

Hospital Revitalisation Grant	
Transferring department	<ul style="list-style-type: none"> Health (Vote 14)
Strategic goal	<ul style="list-style-type: none"> To enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals in line with national policy objectives
Grant purpose	<ul style="list-style-type: none"> To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, monitoring and evaluation of hospitals; and to transform hospital management and improve quality of care in line with national policy objectives
Outcome statements	<ul style="list-style-type: none"> To improve accessibility and service delivery in health
Outputs	<ul style="list-style-type: none"> All hospital projects shall be implemented according to the approved annual Project Implementation Plan
Details contained in the business plan	<ul style="list-style-type: none"> The following items as appearing in the approved Project Implementation Plans (PIPs): <ul style="list-style-type: none"> – Outcome indicators – Output indicators – Inputs – Key activities
Conditions	<ul style="list-style-type: none"> Before the first transfer, project implementation plans as guided by the Project Implementation Manual (PIM) must be approved by the National Department of Health (NDOH) Submission of annual PIPs by 16 February 2009 to NDOH With the exception of funding for costs incurred for planning, all projects commencing in 2009/10 must have business cases and initial and annual project implementation plans approved before funds can be released for such projects Initial PIP for projects potentially starting construction in 2010/11 should be submitted before 30 June 2009 unless an extension is approved by National Treasury Submission of cash flows covering life time of projects to NDOH before 30 June 2009 Provincial health departments must strengthen grant management by appointing a complete Revitalisation Team as guided by PIM Health departments must comply with Budget Council guidelines on Hospital Revitalisation Provinces may not award a tender to commence construction on a new project unless sufficient funding is available to undertake that entire hospital project Provinces are not allowed to introduce new projects if there is a shortfall on projects that are currently in construction
Allocation criteria	<ul style="list-style-type: none"> Allocations based on projected cash flow figures, and include expenditure on infrastructure, health technology, organisational development and quality improvement 2009/10 MTEF allocations are based on 2008 DoRA allocation baseline plus percentage of additional budget against provincial projected budget over the MTEF taking previous spending and current projects into account Project based allocation approach is aligned with equity based approach across provinces over longer term
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Strategic investment in hospital services to bring all provinces up to national target These are large projects requiring substantial capital investment. Their size, complexity and national strategic importance is suited to dedicated funding
Past performance	<p>2007/08 audited financial performance</p> <ul style="list-style-type: none"> Allocated R2 140.6 million and transferred R2 077.3 million to provinces Of the R2 176.8 million available (including R36.1 million rollovers), 87.4 per cent was spent <p>2007/08 services delivery performance</p> <ul style="list-style-type: none"> During this period three projects were completed: Dikolong, Nkhensani, and Prof ZK Mathews (Barkly West) hospitals
Projected life	<ul style="list-style-type: none"> Time frame of the grant is ± 25 years
MTEF allocations	<ul style="list-style-type: none"> R3 186.3 million in 2009/10; R3 880.7 million in 2010/11; and R4 172.3 million in 2011/12
Payments schedule	<ul style="list-style-type: none"> Monthly instalments as per approved payment schedule
Responsibilities of the National and Provincial Departments	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Provide the guidelines and criteria for the development and approval of business case and project implementation plans Submit quarterly performance reports to National Treasury and NCOP within 45 days after the end of each quarter Submit the allocation criteria, 2010 MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 7 December 2009 or as requested by National Treasury <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> To comply with Project Implementation Manual conditions Monthly financial reports to be submitted by the 15th after the end of each month Submit quarterly performance reports to NDOH in line with DoRA requirements

Hospital Revitalisation Grant	
Process for approval of 2010/11 business plans	<ul style="list-style-type: none">• Annual cycle for grant:<ul style="list-style-type: none">– annual PIPs received by NDOH on 16 February 2009, covering all four components– approved PIPs submitted to National Treasury by 14 April 2009– business cases and initial project implementation plan for projects potentially starting construction in 2010/11 should be submitted before 30 June 2009 unless an extension is approved by National Treasury– submission of cash flows covering life time of projects to NDOH before 30 June 2009– Annual Evaluation Reports for 2008/09 for submission to the NCOP and National Treasury by 31 August 2009– Project Implementation Manual for 2010/11 completed by 12 January 2010

National Tertiary Services Grant	
Transferring department	<ul style="list-style-type: none"> Health (Vote 14)
Strategic goal	<ul style="list-style-type: none"> To provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity
Grant purpose	<ul style="list-style-type: none"> To compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects
Outcome statements	<ul style="list-style-type: none"> Ensure provision of modernised and transformed tertiary services that allows for improved access and equity
Outputs	<ul style="list-style-type: none"> Provision of designated national tertiary service levels in 29 hospitals/complexes as agreed between the Province and the National Department of Health
Details contained in the Service Level Agreement	<ul style="list-style-type: none"> Definitions of tertiary services funded by the grant Designated services funded by the NTSG by facility by province Summary of inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits for 2007/08 Monitoring and reporting Validation and revision of data Deviations or changes to tertiary services Referral responsibilities
Conditions	<ul style="list-style-type: none"> Completion of service level agreement (SLA) in the prescribed format signed by each provincial department or receiving officer, Head of Department of Health, and the transferring officer by 31 March 2009 Institutions must report monthly to the provincial office Provincial departments to report quarterly to the national department Maintain a separate budget for each of the 29 hospitals/complexes The department that receives this grant must communicate in writing to each benefiting hospital the allocation made, the relevant conditions and expected outputs. For monitoring purposes this information must be supplied to the National Department of Health (NDOH) by 30 April 2009 The provincial departmental strategic plans for 2009/10 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department. Annual reports must report on output and performance achieved for the year
Allocation criteria	<ul style="list-style-type: none"> Distribution of cost of designated tertiary services as determined by the ongoing reviews of output and unit cost Approved plans for the modernisation of tertiary services
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Tertiary services are not limited to provincial boundaries and their specialised nature makes them a national asset requiring collective agreement and management
Past performance	<p>2007/08 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R5 321.2 million to provinces, 99.1 per cent was spent <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> Provincial tertiary services performance was measured against the Service Level Agreement: <ul style="list-style-type: none"> The total patient activity rendered : 562 564 Inpatient separations, 4 299 575 Inpatient days, 181 975 Day patient separations, 1 170 400 Outpatient first visits, 3 225 937 Outpatient follow up visits
Projected life	<ul style="list-style-type: none"> Support for tertiary services will continue because of their spill over effects. The grant is likely to be reformulated to support the Modernisation of Tertiary Services strategy. The planning of the service configuration and the basis for the calculation of the grant will be constantly reviewed
MTEF allocations	<ul style="list-style-type: none"> R6 614.4 million in 2009/10; R7 398 million in 2010/11; and R7 798.9 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> Monthly instalments
Responsibilities of the National and Provincial Departments	<ul style="list-style-type: none"> Responsibilities of the national department Agree on grant objectives with provincial departments in line with grant objectives for 2010/11 by 30 October 2009 Revise framework for service level agreements, assess and approve Service Level Agreement prior the transfer of funds Management of Service Level Agreement Undertake grant reform process Monitor implementation and provide support Bi-annual visits to the provinces and hospitals Submit quarterly performance reports to NCOP and National Treasury within 45 days after the end of each quarter Meet the National Treasury to review performance of the grant Submit the allocation criteria, 2010 MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 7 December 2009 or as requested by National Treasury Submit approved SLA for 2009/10 to the National Treasury by 30 April 2009 Develop a system for accrediting tertiary unit in a phased manner

National Tertiary Services Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none">• Submit quarterly performance reports to the NDOH within 30 days of the end of each quarter• Maintain a separate budget for each of the 29 hospitals/complexes• Communicate in writing to each benefiting hospital the allocation made, the relevant conditions and expected outputs. For monitoring purposes this information must be supplied to NDOH by 30 April 2009• Completion of service level agreement (SLA) in the prescribed format signed by each provincial head of health• The provincial departmental strategic plans for 2009/10 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department
Process for approval of 2010/11 Service Level Agreement	<ul style="list-style-type: none">• Evaluate provincial annual reports for 2008/09 for submission to NCOP and National Treasury by 31 August 2009• Agree on grant objectives with provincial departments in line with grant objectives for 2010/11 by 30 October 2009• Provincial and NDOH sign and certify, respectively, provincial SLAs by 15 March 2010

HOUSING GRANTS

Housing Disaster Relief Grant	
Transferring department	<ul style="list-style-type: none"> Housing (Vote 26)
Strategic goal	<ul style="list-style-type: none"> To provide for the facilitation of housing assistance in emergency circumstances
Grant purpose	<ul style="list-style-type: none"> To provide funding for emergency relief in support of reconstruction work to housing and related infrastructure damaged by storms in KwaZulu-Natal in terms of the provisions of the National Housing Programme: Housing assistance in emergency circumstances
Outcome statements	<ul style="list-style-type: none"> To facilitate the immediate reconstruction of houses and related infrastructure that has been damaged due to storms
Outputs	<ul style="list-style-type: none"> Provision of: <ul style="list-style-type: none"> the reconstruction of houses; sites; and related infrastructure, damaged during storms in KwaZulu-Natal in adherence to the standards as prescribed in the emergency housing policy
Details contained in the business plan	<ul style="list-style-type: none"> Outcomes indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Housing allocation must be in terms of the National Housing Programme: Housing assistance in emergency circumstances, and with due consideration of: <ul style="list-style-type: none"> creating quality living environments; a needs orientated approach; delivery constraints identified and addressed; and adequate capacity for effective project/financial/monitoring management/measures for the execution of the projects Provincial business plan for 2009/10 must comply with the guidelines and in particular the key indicators and performance targets must be reflected in the annual business plan The National Housing Programme: Housing assistance in emergency circumstances may not be employed to substitute normal planning and projects
Allocation criteria	<ul style="list-style-type: none"> Once off disaster allocation
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant is an emergency assistance tool, developed to ensure a swift reaction to "natural disasters". It provides access to funding for temporary services and shelters as well as reconstruction of existing services and dwellings
Past performance	2007/08 audited financial outcomes <ul style="list-style-type: none"> New grant
	2007/08 service delivery performance <ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> One year
MTEF allocations	<ul style="list-style-type: none"> R150 million in 2009/10 to KwaZulu-Natal
Payment schedule	<ul style="list-style-type: none"> Payments to be made in May 2009, July 2009 and September 2009
Responsibilities of the National and Provincial Department	Responsibilities of the national department <ul style="list-style-type: none"> Monthly and quarterly performance reports to be submitted to National Treasury in line with DoRA requirements Undertake structured visits to Provinces, interaction between National and Provincial Housing Department, Chief Financial Officer, Technical MINMEC and MINMEC meetings Review the reports submitted by the Province and carry out regular physical inspections
	Responsibilities of the provincial department <ul style="list-style-type: none"> Report on a monthly basis to the National Department of Housing on progress on financial and non-financial outcomes. The monthly report to comprise of (i) status of project – planning phase, design phase, tendering phase, construction phase (ii) physical progress on site, (iii) financial expenditure, (iv) details of any jobs created (if applicable)
Process for approval of 2010/11 business plans	<ul style="list-style-type: none"> Not applicable

