	3 540 884	3 273 381	3 278 246
NORTH WEST							
B	NW371 Moretele	306 721	335 220	360 155	524 089	578 936	622 598
B	NW372 Madibeng	624 943	690 643	766 832	1 073 457	1 299 997	1 464 787
B	NW373 Rustenburg	605 006	675 452	757 430	1 222 543	1 294 074	1 432 673
B	NW374 Kgatengrivier	81 506	90 475	99 374	197 320	151 030	163 376
B	NW375 Moses Kotane	386 730	423 082	455 591	588 708	642 239	687 208
C	DC37 Bojanala Platinum District Municipality	322 202	337 917	352 586	327 124	341 421	356 667
Total: Bojanala Platinum Municipalities		2 327 108	2 552 789	2 791 968	3 933 241	4 307 697	4 727 309
B	NW381 Ratlou	111 525	122 886	131 799	157 294	167 357	178 464
B	NW382 Tswaing	102 431	113 143	121 990	150 756	159 620	171 671
B	NW383 Mafikeng	226 626	252 333	274 752	349 113	334 305	361 323
B	NW384 Ditsobotla	112 413	124 506	135 203	163 264	176 443	189 822
B	NW385 Ramotshere Moiloa	153 173	170 214	184 185	213 715	223 616	246 348
C	DC38 Ngaka Modiri Molema District Municipality	696 369	762 027	829 843	1 098 125	1 310 049	1 432 725
Total: Ngaka Modiri Molema Municipalities		1 402 537	1 545 109	1 677 772	2 132 267	2 371 389	2 580 353
B	NW392 Naledi	47 260	51 788	55 858	85 873	89 159	91 302
B	NW393 Mamusa	50 209	54 838	59 166	88 530	99 927	106 576
B	NW394 Greater Taung	175 974	190 263	202 947	258 544	254 866	271 331
B	NW396 Lekwa-Teemane	44 723	49 059	53 059	70 665	83 428	85 256
B	NW397 Kagisano-Molopo	109 062	118 889	126 906	167 058	181 337	192 353
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	337 205	360 521	388 722	718 436	729 981	780 556
Total: Dr Ruth Segomotsi Mompati Municipalities		764 433	825 358	886 658	1 389 106	1 438 698	1 527 374
B	NW403 City of Matlosana	392 856	428 402	465 560	579 133	606 676	636 113
B	NW404 Maquassi Hills	115 571	126 946	137 180	168 960	162 466	174 795
B	NW405 JB Marks	233 655	257 206	284 098	367 241	396 374	377 004
C	DC40 Dr Kenneth Kaunda District Municipality	180 033	187 041	193 426	184 644	190 646	197 182
Total: Dr Kenneth Kaunda Municipalities		922 115	999 595	1 080 264	1 299 978	1 356 163	1 385 093
Total: North West Municipalities		5 416 193	5 922 851	6 436 662	8 754 592	9 473 947	10 220 130

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
WESTERN CAPE								
A	CPT	City of Cape Town	2 574 650	2 815 558	3 092 042	5 313 450	5 360 461	5 764 002
B	WC011	Matzikama	52 340	56 519	61 132	100 620	111 254	132 785
B	WC012	Cederberg	45 080	49 017	53 196	109 936	100 325	107 998
B	WC013	Bergrivier	41 390	45 066	49 277	67 107	64 445	72 437
B	WC014	Saldanha Bay	80 432	88 328	97 483	116 016	117 551	123 580
B	WC015	Swartland	82 048	91 534	102 555	116 175	125 871	138 556
C	DC1	West Coast District Municipality	88 405	92 295	95 824	93 010	96 005	99 690
Total: West Coast Municipalities			389 695	422 759	459 467	602 864	615 453	675 045
B	WC022	Witzenberg	84 602	92 850	102 274	124 463	140 872	133 802
B	WC023	Drakenstein	137 518	150 601	165 045	186 473	195 693	213 656
B	WC024	Stellenbosch	124 176	136 177	150 331	171 555	180 736	199 717
B	WC025	Breede Valley	108 977	117 997	128 040	152 403	170 063	197 093
B	WC026	Langeberg	73 093	79 172	85 535	100 995	105 287	113 316
C	DC2	Cape Winelands District Municipality	225 214	232 002	238 403	230 294	235 850	242 415
Total: Cape Winelands Municipalities			753 580	808 799	869 628	966 183	1 028 501	1 099 999
B	WC031	Theewaterskloof	87 385	95 274	103 492	135 158	135 843	143 956
B	WC032	Overstrand	96 068	106 383	117 674	125 445	136 983	148 660
B	WC033	Cape Agulhas	27 606	29 861	32 338	48 171	52 536	53 455
B	WC034	Swellendam	29 001	31 536	34 311	47 523	52 086	53 461
C	DC3	Overberg District Municipality	67 902	71 298	74 293	72 676	75 103	78 261
Total: Overberg Municipalities			307 962	334 352	362 108	428 973	452 551	477 793
B	WC041	Kannaland	25 957	27 902	29 670	74 383	90 459	91 106
B	WC042	Hessequa	40 885	44 040	47 615	59 923	61 270	66 654
B	WC043	Mossel Bay	85 858	93 148	101 620	125 712	135 396	139 527
B	WC044	George	137 401	149 978	164 336	385 980	333 237	357 441
B	WC045	Oudtshoorn	67 861	73 165	78 757	121 685	135 607	127 538
B	WC047	Bitou	83 028	92 906	104 077	115 035	124 229	133 116
B	WC048	Knysna	78 375	85 909	94 186	130 706	126 810	130 176
C	DC4	Eden District Municipality	151 237	156 941	162 177	155 683	160 509	165 894
Total: Eden Municipalities			670 602	723 989	782 438	1 169 107	1 167 517	1 211 452
B	WC051	Laingsburg	15 000	16 394	17 667	30 088	31 016	31 853
B	WC052	Prince Albert	19 317	21 139	22 932	36 764	37 242	37 371
B	WC053	Beaufort West	56 655	61 921	67 002	83 416	92 465	108 422
C	DC5	Central Karoo District Municipality	28 502	30 316	31 867	32 435	33 351	35 019
Total: Central Karoo Municipalities			119 474	129 770	139 468	182 703	194 074	212 666
Total: Western Cape Municipalities			4 815 963	5 235 227	5 705 151	8 663 280	8 818 557	9 440 958
Unallocated			-	500 000	1 000 000	489 280	2 462 423	3 569 477
National Total			62 731 845	68 973 465	75 683 326	112 885 032	121 011 299	131 099 355

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
DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES
EQUITABLE SHARE FORMULA ALLOCATIONS + 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			National and Municipal Financial Year			National and Municipal Financial Year			2018/19 R(000)		2019/20 R(000)		2020/21 R(000)	
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	Water	Sanitation	Refuse	Water	Sanitation	Refuse
FREE STATE																
A	MAN Mangang	683 500	735 867	804 822	-	-	-	-	-	-	-	-	-	-	-	-
B	FS1/01 Leremeng	55 647	60 535	65 348	-	-	-	2 435	2 556	2 677	-	-	-	-	-	-
B	FS1/02 Kromag	74 570	80 967	86 882	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
B	FS1/03 Mokokere	59 288	65 263	70 889	-	-	-	2 435	2 556	2 677	-	-	-	-	-	-
C	DC1/6 Xhaxhe District Municipality	16 882	18 677	20 074	20 841	21 654	22 074	2 821	2 985	3 149	-	-	-	-	-	-
Township Municipalities																
B	FS1/81 Madinyana	108 492	113 251	123 067	-	-	-	3 950	4 144	4 339	-	-	-	-	-	-
B	FS1/82 Tokologo	47 641	52 124	56 052	-	-	-	1 749	1 837	1 925	-	-	-	-	-	-
B	FS1/83 Tswelopele	63 709	69 856	75 148	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
B	FS1/84 Maphabeng	459 037	501 919	544 687	-	-	-	-	-	-	-	-	-	-	-	-
B	FS1/85 Nala	106 158	115 482	122 999	-	-	-	4 952	5 197	5 443	-	-	-	-	-	-
C	DC1/8 Lefelaputswa District Municipality	33 706	37 423	40 343	87 458	90 029	92 463	-	-	-	-	-	-	-	-	-
Town: Lepelaputswa Municipalities																
B	FS1/91 Senoso	183 185	197 705	197 705	-	-	-	6 838	7 176	7 514	-	-	-	-	-	-
B	FS1/92 Dhlubeng	147 861	163 327	178 687	-	-	-	3 714	3 898	4 082	-	-	-	-	-	-
B	FS1/93 Nkotoana	83 829	92 175	100 238	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
B	FS1/94 Maluti-a-Phefong	538 719	591 738	641 031	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
B	FS1/95 Phumela	64 773	71 145	76 919	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
B	FS1/96 Mantsopa	71 274	78 178	84 662	-	-	-	3 310	3 474	3 639	-	-	-	-	-	-
C	DC1/9 Thabo Mofutsanyana District Municipality	48 648	53 903	58 210	58 655	60 380	62 012	-	-	-	-	-	-	-	-	-
Town: Thabo Mofutsanyana Municipalities																
B	FS2/01 Mochala	185 144	203 845	221 605	-	-	-	-	-	-	-	-	-	-	-	-
B	FS2/03 Ngwenhe	174 380	190 804	207 217	-	-	-	-	-	-	-	-	-	-	-	-
B	FS2/04 Mtsamsholo	163 295	182 642	202 861	-	-	-	3 537	3 711	3 886	-	-	-	-	-	-
B	FS2/05 Maitsho	86 121	101 412	109 888	140 057	144 174	148 073	-	-	-	-	-	-	-	-	-
C	DC2/0 Fezile Dhlamini District Municipality	614 453	678 106	741 664	140 057	144 174	148 073	3 537	3 711	3 886	-	-	-	-	-	-
Town: Fezile Dhlamini Municipalities																
Total Free State Municipalities		3 440 476	3 763 121	4 089 427	307 011	316 037	324 582	45 988	48 193	50 495	-	-	-	-	-	-
GAUTENG																
A	EKL City of Ekurhuleni	3 145 138	3 478 292	3 848 841	-	-	-	-	-	-	-	-	-	-	-	-
A	JHB City of Johannesburg	4 229 919	4 689 158	5 207 760	-	-	-	-	-	-	-	-	-	-	-	-
A	TSH City of Tshwane	2 398 120	2 642 492	2 938 221	-	-	-	-	-	-	-	-	-	-	-	-
B	GF1/21 Emfuleni	707 724	770 960	838 676	-	-	-	-	-	-	-	-	-	-	-	-
B	GF1/22 Midrand	91 179	100 829	112 387	-	-	-	6 013	6 310	6 607	-	-	-	-	-	-
C	DC1/3 Sedibeng District Municipality	113 976	127 551	142 719	-	-	-	5 364	5 630	5 897	-	-	-	-	-	-
C	DC1/4 Sedibeng District Municipality	20 338	22 554	24 444	238 553	245 566	252 206	-	-	-	-	-	-	-	-	-
Town: Sedibeng Municipalities																
B	GF4/81 Mamello City	369 809	408 061	451 269	-	-	-	11 377	11 940	12 504	-	-	-	-	-	-
B	GF4/84 Morija City	185 872	203 628	222 151	-	-	-	-	-	-	-	-	-	-	-	-
B	GF4/85 Rand West City	274 916	302 974	332 695	-	-	-	-	-	-	-	-	-	-	-	-
C	DC3/8 West Rand District Municipality	38 613	41 936	45 265	168 064	172 608	177 408	-	-	-	-	-	-	-	-	-
Town: West Rand Municipalities																
B	GF5/39 Mamello City	865 339	953 276	1 048 651	163 265	168 064	172 608	-	-	-	-	-	-	-	-	-
Total Gauteng Municipalities		11 571 733	12 785 112	14 161 099	401 818	413 630	424 814	11 377	11 940	12 504	-	-	-	-	-	-

