
GENERAL NOTICE

NOTICE 1620 OF 2009

Department of Trade and Industry

Lotteries Act, 1997

Direction and Procedure for the Distribution Agencies in relation to distribution of funds in the National Lottery Distribution Trust Fund

By virtue of the powers vested in me in terms of section 32 (3) of the Lotteries Act, 1997 (Act No. 57 of 1997), and after consultation with the National Lotteries Board and relevant Distributing Agencies, I Dr Rob Davies, Minister of Trade and Industry, hereby give the following directions as to the matters to be taken into account in determining the persons to whom, the purposes for which and the conditions subject to which Distributing Agencies are to allocate any amounts.

Interested persons may submit written comments on the proposed direction and procedure by 05/02/2010 to:

Director-General, Department of Trade and Industry

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or

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For Attention: Mpho Mosing

Dr Rob Davies

Minister of Trade and Industry

Definitions

In these regulations any word or expression to which a meaning has been assigned in the Act bears the same meaning assigned to it in the Act, unless the context indicates otherwise.

The Act means the Lotteries Act, 1997, (Act No 57 of 1997).

PART I**Direction for Distribution Agencies when determining distribution of funds from the National Lottery Distribution Fund**

- (1) In compliance with the direction of the Minister issued in terms of Section 32(3) read with Section 32(4) of the Act, the Distributing Agencies shall take into account the following factors:
 - (a) general development in the Republic, with specific reference to the regional, economic, financial, social and moral interests of the Republic and the enhancement of the standard of living of all the people in the Republic; and
 - (b) provincial and local interests including-
 - (aa) the number of lottery tickets sold in each province;
 - (bb) the population of each province; and
 - (cc) the financial requirements of each province.
- (2) The priorities for distributing the funds must contribute to developmental needs, enhancement of social & moral responsibility, and economic viability of programmes designed to advance rural, under privileged and poor communities.
- (3) Of the total allocation available for distribution by a Distribution Agency at least 50% shall be directed towards the following priority areas:-
 - (a) expansion of home based care services through training and infrastructure development for the aged, the sick, the orphaned and rehabilitation facilities, so as to enhance the standard of living in the rural, underprivileged and poor communities
 - (b) provision of educational facilities designed to enhance literacy through early childhood education, adult literacy, vocational training and mentoring for skills development
 - (c) development of sports and recreational facilities in the rural areas for talent development and increase accessibility to such facilities
 - (d) support for causes designed to protect and promote traditional knowledge and cultural expressions
 - (e) promotional work of arts and craft produced by groups of disabled people and women
 - (f) development and preservation of cultural heritage sites for revenue generation including tourism attraction, and economic viability for the community
 - (g) promote and support entrepreneurial development through training of women and providing necessary infrastructure and facilities for farming projects as a

- primary response to economic development and reduction of unemployment levels.
 - (h) improvement and development of the environment
 - (i) encouragement of ecotourism development
- (5) Subject to subsection (3) a Distribution Agency may publish calls for application of grants for purposes of complying and achieving directions given by the Minister.

PART II

Application process and Adjudication Procedures for Distribution Agencies

- (1) A Distribution Agency may receive application or issue a call for application
- (2) National Lotteries Board must provide the administrative support to facilitate processing of application for adjudication, including the implementation of programmes to educate and raise awareness in respect of the grant making process.
- (3) Upon receipt of an application for adjudication a Distribution Agency shall determine whether the application contains all the mandatory documents in the application Form 09/1
 - (a) If the application does not include all the mandatory documents, such application will be rejected on the basis that it is an incomplete application and the applicant will be informed accordingly.
 - (b) If the application contains the mandatory documents a Distribution Agency will proceed to assess the application in accordance with the direction of the Minister and requirements in Regulations 3-6 of Regulation Gazette No. 6908.
- (4) When assessing the application a Distribution Agency may at anytime request any additional information or documents, other than mandatory documents in Form 09/1
- (5) A Distribution Agency may decide to make a grant, with or without conditions, or to refuse to make a grant.
- (6) Upon finalisation of the adjudication process, a Distribution Agency will in writing -
 - (a) inform the applicant of the outcome of the adjudication;
 - (b) if the application is successful:
 - (i) make an offer of grant and issue a grant agreement which will be open for acceptance for a period of sixty calendar days
 - (ii) if acceptance of the offer and grant agreement is not received within sixty calendar days, a Distribution Agency may withdraw the grant by giving notice to the applicant.
 - (c) If the application is not successful the Distribution Agency must issue reasons thereof.

- (7) A Distribution Agency may approve a grant on condition that:-
- (a) payment of grant be made in parts
 - (b) an inspection be conducted with a positive report or outcome prior to the payment of the grant to the recipient so as to satisfy that the grant will be utilised for purposes for which they are intended and approved; and or
 - (c) inspections be conducted during and/or after utilisation of the grant to satisfy that the grant was utilised for purposes for which it was intended and approved.
- (8) The grant agreement must, in addition to any condition, stipulate the powers of the Minister to prohibit or withdraw a grant, or impose conditions in terms of Section 33 read with Section 32 of the Act.
- (9) If a Distribution Agency approves a grant to an organisation which serves as a conduit for further distribution of the funds to the beneficiaries, in accordance with the purposes of the Act, such organisation shall comply with the procedure and conditions stipulated in this Notice to ensure that such further distribution conforms to the direction of the Minister and the requirements in Regulations 3-6 of Regulation Gazette No. 6908
- (10) Not more than 10% of the total allocation to the Distribution Agency shall be allocated to conduits for further distribution of funds equitably to beneficiaries.

General

These regulations will from time to time be amended to advance the objectives of the Act or as may be necessary taking into account developmental aspects and socio-economic needs.