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
Transferring department	<ul style="list-style-type: none"> Housing (Vote 26)
Strategic goal	<ul style="list-style-type: none"> To provide for the facilitation of sustainable housing development
Grant purpose	<ul style="list-style-type: none"> To provide funding for the creation of sustainable housing settlements by laying down general financial principles applicable to housing development in all spheres of government through the Division of Revenue Act
Outcome statements	<ul style="list-style-type: none"> To facilitate the provision of serviced sites, top structures and basic social and economic amenities that contribute to the creation of sustainable human settlements
Outputs	<ul style="list-style-type: none"> Financial Interventions Incremental Housing Programmes Social and Rental Housing Rural Housing Basic social and economic amenities as reflected in the policy Phasing out of old business (inter alia the Enhanced Extended Discount Benefit Scheme)
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output Inputs Key activities
Conditions	<ul style="list-style-type: none"> Housing allocations must be in terms of National Housing Programmes and priorities, and with due consideration of: <ul style="list-style-type: none"> creating quality living environments; a needs orientated approach; delivery constraints identified and addressed; adequate capacity for effective project/financial/monitoring management/measures for the execution of the projects Provincial business plans for 2009/10 and over the MTEF period must comply with the guidelines and in particular the measurable objectives and performance targets must be reflected in the annual business plans The development of municipal housing sector plans must be undertaken as part of the IDP process Provinces may, if a proven need exists and subject to approval by the Accounting Officer of the Provincial Department of Housing acting in consultation with the Member of the Executive Council (MEC), utilize 5 per cent of the of the total allocation, or to a maximum of R159 million for the Operational Capital Budget Programme to support the implementation of the approved national and provincial housing programmes and priorities Provinces must utilise the Housing Subsidy System for budgeting, subsidy administration, and reporting purposes No monthly transfer of funds for 2009/10 will take place to provinces unless the national department is in possession of the Head of Department and Provincial Treasury signed off business plan and certificate of compliance <p>Earmarked funds</p> <ul style="list-style-type: none"> Allocations to the N2 Gateway project amount to R400 million; and for the Zanevula project R120 million The funding in respect of N2 Gateway and Zanevula is a dedicated National Treasury allocation to address and promote housing delivery as well as improve quality of life for qualifying beneficiaries in an area of distress. The Eastern and Western Cape Provincial Housing Departments must submit monthly reports to the National Department in regard to financial and non-financial matters <p>Priority projects</p> <ul style="list-style-type: none"> The budget allocations in respect of the priority projects is ring fenced and the funds may not be utilised for any other purpose and projects. The following additional conditions are applicable: <ul style="list-style-type: none"> the priority projects are subject to the applicable policy prescripts, procurement processes, monitoring and evaluation procedures and any other PFMA requirements; in order to prevent underspending, reallocation to another priority project in the same province will be considered on receipt of a written motivation which is supported by the MEC; The re-allocation will have to be gazetted in a Government Gazette before a portion of the original budget allocation may be utilized for the financing of another priority project; and

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
	<ul style="list-style-type: none"> – The Provincial Housing Departments will have to submit monthly reports, compiled in consultation between the National Department and the nine Provincial Housing Departments, on progress as well as financial and non-financial matters to the National Departments
Allocation criteria	<ul style="list-style-type: none"> • The 2008 Division of Revenue Act allocation was the basis for determining the MTEF allocations using the current formula recognising the following factors: <ul style="list-style-type: none"> – the mainstream, statistical part of the new formula, forming 80 per cent of the proposed 80/20 split, concentrates on housing needs, weighted at 90 per cent, and developmental potential which is weighted 10 per cent. The need component is broken down into three major areas, namely inadequate housing, population and poverty. These three areas are then broken down into sub-components. Developmental potential has two sub-components, namely economic growth/potential and net migration; – the 20 per cent part of the 80/20 split is to be top sliced for Priority Projects (high impact housing projects)
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Housing is a concurrent provincial and national function with programmes implemented in accordance with the Housing Policy both at a national and provincial levels on that basis • The provision of housing to the poor is a national priority • The housing development is viewed as an initiative through which projects and programmes can be funded that are in support of the housing investment being made in an effort to create viable communities living in sustainable integrated human settlements
Past performance	<p>2007/08 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R8 237.9 million and transferred R8 149.9 million to provinces • Of the R8 575.8 million available (including R382.9 million rollovers), 91.0 per cent was spent <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> • 271 219 units were completed and in the process of completion • 907 individual credit linked subsidies approved • 32 426 beneficiaries approved in the People's Housing Process • 3 municipalities provided with capacity development to support accreditation
Projected life	<ul style="list-style-type: none"> • It is long term grant of which the exact life span cannot be stipulated as the Government has an obligation to assist the poor with housing provision
MTEF allocations	<ul style="list-style-type: none"> • R12 442.3 million in 2009/10; R15 026.8 million in 2010/11; and R17 222.4 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the approved payment schedule
Responsibilities of the National and Provincial Departments	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • The National Department of Housing must obtain assurances from the Provincial Housing Departments regarding the adequacy of internal controls put in place to manage the conditional grant and as to whether and to what extent the matters raised in prior year audit reports have been adequately dealt with • Should there be necessity for amendments to the contents of the business plans developed by the provinces, these must be effected through a consultative process • Monitor implementation and provide support to provinces in regard to housing delivery • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Undertake structured visits to provinces, interaction between National and Provincial Housing Departments Chief Financial Officers, Technical MINMEC and MINMEC meetings • Submit the allocation criteria, 2010/11 MTEF provincial allocations and the final conditional grant framework to National Treasury by 7 December 2009 or as requested by National Treasury <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provide the National Department with the approved provincial Multi-Year Housing Development Plan, based on the agreed guidelines that give effect to the Integrated Development Plans and BNG on or before 31 August 2009 • Assist municipalities earmarked for accreditation to compile IDPs, housing sector plans, develop multi-year plans aligned to the provincial plans
Processes for approval of 2010/11 business plans	<ul style="list-style-type: none"> • First draft business plans for 2010/11 be submitted to the National Department on or before 15 October 2009 and the pre-final draft by 01 December 2009. The final draft to be submitted by 15 February 2010 • Provinces to submit 2008/09 annual reports to the National Department on or before 30 September 2009 and the National Department to evaluate annual reports for 2008/09 for submission to National Treasury by 15 December 2009

NATIONAL TREASURY GRANT

Infrastructure Grant to Provinces (IGP)	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Strategic goal	<ul style="list-style-type: none"> To supplement provinces to fund provincial infrastructure such as schools, health facilities, roads, agriculture and other fixed structures
Grant purpose	<ul style="list-style-type: none"> To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, roads, health and agriculture; to enhance the application of labour intensive methods in order to maximise job creation and skills development as encapsulated in the EPWP guidelines; and to enhance capacity to deliver infrastructure
Outcome statements	<ul style="list-style-type: none"> Improved service delivery by provincial departments as a result of improved and increased stock of public infrastructure such as schools, health facilities, roads, agriculture and other fixed structures Improved rates of employment and skills development in the delivery of infrastructure Aligned and coordinated approach to infrastructure development by provinces Improved infrastructure expenditure patterns
Outputs	<ul style="list-style-type: none"> Quality and quantity of serviceable schools, health and roads infrastructure Comprehensive 5-10 year Infrastructure Plans Comprehensive Infrastructure Programme Management Plans and Infrastructure Programme Implementation Plans Employment and skills development initiatives and programmes as per EPWP requirements Comprehensive monthly and quarterly reports showing progress on infrastructure projects
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Submission of tabled infrastructure plans with prioritised project lists that are signed-off for the 2009 MTEF by 01 April 2009 for departments that are targeted by the grant. These plans must comply with the prescribed version 4 of template 2T01, including EPWP requirements and will be required for the 1st instalment The flow of the 2nd instalment depends on the submission of fourth quarter report for the 2008/09 financial year and final list of projects captured on the IRM The flow of the 3rd instalment is also dependent upon receipt of 2010/11 infrastructure plans which should include the list of prioritised projects as captured in the Infrastructure Programme Management Plan (IPMP) for that year. The list of prioritised projects must properly align with the projects being planned and implemented in 2009/10 and must be endorsed by the respective national departments, especially with respect to priority allocations made to education The 2009 MTEF makes provision for scaling-up EPWP in the roads and transport sector. The following amounts are targeted for this purpose: R1.6 billion in 2009/10, R2.2 billion in 2010/11 and R2.8 billion in 2011/12. These amounts are part of the recommended roads and transport allocation within the Infrastructure Grant to Provinces (IGP) and are a continuation of the EPWP allocations from the 2007 MTEF. The 2010/11 and 2011/12 amounts are thus already embedded within the baselines and will continue beyond the 2009 MTEF An additional R2.7 billion for 2008 MTEF was made available to increase spending on education infrastructure (i.e. construction and maintenance) with particular focus on addressing backlogs in infrastructure provision (including the eradication of unsafe/mud facilities by upgrading/replacing existing facilities). This translates to R 800 million in 2009/10 and R1.5 billion in 2010/11, and should be reflected as additions to the 2008 MTEF IGP baselines The 2009 MTEF makes additions to IGP which still target education from 2010/11 and 2011/12. R200 million is added in 2010/11 and R800 million in 2011/12 to address school safety and security, to supplement maintenance budgets, to provide for laboratories, libraries and sports facilities, as well as the upgrading of schools for learners with special needs, while R100 million is allocated in 2010/11 and R400 million in 2011/12 for the construction of Grade R infrastructure. These allocations must be reflected in education budgets so that planning can start in 2009/10 with implementation in 2010/11 and 2011/12 Quarterly reports on the physical progress of implementation of infrastructure projects are required in addition to in-year monthly expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation. Reports should also indicate progress in terms of expenditure, jobs created, and training on EPWP designated projects The flow of the 3rd, 4th and 5th instalments are conditional upon submission and approval of signed-off quarterly reports Compliance with the approval process for infrastructure plans for 2010/11 and 2011/12 as outlined below Non-compliance to the above conditions can result in funds being withheld or being reallocated

Infrastructure Grant to Provinces (IGP)	
	Asset Management and Maintenance <ul style="list-style-type: none"> The custodian of assets responsible for the delivery of provincial infrastructure should develop a needs assessment for Capital and Maintenance Works based on the minimum standards for infrastructure where available. This should be certified by the Accounting Officer with the advice of the Implementing Agent Condition and functionality assessments should be developed and incorporated within the Infrastructure Asset Management system(s) Maintenance functions for education and health facilities should be devolved to the cost centre, where there is capacity to carry out the function. Provincial departments must monitor how cost centres are using maintenance funding to ensure that they achieve value for money
Allocation criteria	<ul style="list-style-type: none"> The formula to allocate the IGP takes account of the phased-in percentage share of equitable share allocation and infrastructure backlogs In the 2009 MTEF, an equal split of 33.3 per cent for the phased-in equitable share component, the roads component and backlog component. The backlog component has been updated with the latest National Education Infrastructure Management System (NEIMS) The allocations for the additions made for school infrastructure in the 2009 MTEF were based on the backlogs for these facilities per province
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant ensures that provinces give priority to infrastructure construction, maintenance, upgrading and rehabilitation, and support rural development and accelerated and shared growth initiatives in line with Government priorities It is also used as a mechanism for stimulating the use of labour intensive methods in large infrastructure programmes/projects to create jobs and develop the required skills
Past performance	2007/08 pre-audited financial outcomes <ul style="list-style-type: none"> Allocated amount was R6 164.0 million and R6 026.2 million was transferred to provinces R137.8 million was withheld, and has been rolled over to 2008/09 financial year Of the total available R6 274.3 million, R5 951.0 million (94.8 per cent) was spent 2007/08 service delivery performance <ul style="list-style-type: none"> Project information from provinces submitted on quarterly basis to National Treasury 97.8 per cent of the allocated grant amount was transferred to provinces Provinces spent 96.5 per cent of the infrastructure allocations IDIP fully implemented in provincial departments of Education and Public Works
Projected life	<ul style="list-style-type: none"> To be reviewed after five years
MTEF allocations	<ul style="list-style-type: none"> R9 249.2 million in 2009/10; R11 314.9 million in 2010/11; and R13 091.2 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> Five instalments as per the approved payment schedule
Responsibilities of the National and Provincial Departments	Responsibilities of the national department <ul style="list-style-type: none"> National Treasury will provide guidelines/formats for the development of infrastructure plans after consultation with relevant sector departments for 2010/11 by 30 April 2009 National Treasury will monitor the grant in line with the Division of Revenue Act and the PFMA requirements National Treasury will visit selected infrastructure sites in provinces National Treasury, in collaboration with respective sector departments, will support provinces to improve infrastructure delivery capacity and systems The relevant national sector departments must provide guidance to provinces in planning and prioritisation and evaluate infrastructure plans and prioritised projects that provinces submit to National Treasury in April (final plans for 2009/10) and August (plans for 2010 MTEF) The relevant sector department to report on quarterly performance on infrastructure delivery to the NCOP An outcome of aggregate spending on infrastructure is accountability of each province, and relevant MinMecs for key concurrent functions like education, health and roads With respect to roads performance, the Road Coordinating Body is a vehicle for evaluating the performance in line with the strategic framework for roads With respect to education performance, the Heads of Education Departments Committee (HEDCOM) Sub-Committee for School Infrastructure Development is responsible for evaluating the performance in line with the NEIMS audit The National DPW will provide guidance and monitor implementation of EPWP guidelines. The department will review the infrastructure plans and IPMP to assess compliance Responsibilities of the provincial departments <ul style="list-style-type: none"> Submit quarterly performance report to NCOP and National Treasury within 30 days after the end of each of each quarter
Process for approval of 2010/11 and 2011/12 plans	<ul style="list-style-type: none"> Submission of infrastructure plans to Provincial Treasuries, including an organisational support plan for 2010/11, in the prescribed format 2T01 and prioritised projects, including EPWP requirements, by 30 June 2009, or any other date as determined by National Treasury