APPENDIX W1
APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
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		National and Municipal Financial Year		National and Municipal Financial Year	
		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)	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)	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)
LIMPOPO																	
B	LIM331 Greater Giyani	240 560	267 223	290 252	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM332 Greater Letaba	232 313	258 972	281 509	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM333 Greater Tzaneen	338 344	375 418	409 819	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM334 Ba-Pulapula	124 821	139 717	153 151	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM335 Mambeng	103 816	115 849	126 173	-	-	-	-	-	-	-	-	-	-	-	-	-
B	DC33 Morang District Municipality	728 060	795 402	871 995	112 682	122 619	132 287	-	-	-	-	-	-	-	-	-	-
	Total: Morang Municipalities	1 767 934	1 982 581	2 132 989	112 682	122 619	132 287	38 434	40 336	42 246	416 839	312 929	460 603	339 888	-	-	-
B	LIM341 Mutsa	119 063	135 127	151 809	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM343 Thulamela	374 291	415 409	452 526	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM344 Mkhondo	316 259	349 723	381 094	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM345 CollinsChabane	312 390	345 939	375 096	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC34 Vhembe District Municipality	837 253	914 472	1 005 092	71 224	79 881	86 614	-	-	-	-	-	-	-	-	-	-
	Total: Vhembe Municipalities	1 959 256	2 160 670	2 366 447	71 224	79 881	86 614	36 371	38 171	39 977	474 068	356 141	525 608	387 900	-	-	-
B	LIM351 Bhebe	158 652	172 443	185 369	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM353 Moselele	121 382	132 427	142 076	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM354 Polokwane	91 610	101 610	111 610	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM355 Lepelle-Nkumpi	214 590	231 143	249 633	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC35 Capricorn District Municipality	335 831	357 017	386 650	212 031	220 279	230 803	-	-	-	-	-	-	-	-	-	-
	Total: Capricorn Municipalities	1 658 092	1 793 940	1 973 893	212 031	220 279	230 803	28 059	29 449	30 845	427 200	326 133	474 068	387 900	-	-	-
B	LIM361 Thebush	81 253	88 547	98 307	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM362 Lebalele	130 526	146 617	164 498	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM366 Bela-Bela	78 449	86 448	95 669	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM367 Mopani	395 279	430 255	466 088	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM368 Mafema/Mookapong	100 894	109 080	118 015	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC36 Waterberg District Municipality	32 894	36 389	39 841	83 878	86 343	88 678	-	-	-	-	-	-	-	-	-	-
	Total: Waterberg Municipalities	819 115	897 336	982 058	83 878	86 343	88 678	14 483	15 250	16 020	159 110	121 469	188 877	139 376	-	-	-
B	LIM471 Ephraim Mogale	123 074	134 820	146 726	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM472 Elias Mosealadi	224 891	249 466	272 243	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM473 Makhadlamaga	228 727	248 304	268 507	-	-	-	-	-	-	-	-	-	-	-	-	-
B	LIM476 Fetengone/Tabashe	361 513	405 334	446 874	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC37 Sekhukhune District Municipality	623 660	672 203	739 453	87 821	95 566	103 880	-	-	-	-	-	-	-	-	-	-
	Total: Sekhukhune Municipalities	1 561 865	1 710 127	1 873 803	87 821	95 566	103 880	32 008	33 893	35 185	313 525	239 352	348 542	285 237	-	-	-
	Total: Limpopo Municipalities	7 766 262	8 529 654	9 329 100	569 636	614 938	662 262	149 355	156 799	164 273	1 276 198	974 279	1 412 291	1 060 999	-	1 561 690	1 152 401
MPUMALANGA																	
B	MP301 Chief Albert Luthuli	268 795	296 174	321 945	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP302 Mookaligwa	154 338	171 134	189 253	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP303 Mkhondo	201 827	224 364	246 816	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP304 Dr Pixley ka Isaka Seme	102 204	113 367	122 657	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP305 Letaba	107 256	118 034	129 277	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP306 Dipaleseng	61 945	68 449	74 978	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP307 Govan Mbeki	257 245	284 504	315 700	-	-	-	-	-	-	-	-	-	-	-	-	-
B	DC30 City of Mmabatho	11 400	12 682	13 785	271 006	278 972	286 516	-	-	-	-	-	-	-	-	-	-
	Total: City of Mmabatho Municipalities	1 166 010	1 288 708	1 414 411	271 006	278 972	286 516	24 966	26 201	27 441	2 496 999	1 860 999	3 488 542	2 496 999	-	3 488 542	2 496 999
B	MP311 Victor Khanye	83 650	91 098	101 902	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP312 Enlaleneni	325 738	360 048	402 983	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP313 Silver Boreste	179 370	200 511	227 065	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP314 Enkhazeni	55 185	59 359	64 831	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP315 Duma Moteng	364 153	398 455	434 938	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP316 Duma Moteng	332 876	359 943	392 964	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC31 Nkangala District Municipality	20 973	23 272	25 407	322 989	332 483	341 474	-	-	-	-	-	-	-	-	-	-
	Total: Nkangala Municipalities	1 361 945	1 493 566	1 645 200	322 989	332 483	341 474	19 638	20 610	21 587	2 496 999	1 860 999	3 488 542	2 496 999	-	3 488 542	2 496 999
B	MP321 Thaba Cheron	127 027	136 574	151 068	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP324 Nkomazi	516 133	562 066	613 852	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP325 Booibackridge	720 236	776 728	841 299	-	-	-	-	-	-	-	-	-	-	-	-	-
B	MP326 City of Mbombela	661 329	720 518	793 825	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC32 Ehlangeni District Municipality	74 575	82 055	89 062	164 557	169 394	173 975	-	-	-	-	-	-	-	-	-	-
	Total: Ehlangeni Municipalities	2 099 300	2 277 941	2 489 106	164 557	169 394	173 975	5 000	5 877	6 154	5 000	5 877	6 154	6 154	-	6 154	6 154
	Total: Mpumalanga Municipalities	4 627 235	5 060 235	5 548 717	758 552	801 965	801 965	50 244	52 688	55 182	4 627 235	5 060 235	5 548 717	758 552	-	5 548 717	758 552

APPENDIX W1
APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR RENOVATION 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 Renovation 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		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year	
		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)	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)
NORTHERN CAPE																					
B	NC0161 Richtersveld	15 300	16 708	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0162 Nama-Khoi	40 169	47 332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0164 Kamiesberg	20 868	22 392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0165 Hartam	20 820	22 531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0166 Karoo Hoogland	18 570	20 469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0167 KhalaMa	15 859	17 142	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0168 Plettenberg Bay	17 426	18 699	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC6 - Namakwa District Municipality	14 482	15 801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC7 - Plettenberg Bay District Municipality	154 689	167 749	159 063	170 201	39 483	39 483	40 550	40 550	14 755	15 944	16 257	16 257	-	-	-	-	-	-	-	-
C	Total: Namakwa Municipalities	258 470	283 000	276 076	283 211	27 016	28 428	29 197	29 197	20 450	21 488	22 532	22 532	-	-	-	-	-	-	-	-
B	NC0171 Uitenhage	29 604	32 572	35 360	37 754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0172 Uitenhage	41 824	46 358	50 746	54 907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0173 Etheke	37 483	41 077	44 604	48 198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0174 Kaniem	20 463	22 413	24 333	26 253	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0175 Kaniem	20 556	22 618	24 497	26 377	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0176 Theunissen	21 307	23 349	25 211	27 172	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0177 Strydom	27 850	30 501	33 189	35 880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0178 Strydom	42 529	46 165	49 255	52 341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC7 - Plettenberg Bay District Municipality	16 854	18 637	20 076	21 415	27 016	28 428	29 197	29 197	20 450	21 488	22 532	22 532	-	-	-	-	-	-	-	-
C	Total: Plettenberg Bay District Municipality	16 854	18 637	20 076	21 415	27 016	28 428	29 197	29 197	20 450	21 488	22 532	22 532	-	-	-	-	-	-	-	-
B	NC0181 Kaniem	73 001	79 754	87 719	94 907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0182 Kaniem	21 482	23 301	24 907	26 512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0183 Kaniem	32 512	35 808	39 520	42 631	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0184 Kaniem	18 908	20 605	22 651	24 156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0185 Kaniem	71 508	77 996	85 192	91 680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC8 - Z.F. Makhanya District Municipality	14 163	15 722	16 990	18 258	49 645	50 988	50 988	50 988	46 238	49 645	50 988	50 988	-	-	-	-	-	-	-	-
C	Total: Z.F. Makhanya District Municipality	231 574	253 186	276 979	298 696	49 645	50 988	50 988	50 988	46 238	49 645	50 988	50 988	-	-	-	-	-	-	-	-
B	NC0191 Sol Plaatje	172 437	188 812	206 040	223 415	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0192 Dikgatlong	73 184	80 941	88 600	96 259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0193 Maseru	39 745	43 602	46 919	50 136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0194 Phokwane	90 584	99 269	106 753	114 978	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC9 - Frances Baard District Municipality	9 976	10 766	11 556	12 346	107 222	110 374	113 526	116 678	107 222	110 374	113 526	116 678	-	-	-	-	-	-	-	-
C	Total: Frances Baard District Municipality	9 976	10 766	11 556	12 346	107 222	110 374	113 526	116 678	107 222	110 374	113 526	116 678	-	-	-	-	-	-	-	-
B	NC0201 Joe Moteng	121 766	132 550	142 337	152 124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0202 G. S. Molema	136 295	151 600	167 849	183 154	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NC0203 G. S. Molema	30 296	34 359	39 385	44 411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC24 - John Taolo Gaetsewe District Municipality	31 989	34 391	36 800	39 209	49 561	51 018	52 398	53 778	49 561	51 018	52 398	53 778	-	-	-	-	-	-	-	-
C	Total: John Taolo Gaetsewe District Municipality	320 346	352 990	386 441	419 010	49 561	51 018	52 398	53 778	49 561	51 018	52 398	53 778	-	-	-	-	-	-	-	-
C	Total: Northern Cape Municipalities	1 330 016	1 469 215	1 588 232	1 707 222	270 982	278 948	286 402	293 856	83 339	87 571	91 824	96 077	-	-	-	-	-	-	-	-
NORTH WEST																					
B	NW0371 Moretele	259 993	323 960	348 361	372 762	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0372 Mmabatho	624 943	690 643	746 343	802 043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0373 Kameelburg	469 806	514 106	558 406	602 706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0374 Kgatleng	76 330	81 730	87 130	92 530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC31 - Botswana District Municipality	372 701	408 357	444 013	479 669	407 222	432 878	458 534	484 190	407 222	432 878	458 534	484 190	-	-	-	-	-	-	-	-
C	DC32 - Botswana District Municipality	71 479	79 471	87 463	95 455	238 381	252 023	265 665	279 307	238 381	252 023	265 665	279 307	-	-	-	-	-	-	-	-
C	Total: Botswana District Municipalities	2 245 060	2 405 520	2 581 381	2 757 244	238 381	252 023	265 665	279 307	238 381	252 023	265 665	279 307	-	-	-	-	-	-	-	-
B	NW0381 Rietbos	105 402	116 457	125 062	133 667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0382 Tswering	96 418	106 833	115 248	124 663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0383 Mafikeng	2 286 626	2 523 333	2 760 040	2 996 747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0384 Ditsobotla	112 413	124 506	135 203	146 300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0385 Ramotshere Moiloa	145 333	161 985	175 567	189 150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC38 - Ngathu District Municipality	311 318	342 834	374 350	405 866	183 051	199 193	215 335	231 477	183 051	199 193	215 335	231 477	-	-	-	-	-	-	-	-
C	Total: Ngathu District Municipality	1 199 510	1 324 948	1 450 386	1 575 824	183 051	199 193	215 335	231 477	183 051	199 193	215 335	231 477	-	-	-	-	-	-	-	-
B	NW0392 Naledi	43 134	47 147	51 160	55 173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0393 Naledi	46 495	50 408	54 321	58 234	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0394 Naledi	166 071	179 869	192 064	204 259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0396 Lekwa-Formosa	41 224	45 385	49 209	53 033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	NW0397 Ramotshere Moiloa	103 049	112 579	120 299	129 019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC39 - Dr Ruth Segomotsi Mompati District Municipality	278 158	296 434	314 710	332 986	53 408	56 118	58 828	61 538	53 408	56 118	58 828	61 538	-	-	-	-	-	-	-	-

APPENDIX W1
APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
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			2018/19 R(000)		2019/20 R(000)		2020/21 R(000)			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	Water	Sanitation	Refuse	Water	Sanitation	Refuse	Water	Sanitation
WESTERN CAPE																		
A	CPT City of Cape Town	2 574 650	2 815 558	3 092 042	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC001 Matielanda	49 215	53 241	57 700	-	-	-	3 125	3 278	3 432	-	-	-	-	-	-	-	-
B	WC002 Cederberg	42 645	46 461	50 519	-	-	-	2 435	2 556	2 677	-	-	-	-	-	-	-	-
B	WC003 Bergamot	38 678	42 221	46 299	-	-	-	2 712	2 845	2 978	-	-	-	-	-	-	-	-
B	WC004 Saldanha Bay	74 832	82 451	91 329	-	-	-	5 600	5 877	6 154	-	-	-	-	-	-	-	-
B	WC005 Swartland	82 048	91 534	102 555	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC006 West Coast District Municipality	16 208	17 975	19 495	72 197	74 320	76 329	-	-	-	-	-	-	-	-	-	-	-
Total: West Coast Municipalities		305 626	333 883	367 897	72 197	74 320	76 329	13 872	14 556	15 241	-	-	-	-	-	-	-	-
B	WC022 Witzenberg	84 602	92 850	102 274	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC023 Dikensstein	137 518	150 601	165 045	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC024 Stellenbosch	124 176	136 177	150 331	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC025 Breede Valley	108 977	117 997	128 040	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC026 Langeberg	68 318	74 162	80 289	-	-	-	4 775	5 010	5 246	-	-	-	-	-	-	-	-
C	DC2 Cape Winelands District Municipality	2 057	2 285	2 474	223 157	229 717	235 929	4 775	5 010	5 246	-	-	-	-	-	-	-	-
Total: Cape Winelands Municipalities		528 648	574 072	628 453	223 157	229 717	235 929	4 775	5 010	5 246	-	-	-	-	-	-	-	-
B	WC031 Theewaterskloof	87 385	95 274	103 492	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC032 Overstrand	90 880	100 939	111 974	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	WC033 Cape Agulhas	25 171	27 305	29 661	-	-	-	5 188	5 444	5 700	-	-	-	-	-	-	-	-
B	WC034 Swellendam	26 566	28 980	31 634	-	-	-	2 435	2 556	2 677	-	-	-	-	-	-	-	-
C	DC3 Overberg District Municipality	17 925	19 853	21 456	49 977	51 446	52 837	-	-	-	-	-	-	-	-	-	-	-
Total: Overberg Municipalities		247 927	272 350	298 217	49 977	51 446	52 837	10 658	10 856	11 054	-	-	-	-	-	-	-	-
B	WC041 Kaimoind	24 396	26 265	27 956	-	-	-	1 561	1 637	1 714	-	-	-	-	-	-	-	-
B	WC042 Hessequa	37 127	40 106	43 495	-	-	-	3 748	3 934	4 120	-	-	-	-	-	-	-	-
B	WC043 Mossel Bay	17 771	19 271	21 066	-	-	-	5 600	5 877	6 154	-	-	-	-	-	-	-	-
B	WC044 George	132 408	149 673	166 673	-	-	-	5 188	5 444	5 700	-	-	-	-	-	-	-	-
B	WC045 Oudshoorn	62 673	67 721	73 857	-	-	-	2 712	2 845	2 978	-	-	-	-	-	-	-	-
B	WC047 Bliou	80 316	90 064	101 069	-	-	-	4 365	4 577	4 793	-	-	-	-	-	-	-	-
C	DC4 Edenburg District Municipality	74 012	81 333	89 393	135 250	139 226	142 990	-	-	-	-	-	-	-	-	-	-	-
C	DC5 Edenburg District Municipality	15 987	17 715	19 837	135 250	139 226	142 990	-	-	-	-	-	-	-	-	-	-	-
Total: Eden Municipalities		512 180	560 449	613 989	135 250	139 226	142 990	23 172	24 314	25 459	-	-	-	-	-	-	-	-
B	WC051 Langeberg	13 439	14 757	15 953	-	-	-	1 561	1 637	1 714	-	-	-	-	-	-	-	-
B	WC052 Prince Albert	17 756	19 802	21 218	-	-	-	1 561	1 637	1 714	-	-	-	-	-	-	-	-
B	WC053 Beaufort West	53 782	58 906	63 844	-	-	-	2 873	3 015	3 158	-	-	-	-	-	-	-	-
C	DC5 Central Karoo District Municipality	12 434	13 717	14 751	13 768	14 176	14 560	2 300	2 423	2 556	-	-	-	-	-	-	-	-
Total: Central Karoo Municipalities		97 411	106 882	115 766	13 768	14 176	14 560	8 295	8 712	9 142	-	-	-	-	-	-	-	-
Total: Western Cape Municipalities		4 261 442	4 663 194	5 116 864	494 349	508 885	522 645	60 172	63 148	66 142	-	-	-	-	-	-	-	-
Unallocated		-	500 000	1 000 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
National Total		56 722 358	62 633 128	69 001 433	5 072 947	5 857 032	5 651 669	936 540	983 305	1 030 224	4 287 145	3 272 902	17 495	4 712 879	3 540 603	18 640	5 180 248	3 822 603