Infrastructure Grant to Provinces (IGP)	
	<ul style="list-style-type: none"> • Submission of infrastructure plans to National Treasury, including organisational support plan for 2010/11, in the prescribed format, including EPWP requirements, prioritised list of projects (as captured in IPMP) and maintenance plans by 31 August 2009, or any other date as determined by National Treasury • Submission of IPMP for 2010/11 including list of prioritised projects by Client Departments to Implementing Agents in accordance with template 2T06, by 31 August 2009. Copies of IPMP must also be submitted to the respective national sector department • Submission of the Infrastructure Programme Implementation Plan (IPIP) for 2010/11 projects by Implementing Department(s) or Agent(s) in accordance with template 3T01, by 15 December 2009. This should include final costed projects for 2010/11 agreed with the client • The IPMP for projects to be prioritised in 2011/12 must be submitted by Clients to Implementing Agents by 29 January 2010. Copies of IPMPs to be submitted for information to National sector departments as well • The IPIP for 2011/12 projects must be submitted with agreed costed list of projects by 31 March 2010 • Client departments must enter into service delivery agreements (SDAs) with their Implementing Agents, by 31 March 2010 in accordance with template 2T09 or 2T10. Copies of SDAs should be submitted to National sector departments • Completion of feasibility studies as part of the needs planning process is a prerequisite for the Infrastructure plan of 2010/11 and the 2011/2 project list • Final infrastructure plans must be tabled together with strategic and annual performance plans • Non-compliance to the above conditions can result in funds being withheld or reallocated

PUBLIC WORKS GRANTS

Devolution of Property Rate Funds Grant	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 5)
Strategic goal	<ul style="list-style-type: none"> To enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates
Grant purpose	<ul style="list-style-type: none"> To facilitate the transfer of property rates expenditure responsibility to provinces; and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates
Outcome statements	<ul style="list-style-type: none"> Provinces taking over full responsibility of the management of the property assessment rates with respect to property owned and deemed to be owned by provincial departments
Outputs	<ul style="list-style-type: none"> Payment of property rates for provincially-owned properties as per the verified invoices submitted by the various municipalities
Details contained in the business plan	<ul style="list-style-type: none"> Not applicable
Conditions	<ul style="list-style-type: none"> Invoices must be submitted by municipalities to provincial departments for payment Provinces must ensure that sufficient provision is made within their baselines to accommodate future commitments pertaining to provincially-owned properties
Allocation criteria	<ul style="list-style-type: none"> Allocations must be divided according to location of the relevant properties in specific provinces Funds are allocated per province based on the determination/calculations submitted by the national Department of Public Works The determinations/calculations plans assessed against: <ul style="list-style-type: none"> property lists extracted from the national department's assets register of properties which were paid during 2005/06 financial year calculations based on the 2005/06 financial year's expenditure
Reason not incorporating in equitable share	<ul style="list-style-type: none"> To ensure that the grant is earmarked for payment of property rates pertaining to provincially-owned properties To ensure that the provinces are not adversely affected during the division of funds based on the number of properties in that specific province To ensure an effective transition of the function from national to provincial government
Past performance	2007/08 audited financial outcomes
	<ul style="list-style-type: none"> New grant
	2007/08 service delivery performance
	<ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> Subject to review in the 2009/10 financial year
MTEF allocations	<ul style="list-style-type: none"> R996.5 million in 2009/10; R1 096.2 million in 2010/11; and R1 162 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> Four instalments (23 June 2009, 23 July 2009, 22 September 2009, and 22 October 2009)
Responsibilities of the National and Provincial Departments	Responsibilities of the national department
	<ul style="list-style-type: none"> The National Department of Public Works (NDPW) will oversee the transfer of the function and skilling of the provincial receiving office Together with the regional offices, provide support and training as needed to the provincial departments of public works Monitor performance of provinces Support the national Department of Land Affairs in vesting of relevant properties in provinces' name Transfer payments to provincial departments of public works Monitor and evaluate the transfer of function into the relevant provinces Submit the allocation criteria, 2010 MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 7 December 2009 or as requested by National Treasury National Department of Public Works (NDPW) shall be responsible for payment of outstanding rates arrears of properties devolved to the provinces until the 31 March 2008
	Responsibilities of the provincial departments
	<ul style="list-style-type: none"> Provincial departments shall be responsible to apply for vesting of properties into the name of Provincial Government through Department of Land Affairs Provinces pay validated claims and accounts to municipalities in respect of PFMA Submit quarterly performance reports to NDPW in line with the Division of Revenue Act requirements (DoRA) Submit reports on a quarterly basis the NDPW with confirmation on expenditures as per the allocation
Process for approval of 2010/11 business plans	<ul style="list-style-type: none"> Not applicable

Expanded Public Works Programme Incentive Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 5)
Strategic goal	<ul style="list-style-type: none"> To increase the number of full-time equivalent employment through labour intensive employment by provinces
Grant purpose	<ul style="list-style-type: none"> To incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the Expanded Public Works Programme Incentive Grant for Provinces (EPWP) guidelines
Outcome statements	<ul style="list-style-type: none"> Improvements to the quality of life of unemployed people through employment creation and increased income from the EPWP Reduced levels of poverty Reduced rates of unemployment Improved social stability through mobilising the unemployed in productive activities Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> Increased contribution to the objective of halving poverty and unemployment by 2014 Increased number of people employed and receiving income through the EPWP Average duration of the work opportunities created Increased income per EPWP beneficiary
Details contained in the business plan/agreements	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Targets along with incentive amounts to be paid out if targets are met, are published in the Division of Revenue Act Works through the EPWP Management Information systems All reported data must be subjected to verification and auditing All project data must be available for auditing and performance adjusted in accordance with audited data
Allocation criteria	<ul style="list-style-type: none"> Allocations to each province are based on the targeted number of Full Time Equivalents (FTE) for each province Provinces that partially meet their targets will be paid the incentive on a pro-rata basis up to the full incentive amount as published in the Division of Revenue Act This incentive is paid out based on performance in the 2007/08 financial year Incentive amount from underperforming provinces will be re-allocated to over performing provinces Provinces that exceed their targets may be paid an incentive in excess of their published incentive amount subject to availability of funds
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to incentivise and reward performance on the EPWP. This allocation will be paid out based on the performance of provinces and the incentive of poorly performing provinces will be adjusted downwards
Past performance	2007/08 audited financial outcomes
	<ul style="list-style-type: none"> New grant
	2007/08 service delivery performance
	<ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> Grant continues until 2014
MTEF allocations	<ul style="list-style-type: none"> R151.4 million in 2009/10; R400 million in 2010/11 and R800 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> Three instalments per annum
Responsibilities of the National and Provincial Departments	Responsibilities of the national department
	<ul style="list-style-type: none"> Assess eligibility and set targets for provinces Support provinces to develop plans to meet targets Monitor performance of provinces and report back to provinces on interim progress against targets Conduct sample audits on a continuous basis Assess the final performance of provinces after the closure of the financial year Disbursement of incentives to provinces
	Responsibilities of the provincial departments
	<ul style="list-style-type: none"> Report all projects to be taken into account when assessing performance into the EPWP Management Information System and updated quarterly
Process for concluding 2010/11 agreements	<ul style="list-style-type: none"> Based on the targets, provinces must submit EPWP project plans as contained in provincial infrastructure plans by the end of May 2010 The national Department of Public Works must register EPWP projects and targets in the EPWP Management Information System by 30 June 2010 Provinces must sign the standard agreement with the National Department of Public Works and agree to comply with the rules and conditions of the programme by 30 June 2010. The agreement must include an attached project list and project targets

SPORT AND RECREATION SA GRANT

Mass Sport and Recreation Participation Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (SRSA) (Vote 17)
Strategic goal	<ul style="list-style-type: none"> • To broaden participation in sport within an integrated development continuum and mass mobilisation for and beyond the 2010 World Cup™
Grant purpose	<ul style="list-style-type: none"> • To promote mass participation within communities and schools through selected sport activities, empowerment of communities and schools in conjunction with stakeholders and development of communities through sport
Outcome statements	<ul style="list-style-type: none"> • Life long participation in sport making more people, more active, more often • Improved sector capacity • Improved partnership within the three spheres of government • Increased number of participants in sport through Mass Participation • Improved school and community links • Increased access to sector resources • Communities mass mobilised on 2010 World Cup™
Outcome indicators	<ul style="list-style-type: none"> • 95 per cent of the mass participation hubs/schools delivering sustainable mass participation programme • 99 per cent of staff capacity within national and provincial government • 100 per cent increase in trained volunteers through education and training programmes • 50 per cent increase in the current number of participants within mass participation • Increase in school and community links • 80 per cent of the total South African population mobilised on 2010 World Cup™
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 responsible for sport will be required to enter into formal agreements after approval of business plans prior to the start of the financial year • Provinces may appoint permanent staff on their establishments for the programme in consultation with the national department insofar as the percentage (not more than 6 per cent of the total grant) requested. This provision must be submitted to Sports and Recreation South Africa (SRSA) by 31 May 2009 • Each province must have sustainability management plans by 30 June 2009 to ensure that it will be self-sufficient • The grant may not be used for facilities • Provinces will be required to submit monthly financial reports to SRSA by the 15th of each month • Provincial department strategic plan for 2010/11 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department • Signed cooperation agreements with stakeholders including local government
Allocation criteria	<ul style="list-style-type: none"> • Funds are distributed among provinces on an equitable share as well as the provincial base allocation, performance and needs analysis
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • A conditional grant is necessary to ensure: <ul style="list-style-type: none"> – national coordination, monitoring and facilitation; – national coordinated and integrated campaign to get the nation active; and – provinces are not ready to incorporate into equitable share due to capacity problems
Past performance	<p>2007/08 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated and transferred R194 million to provinces • Of the total available R197.9 (including R3.9 million roll-overs), 96.3 per cent was spent <p>2007/08 service delivery performance</p> <p>Number of people trained in sport and recreation administration: 1152</p> <ul style="list-style-type: none"> – total participation in activities 2 854 696 – women participating 40 per cent of the total number of people – youth participating 77 per cent – disabled participating 5 per cent – elderly participating 3.2 per cent
Projected life	<ul style="list-style-type: none"> • Ongoing subject to review as agreed with National Treasury
MTEF allocations	<ul style="list-style-type: none"> • R402.3 in 2009/10; R426.4 million in 2010/11; and R452 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> • Four instalments (30 April 2009, 15 July 2009, 15 October 2009, and 20 January 2010)

Mass Sport and Recreation Participation Programme Grant	
Responsibilities of the National Department	Responsibilities of the national department <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objective for 2010/11 by 15 September 2009 • Evaluate Annual Reports for the 2008/09 grants as per the practice note and submit to National Treasury by 31 July 2009 • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation and provide support • Performance monitoring based on in-person meetings with provincial role players by the National Programme Manager • Hub/cluster inspections by national department to all provinces during the year (at least 2 hubs per Province per quarter and 5 schools per province per quarter) – 18 hub reports per quarter and 45 schools • Provincial sub programme (Legacy, Siyadlala and School sport) performance monitored at monthly meetings • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit the allocation criteria, 2010 MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 7 December 2009 or as requested by National Treasury
	Responsibilities of the provincial departments <ul style="list-style-type: none"> • Submit quarterly performance reports to SRSA within 30 days after the end of each quarter
Process for approval of 2010/11 business plans	<ul style="list-style-type: none"> • SRSA provide business plan blue prints to provinces by the 15 September 2009 • Provinces provide draft business plan to SRSA by the 16 November 2009 • SRSA evaluates draft business plan by the 30 December 2009 • Comments sent to provinces by the 15 January 2010 • Submit revised business plans to SRSA by the 29 January 2010 • HOD approves business plans by 15 March 2010 • SRSA submit Business Plan to National Treasury by 31 March 2010

TRANSPORT GRANTS

Gautrain Rapid Rail Link Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Receiving department	<ul style="list-style-type: none"> Gauteng Provincial Treasury for implementation by the Gautrain Management Agency (GMA)
Strategic goal	<ul style="list-style-type: none"> To develop a fully integrated Rapid Rail Link based on a north-south spine between Tshwane and Johannesburg and an east-west spine between OR Tambo International Airport and Sandton
Grant purpose	<ul style="list-style-type: none"> To provide for national government funding contribution over a period of five years to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network
Outcome statements	<ul style="list-style-type: none"> The GMA on behalf of the Gauteng Provincial Government manages the Public-Private Partnership (PPP) Agreement and reports on progress and expenditure to Department of Transport (DOT) in accordance with the conditions below DOT ensures that transfer payment are made to the Gauteng Province in accordance with the approved payment schedule and certified Milestones and that the integration of the Gautrain Rapid Rail link within the broader public transport network is implemented in accordance with the integration report approved by Cabinet
Outputs	<ul style="list-style-type: none"> The completion of the civil works and operational systems of the Gautrain Rapid Rail Link according to the specifications and milestones agreed between the Gauteng Province and the Concessionaire in the PPP Concession Agreement (CA) Implementation of the Gautrain Strategic Integration Plan as approved by Cabinet in December 2005
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 conditional grant is to be used towards the payment of the provincial contribution for the completion of the Gautrain, as specified in the Concession Agreement The Province's rights and obligations in the Concession Agreement will be managed by the Gautrain Management Agency, established through provincial legislation as a Schedule 3C public entity in terms of the Public Finance Management Act The Gautrain Management Agency will provide the national Department of Transport, with an annual projection of payment in terms of the Milestone completion schedule in the CA, which indicates the projected dates on which each General Milestone and each Key Milestone payment will be due and the quantum thereof payable from the Conditional Grant Interim payments and the final payment made by the Province to the Concessionaire in terms of the Concession Agreement throughout the development period (payable according to the agreed General and Key Milestone completion schedules), will be made by the province, drawing from the conditional grant payments received from the national Department of Transport in such a manner that the amounts expended on the project include any adjustment necessary to compensate for foreign exchange fluctuations as agreed by the National Treasury as well as escalation over and above the inflation rate set for the Project by the SA Reserve Bank Failure by the province to make payments to the Concessionaire within the stipulated 10 business days will result in the Province incurring interest on each overdue sum The national Department of Transport will advise the SA Reserve Bank of the annual payment schedule required for the Gautrain The Gautrain Management Agency will advise the Gauteng Treasury to draw required funds from the SA Reserve Bank's Gautrain holding account and to effect payment to the Concessionaire The annual payment schedule lodged with the SA Reserve Bank may be amended from time to time by the national Department of Transport according to revisions to the annual cash flow forecasts provided by the Gautrain Management Agency The Gauteng Department of Public Transport, Works and Roads must ensure the efficient and effective functioning of the Gautrain Public Transport Integration Committee comprising of the three metros (Tshwane, Johannesburg and Ekurhuleni), DOT and the South African Rail Commuter Corporation with the primary task of commencing work immediately on the development of an Gautrain Integration Implementation Plan that will respond to the: <ul style="list-style-type: none"> Rail Plan corridor alignment and the Gautrain implementation parameters; proposed new commuter rail links including station precinct developments, specifically Pretoria, Johannesburg, Hatfield and Rhodesfield as well as park and ride and feeder facilities; a single architecture integrated ticket system and the roll out of fare integration strategy to all public transport users and public transport service providers effected in the three Metropolitan Authorities; Operating License Strategies of the three Metropolitan Authorities; and Operating Contracts with metropolitan bus services, subsidised bus services, Metrorail and recapitalised taxi operators and their service specifications
Allocation criteria	<ul style="list-style-type: none"> The Gautrain Conditional Grant may be used only for the purposes set out in this framework

Gautrain Rapid Rail Link Grant	
Reason not incorporated in equitable share	<ul style="list-style-type: none"> The conditional grant is made for a specific, large public transport infrastructure project being undertaken by the Gauteng Province, as endorsed by Cabinet. The total cost of the project is unaffordable to the Province within the limits of its equitable share. It has therefore been agreed that fifty percent of the capital costs of the project will be borne by the Province (through a combination of funds from its equitable share and a borrowing agreement with National Treasury), and fifty percent will be borne by national government and made available to the Province through a Conditional Grant Cabinet has endorsed the project as a key strategic PPP project of national significance, with potential to stimulate investment in infrastructure and the economy, and to provide opportunities for public transport restructuring and integration
Past performance	2007/08 audited financial outcomes <ul style="list-style-type: none"> Allocated and transferred R3 029.4 million to Gauteng province, and 100 per cent was spent
	2007/08 service delivery performance <ul style="list-style-type: none"> Service delivery is measured in terms of the Annual Performance Evaluation submitted by the GMA, based inter alia on Milestones certified by the Independent Certifier
Projected life	<ul style="list-style-type: none"> Five years: 2006/07 to 2010/11 inclusive
MTEF allocations	<ul style="list-style-type: none"> R2 833 million in 2009/10 and R341 million in 2010/11
Payment schedule	<ul style="list-style-type: none"> Transfer payments will be made based on an annual transfer schedule provided to the SA Reserve Bank by the national Department of Transport, according to annual cash flow forecasts provided by the Gautrain Management Agency, which transfer schedule may be amended from time to time by the national Department of Transport
Responsibilities of the National and Provincial Department	Responsibilities of the national department <ul style="list-style-type: none"> Ensure that expenditure from the DoRA grant is in terms of the allocated funds and based on the approved Payment Schedule Submit reports as required in terms of the DoRA to National Treasury Facilitate the integration of Gautrain with the public transport system in line with the Cabinet resolution
	Responsibilities of the provincial department <ul style="list-style-type: none"> In line with the DORA and the PFMA requirements, the Gauteng Province will submit reports to the national Department of Transport at the end of each quarter, detailing: <ul style="list-style-type: none"> interim payments and the final payment made to the Concessionaire according to the General and Key Milestone payment schedules in that quarter. These reports will be supported by copies of the Interim Certificates and (when applicable) the Final Certificate issued by the Independent Certifier, which effected each payment made in the previous quarter in terms of the Concession Agreement; progress as it relates to Gautrain Integration Implementation Plan For the avoidance of doubt, these reports will be submitted by the Gauteng Province to the national Department of Transport in the first week of January, April, July and October each year of the development period
Process for approval of 2010/11 business plan	<ul style="list-style-type: none"> If changes in the current business plan are required, the national Department of Transport will be the approving authority, subject to such amendments being in line with the Concession Agreements and approved variations

Overload Control Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Strategic goal	<ul style="list-style-type: none"> To preserve road infrastructure by ensuring that overloading practices are significantly reduced
Grant purpose	<ul style="list-style-type: none"> To successfully implement the National Overload Control Strategy and ensure that overloading practices are significantly reduced
Outcome statements	<ul style="list-style-type: none"> Reduction of overloading of heavy vehicles Reduction in road damage Reduction in maintenance costs Higher visibility of law enforcement To reduce the depreciation of pavements Improved road safety
Outputs	<ul style="list-style-type: none"> Completed and operational weighbridge infrastructure and traffic control facilities
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 allocations will have a payment schedule/cost management schedule Enforce regular reporting Payment certificates as per National Treasury Regulations and there will also be oversight by the National Department of Transport
Allocation criteria	<ul style="list-style-type: none"> Areas in which secondary roads are threatened by overloading and where law enforcement can be enhanced through overload control mechanisms
Reason not incorporated in equitable share	<ul style="list-style-type: none"> National imperative aimed at specifically preserving the road infrastructure
Past performance	2007/08 audited financial outcomes
	<ul style="list-style-type: none"> New grant
Projected life	2007/08 service delivery performance
	<ul style="list-style-type: none"> New grant
MTEF allocations	<ul style="list-style-type: none"> R10.069 million in 2009/10 (R5.034 million to Gauteng and R5.035 million to Limpopo) R11.038 million in 2010/11 (R5.519 million to Eastern Cape and R5.519 million to Mpumalanga)
Payment schedule	<ul style="list-style-type: none"> Payment transfers to be in accordance with the approved payment schedule
Responsibilities of the National and Provincial Departments	Responsibilities of the national department
	<ul style="list-style-type: none"> Provide leadership and oversight Monitor and evaluate financial and non-financial performance Submit the allocation criteria, 2010 MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 7 December 2009 or as requested by National Treasury
Process for approval of 2010/11 business plans	Responsibilities of the provincial departments
	<ul style="list-style-type: none"> Provinces to submit monthly reports to the National Department of Transport providing an update on actual progress against planned progress: <ul style="list-style-type: none"> the report shall include (i) status of project – planning phase, design phase, tendering phase, construction phase (ii) physical progress on site, (iii) financial expenditure, (iv) details of any jobs created if applicable
Process for approval of 2010/11 business plans	<ul style="list-style-type: none"> Provinces submit draft business plans to Department of Transport for evaluation by 27 November 2009 Department of Transport to evaluate provincial business plans by 18 December 2009 Comments sent to provinces to amend the plans by 11 January 2010 Provinces submit final signed plans to Department of Transport by 1 March 2010

Public Transport Operations Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Strategic goal	<ul style="list-style-type: none"> Subsidisation of 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"> Conversion of ticket based interim contract bus subsidies to kilometre based subsidies that are supportive of intermodal efficiencies in public transport
Outputs	<ul style="list-style-type: none"> Passenger km provided Subsidy per passenger Km subsidised services provided Number of vehicles subsidised Vehicles km subsidised Subsidy per vehicle Number of routes operated Employees per vehicle
Details contained in the business plan	<ul style="list-style-type: none"> As per the relevant legislation and in compliance with the Public Transport Strategy
Conditions	<ul style="list-style-type: none"> The conditional grant is the payment of the national contribution for the subsidisation of interim, current tendered, negotiated and subsidised service contracts entered into by the provincial department of transport and bus operators for the provision of subsidised services based on kilometres operated Funding for the provision of Interim (ticket based) contracts will only be provided for up to 30 September 2009, all conversions of Interim to kilometre based contracts must therefore be concluded on or before 30 September 2009 All service designs will have to be approved by the Public Transport Integration Committee comprising of the three spheres of Government to ensure alignment with Integrated Public Transport Networks (IPTNs) Utilise the Subsidy Management System (SUMS) for the verification of monthly claims and inform the Department of Transport in circumstances where the SUMS system is not operational, in such circumstances monthly claims will be processed manually Supervision and Monitoring Firms and/ or External Auditors must certify the correctness of the operator's claim in terms of km of services provided and report to Department of Transport (DoT) monthly
Allocation criteria	<ul style="list-style-type: none"> As the funding is intended to supplement provincial subsidised services, existing contractual agreements determined the 2009/10 allocations DoT, National Treasury and relevant stakeholders to finalise allocation criteria/formula for 2010/11 onwards by the end of the first quarter of 2009/10
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Existing contractual agreement requires conditional allocation over and above the allocation of the equitable share
Past performance	<p>2007/08 audited financial outcomes</p> <ul style="list-style-type: none"> New grant <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> Three years and subject to review
MTEF allocations	<ul style="list-style-type: none"> R3 531.9 million in 2009/10; R3 863 million in 2010/11; and R4 153.2 million in 2011/12
Payment schedule	<ul style="list-style-type: none"> Six instalments to be processed every two months (April 2009, June 2009, August 2009, October 2009, December 2009 and February 2010)
Responsibilities of the National and Provincial Departments	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Redesign allocation criteria and the process of allocate grant funding towards public transport subsidies Provides norms and standards for the creation of the IPTNs Support contracting authorities with the conversion of interim contracts Ensure the alignment of IPTN in support of national policy Provide clear regulatory framework with regards to operating licensing Improve efficiencies of public transport spending Develop key performance indicators for public transport services Transferring officer to monitor intermodal efficiencies of public transport services of provinces and report to National Treasury on annual basis Transferring officer to monitor the alignment process of the subsidised bus services, commuter and passenger rail services as well as minibuss taxi services into IPTN and report to National Treasury on an annual basis Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter

Public Transport Operations Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Any agreement ceded or contracted by the national department in relation to this grant will be the responsibility of the provincial department • Provincial department to convert all interim contracts to kilometre based contracts by 30 September 2009 • Provincial department to negotiate spending on all current interim, negotiated and tendered contracts to ensure that expenditure remains within allocation • Adopt the Subsidy Management System by 1 April 2009 • Provinces to appoint Supervision and Monitoring Firms and/or external auditors certifying the correctness of the operator's claims in terms of km of services provided and report to national Department of Transport on monthly basis • Provinces must ensure that by 1 April 2009 Public Transport Integration Committees comprising of the three spheres of Government are in place with the primary task of commencing work immediately on the development of IPTN that will respond to the: <ul style="list-style-type: none"> – conversion of interim contracts to kilometre based contracts; – rail plan corridor alignment and implementation parameters; – a single architecture integrated ticket system and the roll out of fare integration strategy to all public transport users and public transport service providers effected; – operating licence strategies; and <p>operating contracts with Metropolitan Bus Services, Subsidised Bus Services, Metrorail and recapitalised taxi operators and their service specifications</p>
Process for approval of 2010/11 business plans	<ul style="list-style-type: none"> • Will be subject to outcomes of new negotiated contracts signed between provinces and bus operators to be put in place during 2009