APPENDIX W2

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)**

**(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES
AUTHORISED FOR SERVICES)**

(National and Municipal Financial Years)

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B					Schedule 6, Part B				
		Breakdown of MIG allocations for district municipalities authorised for services					Breakdown of WSIG allocations for district municipalities authorised for services				
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
EASTERN CAPE											
B	EC121 Mbashe	154 676	158 126	167 670	20 000	20 000	20 000	-	-	-	-
B	EC122 Mquma	143 783	146 990	155 861	15 000	15 000	17 000	-	-	-	-
B	EC123 Great Kei	8 741	8 936	9 476	15 000	15 000	17 000	-	-	-	-
B	EC124 Amahlathi	34 368	35 134	37 255	12 000	14 000	15 000	-	-	-	-
B	EC126 Ngqushwa	28 203	28 833	30 573	15 000	15 000	15 610	-	-	-	-
B	EC129 Raymond Mhlaba	44 461	45 453	48 196	23 000	23 000	23 000	-	-	-	-
	Total: Amathole Municipalities	414 232	423 472	449 031	100 000	102 000	107 610	-	-	-	-
B	EC131 Inxuba Yethemba	4 875	4 984	5 285	7 000	17 000	17 000	-	-	-	-
B	EC135 Insiska Yethu	86 992	88 933	94 300	10 000	18 000	23 000	-	-	-	-
B	EC136 Emalahleni	43 644	44 617	47 310	10 000	20 000	20 000	-	-	-	-
B	EC137 Engcobo	80 572	82 369	87 341	6 000	16 000	16 000	-	-	-	-
B	EC138 Sakhisizwe	19 375	19 807	21 002	7 000	23 000	23 000	-	-	-	-
B	EC139 Enoch Mgijima	40 422	41 324	43 818	10 000	14 000	14 940	-	-	-	-
	Total: Chris Hani Municipalities	275 880	282 034	299 056	50 000	108 000	113 940	-	-	-	-
B	EC141 Elundini	81 885	83 711	88 763	19 000	30 000	30 000	-	-	-	-
B	EC142 Senqu	56 217	57 471	60 940	20 000	35 000	35 000	-	-	-	-
B	EC145 Walter Sisulu	10 452	10 686	11 331	20 000	19 000	23 620	-	-	-	-
	Total: Joe Gqabi Municipalities	148 554	151 868	161 034	59 000	84 000	88 620	-	-	-	-
B	EC153 Ngquzu Hill	139 103	142 205	150 788	15 000	17 000	21 000	-	-	-	-
B	EC154 Port St Johns	79 071	80 835	85 714	17 000	19 000	19 000	-	-	-	-
B	EC155 Nyandeni	142 331	145 505	154 288	22 000	25 000	25 000	-	-	-	-
B	EC156 Mthonfo	89 303	91 295	96 805	19 000	21 000	22 000	-	-	-	-
B	EC157 King Sabata Dalindyebo	164 876	168 554	178 727	17 000	18 000	18 500	-	-	-	-
	Total: O.R. Tambo Municipalities	614 684	628 394	666 322	90 000	100 000	105 500	-	-	-	-
B	EC441 Matatiele	88 136	90 102	95 541	-	-	-	-	-	-	-
B	EC442 Umzimvubu	89 493	91 489	97 011	110 000	90 000	94 950	-	-	-	-
B	EC443 Mbizana	130 167	133 070	141 102	-	-	-	-	-	-	-
B	EC444 Niabankulu	55 118	56 347	59 748	-	-	-	-	-	-	-
	Total: Alfred Nzo Municipalities	362 914	371 008	393 402	110 000	90 000	94 950	-	-	-	-
	Total: Eastern Cape Municipalities	1 816 264	1 856 776	1 968 845	409 000	484 000	510 620	-	-	-	-

APPENDIX W2

APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B				Schedule 6, Part B			
		Breakdown of MIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services	
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2020/21 (R'000)
KWAZULU-NATAL									
B	KZN212	uMdoni	42 176	43 116	45 719	15 000	25 000	26 000	-
B	KZN213	uMzombe	75 130	76 806	81 441	10 000	22 500	22 225	-
B	KZN214	uMuziwabantu	33 631	34 381	36 456	10 000	22 500	27 000	-
B	KZN216	Ray Nkonyeni	79 952	81 735	86 669	20 000	25 000	25 000	-
	Total: Ugu Municipalities		230 889	236 038	250 285	55 000	95 000	100 225	-
B	KZN221	uMshwathi	26 533	27 125	28 762	15 000	16 300	17 000	-
B	KZN222	uMngeni	17 559	17 951	19 035	19 700	19 700	20 000	-
B	KZN223	Mpofana	6 989	7 145	7 577	15 000	15 000	15 000	-
B	KZN224	iMpendle	10 203	10 430	11 060	18 000	18 000	20 000	-
B	KZN226	Mkhaambathini	17 308	17 694	18 762	25 000	24 000	25 000	-
B	KZN227	Richmond	16 236	16 598	17 600	10 000	17 000	19 050	-
	Total: uMgungundlovu Municipalities		94 828	96 943	102 796	102 700	110 000	116 050	-
B	KZN235	Okhahlamba	42 250	43 192	45 799	29 000	35 000	43 000	-
B	KZN237	iNkosi Langalibalele	57 011	58 283	61 800	30 000	40 000	37 000	-
B	KZN238	Alfred Duma	75 773	77 463	82 138	24 000	33 000	33 940	-
	Total: uThukela Municipalities		175 034	178 938	189 737	83 000	108 000	113 940	-
B	KZN241	eNdameni	8 678	8 872	9 407	14 000	29 000	31 000	-
B	KZN242	Nquthu	46 070	47 098	49 940	13 000	23 000	26 000	-
B	KZN244	uMsinga	76 211	77 911	82 614	13 000	32 000	32 000	-
B	KZN245	uMvoti	48 525	49 607	52 601	15 000	21 000	21 775	-
	Total: uMzinyathi Municipalities		179 484	183 488	194 562	55 000	105 000	110 775	-
B	KZN253	eMadlangeni	9 826	10 045	10 651	31 400	48 000	48 000	-
B	KZN254	Dannhauser	25 427	25 994	27 563	53 000	40 000	44 840	-
	Total: Amajuba Municipalities		35 253	36 039	38 214	84 400	88 000	92 840	-

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B					Schedule 6, Part B				
		Breakdown of MIG allocations for district municipalities authorised for services					Breakdown of WSIG allocations for district municipalities authorised for services				
		National and Municipal Financial Year		National and Municipal Financial Year			National and Municipal Financial Year		National and Municipal Financial Year		
2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
B	KZN261 eDumbe	14 994	15 328	16 253	9 000	14 000	19 500	-	-	-	-
B	KZN262 uPhongolo	42 859	43 815	46 460	22 000	22 000	22 000	-	-	-	-
B	KZN263 AbsQutusi	45 999	47 026	49 864	19 000	15 000	15 000	-	14 000	-	-
B	KZN265 Nongoma	67 293	68 794	72 946	35 000	31 000	31 000	-	10 000	-	-
B	KZN266 Ulundi	44 616	45 611	48 364	30 000	18 000	18 000	-	-	-	-
	Total: Zululand Municipalities	215 761	220 574	233 887	115 000	100 000	105 500	-	24 000	-	-
B	KZN271 uMhlabyalingana	57 713	59 000	62 561	15 000	20 000	22 000	-	-	-	-
B	KZN272 Jozini	69 056	70 596	74 857	15 000	25 000	25 000	-	-	-	-
B	KZN275 Mtubatuba	51 845	53 001	56 200	12 000	17 000	19 000	-	-	-	-
B	KZN276 Big Five Hlabisa	26 765	27 362	29 014	13 000	18 000	18 400	-	-	-	-
	Total: uMkhanyakade Municipalities	205 379	209 959	222 632	55 000	80 000	84 400	-	-	-	-
B	KZN281 uMfolozi	30 993	31 685	33 597	12 000	22 000	22 000	-	-	-	-
B	KZN284 uMlalazi	70 602	72 177	76 533	23 000	23 000	27 000	-	-	-	-
B	KZN285 Mthonjaneni	27 079	27 683	29 354	13 000	23 000	22 000	-	-	-	-
B	KZN286 Nkandla	33 526	34 274	36 342	25 000	25 000	30 000	-	-	-	-
	Total: King Cetshwayo Municipalities	162 200	165 819	175 826	73 000	93 000	98 115	-	-	-	-
B	KZN291 Mandeni	40 044	40 937	43 408	20 000	27 000	27 000	-	-	-	-
B	KZN292 KwaDukuza	59 986	61 324	65 025	25 000	25 000	26 996	-	-	-	-
B	KZN293 Ndwedwe	41 949	42 885	45 473	30 000	30 000	27 000	-	-	-	-
B	KZN294 Maaphumulo	41 524	42 451	45 013	25 500	25 105	32 000	-	-	-	-
	Total: ILembe Municipalities	183 503	187 597	198 919	100 500	107 105	112 996	-	-	-	-
B	KZN433 Greater Kokstad	9 921	10 143	10 755	19 000	22 000	25 000	-	-	-	-
B	KZN434 uBuhlebezwe	45 153	46 161	48 947	17 000	24 000	24 390	-	-	-	-
B	KZN435 uMzimkhulu	92 850	94 921	100 650	23 000	25 000	26 000	-	-	-	-
B	KZN436 Dr-Nkosazana Dlamini Zuma	43 662	44 635	47 329	21 400	27 000	28 000	-	-	-	-
	Total: Harry Gwala Municipalities	191 586	195 860	207 681	80 400	98 000	103 390	-	-	-	-
	Total: KwaZulu-Natal Municipalities	1 673 917	1 711 255	1 814 539	804 000	984 105	1 038 231	-	24 000	-	-

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG) AND WATER SERVICES INFRASTRUCTURE GRANT (WSIG)
(BREAKDOWN OF MIG AND WSIG ALLOCATIONS PER LOCAL MUNICIPALITY FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

Category	Municipality	Schedule 5, Part B				Schedule 6, Part B					
		Breakdown of MIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations for district municipalities authorised for services		Breakdown of WSIG allocations 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			
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
LIMPOPO											
B	LIM331	Greater Giyani	110 183	112 641	119 439	36 000	37 000	37 000	-	-	-
B	LIM332	Greater Letaba	87 222	89 167	94 549	17 000	19 000	19 000	-	-	-
B	LIM333	Greater Tzaneen	173 752	177 628	188 349	19 000	19 000	21 000	-	-	-
B	LIM334	Ba-Phalaborwa	30 958	31 649	33 559	14 000	14 000	17 050	-	-	-
B	LIM335	Maruleng	37 377	38 210	40 517	21 000	22 000	22 000	-	-	-
	Total: Mopani Municipalities		439 492	449 295	476 413	107 000	110 000	116 050	-	-	-
B	LIM341	Musina	26 985	27 587	29 252	20 000	20 000	20 000	-	-	-
B	LIM343	Thulamela	181 868	185 924	197 146	10 000	10 000	11 000	-	-	-
B	LIM344	Makhado	155 321	158 786	168 370	5 000	10 000	10 500	-	-	-
B	LIM345	Collins Chabane	134 472	137 471	145 769	10 000	10 000	11 250	-	-	-
	Total: Vhembe Municipalities		498 646	509 768	540 537	45 000	50 000	52 750	-	-	-
B	LIM351	Bloberg	77 890	79 627	84 433	20 000	30 000	35 000	-	-	-
B	LIM353	Molemole	51 964	53 123	56 330	20 000	30 000	35 000	-	-	-
B	LIM355	Lepele-Nkumpi	91 008	93 038	98 654	38 000	45 000	40 775	-	-	-
	Total: Capricorn Municipalities		220 862	225 788	239 417	78 000	105 000	110 775	-	-	-
B	LIM471	Ephraim Mogale	45 656	46 674	49 491	18 000	18 000	18 000	-	-	-
B	LIM472	Elias Moseoledi	110 238	112 696	119 498	15 000	20 000	20 000	-	-	-
B	LIM473	Makhuduthamaga	125 815	128 621	136 384	17 000	17 000	20 000	-	-	-
B	LIM476	Fetakgomo Tubatse	178 229	182 204	193 201	15 000	15 000	15 850	-	-	-
	Total: Sekhukhune Municipalities		459 938	470 195	498 574	65 000	70 000	73 850	-	-	-
	Total: Limpopo Municipalities		1 618 938	1 655 046	1 754 941	295 000	335 000	353 425	-	-	-
NORTH WEST											
B	NW381	Ratlou	47 321	48 376	51 296	-	-	-	30 000	45 000	
B	NW382	Tswaing	36 566	37 382	39 638	-	-	-	29 000	40 000	
B	NW383	Matikeng	105 744	108 103	114 627	-	-	-	26 233	35 000	
B	NW384	Ditsobotla	43 739	44 715	47 414	-	-	-	30 000	40 000	
B	NW385	Ramotshere Moilwa	54 703	55 923	59 299	-	-	-	30 000	40 000	
	Total: Ngaka Modiri Molema Municipalities		288 073	294 499	312 274	-	-	-	145 233	200 000	
B	NW392	Naledi	11 249	11 500	12 194	21 000	24 000	26 000	-	-	
B	NW393	Mamusa	9 600	9 815	10 407	15 000	19 000	19 775	-	-	
B	NW394	Greater Taung	70 033	71 595	75 916	16 000	19 000	19 000	-	-	
B	NW396	Lekwa-Teemane	3 884	3 970	4 210	19 557	21 000	21 000	-	-	
B	NW397	Kagisano-Molopo	35 717	36 513	38 717	20 000	22 000	25 000	-	-	
	Total: Dr Ruth Segomotsi Mompati Municipalities		130 483	133 393	141 444	91 557	105 000	110 775	-	-	
	Total: North West Municipalities		418 556	427 892	453 718	91 557	105 000	110 775	-	-	
	National Total		5 527 675	5 650 969	5 992 043	1 599 557	1 908 105	2 013 051	-	-	
									145 233	200 000	
									169 233	200 000	