Sani Pass Roads Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Strategic goal	<ul style="list-style-type: none"> To develop road infrastructure projects that promote regional integration, development and connectivity between neighbouring states
Grant purpose	<ul style="list-style-type: none"> To allow commuters from both the Republic of South Africa and the Kingdom of Lesotho to travel and access opportunities and markets To improve safety and create the opportunity for extended border control hours
Outcome statements	<ul style="list-style-type: none"> To improve competitiveness of the region through reduced transport costs, reduced vehicle operating costs, savings in maintenance costs, travel times To increase accessibility and mobility through an increase in traffic volumes and off-take of the road To allow all classes of vehicles to safely traverse the route To promote technical cooperation and activities in the area of transport
Output	<ul style="list-style-type: none"> Contribution and improvement towards Local Economic Development in the region in the following manner: creation of the KwaPitela Development Committee through identification and selection of beneficiaries from the community for employment opportunities; creation of local employment opportunities during construction and future maintenance; during construction earnings may be spent in the area, thus supporting local businesses; skills development through various skills training programmes to enable trained individuals to setup SMMEs Approximately 3 kilometres of road built and surfaced (risk of layer works contract delayed due to negotiation of borrow pits) 15 job opportunities created in the 2009/10 financial year calculated as percentage of annual project cost
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Performance indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> The allocations will have a payment schedule/cost management schedule Enforce regular reporting Payment certificates as per National Treasury Regulations and there will also be oversight by the National Department of Transport
Allocation criteria	<ul style="list-style-type: none"> This project falls under the Declaration of Intent on Cooperation on Transport matters entered into between the Republic of South Africa and the Kingdom of Lesotho signed on the 22 July 2005 which also recognises the contents of the SADC Protocol on Transport, Communications and Meteorology, in particular where it calls for cooperation in the area of corridor development with a view to promote and/or strengthen the existing economic and tourist activity between the two countries. The Sani Pass road is a vital cross border linkage route between the South Africa and Lesotho through the Province of KwaZulu-Natal
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific purpose allocation to assist KwaZulu-Natal Provincial Department of Transport to prioritize the project as part of a collaborative joint funding arrangement to encourage commitment from the Province
Past performance	2007/08 audited financial outcomes
	<ul style="list-style-type: none"> New grant
Projected life	2007/08 service delivery performance
	<ul style="list-style-type: none"> New grant
MTEF allocations	<ul style="list-style-type: none"> Terminates in 2009/10
Payment schedule	<ul style="list-style-type: none"> 2009/10 – R34.3 million
Responsibilities of the National and Provincial Department	Responsibilities of the national department
	<ul style="list-style-type: none"> Provide leadership and technical assistance through project participation and oversight Periodic Strategic Project Team meetings and site visits Submit quarterly performance reports to National Treasury and NCOP within 45 days after the end of each quarter
Process for approval of 2010/11 business plans	Responsibilities of the provincial department
	<ul style="list-style-type: none"> Submit quarterly performance reports to the Department of Transport within 30 days after the end of each quarter
	<ul style="list-style-type: none"> Not applicable

Schedule 3: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on schedules 4, 6, 7 and 8 grants to municipalities

Introduction

This appendix provides a brief description for each grant in Schedules 4, 6, 7 and 8 of the 2009 Division of Revenue Act. The following are key areas considered for each grant:

- Strategic goal of the department
- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Act)
- Outcomes statements
- Details contained in business plans
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2009 MTEF allocations
- The payment schedule
- Responsibility of national transferring department
- Process for approval of 2009/10 MTEF allocations

The attached frameworks are not part of the 2009 Division of Revenue Act, 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. Section 24 of the 2009 Division of Revenue Act requires that the frameworks be gazetted within 14 days from the date that the Act takes effect.

The financial statements and annual reports for 2009/10 will report against the 2009 Division of Revenue Act and its 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. The Auditor-General is expected to audit compliance to the 2009 Division of Revenue Act and gazetted grant framework by both transferring national departments and receiving municipalities.

MINERALS AND ENERGY GRANTS

Integrated National Electrification Programme (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> Minerals and Energy (Vote 28)
Strategic goal	<ul style="list-style-type: none"> To reduce the backlogs of unelectrified households, schools and clinics Funding of bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> To implement Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply To implement INEP by providing capital subsidies to municipalities to address electrification backlogs of permanently occupied residential dwellings by utilising alternative energy solutions eg solar home systems To implement INEP by providing capital subsidies to municipalities to address electrification backlogs of permanently occupied residential dwellings in both Eskom and municipal area of supply
Outcomes statements	<ul style="list-style-type: none"> A reduction in household, schools and clinics backlogs Quality of electricity supply to all
Outputs	<ul style="list-style-type: none"> The number of connections to households, schools and clinics per annum by municipalities The number of bulk infrastructure installations Progress on reduction of electrification backlogs Implementation of labour intensive methods on electrification projects and the number of jobs created
Details contained in business plans	<ul style="list-style-type: none"> Number of connections Cost per connection Name of project Duration of project Budget and expenditure for each project
Conditions	<ul style="list-style-type: none"> Municipalities must contractually undertake to: <ul style="list-style-type: none"> account for the allocated funds on a monthly basis by the 10th of every month; pass all benefits to end-customers; not utilise the fund for any purpose other than electrification; ring-fence funds transferred, adhere to the approved electrification programme and agreed cash flow budgets; ring-fence electricity function; reflect all assets created under the INEP on the municipal asset register. This is to assist the process for the formation of the REDs; safely operate and maintain the infrastructure; adhere to the labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc; register master plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximise economies of scale in the creation of bulk infrastructure affecting more than one municipality; and use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved under a framework to be regulated by the department
Allocation criteria	<ul style="list-style-type: none"> Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> high backlog; rural bias; integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing, etc; ability to provide top-up or seed capital for project finance; the requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions; the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks; effective credit control policies; consultation with communities in terms of IDP process; ensuring that universal access objectives are fast tracked; and infrastructure which is in a state of disrepair, unsafe and which adversely affects the quality of supply (blackouts and brownouts)

Integrated National Electrification Programme (Municipal) Grant	
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the Integrated National Electrification Programme
Monitoring system	<ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to the 2007/8 financial year The department's 2007/08 annual report contains a detailed explanation of grant outcomes <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> For 2007/08 26 358 households and 3 schools were connected with a total expenditure of R272 million as at 31 March 2008
Projected life	<ul style="list-style-type: none"> Until the inception of the Regional Electricity Distributors
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R933 million 2010/11: R1.020 million 2011/12: R1.097 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made monthly in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Department reports to NCOP on audited outcomes for 2008/09, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in 2008/09 Detailed information on the allocation formula and data used and on monitoring system, to be submitted to NCOP during the hearings on the Division of Revenue Bill or as agreed Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> The distribution mechanism/criteria to be finalised by 31 October 2008

Integrated National Electrification Programme (allocation in-kind) Grant	
Transferring department	<ul style="list-style-type: none"> Minerals and Energy (Vote 28)
Strategic goal	<ul style="list-style-type: none"> To reduce the backlogs of unelectrified households, schools and clinics in rural areas Funding of bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> To implement Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom or its subsidiaries to address electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure
Outcomes statements	<ul style="list-style-type: none"> A reduction in households, schools and clinics backlogs Quality of electricity supply to all
Measurable outputs	<ul style="list-style-type: none"> The number of connections to households, schools and clinics per annum by Eskom The number of bulk infrastructure installations Progress on reduction of electrification backlog Implementation of labour intensive methods on electrification projects and the number of jobs created
Details contained in business plans	<ul style="list-style-type: none"> Number of connections Cost per connection Name of project Duration of project Budget and expenditure for each project
Conditions	<ul style="list-style-type: none"> Eskom must contractually undertake to: <ul style="list-style-type: none"> pass all benefits to end-customers; not utilise the fund for any purpose other than electrification; adhere to the approved electrification programme and agreed cash flow budgets; reflect all assets created under the INEP separately from the Eskom asset register; this is to assist the process for the formation of the REDs; safely operate and maintain the infrastructure; adhere to the labour intensive construction methods in terms of the Expanded Public Works programme (EPWP) guidelines for activities such as trenching, planting of poles, etc; and register master plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximise economies of scale in the creation of bulk infrastructure affecting more than one municipality
Allocation criteria	<ul style="list-style-type: none"> Applications from Eskom based on: <ul style="list-style-type: none"> high backlog; rural bias; integration with other programmes such as URP, ISRD, other infrastructure programmes like RDP housing, etc; ability to provide top-up or seed capital for project finance; the requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions; the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks; effective credit control policies; consultation with communities in terms of IDP process; and ensuring that universal access objectives are fast tracked Allocations to Eskom are made on behalf of municipalities based on: <ul style="list-style-type: none"> projects to be electrified in Eskom area of supply; Eskom to maintain assets until transferred to municipalities and/or REDs; and Eskom to collect revenue from these connections
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the Integrated National Electrification Programme
Monitoring system	<ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to the 2007/08 financial year The department's 2007/08 annual report contains a detail explanation of grant outcomes <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> For 2007/08, 122 754 households and 552 schools were connected with a total expenditure of R737.6 million excluding expenditure for bulk infrastructure
Projected life	<ul style="list-style-type: none"> Until the inception of the Regional Electricity Distributors
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R1.467 million 2010/11: R1.752 million 2011/12: R1.883 million

Integrated National Electrification Programme (allocation in-kind) Grant	
Payment schedule	<ul style="list-style-type: none">• Transfers are made monthly in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none">• Department report to NCOP on audited outcomes for 2008/09, identifying any corrective steps to be taken on any problems with this grant identified during audit. Also to report on outputs achieved in the 2008/09 financial year• Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• The distribution mechanism/criteria to be finalised by 31 October 2009

Backlogs in the Electrification of Clinics and Schools (allocation in-kind)	
Transferring department	<ul style="list-style-type: none"> Minerals and Energy (Vote 28)
Strategic goal	<ul style="list-style-type: none"> Eradication of all unelectrified schools and clinics
Grant purpose	<ul style="list-style-type: none"> To implement Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom or its subsidiaries in order to address electrification backlogs of schools and clinics
Outcomes statements	<ul style="list-style-type: none"> Eradicate all unelectrified schools and clinics which meet the criteria of the Department of Minerals and Energy
Measurable outputs	<ul style="list-style-type: none"> The number of schools and clinics connected per annum Progress on reduction of the electrification backlogs in schools and clinics Implementation of labour-intensive methods on electrification projects and the number of jobs created Use different technologies (grid or non-grid) to electrify schools with the most cost effective solution
Details contained in business plans	<ul style="list-style-type: none"> Name of school Type of design Budget allocated for each school Number of classrooms Duration of project
Conditions	<ul style="list-style-type: none"> Eskom or its subsidiaries must contractually undertake to: <ul style="list-style-type: none"> pass all benefits to end-customers; not utilise the fund for any purpose other than electrification; adhere to the approved electrification programme and agreed cash flow budgets; reflect all assets created under INEP separately from Eskom asset register. This is to assist the process for the formation of the REDs; safely operate and maintain infrastructure; 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; and register master plans for bulk infrastructure in terms of the INEP framework and to abide by the directives of the department regarding the central planning and co-ordination for such bulk infrastructure. This is to maximise economies of scale in the creation of bulk infrastructure affecting more than one municipality
Allocation criteria	<ul style="list-style-type: none"> Applications from Eskom or its subsidiaries based on: <ul style="list-style-type: none"> high backlog; rural bias; integration with other programmes such as URP, ISRD, other infrastructure programmes such as RDP housing, etc; ability to provide top-up or seed capital for project finance; the requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions; the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks; effective credit control policies; consultation with communities in terms of IDP process; and ensuring that universal access objectives are fast tracked
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer in the eradication of backlogs in the electrification of schools and clinics programme
Monitoring mechanisms	<ul style="list-style-type: none"> Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> There were no specific comments on the INEP with regards to the 2007/08 financial year The department's 2007/08 annual report contains a detailed explanation of grant outcomes <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> For 2007/08, 51 clinics were connected with a total expenditure of R24 million as at 31 March 2008
Projected life	<ul style="list-style-type: none"> This is a three-year conditional grant ending in 2009/10
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R148.9 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made monthly based in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Department report to NCOP on audited outcomes for 2008/09 identifying any corrective steps to be taken on any problems with this grant identified during audit Submission of quarterly performance (outputs) reports with a quarterly lag to NCOP
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> None, as the grant ends in 2009/10