APPENDIX W3

APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT

RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY
(National and Municipal Financial Years)

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

Category	Municipality	Project	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
			2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE					
B	EC121 Mbhashe	Upgrading of Ngumbela sport facility – Ngxakaxha	11 400	-	-
Total: Amathole Municipalities			11 400	-	-
B	EC136 Emalahleni	Construction of Indwe sport ground	11 000	-	-
Total: Chris Hani Municipalities			11 000	-	-
B	EC153 Ngquba Hill	Construction of a multi purpose sport field	8 550	-	-
Total: O.R. Tambo Municipalities			8 550	-	-
B	EC441 Matatiele	Construction of Cedarville sport center	11 400	-	-
Total: Alfred Nzo Municipalities			11 400	-	-
Total: Eastern Cape Municipalities			42 350	-	-
FREE STATE					
B	FS161 Letsemeng	Upgrading of stadium at Sonwabile in Koffiefontein	13 065	-	-
Total: Xhariep Municipalities			13 065	-	-
B	FS183 Tswelopele	Construction of a cricket pitch and a clubhouse	7 600	-	-
Total: Lejweleputswa Municipalities			7 600	-	-
B	FS191 Setsoto	Upgrading of Moemang sport and recreation facility	11 500	-	-
B	FS196 Mantsopa	Construction of Hobhouse sport facilities	13 115	-	-
Total: Thabo Mofutsanyana Municipalities			24 615	-	-
Total: Free State Municipalities			45 280	-	-
GAUTENG					
B	GT481 Mogale City	Upgrading of Rietvallei sport complex	3 659	-	-
Total: West Rand Municipalities			3 659	-	-
Total: Gauteng Municipalities			3 659	-	-
KWAZULU-NATAL					
B	KZN238 Alfred Duma	Construction of Acaciaville sport field	9 500	-	-
Total: uThukela Municipalities			9 500	-	-
B	KZN261 eDumbe	Construction of Bilanyoni sport field	9 500	-	-
Total: Zululand Municipalities			9 500	-	-
B	KZN284 uMlalazi	Construction of Basamlilo sport field	9 500	-	-
B	KZN286 Nkandla	Construction of Nkungumathe sport field	9 500	-	-
Total: King Cetshwayo Municipalities			19 000	-	-
Total: KwaZulu-Natal Municipalities			38 000	-	-
LIMPOPO					
B	LIM343 Thulamela	Upgrading of Makwarela Stadium	17 000	-	-
Total: Vhembe Municipalities			17 000	-	-
B	LIM366 Bela-Bela	Construction of Moloto Street Stadium	12 075	-	-
Total: Waterberg Municipalities			12 075	-	-
B	LIM473 Makhuduthamaga	Construction of Moroangoato sport ground	5 125	-	-
Total: Sekhukhune Municipalities			5 125	-	-
Total: Limpopo Municipalities			34 200	-	-

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

Category	Municipality	Project	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
			2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
MPUMALANGA					
B	MP305 Lekwa	Upgrading of courts at Sakhile Stadium	1 710	-	-
B	MP306 Dipaleseng	Upgrading of Siyathemba Stadium	13 864	-	-
Total: Gert Sibande Municipalities			15 574	-	-
B	MP321 Thaba Chweu	Construction of sports facilities and multi-purpose sport courts	9 000	-	-
B	MP326 City of Mbombela	Construction of Masoyi sport ground	10 400	-	-
Total: Ehlanzeni Municipalities			19 400	-	-
Total: Mpumalanga Municipalities			34 974	-	-
NORTHERN CAPE					
B	NC064 Kamiesberg	Upgrading of Hondeklip Bay sport complex	4 370	-	-
Total: Namakwa Municipalities			4 370	-	-
B	NC094 Phokwane	Upgrading of Ganspan sport complex	11 290	-	-
Total: Frances Baard Municipalities			11 290	-	-
B	NC452 Ga-Segonyana	Upgrading of Mothibistad sport complex	10 545	-	-
B	NC453 Gamagara	Construction of Kathu sport facility	2 009	-	-
Total: John Taolo Gaetsewe Municipalities			12 554	-	-
Total: Northern Cape Municipalities			28 214	-	-
NORTH WEST					
B	NW372 Madibeng	Construction of Maboloka sport facility	9 500	-	-
Total: Bojanala Platinum Municipalities			9 500	-	-
B	NW382 Tswaing	Refurbishment of Agisanang sport facility	10 550	-	-
Total: Ngaka Modiri Molema Municipalities			10 550	-	-
B	NW392 Naledi	Construction of Huhudi sport facility	12 500	-	-
Total: Dr Ruth Segomotsi Mompati Municipalities			12 500	-	-
Total: North West Municipalities			32 550	-	-
WESTERN CAPE					
B	WC013 Bergrivier	Upgrading of existing Eric Goldschmidt sport ground, Velddrift. Eendekuil sport ground in Eendekuil. Pella Park sport ground in Porterville	5 415	-	-
Total: West Coast Municipalities			5 415	-	-
B	WC044 George	Upgrading of sport facilities in Rosemore with a tartan track	8 550	-	-
Total: Eden Municipalities			8 550	-	-
Total: Western Cape Municipalities			13 965	-	-
Unallocated			-	266 166	266 166
National Total			273 192	266 166	266 166

APPENDIX W4

**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT
FOR MUNICIPALITIES**

(National and Municipal Financial Years)

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
			FTE Target for 2018/19	National and Municipal Financial Year		
				2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE						
A	BUF	Buffalo City	3 200	4 050	-	-
A	NMA	Nelson Mandela Bay	3 822	6 711	-	-
B	EC101	Dr Beyers Naude	98	1 032	-	-
B	EC102	Blue Crane Route	72	1 000	-	-
B	EC104	Makana	114	1 000	-	-
B	EC105	Ndlambe	127	1 000	-	-
B	EC106	Sundays River Valley	119	1 000	-	-
B	EC108	Kouga	145	1 013	-	-
B	EC109	Kou-Kamma	76	1 000	-	-
C	DC10	Sarah Baartman District Municipality	13	1 000	-	-
Total: Sarah Baartman Municipalities			764	8 045	-	-
B	EC121	Mbhashe	317	5 015	-	-
B	EC122	Mnquma	280	1 308	-	-
B	EC123	Great Kei	61	1 168	-	-
B	EC124	Amahlathi	136	1 449	-	-
B	EC126	Ngqushwa	112	1 480	-	-
B	EC129	Raymond Mhlaba	187	1 752	-	-
C	DC12	Amathole District Municipality	1 838	2 446	-	-
Total: Amathole Municipalities			2 931	14 618	-	-
B	EC131	Inxuba Yethemba	85	1 456	-	-
B	EC135	Intsika Yethu	218	2 898	-	-
B	EC136	Emalahleni	166	2 022	-	-
B	EC137	Engcobo	189	2 160	-	-
B	EC138	Sakhisizwe	100	1 951	-	-
B	EC139	Enoch Mgijima	282	4 253	-	-
C	DC13	Chris Hani District Municipality	1 290	6 158	-	-
Total: Chris Hani Municipalities			2 330	20 898	-	-
B	EC141	Elundini	186	1 777	-	-
B	EC142	Senqu	197	2 796	-	-
B	EC145	Walter Sisulu	98	1 517	-	-
C	DC14	Joe Gqabi District Municipality	689	2 254	-	-
Total: Joe Gqabi Municipalities			1 170	8 344	-	-
B	EC153	Ngquza Hill	246	1 398	-	-
B	EC154	Port St Johns	166	1 775	-	-
B	EC155	Nyandeni	272	1 321	-	-
B	EC156	Mhlontlo	209	1 821	-	-
B	EC157	King Sabata Dalindyebo	413	3 954	-	-
C	DC15	O.R. Tambo District Municipality	2 734	4 882	-	-
Total: O.R. Tambo Municipalities			4 040	15 151	-	-
B	EC441	Matatiele	247	3 185	-	-
B	EC442	Umtzimvubu	226	2 476	-	-
B	EC443	Mbizana	232	2 335	-	-
B	EC444	Ntabankulu	138	1 909	-	-
C	DC44	Alfred Nzo District Municipality	1 726	10 844	-	-
Total: Alfred Nzo Municipalities			2 569	20 749	-	-
Total: Eastern Cape Municipalities			20 826	98 566	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
			FTE Target for 2018/19	National and Municipal Financial Year		
				2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
FREE STATE						
A	MAN	Mangaung	3 150	2 423	-	-
B	FS161	Letsemeng	84	1 000	-	-
B	FS162	Kopanong	98	1 000	-	-
B	FS163	Mohokare	87	1 000	-	-
C	DC16	Xhariep District Municipality	13	1 029	-	-
Total: Xhariep Municipalities			282	4 029	-	-
B	FS181	Masilonyana	110	1 000	-	-
B	FS182	Tokologo	81	1 000	-	-
B	FS183	Tswelopele	81	1 000	-	-
B	FS184	Matjhabeng	514	1 000	-	-
B	FS185	Nala	136	1 000	-	-
C	DC18	Lejweleputswa District Municipality	13	1 000	-	-
Total: Lejweleputswa Municipalities			935	6 000	-	-
B	FS191	Setsoto	218	1 517	-	-
B	FS192	Dihlabeng	174	1 000	-	-
B	FS193	Nketoana	119	1 054	-	-
B	FS194	Maluti-a-Phofung	739	4 120	-	-
B	FS195	Phumelela	-	-	-	-
B	FS196	Mantsopa	98	1 130	-	-
C	DC19	Thabo Mofutsanyana District Municipality	15	1 180	-	-
Total: Thabo Mofutsanyana Municipalities			1 363	10 001	-	-
B	FS201	Moqhaka	181	1 000	-	-
B	FS203	Ngwathe	-	-	-	-
B	FS204	Metsimaholo	200	1 000	-	-
B	FS205	Mafube	-	-	-	-
C	DC20	Fezile Dabi District Municipality	-	-	-	-
Total: Fezile Dabi Municipalities			381	2 000	-	-
Total: Free State Municipalities			6 111	24 453	-	-
GAUTENG						
A	EKU	City of Ekurhuleni	8 458	25 054	-	-
A	JHB	City of Johannesburg	8 091	34 737	-	-
A	TSH	City of Tshwane	7 038	32 013	-	-
B	GT421	Emfuleni	747	2 746	-	-
B	GT422	Midvaal	148	1 181	-	-
B	GT423	Lesedi	127	1 297	-	-
C	DC42	Sedibeng District Municipality	13	1 000	-	-
Total: Sedibeng Municipalities			1 035	6 224	-	-
B	GT481	Mogale City	548	4 346	-	-
B	GT484	Merafong City	293	1 180	-	-
B	GT485	Rand West City	411	2 135	-	-
C	DC48	West Rand District Municipality	14	1 105	-	-
Total: West Rand Municipalities			1 266	8 766	-	-
Total: Gauteng Municipalities			25 888	106 794	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

			Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2018/19	National and Municipal Financial Year			
			2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	
KWAZULU-NATAL						
A	ETH eThekweni	9 091	75 333	-	-	
B	KZN212 uMdoni	144	1 219	-	-	
B	KZN213 uMzombe	162	1 526	-	-	
B	KZN214 uMuziwabantu	113	1 213	-	-	
B	KZN216 Ray Nkonyeni	311	4 061	-	-	
C	DC21 Ugu District Municipality	1 058	3 250	-	-	
Total: Ugu Municipalities		1 788	11 269	-	-	
B	KZN221 uMshwathi	134	1 471	-	-	
B	KZN222 uMngeni	109	1 000	-	-	
B	KZN223 Mpofana	62	1 000	-	-	
B	KZN224 iMpendle	63	1 160	-	-	
B	KZN225 Msunduzi	870	2 890	-	-	
B	KZN226 Mkhambathini	79	1 034	-	-	
B	KZN227 Richmond	96	1 515	-	-	
C	DC22 uMgungundlovu District Municipality	484	4 265	-	-	
Total: uMgungundlovu Municipalities		1 897	14 335	-	-	
B	KZN235 Okhahlamba	150	2 432	-	-	
B	KZN237 iNkosi Langalibalele	175	1 387	-	-	
B	KZN238 Alfred Duma	315	4 319	-	-	
C	DC23 uThukela District Municipality	856	6 206	-	-	
Total: uThukela Municipalities		1 496	14 344	-	-	
B	KZN241 eNdumeni	76	1 000	-	-	
B	KZN242 Nquthu	143	1 014	-	-	
B	KZN244 uMsinga	213	4 394	-	-	
B	KZN245 uMvoti	148	1 849	-	-	
C	DC24 uMzinyathi District Municipality	860	5 109	-	-	
Total: uMzinyathi Municipalities		1 440	13 366	-	-	
B	KZN252 Newcastle	515	3 199	-	-	
B	KZN253 eMadlangeni	51	1 000	-	-	
B	KZN254 Dannhauser	103	1 000	-	-	
C	DC25 Amajuba District Municipality	193	1 620	-	-	
Total: Amajuba Municipalities		862	6 819	-	-	
B	KZN261 eDumbe	89	1 103	-	-	
B	KZN262 uPhongolo	151	2 534	-	-	
B	KZN263 AbaQulusi	172	1 295	-	-	
B	KZN265 Nongoma	154	1 615	-	-	
B	KZN266 Ulundi	179	3 854	-	-	
C	DC26 Zululand District Municipality	1 027	5 908	-	-	
Total: Zululand Municipalities		1 772	16 309	-	-	
B	KZN271 uMhlabyalingana	186	3 047	-	-	
B	KZN272 Jozini	192	2 751	-	-	
B	KZN275 Mtubatuba	159	2 070	-	-	
B	KZN276 Big Five Hlabisa	113	1 826	-	-	
C	DC27 uMkhanyakude District Municipality	944	3 022	-	-	
Total: uMkhanyakude Municipalities		1 594	12 716	-	-	
B	KZN281 uMfolozi	130	1 620	-	-	
B	KZN282 uMhlathuze	516	5 189	-	-	
B	KZN284 uMlalazi	211	3 212	-	-	
B	KZN285 Mthonjaneni	98	1 808	-	-	
B	KZN286 Nkandla	130	2 712	-	-	
C	DC28 King Cetshwayo District Municipality	820	7 762	-	-	
Total: King Cetshwayo Municipalities		1 905	22 303	-	-	
B	KZN291 Mandeni	177	2 255	-	-	
B	KZN292 KwaDukuza	236	1 540	-	-	
B	KZN293 Ndwedwe	140	1 195	-	-	
B	KZN294 Maphumulo	108	1 157	-	-	
C	DC29 iLembe District Municipality	834	1 731	-	-	
Total: iLembe Municipalities		1 495	7 878	-	-	
B	KZN433 Greater Kokstad	88	1 311	-	-	
B	KZN434 uBuhlebezwe	133	1 590	-	-	
B	KZN435 uMzimkhulu	211	2 324	-	-	
B	KZN436 Dr Nkosazana Dlamini Zuma	1 151	1 596	-	-	
C	DC43 Harry Gwala District Municipality	879	2 518	-	-	
Total: Harry Gwala Municipalities		2 462	9 339	-	-	
Total: KwaZulu-Natal Municipalities		25 802	204 011	-	-	

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2018/19	National and Municipal Financial Year		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
LIMPOPO							
B	LIM331	Greater Giyani	300	3 519	-	-	
B	LIM332	Greater Letaba	261	1 521	-	-	
B	LIM333	Greater Tzaneen	468	5 510	-	-	
B	LIM334	Ba-Phalaborwa	147	1 000	-	-	
B	LIM335	Maruleng	127	1 169	-	-	
C	DC33	Mopani District Municipality	1 931	1 232	-	-	
Total: Mopani Municipalities			3 234	13 951	-	-	
B	LIM341	Musina	135	1 040	-	-	
B	LIM343	Thulamela	499	6 225	-	-	
B	LIM344	Makhado	392	1 240	-	-	
B	LIM345	Collins Chabane	360	1 134	-	-	
C	DC34	Vhembe District Municipality	2 187	1 215	-	-	
Total: Vhembe Municipalities			3 573	10 854	-	-	
B	LIM351	Blouberg	200	1 089	-	-	
B	LIM353	Molemole	161	1 101	-	-	
B	LIM354	Polokwane	1 500	5 742	-	-	
B	LIM355	Lepele-Nkumpi	250	1 758	-	-	
C	DC35	Capricorn District Municipality	1 019	3 642	-	-	
Total: Capricorn Municipalities			3 130	13 332	-	-	
B	LIM361	Thabazimbi	156	1 343	-	-	
B	LIM362	Lephalale	209	2 014	-	-	
B	LIM366	Bela-Bela	123	1 154	-	-	
B	LIM367	Mogalakwena	678	1 537	-	-	
B	LIM368	Modimolle-Mookgophong	174	1 021	-	-	
C	DC36	Waterberg District Municipality	-	-	-	-	
Total: Waterberg Municipalities			1 340	7 069	-	-	
B	LIM471	Ephraim Mogale	161	1 594	-	-	
B	LIM472	Elias Motsaedi	243	1 002	-	-	
B	LIM473	Makhuduthamaga	274	1 004	-	-	
B	LIM476	Fetakgomo Tubatse	380	2 035	-	-	
C	DC47	Sekhukhune District Municipality	2 027	1 746	-	-	
Total: Sekhukhune Municipalities			3 085	7 381	-	-	
Total: Limpopo Municipalities			14 362	52 587	-	-	
MPUMALANGA							
B	MP301	Chief Albert Luthuli	391	1 901	-	-	
B	MP302	Mtukaligwa	247	2 006	-	-	
B	MP303	Mkhondo	359	2 281	-	-	
B	MP304	Dr Pixley ka Isaka Seme	122	1 259	-	-	
B	MP305	Lekwa	133	1 000	-	-	
B	MP306	Dipaleseng	98	1 537	-	-	
B	MP307	Govan Mbeki	267	1 937	-	-	
C	DC30	Gert Sibande District Municipality	50	3 872	-	-	
Total: Gert Sibande Municipalities			1 667	15 793	-	-	
B	MP311	Vietor Khanye	130	1 994	-	-	
B	MP312	Emalahleni	560	4 231	-	-	
B	MP313	Steve Tshwete	262	4 151	-	-	
B	MP314	Emakhazeni	90	1 184	-	-	
B	MP315	Thembisile Hani	545	1 984	-	-	
B	MP316	Dr JS Moroka	564	2 955	-	-	
C	DC31	Nkangala District Municipality	47	3 626	-	-	
Total: Nkangala Municipalities			2 198	20 125	-	-	
B	MP321	Thaba Chweu	223	1 931	-	-	
B	MP324	Nkomazi	1 035	6 708	-	-	
B	MP325	Bushbuckridge	1 635	4 447	-	-	
B	MP326	City of Mbombela	1 514	8 240	-	-	
C	DC32	Ehlanzeni District Municipality	40	3 067	-	-	
Total: Ehlanzeni Municipalities			4 447	24 393	-	-	
Total: Mpumalanga Municipalities			8 312	60 311	-	-	

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2018/19	National and Municipal Financial Year		
			2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
NORTHERN CAPE					
B	NC061 Richtersveld	42	1 000	-	-
B	NC062 Nama Khoi	73	1 000	-	-
B	NC064 Kamiesberg	43	1 000	-	-
B	NC065 Hantam	57	1 345	-	-
B	NC066 Karoo Hoogland	-	-	-	-
B	NC067 Khâi-Ma	44	1 000	-	-
C	DC6 Namakwa District Municipality	-	-	-	-
Total: Namakwa Municipalities		259	5 345	-	-
B	NC071 Ubuntu	53	1 000	-	-
B	NC072 Umsobomvu	60	1 000	-	-
B	NC073 Emthanjeni	63	1 000	-	-
B	NC074 Kareeberg	45	1 000	-	-
B	NC075 Renosterberg	43	1 000	-	-
B	NC076 Thembelihle	51	1 000	-	-
B	NC077 Siyathemba	53	1 000	-	-
B	NC078 Siyancuma	81	1 000	-	-
C	DC7 Pixley Ka Seme District Municipality	13	1 000	-	-
Total: Pixley Ka Seme Municipalities		462	9 000	-	-
B	NC082 !Kai !Garib	113	1 547	-	-
B	NC084 !Kheis	57	1 000	-	-
B	NC085 Tsantsabane	77	1 000	-	-
B	NC086 Kgatelopele	-	-	-	-
B	NC087 Dawid Kruiper	-	-	-	-
C	DC8 Z.F. Mgcawu District Municipality	-	-	-	-
Total: Z.F. Mgcawu Municipalities		247	3 547	-	-
B	NC091 Sol Plaatjie	250	3 137	-	-
B	NC092 Dikgatlong	95	1 084	-	-
B	NC093 Magareng	59	1 000	-	-
B	NC094 Phokwane	-	-	-	-
C	DC9 Frances Baard District Municipality	14	1 113	-	-
Total: Frances Baard Municipalities		418	6 334	-	-
B	NC451 Joe Morolong	271	1 447	-	-
B	NC452 Ga-Segonyana	236	1 000	-	-
B	NC453 Gamagara	64	1 235	-	-
C	DC45 John Taolo Gaetsewe District Municipality	13	1 000	-	-
Total: John Taolo Gaetsewe Municipalities		584	4 682	-	-
Total: Northern Cape Municipalities		1 970	28 908	-	-
NORTH WEST					
B	NW371 Moretele	23	1 772	-	-
B	NW372 Madibeng	1 202	1 174	-	-
B	NW373 Rustenburg	1 036	3 545	-	-
B	NW374 Kgetlengrivier	122	1 159	-	-
B	NW375 Moses Kotane	643	1 000	-	-
C	DC37 Bojanala Platinum District Municipality	20	1 558	-	-
Total: Bojanala Platinum Municipalities		3 046	10 208	-	-
B	NW381 Ratlou	141	1 448	-	-
B	NW382 Tswaing	143	1 632	-	-
B	NW383 Mafikeng	323	5 063	-	-
B	NW384 Ditsobotla	178	1 918	-	-
B	NW385 Ramotshere Moiloa	169	1 094	-	-
C	DC38 Ngaka Modiri Molema District Municipality	1 279	1 277	-	-
Total: Ngaka Modiri Molema Municipalities		2 233	12 432	-	-
B	NW392 Naledi	91	1 652	-	-
B	NW393 Mamusa	79	1 098	-	-
B	NW394 Greater Taung	213	1 077	-	-
B	NW396 Lekwa-Teemane	-	-	-	-
B	NW397 Kagisano-Molopo	159	2 639	-	-
C	DC39 Dr Ruth Segomotsi Mompoti District Municipality	599	1 278	-	-
Total: Dr Ruth Segomotsi Mompoti Municipalities		1 141	7 744	-	-
B	NW403 City of Matlosana	394	2 037	-	-
B	NW404 Maquassi Hills	130	1 017	-	-
B	NW405 JB Marks	305	1 947	-	-
C	DC40 Dr Kenneth Kaunda District Municipality	15	1 151	-	-
Total: Dr Kenneth Kaunda Municipalities		844	6 152	-	-
Total: North West Municipalities		7 264	36 536	-	-

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality		Expanded Public Works Programme Integrated Grant for Municipalities			
				FTE Target for 2018/19	National and Municipal Financial Year		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
WESTERN CAPE							
A	CPT	City of Cape Town	6 439	24 266	-	-	
B	WC011	Matzikama	109	1 630	-	-	
B	WC012	Cederberg	89	1 819	-	-	
B	WC013	Bergrivier	78	1 413	-	-	
B	WC014	Saldanha Bay	107	2 055	-	-	
B	WC015	Swartland	108	1 572	-	-	
C	DC1	West Coast District Municipality	14	1 047	-	-	
Total: West Coast Municipalities			505	9 536	-	-	
B	WC022	Witzenberg	116	1 780	-	-	
B	WC023	Drakenstein	205	4 433	-	-	
B	WC024	Stellenbosch	223	5 722	-	-	
B	WC025	Breedee Valley	184	3 066	-	-	
B	WC026	Langeberg	114	1 740	-	-	
C	DC2	Cape Winelands District Municipality	18	1 391	-	-	
Total: Cape Winelands Municipalities			860	18 132	-	-	
B	WC031	Theewaterskloof	129	1 451	-	-	
B	WC032	Overstrand	116	1 926	-	-	
B	WC033	Cape Agulhas	60	1 141	-	-	
B	WC034	Swellendam	65	1 266	-	-	
C	DC3	Overberg District Municipality	15	1 125	-	-	
Total: Overberg Municipalities			385	6 909	-	-	
B	WC041	Kannaland	56	1 055	-	-	
B	WC042	Hessequa	69	1 026	-	-	
B	WC043	Mossel Bay	130	2 337	-	-	
B	WC044	George	239	5 466	-	-	
B	WC045	Oudtshoorn	127	2 822	-	-	
B	WC047	Bitou	118	2 615	-	-	
B	WC048	Knysna	119	1 187	-	-	
C	DC4	Eden District Municipality	13	1 021	-	-	
Total: Eden Municipalities			871	17 529	-	-	
B	WC051	Laingsburg	39	1 000	-	-	
B	WC052	Prince Albert	44	1 042	-	-	
B	WC053	Beaufort West	74	1 285	-	-	
C	DC5	Central Karoo District Municipality	13	1 013	-	-	
Total: Central Karoo Municipalities			170	4 340	-	-	
Total: Western Cape Municipalities			9 230	80 712	-	-	
Unallocated				-	741 917	782 918	
National Total			119 765	692 878	741 917	782 918	