Electricity Demand Side Management (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> Minerals and Energy (Vote 28)
Strategic goal	<ul style="list-style-type: none"> To reduce the demand on energy by 12 per cent by 2015 as per the National Energy Efficiency Strategy 2005 and reviewed in 2008
Grant purpose	<ul style="list-style-type: none"> To implement the Energy Efficiency Demand Side Management (EEDSM) programme by providing capital subsidies to licensed distributors to address EEDSM in residential dwellings, community and commercial buildings in order to mitigate the risk of load shedding and supply interruptions To assist municipalities with the development of capacity to deliver on EDSM
Outcomes statements	<ul style="list-style-type: none"> A reduction in the demand for energy Skills development in energy efficiency
Measurable output	<ul style="list-style-type: none"> The number of energy efficiency projects initiated in households, government buildings, public lighting including energy efficient street lights, traffic lights and high mast lighting Amount of MW/MWh saved Number of jobs created using Expanded Public Works Programme (EPWP) guidelines Number of equivalent carbon emission replaced by MWh saved
Details contained in business plans	<ul style="list-style-type: none"> Alignment with criteria for funding Alignment with the objective of the programme Alignment with the chosen technologies and subsidies for each Adherence to measuring and verification requirements in setting the baseline and measurements during the project implementation phase Readiness to implement Agreement to fund reallocation based on performance Possible additional funding requirements
Conditions	<ul style="list-style-type: none"> Implementation of labour intensive methods in accordance with EPWP guidelines on EDSM projects
Allocation criteria	<ul style="list-style-type: none"> Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> urban bias; integration with other programmes such as URP, other infrastructure programmes such as RDP housing, etc; ability to provide top-up or seed capital for project finance; the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks; effective credit control policies; and consultation with communities in terms of IDP process
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the EEDSM programme
Monitoring system	<ul style="list-style-type: none"> Submission of monthly reports by municipalities in accordance with the Division of Revenue Act together with a technical audit process Measurements and verification system to be done by universities in line with EEDSM Policy
Past performance	<ul style="list-style-type: none"> The programme only started in the 2008/09 financial year
Projected life	<ul style="list-style-type: none"> Until 2014/15 financial year
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R175 million 2010/11: R220 million 2011/12: R280 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made monthly according to a payment schedule approved by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Department of Minerals and Energy reports to SCOF on audited outcomes for 2008/9 Identifying any corrective steps to be taken on any problems with this grant identified during audit DME reports on outputs achieved in 2008/09 Detailed information on the allocation process and data used and on monitoring system, to be submitted to SCOF in NCOP during the hearings on the Division of Revenue Bill or as agreed Submission of quarterly performance (outputs) reports with a quarterly lag to SCOF in NCOP
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> Business plans to be completed by the licensed distributor and submitted to the DME DME will review and approve business plans

Electricity Demand Side Management (Eskom) Grant	
Transferring department	<ul style="list-style-type: none"> Minerals and Energy (Vote 28)
Strategic Goal	<ul style="list-style-type: none"> To create the capacity to cut electricity to non-essential load and increase energy efficiency behaviour changes
Purpose	<ul style="list-style-type: none"> To implement the Energy Efficiency Demand Side Management (EEDSM) programme by providing capital subsidies to licensed distributors to address the EEDSM for smart meter projects in order to mitigate the risk of load shedding and supply interruptions To assist other distributors with the development of capacity to deliver on EEDSM smart metering projects
Outcome Statement	<ul style="list-style-type: none"> Behaviour changes Load management capability created
Measurable output	<ul style="list-style-type: none"> The implementation of smart meters to further aid in the security of supply, minimise electricity load shedding and avoid blackouts, maintain good quality of supply and ensure stability of the electricity network, under electricity regulations R.773 and R.1190 for compulsory norms and standards for reticulation services, under section 35(4) of the Electricity Regulation Act, 2006 (Act No 4 of 2006) Amount of MW saved Number of jobs created using Expanded Public Works Programme (EPWP) guidelines Number of equivalent carbon emission replaced by MW saved
Details contained in Business Plan	<ul style="list-style-type: none"> Locations in which smart meters will be rolled out Details of companies that will roll out smart meters Duration of project Budgetary requirements Measuring and verification methods to be used
Conditions	<ul style="list-style-type: none"> Implementation of labour intensive methods in accordance with EPWP guidelines on EEDSM projects
Allocation criteria	<ul style="list-style-type: none"> National priorities in ensuring security of supply Urban bias Integration with other programmes such as URP, other infrastructure programmes Ability to provide top-up or seed capital for project finance The financial, technical and resource capabilities to implement EEDSM smart meter projects Effective credit control policies Consultation with communities in terms of IDP process
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer in support of the EEDSM programme
Monitoring system	<ul style="list-style-type: none"> Submission of reports in accordance with the Division of Revenue Act together with a technical audit process Measurements and verification system to be done by universities in line with EEDSM Policy and DME's regulation No R.1190 of 2008
Past performance	<ul style="list-style-type: none"> The programme is only starting in the 2008/09 financial year
Projected life	<ul style="list-style-type: none"> Until 2014/15 financial year
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R75 million 2010/11: R110 million 2011/12: R120 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made monthly according to a payment schedule approved by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Department of Minerals and Energy reports to SCOF on audited outcomes for 2008/09 Identifying any corrective steps to be taken on any problems with this grant identified during audit DME reports on outputs achieved in 2008/09 Detailed information on the allocation process and data used and on monitoring system, to be submitted to SCOF in NCOP during the hearings on the Division of Revenue Bill or as agreed Submission of quarterly performance (outputs) reports with a quarterly lag to SCOF in NCOP
Process for approval of 2010 MTEF Allocation	<ul style="list-style-type: none"> Business plans to be completed and submitted to the DME DME will review and approve business plans

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
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 the capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcomes statements	<ul style="list-style-type: none"> Improved capacity in financial management of municipalities Progressive improvement in the quality of reporting for municipalities Public funds are transferred into municipal bank accounts Appropriately skilled financial management officers appointed in municipalities consistent with the competency regulations Municipalities have processes and procedures in place to provide quality reports and are publishing financial information on a regular basis Continuous improvement in audit outcomes Improved revenue, expenditure, asset and liability management Improved overall compliance with implementing the MFMA
Measurable outputs	<ul style="list-style-type: none"> Improved and sustained skills development including the appointment of a minimum of 5 interns supporting the implementation of financial management reforms in municipalities focusing on the gaps identified in MFMA implementation plans Upgrading of IT systems to deliver reports required for financial management improvement and improve the quality of data Preparation and implementation of multi-year budgets meeting uniform norms and standards Assist in the implementation of supply chain reforms, accounting reforms, producing quality and timely financial statements Assist in the preparation of financial recovery plans Progressive improvements in audit outcomes Improvements to internal and external reporting on budgets, finances, Service Delivery Budget and Implementation Plan (SDBIP), in-year and annual reports Implementation of the Municipal Finance Management Act
Details contained in business plans	<ul style="list-style-type: none"> Outcomes indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Councils and municipal managers' commitment to promote all aspects of financial management reforms Establishment of a Budget and Treasury Office with positions filled by appropriately qualified personnel and appointment of a minimum of two interns over a multi year period The employment of an appropriately skilled chief financial officer Establishment of Supply Chain Management and Internal Audit units Ongoing review, revision, and submission of MFMA implementation plans to National Treasury to address weaknesses in financial management Acquisition of a financial management system that can produce multi-year budgets, in-year reports, SDBIP, annual reports and automation of financial management practices Expansion of the financial management internship programme across all municipalities Utilise funding to support the training of municipal officials in financial management reforms in support of Competency Regulations Preparation and submission of annual financial statements for audits and implement changes required to address audit findings Provide technical support to municipalities in financial management
Allocation criteria	<ul style="list-style-type: none"> The allocation of funds is spread across all municipalities in all categories to implement financial management reforms and modernise practices to meet the conditions of the grant To address special requests linked to financial reforms, as pilot initiatives for wider application to all municipalities, after successful implementation To assist in financial and technical support to municipalities in need of such support as identified by the MFMA co-ordination team
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To provide direct support to develop municipal financial management capacity and to lend assistance for the implementation of the Municipal Finance Management Act and regulations
Monitoring system	<ul style="list-style-type: none"> Quarterly monitoring in selected municipalities is undertaken by the national and provincial treasuries and all municipalities are required to submit reports per the requirements contained in the Division of Revenue Act

Local Government Financial Management Grant	
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> • All funds have been transferred. Municipalities were required to confirm their primary bank account details by submitting certified bank account information prior to transfer of funds. Some delays in transfers were experienced due to delays by municipalities in submitting the required reports. The monthly reports submitted by municipalities on actual spending show varying levels of spending largely due to staffing constraints and slow lead times for execution of planned priorities • No adverse audit issues were identified • The department's 2007/08 annual report contains further details on the grant outcomes. The audit process for municipalities receiving these grants has also not been concluded <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> • The MFMA took effect on 1 July 2004, with all municipalities commencing implementation of the reforms based on capacity. Twenty five small and poorer municipalities have been selected to receive additional support in 2008 and through the adjustments process a further seven smaller municipalities received assistance • The issuance of guidelines, circulars, supporting material and training initiatives have continued during 2008, in the fields of budgeting, accounting, asset management, reporting and supply chain management • All municipalities are participating in the reform programme • Over 503 graduate finance interns have been appointed in municipalities using these funds with the objective of increasing finance management capacity. A fair number of interns are also being offered permanent positions in municipalities • 71 municipalities meet the requirements of section 75 of the MFMA with the objective to improve community participation in the affairs of the municipalities and to ensure transparency • 204 municipalities have established internal audit units to improve financial management • 243 municipalities tabled their budgets on time to facilitate effective planning and community consultation • Quarterly MFMA co-ordination meetings are held with relevant stakeholders in support of provincial and municipal efforts in implementing the financial reforms. Advisors have been placed in provincial treasuries to assist municipalities in KwaZulu-Natal and Eastern Cape and other support is being offered to Limpopo and Mpumalanga provinces • Further information on financial management and progress made in implementation of the MFMA is contained in Chapter 11 of the 2008 Local Government Budgets and Expenditure Review • Other information on MFMA is available on the webpage, www.treasury.gov.za
Projected life	<ul style="list-style-type: none"> • The programme is designed to support and implement the MFMA and associated reforms. The grant forms part of government's broader capacity building initiative and focuses on building in-house municipal capacity. It is projected that the grant will increase over the MTEF period to address significant financial management capacity needs in municipalities
MTEF allocations	<ul style="list-style-type: none"> • 2009/10: R300 million • 2010/11: R365 million • 2011/12: R385 million
Payment schedule	<ul style="list-style-type: none"> • The grant will be disbursed during July 2009 and January 2010 in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> • National Treasury is responsible for the monitoring and management of the programme • Funds will be transferred to municipalities to assist implementation of the Municipal Finance Management Act and its supporting regulations
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> • Ongoing review, revision and submission of implementation plans to address weaknesses in financial management • The programme is based on MFMA implementation plans of municipalities