APPENDIX W5

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER
PROJECT**

(National and Municipal Financial Years)

APPENDIX W5

APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE										
	Noongedaga Bulk Water Supply	A	NMA	Nelson Mandela Bay Metropolitan Municipality	-	-	-	117 400	218 000	151 366
	Total: Nelson Mandela Bay Metropolitan Municipality				-	-	-	117 400	218 000	151 366
ECR042	Ikwazi Bulk Water Supply	B	EC101	Dr Beyers Naude Local Municipality	-	-	-	5 000	2 000	15 000
ECR041	Misgond Bulk Water Supply	B	EC109	Kou-kamma Local Municipality	-	-	-	10 000	1 000	15 000
ECR047	James Keyhans Bulk Water Supply (BWS)	B	EC104	Makana Local Municipality	-	-	-	20 000	25 000	20 000
EC NEW	Belmont Waste Water Treatment Works (WWTW)	B	EC104	Makana Local Municipality	-	-	-	2 500	15 000	-
BEP	Makana Bulk Sewer	B	EC104	Makana Local Municipality	-	-	-	2 500	-	-
EC NEW	Mayfield Waste Water Treatment Works	B	EC104	Makana Local Municipality	-	-	-	2 500	8 000	-
ECR038	Great-Reiner Emergency Water Supply Scheme (WSS)	B	EC102	Blue Crane Route LM	-	-	-	5 000	3 500	2 000
ECR037	Ndlambe Dam / Banyu Coast BWS (Grahamstown and Port Alfred Intermunicipal)	B	EC105	Ndlambe Local Municipality	-	-	-	5 000	-	-
ECR024	Stundays River Valley Bulk Water Supply	B	EC106	Stundays River Valley Local Municipality	-	-	-	9 000	-	-
ECR043	Kirkwood Water Treatment Works	B	EC106	Stundays River Valley Local Municipality	-	-	-	5 000	2 000	20 000
	Total: Sarah Baartman Municipalities				-	-	-	66 500	56 500	72 000
ECR015	Xhoro East Water Supply	C	DC12	Amathole District Municipality	-	-	-	70 000	3 193	1 000
ECR016	Sundvanna Water Supply	C	DC12	Amathole District Municipality	-	-	-	-	-	25 000
	Ibika Water Supply	C	DC12	Amathole District Municipality	-	-	-	-	-	-
	Nqumama Bulk Water Supply	C	DC12	Amathole District Municipality	-	-	-	2 660	20 000	30 000
	Total: Amathole Municipalities				-	-	-	72 660	23 193	56 000
ECR033	Cluster 4 CHDM Bulk Water Supply	C	DC13	Chris Ham District Municipality	40 000	8 000	8 440	-	-	-
ECR028	Cluster 6 CHDM Bulk Water Supply	C	DC13	Chris Ham District Municipality	20 000	5 000	5 275	-	-	-
ECR029	Cluster 9 CHDM Bulk Water Supply	C	DC13	Chris Ham District Municipality	75 000	7 385	7 000	-	-	-
ECR002	Xonxa Bulk Water Supply	C	DC13	Chris Ham District Municipality	17 000	5 000	5 275	-	-	-
	Middelburg Ground Water Supply	C	DC13	Chris Ham District Municipality	-	-	-	-	-	-
	Butterworth Water Transfer Scheme	C	DC14	Chris Ham District Municipality	-	-	-	10 000	-	-
ECR005	Hottelyster Ground Water Supply	C	DC14	Chris Ham District Municipality	-	-	-	-	-	-
	Total: Chris Ham Municipalities				162 000	25 000	26 375	10 000	-	-
	Lady Grey Bulk Water Supply	C	DC14	Joe Gqabi District Municipality	-	20 000	21 100	-	-	-
ECR046	Sterkspruit Waste Water Treatment Works	C	DC14	Joe Gqabi District Municipality	-	20 000	21 100	-	-	-
	Total: Joe Gqabi Municipalities				-	40 000	42 200	-	-	-
ECR019	Coffee Bay Water Treatment Works	C	DC15	O.R. Tambo District Municipality	-	13 000	13 715	-	-	-
ECR045	O.R. Tambo, Mthatha, King Sabata Dalindyebo Water Supply	C	DC15	O.R. Tambo District Municipality	300 706	273 727	294 722	-	-	-
	O.R. Tambo, Mthatha, King Sabata Dalindyebo Sanitation	C	DC15	O.R. Tambo District Municipality	9 001	-	-	-	-	-
	Total: O.R. Tambo Municipalities				309 707	286 727	308 437	-	-	-
ECR001	Mantale Bulk Water Supply Scheme	C	DC44	Alfred Nzo District Municipality	-	-	-	2 000	-	-
EC NEW	Kimba Regional BWS	C	DC44	Alfred Nzo District Municipality	-	-	-	-	-	20 000
ECR 044	Ntabankulu Bulk Water Supply	C	DC44	Alfred Nzo District Municipality	-	-	-	-	-	30 000
EC NEW	Mount Avhif Bulk Peri Urban Water Supply	C	DC44	Alfred Nzo District Municipality	-	-	-	65 000	35 000	25 000
EC NEW	Mkamatane Regional Bulk WSS	C	DC44	Alfred Nzo District Municipality	-	-	-	-	-	25 000
	Total: Alfred Nzo Municipalities				-	-	-	67 000	35 000	96 000
	Total: Eastern Cape Municipalities				471 707	351 727	377 012	333 560	332 693	377 366

APPENDIX W5
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
FREE STATE										
	Welbedacht Pipeline	A	MAN	Mangaung Metropolitan Municipality	-	-	-	114 638	154 832	90 578
	Dewetsdorp Outfall Sewer Line	A	MAN	Mangaung Metropolitan Municipality	-	-	-	114 638	154 832	90 578
	Total: Mangaung, Mero				-	-	-	2 000	-	-
FSR002	Jansfontein/Fauresmith Bulk Water Supply	B	FS 162	Kopangong Local Municipality	-	-	-	-	-	-
FSR005	Rounville / Smaldfield/Zastron Bulk Water Supply	B	FS 163	Mobokare Local Municipality	38 000	20 000	10 000	-	-	-
	Rensville Outfall Sewer	B	FS 163	Mobokare Local Municipality	-	-	-	-	-	-
	Total: Xhariep Municipalities				38 000	20 000	10 000	2 000	-	-
FSR011	Mashiyana Bulk Water Supply	B	FS 181	Mashiyana Local Municipality	-	-	-	15 000	70 000	100 000
FSR040	Mashiyana Bulk Sewer (Balford and Winburg)	B	FS 181	Mashiyana Local Municipality	-	-	-	50 000	71 000	80 000
FSR008	Tokologo Regional Water Supply 2	B	FS 182	Tokologo Local Municipality	-	-	-	43 500	-	-
BEP	Dikabeng Construction of a sewer Main - 200mm	B	FS 182	Tokologo Local Municipality	-	-	-	3 000	-	-
BEP	Hertogsville Outfall Sewer + Pumpstation	B	FS 183	Tsewepale Local Municipality	-	-	-	20 000	20 000	-
FSR038	Tswelopele Bulk Water Supply	B	FS 183	Tsewepale Local Municipality	-	-	-	10 000	40 000	100 000
	Matjhabeng Bulk Sewer (Welkom)	B	FS 184	Matjhabeng Local Municipality	-	-	-	141 500	201 000	280 000
	Total: Lepellekaswa Municipalities				-	-	-	141 500	201 000	280 000
FSR013	Seiso Bulk Water Supply	B	FS 191	Seiso Local Municipality	30 000	53 121	92 108	-	-	-
BEP	Coccolan Construction of a Sewer Main (200mm-400mm)	B	FS 191	Seiso Local Municipality	-	-	-	70 000	-	-
BEP	Senekal Construction of a Sewer Mains (200mm-400mm)	B	FS 191	Seiso Local Municipality	-	-	-	89 486	-	-
BEP	Ficksburg Outfall Sewer and Pumpstation	B	FS 191	Seiso Local Municipality	-	-	-	48 000	-	-
FSR003	Dikabeng Bulk Water Supply	B	FS 192	Dikabeng Local Municipality	-	-	-	5 000	20 000	25 000
FSR012	Nietonsa Regional Water Supply	B	FS 193	Nietonsa Local Municipality	-	-	-	20 000	10 000	45 000
FSR021	Mantsopa Bulk Sewer (Ladibrand)	B	FS 196	Mantsopa Local Municipality	-	-	-	13 700	-	-
BEP	Rensselaers Water Treatment of a Picklake Plant	B	FS 193	Nietonsa Local Municipality	-	-	-	28 000	-	-
BEP	Phumela Local Municipality	B	FS 193	Nietonsa Local Municipality	-	-	-	65 000	-	-
BEP	Airfont Grey Water Package Plant	B	FS 193	Nietonsa Local Municipality	-	-	-	30 000	40 000	30 000
FSR007	Maitse-a-Phofung BWS Phase 2	B	FS 194	Maitse-a-Phofung Local Municipality	-	-	-	33 000	20 000	10 000
FSR006	Phumela Bulk Water Supply	B	FS 195	Phumela Local Municipality	-	-	-	-	-	-
BEP	Memel Refurbishment WW/TW and Sewer	B	FS 195	Phumela Local Municipality	17 500	30 000	92 108	-	-	-
FSR015	Mantsopa-Tweespruit, Excelsior, Hobhouse Bulk Water Supply	B	FS 196	Mantsopa Local Municipality	47 500	83 121	92 108	402 186	90 000	108 000
	Total: Iibho Mofutsanyana Municipalities				47 500	83 121	92 108	402 186	90 000	108 000
FSR010	Moghaka Bulk Water Supply	B	FS 201	Moghaka Local Municipality	-	-	-	2 000	10 000	-
BEP	Helbron Sewer and Pumpstation	B	FS 203	Ngwalhe Local Municipality	-	-	-	10 000	25 000	20 000
FSR009	Ngwalhe Bulk Water Supply Phase 1 (Parys)	B	FS 203	Ngwalhe Local Municipality	-	-	-	47 500	-	-
FSR039	Ngwalhe Bulk Water Supply Phase 2	B	FS 203	Ngwalhe Local Municipality	38 000	40 000	47 500	-	-	-
FSR021	Upgrading of Deneysville WW/TW	B	FS 204	Meisamahole Local Municipality	-	-	-	40 000	50 000	42 000
	Frankfort Bulk Sewer (Matjies)	B	FS 205	Matjies Local Municipality	-	-	-	10 000	20 000	30 000
	Total: Fezile Dahn Municipalities				38 000	40 000	47 500	62 000	105 000	92 000
	Total: Free State Municipalities				123 500	143 121	149 608	722 324	550 832	570 578
GAUTENG										
GPR001	Seibehne Regional Waste Water Treatment Works	B	GT421	Enfidelen Local Municipality	-	-	-	67 646	197 800	152 000
GPR005	Seibehne Waste Water Treatment Works	B	GT421	Enfidelen Local Municipality	-	-	-	165 444	100 851	250 000
GPR008	Robdene pump station and rising main	B	GT422	Midwal Local Municipality	-	-	-	17 940	-	-
GPR006	Meystrom Waste Water Treatment Works	B	GT422	Midwal Local Municipality	-	-	-	41 860	7 000	105 000
	Total: Sediberg Municipalities				-	-	-	292 890	305 651	507 000
GPR002	Westonaria Regional Bulk Sanitation (Zumbekom)	B	GT485	Rand West City Local Municipality	-	-	-	-	190 900	160 000
GPR009	Mohlakeng pump station and sewer outfall	B	GT485	Rand West City Local Municipality	-	-	-	35 409	147 500	1 924
	Total: West Rand Municipalities				-	-	-	35 409	338 400	161 924
	Total: Gauteng Municipalities				-	-	-	328 299	644 051	668 924