Neighbourhood Development Partnership Grant (NDPG)	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Strategic goal	<ul style="list-style-type: none"> To improve quality of life of residents in township areas through the creation of economically viable and sustainable neighbourhoods
Grant purpose	<ul style="list-style-type: none"> To support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally) Technical assistance grant funding aimed at supporting the development of township development plans Capital grant funding aimed at supporting nodal investment into the construction or upgrading of community facilities, which may attract private sector investment
Outcomes statements	<ul style="list-style-type: none"> Deliver targeted and sustainable capital improvements Crowd in private and public investments and partners into target areas Increase municipal / local capacity for ongoing township development
Measurable outputs	<ul style="list-style-type: none"> Number of projects granted award status Number of projects in receipt of planning and project preparation technical assistance Number of projects under construction
Details contained in business plans	<ul style="list-style-type: none"> Inputs Key activities Programme structure Performance indicators
Conditions	<ul style="list-style-type: none"> Approval by the National Treasury of programme and/or project business plans which are in alignment to the NDPG's goals The receiving officer must submit a milestone payment schedule with budgets and timeframes for project implementation Obtain a council resolution striving to achieve measurable outputs
Allocation criteria	<ul style="list-style-type: none"> Allocations are made to qualifying municipalities based on capacity constraints and priority needs for neighbourhood development and/or renewal projects that facilitate commercial and social upliftment that include: <ul style="list-style-type: none"> planning for neighbourhood development and/or renewal; and implementation of plans for neighbourhood development and/or renewal projects through well-considered projects
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To facilitate neighbourhood development and/or renewal in selected municipal areas
Monitoring system	<ul style="list-style-type: none"> Submission of quarterly reports by municipalities on progress made with the design and/or implementation of plans Submission of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act
Past performance	2007/08 audited financial outcome <ul style="list-style-type: none"> R6 million in Schedule 7 indirect transfers to municipalities R41 million in Schedule 6 direct transfers to municipalities
	2007/08 service delivery performance <ul style="list-style-type: none"> 72 projects granted award status in the 2005/06 to 2007/08 financial years 4 projects have commenced construction phases in 2007/08
Projected life	<ul style="list-style-type: none"> The grant will be ongoing to assist municipalities in planning and implementing projects identified above, subject to annual reviews The allocation is earmarked for technical assistance and capital grants to municipalities, with the allocations for the MTEF period being mainly focused on disbursement for capital
2009 MTEF allocations	<ul style="list-style-type: none"> Direct transfers: <ul style="list-style-type: none"> 2009/10: R582 million 2010/11: R630 million 2011/12: R840 million Indirect transfers: <ul style="list-style-type: none"> 2009/10: R79.4 million 2010/11: R123.8 million 2011/12: R99 million
Payment schedule	<ul style="list-style-type: none"> Grant to be disbursed in accordance with a payment schedule approved by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> The national transferring officer must: <ul style="list-style-type: none"> determine the criteria for evaluating requests for grants from municipalities; request applications for the grant as appropriate and report in terms of the Division of Revenue Act;

Neighbourhood Development Partnership Grant (NDPG)	
	<ul style="list-style-type: none">○ ensure that projects submitted for funding must demonstrate the inclusion of private sector funding and involvement in the project structure where appropriate; and○ determine the grant allocations for the future MTEF periods
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• Ongoing review of performance and progress meetings where appropriate• Annual allocations are based on progress of implementation

PROVINCIAL AND LOCAL GOVERNMENT GRANTS

Municipal Systems Improvement Grant (MSIG)	
Transferring department	<ul style="list-style-type: none"> Provincial and Local Government (Vote 29)
Strategic goal	<ul style="list-style-type: none"> To progressively build local government into an efficient and developmental sphere capable to deliver services to local communities
Grant purpose	<ul style="list-style-type: none"> To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Local Government Municipal Systems Act, 2000 and related legislation and policies
Outcomes statements	<ul style="list-style-type: none"> Improve the institutional performance of municipalities Improve municipal audit outcomes Strengthen the ward participation systems in local government Support implementation of Municipal Systems Act and Municipal Property Rates Act legislations
Measurable outputs	<ul style="list-style-type: none"> Number of municipalities developing/updating rates policies and by-laws, developing/updating valuation rolls in terms of the Local Government Municipal Property Rates Act, 2004 Number of municipalities improving on viability and management through targeted support interventions for improvement of municipal audit outcomes and systems subject to it not duplicating any of the initiatives under the Financial Management Grant Number of municipalities with strengthened administrative systems for effective implementation of ward participation system Number of municipalities implementing by-laws, policies and/or systems that support local government legislations
Details contained in business plans	<ul style="list-style-type: none"> Activities Indicators Timeframes Allocation per activity
Conditions	<ul style="list-style-type: none"> Submission of signed activity plan in a prescribed format with detailed budgets and timeframes on the implementation of prioritised measurable outputs Submission of monthly expenditure reports within 10 working days after end of every month in a prescribed format
Allocation criteria	<ul style="list-style-type: none"> Allocations are made to selected municipalities based on capacity and assessed priority needs
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is conditional to assist municipalities in implementing local government legislations other than the Municipal Finance Management Act (MFMA) and the Municipal Fiscal Powers and Functions Act (MFPFA)
Monitoring system	<ul style="list-style-type: none"> Implementation of the monthly expenditure report tracking system Monthly analysis of monthly expenditure reports by municipalities as stipulated in the Division of Revenue Act
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> The Auditor-General reported no matter on the conditional grants <p>2007/08 grant performance</p> <ul style="list-style-type: none"> 48 out of 65 capacity building projects commissioned, have been completed focusing on training of ward committee members and Community Development Workers (CDWs) 178 IDP projects were funded by MSIG of which, 139 have been completed. The majority of these municipalities have complied with the set deadlines for the completion and submission of IDPs A total of 68 of 124 municipalities that implemented MPRA projects had successfully completed all the processes involved in the MPRA implementation process. The remaining municipalities are in the final stages of implementation A total of 115 municipalities were recipients of MSIG funding for revenue enhancement related projects. Of those, a total of 77 were completed, with the remaining municipalities in the process of wrapping up their projects
Projected life	<ul style="list-style-type: none"> The grant forms part of government's commitment to building local government in-house capacity to perform their functions The grant will be reviewed in line with the 5 year Local Government Strategic Agenda and it is projected to continue beyond 2011 period to address systems and capacity building needs in municipalities
2009 MTEF allocation	<ul style="list-style-type: none"> 2009/10: R200 million 2010/11: R212 million 2011/12: R225 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in July 2009 in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Monitoring of expenditure, compliance with the Division of Revenue Act Random visits to slow spending and non-reporting municipalities

	<ul style="list-style-type: none">• Carry out duties and responsibilities of the transferring national officer as stipulated by the Division of Revenue Act• Submission of quarterly and annual performance reports to SCOF
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• The dplg to align its business planning process as follows:<ul style="list-style-type: none">- activity plan format guidelines, criteria and outputs to municipalities by 30 January 2010;- submission of business/activity plans by municipalities by February/March 2010; and- appraisal and approval of business/activity plans by April/May 2010

Municipal Infrastructure Grant (MIG)	
Transferring department	<ul style="list-style-type: none"> Provincial and Local Government (Vote 29)
Strategic goal	<ul style="list-style-type: none"> Subsidise the capital costs of providing basic services to poor households. This implies that priority must be given to meeting basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner which supports a coordinated approach to local development and maximises developmental outcomes Assist in enhancing developmental capacity of municipalities through supporting multi-year planning and budgeting systems Provide a mechanism for the coordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectoral fragmented grants
Grant Purpose	<ul style="list-style-type: none"> The grant is intended to: <ul style="list-style-type: none"> provide capital finance for basic municipal infrastructure for poor households, micro enterprises and social institutions; provide for new, rehabilitation and upgrading of municipal infrastructure; and eradicate bucket sanitation system mainly in urban townships It is important that it is properly targeted to ensure efficient use of funds
Outcomes statements	<ul style="list-style-type: none"> The programme is aimed at providing all South Africans with at least a basic level of service by the year 2013 The programme is aimed alleviating poverty through job creation by implementing projects using labour intensive methods
Measurable outputs	<ul style="list-style-type: none"> Number of new households receiving water and sanitation services per annum Number of additional kilometres of roads developed Number of additional sports facilities developed Number of jobs created using Expanded Public Works Programme (EPWP) guidelines for above outputs Number of households where the bucket sanitation system has been replaced with an alternative system
Details contained in business plans	<ul style="list-style-type: none"> The reduction of a number of households without access to basic services Reduction on the level of unemployment Fully established and capacitated Municipal Infrastructure Programme Management Units at national, provincial and local level Adequate funding for addressing the targets
Conditions	<ul style="list-style-type: none"> Prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads, in line with the MIG policy framework and/or other government sector policies established before the start of the municipal financial year Compliance with Chapter 5 of the Municipal Systems Act (2000). Infrastructure investment and delivery must be based on an Integrated Development Plan that provides a medium to long-term framework for sustainable human settlements and is in accordance with the principles of the National Spatial Development Perspective Municipalities must adhere to labour-intensive construction methods in terms of EPWP guidelines Compliance with the Division of Revenue Act, including additional reporting requirements on spending and projects as approved by National Treasury
Allocation criteria	<ul style="list-style-type: none"> Part 4 of Annexure W1 spells out the MIG formula in detail. The formula incorporates backlog and poverty-weighted data
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a supplementary grant with conditions, objectives and distribution criteria, different from that of the equitable share
Monitoring system	<ul style="list-style-type: none"> This grant requires monitoring of the overall capital budget of municipalities as well as monitoring the overall programme implementation. Each sector department at national or provincial level will be expected to fulfil sectoral monitoring role National and provincial treasuries will monitor municipal capital budgets, and reporting on spending information Department of Provincial and Local Government will monitor the overall programme implementation
Past performance	<ul style="list-style-type: none"> 2007/08 audited financial outcome No matter of emphasis was raised by the Auditor-General with regards to Municipal Infrastructure Grant 2007/08 Service delivery The cumulative households benefited from MIG by end June 2007; water (610 293), sanitation (399 662), storm water (99 542), solid waste (238 552) 10 481km of roads developed A cumulative total of 2 934 SMMEs utilised in the implementation of MIG projects and 35 576 715 person days of employment have been created through the labour intensive up to June 2007
Projected life	<ul style="list-style-type: none"> The programme will continue up to 2013 subject to availability of funding

MTEF allocations	<ul style="list-style-type: none"> • 2009/10: R8.9 billion • 2010/11: R9.9 billion • 2011/12: R11.9 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> • dplg – administers the municipal infrastructure grant and coordinating all stakeholders through the appropriate structures • DWAF – supports and monitors municipalities to prepare and implement Water Services Development Plans (WSDP's) and monitor progress on water and sanitation projects • Department of Public Works to monitor compliance with the EPWP • National Treasury and provincial treasuries – ensure receipt of budgets of municipalities and monitoring of spending trends in terms of MFMA • Sport and Recreation SA to assist municipalities with planning of sports and recreation facilities and monitor implementation
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> • The receiving officer of MIG must by 01 August 2009, submit all the project registrations forms for the projects to be implemented in 2010/11 financial year to the national transferring officer • The receiving officer must submit to the national transferring officer by 31 October 2009, detail project implementation plan of all the projects to be implemented in the 2010/11 financial year. Such details should include timelines regarding project designs, initiation of procurement, and EIA approvals

Municipal Infrastructure Grant for Cities (MIG-Cities)	
Transferring department	<ul style="list-style-type: none"> Provincial and Local Government (Vote 29)
Strategic goal	<ul style="list-style-type: none"> Subsidise capital costs of providing basic services to poor households. This implies that priority must be given to meeting basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner which supports a coordinated approach to local development and maximises developmental outcomes Assist in enhancing developmental capacity of municipalities, through supporting multi-year planning and budgeting systems Provide a mechanism for the coordinated pursuit of national policy priorities relating to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectoral fragmented grants
Grant Purpose	<ul style="list-style-type: none"> Municipal Infrastructure Grant for Cities (MIG-Cities) supplements capital revenues of selected large urban municipalities to support their infrastructure investment programmes, with a specific emphasis on: <ul style="list-style-type: none"> the provision of basic municipal infrastructure for poor households, micro enterprises and social institutions; improving performance in integrated human settlement development outcomes; and incentivising performance improvements in capital financing, asset management and development outcomes over the medium term MIG-Cities differs from other infrastructure grants in that it seeks to regulate all outputs and outcomes of municipal capital expenditure programmes through multi-year MIG-Cities Performance Framework that allows municipalities to allocate grant resources in an integrated manner across their capital budgets
Output statements	<ul style="list-style-type: none"> The programme is aimed at providing all South Africans with at least a basic level of service by the year 2013 The programme is aimed alleviating poverty through job creation by implementing projects using labour intensive methods
Measurable outputs	<ul style="list-style-type: none"> Specific, medium-term outputs and outcomes are identified with individual municipalities within MIG-Cities and typical indicators will focus on the capital programme as a whole, and not grant expenditures alone Indicators may include, but are not limited to: <ul style="list-style-type: none"> proportion of capital revenues sourced from user charges and development charges (increasing over period); number of new households receiving basic municipal services per annum over a three year period including water and sanitation, solid waste, electricity services and bulk and connector infrastructure; number of kilometres of roads developed, by type of road; number of community and sports facilities developed; number of households benefiting from the infrastructure linked to housing programmes; progressive improvement of good practices in asset management ie. asset registers; extent of integration of poor households with wealthier communities within the city; extent of success of efforts to identify land within strategically located areas for mixed use residential purposes; extent of programmes targeted at maintenance, refurbishment and renewal of infrastructure and reduction of leakages and blackouts in these areas; reduction of basic services losses by 10 per cent annually; number of jobs created using Expanded Public Works Programme guidelines for above outputs; lead times for capital project implementation (declining); and audit opinion on capital programme (stable or improving, without adverse or disclaimed opinion)
Details contained in business plans	<ul style="list-style-type: none"> The reduction of a number of households without access to basic services Reduction on the level of unemployment Fully established and capacitated Municipal Infrastructure Programme Management Units at national, provincial and local level Adequate funding for addressing targets