APPENDIX W5

APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
KWAZULU-NATAL										
Breakdown of regional bulk infrastructure grant allocations per local municipality per project										
KNR008	Spionkop to Ladysmith BWS	C	uThukela District Municipality	Alfred Duma Local Municipality	97 283	85 462	100 000	-	-	-
KNR010	Driedfontein Indakisa Bulk Water Supply	C	uThukela District Municipality	Alfred Duma Local Municipality	45 000	40 000	27 399	-	-	-
	Total: uThukela Municipalities				142 283	125 462	127 399	-	-	-
KNR008	Greytown Regional Bulk Scheme	C	uMzimvane District Municipality	uMxoti Local Municipality	40 000	25 200	-	-	-	-
	Total: uMzimvane Municipalities				40 000	25 200	-	-	-	-
KNR001	Nongoma Bulk Water Scheme	C	Zintland District Municipality	Nongoma Local Municipality	41 498	-	-	-	-	-
KNR002	Mandlaza Bulk Water Supply	C	Zintland District Municipality	uPhongolo and Nongoma Local Municipalities	90 600	90 000	100 000	-	-	-
	Total: Zintland Municipalities				131 498	90 000	100 000	-	-	-
KNR015	Pongolapoort Bulk Water Scheme (Iozini)	C	uMkhayisakade District Municipality	Iozini Local Municipality	-	-	-	30 000	-	-
	Total: uMkhayisakade Municipalities				-	-	-	30 000	-	-
KNR005	Greater Mhlonjaneni Bulk Water Supply	C	King Cetshwayo District Municipality	Mhlonjaneni Nkandla Local Municipalities	70 000	40 000	57 317	-	-	-
KNR016	Middledrift (Nkandla) Regional Bulk Water Supply	C	King Cetshwayo District Municipality	Nkandla Local Municipality	50 000	30 000	70 000	-	-	-
	Total: King Cetshwayo Municipalities				120 000	70 000	127 317	-	-	-
KNR011	Ngebo Regional Water Bulk (Lower Tugela)	C	uLembe District Municipality	Mankumbi Local Municipality	75 446	-	-	-	-	-
	Total: uLembe Municipalities				75 446	-	-	-	-	-
KNR007	Greater Bulwer Dombrook Water Scheme	C	Harry Gwala District Municipality	Dr Nkomozi Dlamini Zama and uBuhlebeze Local Municipalities	70 000	50 000	67 460	-	-	-
	Total: Siyanda Municipalities				70 000	50 000	67 460	-	-	-
	Total: Kwazulu-Natal Municipalities				579 227	360 662	422 176	30 000	-	-
LIMPOPO										
LPR018	Giyani Bulk Water Supply Drought Relief	C	Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	130 000	-	-
LPR027	Giyani Water Services	C	Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	104 060	-	-
	Total: Giyani Municipalities				-	-	-	234 060	-	-
LPR016	Mameja Sekonoro Bulk Water Supply	C	Mopani District Municipality	Mankeng Local Municipality	-	-	-	50 000	70 000	80 000
	Total: Mopani Municipalities				-	-	-	48 867	139 028	249 612
LPR002	Nzibele Valley Bulk Water Supply	C	Vhembe District Municipality	Makhado Local Municipality	-	-	-	-	-	-
LPR016	Simlulumle Kutama Bulk Water Supply	C	Vhembe District Municipality	Makhado Local Municipality	-	-	-	120 000	60 000	80 000
	Total: Vhembe Municipalities				-	-	-	120 000	60 000	80 000
LPR022	Pobokwane Waste Water Treatment Works	B	Pobokwane Local Municipality	Pobokwane Local Municipality	191 423	430 998	440 291	-	-	-
	Total: Capricorn Municipalities				191 423	430 998	440 291	-	-	-
LPR015	Mogalakwena Bulk Water Supply	B	Mogalakwena Local Municipality	Mogalakwena Local Municipality	272 578	630 998	644 491	-	-	-
	Total: Waterberg Municipalities				-	-	-	70 000	183 558	195 000
LPR019	Mouse Bulk Water Supply	C	Sekhukhune District Municipality	Ehram Mosele Elias Moseleli local municipalities	-	-	-	60 000	50 000	65 000
LPR011	Mooibosk/Tubase Bulk Water Supply	C	Sekhukhune District Municipality	Tubase Local Municipality/Makhdumalanga LMs	-	-	-	100 000	90 000	95 000
LPR012	Sekhukhune Bulk Water Supply (Moose)	C	Sekhukhune District Municipality	Tubase Local Municipality	-	-	-	70 000	120 000	-
	Total: Sekhukhune Municipalities				-	-	-	245 000	260 000	160 000
	Total: Limpopo Municipalities				272 578	630 998	644 491	767 927	782 586	849 612

APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
MPUMALANGA										
	Empul/Methu/Amser Bulk Water Supply	C	DC30	Gert Shabede District Municipality	20 000	52 284	100 000	-	-	-
	Lushuwane Bulk Water Scheme	C	DC30	Gert Shabede District Municipality	41 622	27 000	-	-	-	-
	Eerstebek/Ehrendim Bulk Water Supply	C	DC30	Gert Shabede District Municipality	-	20 347	30 000	-	-	-
	Amsterdam and Sheenmore Bulk Water Scheme	C	DC30	Gert Shabede District Municipality	25 000	40 000	40 000	-	-	-
	Motikahwa regional water supply scheme (Phase 1)	C	DC30	Gert Shabede District Municipality	10 000	30 000	68 407	-	-	-
	Balfour Waste Water Treatment Works	C	DC30	Gert Shabede District Municipality	42 000	10 000	42 000	-	-	-
	Balfour/Groot/Willem/Nhor Bulk Water Supply	C	DC30	Gert Shabede District Municipality	20 318	100 000	100 000	-	-	-
		Total: Gert Shabede Municipalities			159 440	309 631	338 407			
	Upgrade of Delmas Waste Water Treatment Works (Lodop)	B	MP311	Victor Khanye Local Municipality	-	-	-	15 000	30 000	15 000
	Thembele Water Scheme (Lodop)	B	MP315	Thembele Hani Local Municipality	-	-	-	75 000	100 000	105 000
	Western Highlands (Rust de Winter) Bulk Water Scheme	B	MP316	Thembele Hani Local Municipality	-	-	-	90 000	140 000	153 366
		Total: Nangaala Municipalities						180 000	270 000	273 366
	MPR NEM Bushbridge Water Services (Canniamore)	B	MP325	Bushbridge Local Municipality	15 000	40 000	20 000	-	-	-
	MPR NEM Hoxane Bulk Water Supply (Phase 3 Extension)	B	MP325	Bushbridge Local Municipality	-	-	-	7 000	-	-
	MPR004 MP Lowveld feasibility Study	B	MP326	City of Mbombela	-	-	-	14 000	30 000	70 000
	MPR019 Northern Nzakazi Bulk Water Supply	B	MP326	City of Mbombela	-	-	-	50 295	71 863	70 000
	MPR018 Driedoppies Upgrading	C	MP324	Nkomazi Local Municipality	-	-	-	50 000	50 000	4 000
	MPR020 Shange Bulk Water Supply	C	MP324	Nkomazi Local Municipality	-	-	-	121 295	151 863	144 000
		Total: Enhlanzeni Municipalities			15 000	40 000	20 000	121 295	151 863	144 000
		Total: Mpumalanga Municipalities			174 440	349 631	358 407	211 295	291 863	297 366
NORTHERN CAPE										
	Norshelvi Bulk Water Supply to Porth Nolloth	B	NC062	Norshelvi Local Municipality	-	-	-	171	-	-
	NCR017 Bulk Water Supply to Porth Nolloth	B	NC061	Richardson Local Municipality	-	-	-	10 000	21 782	25 000
	NCR012 Luereisfontein Bulk Water Supply	B	NC065	Hantam Local Municipality	17 247	20 000	-	-	-	-
	Williston Bulk Water Supply	B	NC066	Karoo Hoopland Local Municipality	27 000	21 503	7 256	-	-	-
	Bulk Water Supply to Brandvlei (Hantam)	B	NC065	Hantam Local Municipality	27 000	21 503	7 256	-	-	-
		Total: Namaqualand Municipalities			71 247	41 503	7 256	10 171	21 782	25 000
	Briskeun Oxidation Ponds	B	NC073	Enthunjeni Local Municipality	26 689	3 910	-	-	-	-
	BEP Briskoon	B	NC073	Enthunjeni Local Municipality	-	-	-	195	-	-
	BEP Kalkskoot	B	NC073	Enthunjeni Local Municipality	-	-	-	1 644	-	-
	BEP Pribelle	B	NC073	Enthunjeni Local Municipality	-	-	-	1 553	-	-
	BEP Rossdale	B	NC073	Enthunjeni Local Municipality	-	-	-	9 013	-	-
	NCR015 De Aar Borehole Development	B	NC073	Enthunjeni Local Municipality	-	-	-	15 000	-	5 000
	NCR024 Van Wykski Bulk Water Supply	B	NC074	Kareeberg Local Municipality	46 824	-	-	-	6 796	-
	BEP Marvale	B	NC078	Siyathamba Local Municipality	-	-	-	5 948	-	-
	NCR038 Doudas WTW Upgrade	B	NC078	Siyathamba Local Municipality	-	-	-	12 000	-	-
	BEP Bremsal Pumpsation	B	NC078	Siyathamba Local Municipality	-	-	-	20 457	15 000	12 000
	BEP Cambell	B	NC078	Siyathamba Local Municipality	-	-	-	9 100	-	-
	BEP Driedkwad	B	NC078	Siyathamba Local Municipality	-	-	-	582	-	-
	BEP Porsel	B	NC075	Rooisberg Local Municipality	-	-	-	582	-	-
	BEP Victoria West	B	NC071	Uitloot Local Municipality	-	-	-	13 970	-	-
		Total: Plettenberg Bay Municipalities			73 513	3 910	-	98 813	21 796	17 000
	Kalamas Waste water works	B	NC082	Kai Garb Local Municipality	-	-	-	-	10 000	12 125
	Uptonong Wastewater treatment works	B	NC087	David Kruper Local Municipality	-	-	-	20 000	31 422	25 000
	BEP Postdene	B	NC085	Tsantsabane Local Municipality	-	-	-	3 087	-	-
	BEP Marameng	B	NC085	Tsantsabane Local Municipality	-	-	-	4 242	-	-
	Dankliskul Wastewater Treatment works	B	NC086	Kgatelopele Local Municipality	-	12 644	40 000	-	-	-
		Total: Z.F. Mgcawu Municipalities				12 644	40 000	27 329	41 422	37 125
	Richele Bulk Water Scheme	B	NC091	Sai Plaatje Local Municipality	10 551	-	-	-	-	-
	NCR020 Windsoron to Holpan Bulk Water Supply	B	NC092	Digalong Local Municipality	-	-	-	5 000	-	-
	NCR030 Warrenton Water Treatment Works	B	NC093	Mogale Local Municipality	-	-	-	10 137	-	-
		Total: Frances Baard Municipalities			10 551	-	-	15 137	-	-
	Koiba Bulk Water Supply	B	NC453	Gannagara Local Municipality	21 587	31 000	51 395	-	-	-
		Total: John Taub Gannagara Municipalities			21 587	31 000	51 395	-	-	-
		Total: Northern Cape Municipalities			176 898	89 057	98 651	151 450	85 000	79 125

APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
NORTH WEST										
Breakdown of regional bulk infrastructure grant allocations per local municipality per project										
NWR013	Madibeng Bulk Water Supply	B	NW372 Madibeng Local Municipality	Madibeng Local Municipality	-	-	-	80 000	70 000	135 000
NWR NE1	Moretele North Bulk Water Supply (Klipdrif)	B	NW371 Moretele Local Municipality	Moretele Local Municipality	-	-	-	18 000	-	-
NWR NE2	Moretele South Bulk Water Supply	B	NW371 Moretele Local Municipality	Moretele Local Municipality	-	-	-	50 000	30 000	36 375
NWR NE3	Koster Waste Water Treatment Works upgrade	B	NW374 Kgetlengrivier Local Municipality	Kgetlengrivier Local Municipality	-	-	-	148 000	100 000	171 375
Total: Bojanala Platinum Municipalities										
NWR002	Ratou Bulk Water Supply	C	DC38 Ngala Modiri Molema Local Municipality	Ratou Local Municipality	-	-	-	50 000	40 000	40 000
NWR014	Mafikeng South Bulk Water Supply	C	DC38 Ngala Modiri Molema Local Municipality	Mafikeng Local Municipality	-	-	-	53 000	38 270	40 000
Total: Ngala Modiri Molema Municipalities										
NWR009	Kaunans-Molepo Bulk Water Supply	C	DC39 Dr Ruth Segomotsi Mompati District Municipality	Kaunans-Molepo Local Municipality	34 150	21 693	29 660	-	-	-
NWR008	Tsang/Naledi Bulk Water Supply	C	DC39 Dr Ruth Segomotsi Mompati District Municipality	Greater Tsang/Naledi Local Municipalities	70 000	60 000	50 000	-	-	-
NWR016	Greater Mamasela Bulk Water Supply	C	DC39 Dr Ruth Segomotsi Mompati District Municipality	Mamasela Local Municipality	45 000	40 000	50 000	-	-	-
Total: Dr Ruth Segomotsi Mompati Municipalities										
NWR016	Potchefstroom Waste Water Treatment Works upgrade	B	NW405 JB Marks Local Municipality	JB Marks Local Municipality	149 150	121 693	129 660	-	-	-
Total: Dr Kenneth Kamunde Municipalities										
Total: North West Municipalities										
					149 150	121 693	129 660	263 386	248 270	251 375
WESTERN CAPE										
WCR018	Vandensdorp Raw Water	B	WC011 Matzikama Local Municipality	Matzikama Local Municipality	-	-	-	5 000	5 000	14 000
WCR019	Klaar Bulk Water	B	WC011 Matzikama Local Municipality	Matzikama Local Municipality	-	-	-	4 949	10 000	15 000
WCR019	Chawillany/Lambertsbaai Regional Water Supply and Desalination	B	WC012 Cederberg Local Municipality	Cederberg Local Municipality	-	-	-	22 732	-	-
WCR017	West Coast Desalination	B	WC014 Saldanha Bay Local Municipality	Saldanha Bay Local Municipality	-	-	-	-	5 000	1 000
Total: West Coast Municipalities										
WCR009	Tulshag Bulk Water Supply	B	WC022 Wizezenberg Local Municipality	Wizezenberg Local Municipality	9 500	19 471	-	-	-	-
Total: Cape Winelands Municipalities										
WCR009	Grabouw Waste Water Treatment Plant	B	WC031 Theewaterskloof Local Municipality	Theewaterskloof Local Municipality	9 500	19 471	-	-	-	-
Total: Overberg Municipalities										
WCR015	Kamalland Dam Relocation	B	WC041 Kamalland Local Municipality	Kamalland Local Municipality	-	-	-	15 000	20 000	15 000
WCR014	Callitdorp and Ladismith Waste Water Treatment Works	B	WC041 Kamalland Local Municipality	Kamalland Local Municipality	-	-	-	10 000	27 000	30 000
WCR017	Outdshoorn Groundwater	B	WC045 Outdshoorn Local Municipality	Outdshoorn Local Municipality	-	-	-	15 000	30 000	20 000
Total: Eden Municipalities										
WCR024	Beaufort West Bulk Water	B	WC053 Beaufort West Local Municipality	Beaufort West Local Municipality	-	-	-	-	5 000	15 000
Total: Central Karoo Municipalities										
					9 500	19 471	-	72 681	102 000	110 000
Total: Western Cape Municipalities										
					1 957 000	2 066 360	2 180 005	2 880 922	3 037 295	3 204 346
National Total										

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

(National and Municipal Financial Years)

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

Province / Provincial Department	Expanded Public Works Programme Integrated Grant for Municipalities			
	FTE Target for 2018/19	National and Municipal Financial Year		
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE				
Cooperative Governance And Traditional Affairs	28	2 144	-	-
Economic Development, Environmental Affairs And Tourism	29	2 204	-	-
Education	35	2 673	-	-
Health	2 245	2 225	-	-
Human Settlements	33	2 500	-	-
Roads And Public Works	65	5 008	-	-
Rural Development And Agrarian Reform	80	2 502	-	-
Social Development And Special Programmes	26	2 000	-	-
Sport, Recreation, Arts And Culture	26	2 000	-	-
Transport	6 685	66 821	-	-
Total: Eastern Cape	9 252	90 077	-	-
FREE STATE				
Agriculture And Rural Development	59	2 335	-	-
Education	26	2 000	-	-
Health	1 941	2 000	-	-
Human Settlements	26	2 036	-	-
Police, Roads And Transport	5 500	8 011	-	-
Police, Roads And Transport	88	6 783	-	-
Economic Development & Small Business Development, Tourism & Environmental Affairs	29	2 213	-	-
Sport, Arts, Culture And Recreation	26	2 000	-	-
Total: Free State	7 695	27 378	-	-
GAUTENG				
Agriculture And Rural Development	55	2 621	-	-
Cooperative Governance And Traditional Affairs	26	2 000	-	-
Infrastructure Development	231	17 780	-	-
Education	32	2 480	-	-
Health	3 329	2 324	-	-
Human Settlements	118	9 063	-	-
Roads And Transport	2 452	6 490	-	-
Social Development	26	2 000	-	-
Sport, Arts, Culture And Recreation	26	2 000	-	-
Total: Gauteng	6 295	46 758	-	-
KWAZULU-NATAL				
Agriculture And Rural Development	142	7 308	-	-
Arts And Culture	26	2 000	-	-
Co-Operative Governance And Traditional Affairs	59	4 552	-	-
Economic Development, Tourism And Environmental Affairs	49	3 740	-	-
Education	26	2 000	-	-
Health	4 515	8 896	-	-
Human Settlements	149	11 484	-	-
Public Works	78	6 023	-	-
Sport And Recreation	26	2 000	-	-
Transport	8 534	76 562	-	-
Total: KwaZulu-Natal	13 604	124 565	-	-
LIMPOPO				
Agriculture	115	5 000	-	-
Co-Operative Governance Human Settlements And Traditional Affairs	26	2 000	-	-
Economic Development, Environment And Tourism	44	3 376	-	-
Education	28	2 134	-	-
Health	1 785	2 000	-	-
Public Works, Roads And Infrastructure	4 928	7 354	-	-
Sport, Arts And Culture	26	2 000	-	-
Transport	26	2 000	-	-
Total: Limpopo	6 978	25 864	-	-

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

Province / Provincial Department	Expanded Public Works Programme Integrated Grant for Municipalities			
	FTE Target for 2018/19	National and Municipal Financial Year		
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
MPUMALANGA				
Agriculture, Rural Development, Land And Environmental Affairs	81	4 141	-	-
Culture, Sport And Recreation	27	2 054	-	-
Co-Operative Governance And Traditional Affairs	30	2 306	-	-
Human Settlements	34	2 610	-	-
Public Works, Roads And Transport	3 626	11 030	-	-
Economic Development And Tourism	42	3 259	-	-
Education	40	3 094	-	-
Health	1 789	2 322	-	-
Social Development	26	2 000	-	-
Total: Mpumalanga	5 695	32 816	-	-
NORTHERN CAPE				
Agriculture, Land Reform And Rural Development	59	2 266	-	-
Cooperative Governance, Human Settlements And Traditional Affairs	26	2 002	-	-
Economic Development And Tourism	26	2 012	-	-
Education	29	2 222	-	-
Environment And Nature Conservation	26	2 035	-	-
Health	1 523	2 907	-	-
Roads And Public Works	4 422	4 154	-	-
Sport, Arts And Culture	28	2 171	-	-
Transport, Safety And Liaison	26	2 000	-	-
Total: Northern Cape	6 165	21 769	-	-
NORTH WEST				
Education And Sports Development	26	2 008	-	-
Health	1 979	2 000	-	-
Local Government And Human Settlements	29	2 231	-	-
Public Works And Roads	3 716	5 789	-	-
Rural, Environment And Agricultural Development	80	3 645	-	-
Social Development	26	2 000	-	-
Total: North West	5 856	17 673	-	-
WESTERN CAPE				
Agriculture	47	2 154	-	-
Cultural Affairs and Sport	40	3 054	-	-
Environmental Affairs and Development Planning	52	3 991	-	-
Transport and Public Works	3 806	12 586	-	-
Western Cape Education Department	29	2 221	-	-
Human Settlement	39	3 014	-	-
Health	2 350	2 116	-	-
Total: Western Cape	6 363	29 136	-	-
Unallocated	-	-	451 505	476 338
Grand Total	67 903	416 036	451 505	476 338

APPENDIX W7

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES:
ALLOCATIONS PER PROVINCIAL DEPARTMENT**

(National and Municipal Financial Years)

APPENDIX W7

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES: ALLOCATIONS PER PROVINCIAL DEPARTMENT

Province / Provincial Department	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			
	FTE Target for 2018/19	National and Municipal Financial Year		
		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
EASTERN CAPE				
Education	964	23 175	-	-
Health	61	1 455	-	-
Safety And Liaison	137	3 298	-	-
Social Development And Special Programmes	61	1 455	-	-
Sport, Recreation, Arts And Culture	60	1 448	-	-
Total: Eastern Cape	1 283	30 831	-	-
FREE STATE				
Education	370	8 893	-	-
Health	521	12 529	-	-
Social Development	1 233	29 626	-	-
Sport, Arts, Culture And Recreation	61	1 470	-	-
Total: Free State	2 185	52 518	-	-
GAUTENG				
Community Safety	60	1 448	-	-
Education	348	8 375	-	-
Health	61	1 470	-	-
Social Development	62	1 485	-	-
Sport, Arts, Culture And Recreation	61	1 463	-	-
Total: Gauteng	593	14 241	-	-
KWAZULU-NATAL				
Community Safety And Liaison	429	10 321	-	-
Education	1 124	27 004	-	-
Health	1 006	24 182	-	-
Social Development	561	13 490	-	-
Sport And Recreation	59	1 412	-	-
Total: KwaZulu-Natal	3 179	76 409	-	-
LIMPOPO				
Education	597	14 355	-	-
Health	1 125	27 029	-	-
Social Development	333	8 008	-	-
Total: Limpopo	2 055	49 392	-	-
MPUMALANGA				
Community Safety, Security And Liaison	226	5 438	-	-
Culture, Sport And Recreation	182	4 375	-	-
Education	265	6 359	-	-
Health	625	15 021	-	-
Social Development	1 042	25 048	-	-
Total: Mpumalanga	2 340	56 241	-	-
NORTHERN CAPE				
Education	264	6 335	-	-
Health	559	13 423	-	-
Social Development	467	11 233	-	-
Sport, Arts And Culture	61	1 455	-	-
Transport, Safety And Liaison	134	3 211	-	-
Total: Northern Cape	1 484	35 657	-	-
NORTH WEST				
Community Safety And Transport Management	102	2 440	-	-
Education And Sports Development	346	8 315	-	-
Health	950	22 841	-	-
Social Development	467	11 216	-	-
Total: North West	1 865	44 812	-	-
WESTERN CAPE				
Community Safety	331	7 957	-	-
Cultural Affairs And Sport	231	5 556	-	-
Education	1 265	30 402	-	-
Health	102	2 447	-	-
Social Development	62	1 485	-	-
Total: Western Cape	1 991	47 847	-	-
Unallocated	-	-	430 793	454 487
Grand Total	16 975	407 948	430 793	454 487

APPENDIX W8

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE COMPREHENSIVE HIV, AIDS AND TB GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W8

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE COMPREHENSIVE HIV, AIDS AND TB GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Health (Vote 16)	Comprehensive HIV, AIDS and TB Grant		
	National and Municipal Financial Year		
Province /Components	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Comprehensive HIV, AIDS and TB Grant			
Eastern Cape	2 098 633	2 301 704	2 552 300
Free State	1 199 425	1 326 643	1 471 080
Gauteng	4 239 277	4 909 315	5 522 037
KwaZulu-Natal	5 677 225	6 114 218	6 701 673
Limpopo	1 600 516	1 764 331	1 956 421
Mpumalanga	1 744 627	1 939 243	2 150 377
Northern Cape	515 155	549 437	609 257
North West	1 315 304	1 467 366	1 627 124
Western Cape	1 531 535	1 666 738	1 848 202
Total	19 921 697	22 038 995	24 438 471
<i>of which:</i>			
Community Outreach Services Grant Component			
Eastern Cape	93 066	99 714	99 714
Free State	46 119	49 413	49 413
Gauteng	216 998	232 498	232 498
KwaZulu-Natal	262 426	281 170	281 170
Limpopo	292 075	312 937	312 937
Mpumalanga	153 858	164 848	164 848
Northern Cape	70 960	76 029	76 029
North West	167 729	179 710	179 710
Western Cape	96 769	103 681	103 681
Total	1 400 000	1 500 000	1 500 000

APPENDIX W9

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

(National Financial Years)

APPENDIX W9

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

Health (Vote 16) Province /Components	National Health Insurance Indirect Grant		
	National and Municipal Financial Year		
	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
National Health Insurance Indirect Grant			
Eastern Cape	111 148	174 404	244 404
Free State	142 266	188 745	183 626
Gauteng	89 574	95 888	115 888
KwaZulu-Natal	53 099	58 727	58 727
Limpopo	302 627	335 783	285 032
Mpumalanga	81 426	69 485	129 970
Northern Cape	9 713	10 742	10 742
North West	10 361	11 459	11 459
Western Cape	10 400	11 525	11 525
Unallocated	1 493 245	2 081 933	2 723 821
Total	2 303 859	3 038 691	3 775 194
<i>of which:</i>			
Health Facility Revitalisation Grant Component			
Eastern Cape	71 000	130 000	200 000
Free State	140 323	186 596	181 477
Gauteng	30 000	30 000	50 000
KwaZulu-Natal	-	-	-
Limpopo	285 791	317 162	266 411
Mpumalanga	62 000	48 000	108 485
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Unallocated	302 245	228 949	185 738
Total	891 359	940 707	992 111
Personal Services			
Eastern Cape	40 148	44 404	44 404
Free State	1 943	2 149	2 149
Gauteng	59 574	65 888	65 888
KwaZulu-Natal	53 099	58 727	58 727
Limpopo	16 836	18 621	18 621
Mpumalanga	19 426	21 485	21 485
Northern Cape	9 713	10 742	10 742
North West	10 361	11 459	11 459
Western Cape	10 400	11 525	11 525
Unallocated	491 000	1 079 984	1 686 083
Total	712 500	1 324 984	1 931 083
Non-Personal Services			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Unallocated	700 000	773 000	852 000
Total	700 000	773 000	852 000

APPENDIX W10

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

(National Financial Years)

APPENDIX W10

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

Basic Education (Vote 14)	School Infrastructure Backlogs Grant		
	National and Municipal Financial Year		
Province	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Schools Infrastructure Backlogs Grant			
Eastern Cape	1 133 512	1 075 327	828 591
Free State	73 257	49 466	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	113 046	44 689	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	976	-	-
Western Cape	-	-	-
Unallocated	151 035	157 566	140 445
Total	1 471 826	1 327 048	969 036

APPENDIX W11

**APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED DISASTER:
ALLOCATIONS FOR PROVINCES PER GRANT**

(National Financial Years)

APPENDIX W11

APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED
DISASTER: ALLOCATIONS FOR PROVINCES PER GRANT

Province / Grant Name	Ring-Fenced Disaster Allocations		
	National and Municipal Financial Year		
	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Comprehensive Agricultural Support Programme Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	6 581	-	-
Mpumalanga	6 925	-	-
Northern Cape	124 947	-	-
North West	-	-	-
Western Cape	17 483	-	-
Total	155 936	-	-
Education Infrastructure Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Health Facility Revitalisation Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Human Settlements Development Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Provincial Roads Maintenance Grant			
Eastern Cape	80 000	66 188	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	130 000	140 000	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	210 000	206 188	-

APPENDIX W12

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W12

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Social Development (Vote 17)	Early Childhood Development Grant		
	National and Municipal Financial Year		
	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Province /Components			
Early Childhood Development Grant			
Eastern Cape	78 715	83 115	88 685
Free State	21 656	22 865	24 397
Gauteng	62 777	66 287	70 728
KwaZulu-Natal	107 543	113 556	121 163
Limpopo	68 561	72 389	77 240
Mpumalanga	41 998	44 344	47 315
Northern Cape	18 472	19 503	20 809
North West	52 185	55 102	58 794
Western Cape	38 893	41 067	43 818
Total	490 800	518 228	552 949
<i>of which:</i>			
Maintenance Component			
Eastern Cape	5 988	6 321	6 745
Free State	6 028	6 363	6 789
Gauteng	5 015	5 294	5 649
KwaZulu-Natal	10 120	10 683	11 398
Limpopo	18 745	19 787	21 113
Mpumalanga	8 143	8 596	9 172
Northern Cape	10 800	11 402	12 166
North West	5 939	6 269	6 689
Western Cape	7 968	8 412	8 975
Total: Maintenance Component	78 746	83 127	88 696
Subsidy Component			
Eastern Cape	72 727	76 794	81 940
Free State	15 628	16 502	17 608
Gauteng	57 762	60 993	65 079
KwaZulu-Natal	97 423	102 873	109 765
Limpopo	49 816	52 602	56 127
Mpumalanga	33 855	35 748	38 143
Northern Cape	7 672	8 101	8 643
North West	46 246	48 833	52 105
Western Cape	30 925	32 655	34 843
Total: Subsidy Component	412 054	435 101	464 253

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