Conditions	<ul style="list-style-type: none"> A multi-year MIG-Cities performance targets must be agreed with the National Treasury and transferring national officer, based on the strategic capital investment plans and programme of the municipality This programme must: <ul style="list-style-type: none"> prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure and roads in line with government sector policies established before the start of the municipal financial year; and adhere to the labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines Municipalities must comply with grant conditions associated with the transfer and outlined in its performance framework including timely and full compliance with reporting requirements as outlined below: <ul style="list-style-type: none"> the flow of the first instalment depends on the submission and approval of performance framework including agreed performance targets; and the flow of the 2nd, 3rd and 4th instalment will be conditional upon submission and approval of signed-off quarterly reports Non compliance to the above conditions can result in the funds being withheld or reallocated
Allocation criteria	<ul style="list-style-type: none"> Part 4 of Annexure W1 spells out the MIG-Cities formula in detail The formula incorporates backlog and poverty-weighted data
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a general purpose infrastructure grant with conditions, objectives and distribution criteria, (e.g. backlogs on infrastructure) different from that of the equitable share
Monitoring system	<ul style="list-style-type: none"> This grant will be monitored as part of the overall capital budget of municipalities reported on in terms of the MFMA and subject to any additional requirements related to expenditure outputs and outcomes The receiving municipalities will submit reports on performance required in terms of section 9 and 11 of the Division of Revenue Act (DoRA) to transferring national officer and National Treasury. Reports will be shared with the relevant stakeholders Each sector national or provincial department will be expected to fulfil sectoral monitoring role National Treasury will monitor municipal capital budgets and the reporting on spending information Department of Provincial and Local Government (dplg) will monitor performance of MIG-Cities and the overall programme implementation based on reports submitted in terms of section 11 of the DoRA Other national and provincial departments will receive consolidated revenue, expenditure, output and performance information from National Treasury on a quarterly basis
Past performance	<p>2006/07 audited financial outcome</p> <ul style="list-style-type: none"> No matter of emphasis was raised by the Auditor-General with regards to MIG <p>2006/07 Service delivery</p> <ul style="list-style-type: none"> 89.1 per cent of the total allocation was spent by the end of the financial year The cumulative households benefited from MIG by end June 2007: <ul style="list-style-type: none"> water (610 293), sanitation (343 943), storm water (95 859), solid waste (234 439); and 10 481km of roads developed A cumulative total of 2 438 SMMEs utilised in the implementation of MIG projects and 30 000 467 person days of employment have been created through the labour intensive up to June 2007 <p>2007/08 Service delivery</p> <ul style="list-style-type: none"> 84 per cent of the total allocation was spent by the end of the financial year The cumulative households benefited from MIG by end March 2008; water (835 093), sanitation (399 662), storm water (99 542) and solid waste (238 552) 10 481km of roads developed A cumulative total of 2 934 SMMEs utilised in the implementation of MIG projects and 35 576 715 person days of employment have been created through the labour intensive up to March 2008
Projected life	<ul style="list-style-type: none"> The programme will continue up to 2013 subject to availability of funding
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R2.2 billion 2010/11: R2.6 billion 2011/12: R3.1 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made on a quarterly in terms of the approved payment schedule by National Treasury DoRA based on the funding and performance agreements with individual cities

Responsibilities of the National Department	<ul style="list-style-type: none"> • Dplg administers the MIG-Cities grant and coordinate overall municipal infrastructure policy • City Budget Forum will be a body that facilitate coordination in the implementation and policy of MIG Cities. This forum will be co-chaired by dplg and National Treasury and will comprise of the following stakeholders: <ul style="list-style-type: none"> ○ Department of Water Affairs and Forestry ○ Department of Sport and Recreation of South Africa ○ Department of Transport ○ Department of Housing ○ Department of Environmental Affairs ○ Cities participating in the grant ○ Relevant provincial local government departments ○ Relevant provincial treasuries ○ Department of Public Works (DPW) • The City Budget Forum will report to national Municipal Infrastructure Coordination Forum chaired by dplg which facilitates overall coordination of municipal infrastructure policy and strategy • Sector departments oversee the policy and regulatory requirements of the sector • DPW to monitor compliance with the EPWP • National Treasury— ensure receipt of capital budgets and reports of municipalities in terms of the MFMA
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> • Municipalities must submit comprehensive and credible funding proposals in a prescribed format, and demonstrate eligibility for the grant in terms of prescribed tests

PUBLIC WORKS GRANT

Expanded Public Works Programme Incentive Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 5)
Strategic goal	<ul style="list-style-type: none"> To increase the amount of Full Time Equivalent (FTE) employment through labour intensive employment by municipalities
Grant purpose	<ul style="list-style-type: none"> To incentivise municipalities to increase labour intensive employment through infrastructure programmes that maximise job creation and skills development in line with the EPWP guidelines
Outcomes statements	<ul style="list-style-type: none"> Improvements to the quality of life of unemployed people through employment creation and increased income from the EPWP Reduced levels of poverty Reduced rates of unemployment Improved social stability through mobilising the unemployed in productive activities Improved opportunities for sustainable work through experience and learning gained Increased contribution to the objective of halving poverty and unemployment by 2014 Increased number of people employed (FTEs created) and receiving income through the EPWP
Measurable outputs	<ul style="list-style-type: none"> Average duration of work opportunities created Increased income per EPWP beneficiary Increase in number of municipalities reporting on EPWP Increase in number of Municipalities eligible for the EPWP incentive
Details contained in the national business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Municipalities must conclude standard agreements with national Department of Public Works (DPW) by August 2009 to comply with the rules and conditions of the programme Municipalities must include EPWP project plans and FTE targets in their Integrated Development Plans (IDPs) and register EPWP projects and FTE targets in National DPW's EPWP Management Information System (MIS) Municipalities must report monthly to DPW through National DPW's EPWP MIS on all their projects for which they are claiming the incentive Municipalities must maintain project and payroll records as specified in the EPWP audit regulations. All project and payroll data must be available for auditing, and performance will be adjusted in accordance with audited data
Allocation criteria	<ul style="list-style-type: none"> Indicative incentive allocations for each municipality are based on the targeted number of FTEs to be created by each municipality through its infrastructure programmes The indicative incentive allocation for each municipality is based on performance in the 2007/08 financial year FTE targets along with indicative incentive amounts to be paid out if the targets and conditions are met, are published in the Division of Revenue Act Municipalities that partially meet their FTE targets will be paid the incentive on a pro-rata basis up to the full incentive amount as published in the Division of Revenue Act Incentive amount from underperforming municipalities will be re-allocated to over performing municipalities
Disbursement criteria	<ul style="list-style-type: none"> The incentive is paid out in two instalments in the national financial year and is based on actual performance for that quarter Municipalities that exceed their FTE targets may be paid an incentive in excess of their published incentive amount subject to the availability of funds within the baseline allocation
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to incentivise and reward performance on the EPWP. This incentive will be paid out based on the actual performance of municipalities
Monitoring system	<ul style="list-style-type: none"> All projects to be taken into account when assessing performance must be registered in National DPW's EPWP MIS at the end of July and the MIS must be updated quarterly with new projects/ changes of scope Monthly and quarterly reports must be submitted via the EPWP MIS in accordance with the Division of Revenue Act Progress will be monitored and interim progress against FTE targets will be reported to municipalities on a quarterly basis with the unaudited calculation of incentive disbursements earned Reported performance and compliance with conditions of the programme will be subjected to sample audits on a continuous basis
Past performance	<ul style="list-style-type: none"> New grant

Projected life	<ul style="list-style-type: none"> Grant continues until the end of the 2013/14 financial year
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R202 million 2010/11: R554 million 2011/12: R1 108 million
Payment schedule	<ul style="list-style-type: none"> Two instalments in the national financial year
Responsibilities of the national department and municipalities	<p>Responsibilities of the national Department of Public Works include:</p> <ul style="list-style-type: none"> Assess the eligibility of and set FTE targets for municipalities Provide municipalities with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations Support municipalities to develop plans to meet targets Monitor the performance of municipalities and report back to municipalities on interim progress against targets Conduct sample audits on a continuous basis Assess the final performance of municipalities after the closure of the financial year Disburse incentives to municipalities <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Report all projects to be taken into account when assessing performance into National DPW's EPWP MIS, updated quarterly Report quarterly on the performance of all projects in terms of prescribed reporting templates and performance indicators, on the date indicated in the standard agreement
Process for concluding 2010/11 agreements	<ul style="list-style-type: none"> Municipalities must report performance on EPWP projects for the 2008/09 financial year by the end of June 2009. Municipalities that submit reports after the 15th of April 2009 for the 2008/09 financial year but before end of June 2009 will be eligible for the nominal incentive amount Based on the indicative incentive allocation and FTE targets, municipalities must submit EPWP project plans and targets as contained in their IDP by the end of July 2010 Municipalities must sign the standard agreement with National DPW and agree to comply with the rules and conditions of the programme by the end of August 2010. The agreement must include an attached project list and project targets

SPORT AND RECREATION SA GRANTS

2010 FIFA World Cup Stadiums Development Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 17)
Strategic goal	<ul style="list-style-type: none"> • Acceleration of infrastructure development in the country and fast-track the attainment of the Millennium Development Goals and the Accelerated and Shared Growth Initiatives (ASGISA)
Purpose	<ul style="list-style-type: none"> • To fund the construction of new designated stadiums or the upgrading of designated existing stadiums and supporting bulk services (such as bulk water, sanitation and electricity management) in World Cup host cities
Outcomes statements	<ul style="list-style-type: none"> • Sporting facilities constructed in line with international football requirements • Economic benefits accruing to small enterprises • Employment opportunities created in the construction programme
Measurable outputs	<ul style="list-style-type: none"> • Appropriately resourced divisions in host city municipal offices to undertake large multi-faceted stadium development projects and contract management as required for the 2010 FIFA World Cup and thereafter • Project management units in place and functioning in host city offices • Ensure timely disbursement of the 2010 FIFA World Cup Stadiums development funds in line with milestone payment schedule with appropriate monitoring and control mechanisms • Funds conversion rate to fixed asset (monitor disbursement of funds from national department to host city) • Construction contract monthly milestone achievement milestone achievement progress reports • Five new stadiums constructed and completed for the 2010 FIFA World Cup competition • Five existing stadiums upgraded for the 2010 FIFA World Cup competition
Details contained in business plans	<ul style="list-style-type: none"> • Activities to be undertaken in the construction of each stadium. These activities are contained in the construction programme for each venue, detailing the start, the sequence of activities and the end dates
Conditions	<ul style="list-style-type: none"> • The project and funding must be approved by municipal council in accordance with the Municipal Finance Management Act • The allocation must be used for the following, subject to the specific maximum amounts allocated for each component: <ul style="list-style-type: none"> ○ the construction of a new stadium or the upgrading of an existing stadium designated by the transferring national officer in consultation with the receiving municipality; and ○ the provision and installation of bulk service infrastructure to ensure a functional stadium designated stadium for the 2010 FIFA World Cup competition and thereafter to the amount indicated in Schedule 6; and transaction advisory cost • The municipality must: <ul style="list-style-type: none"> ○ enter into a construction contract with a qualified construction company in accordance with its supply chain management policy. The construction contract must be consistent with best practice and specifically require the contractor to have insurance commensurate with the risks associated with the construction and provide indemnities and guarantees in respect of the structure; ○ appoint and retain a dedicated project manager for the duration of the project that is responsible for managing the performance of the construction company in accordance with the construction contract; ○ ring-fence funds transferred to the municipality's primary bank account and interest thereon in a separate dedicated 2010 FIFA World Cup Stadium secondary account; ○ submit a detailed project plan to the national transferring officer by 1 April 2009 which must provide for separate cost centres for professional fees, the stadium, bulk services infrastructure and overlay; ○ detail the professional fees to be paid as a percentage of the estimated final project value; ○ calculate input cost escalation according the Joint Building Contracts Committee indices application manual dated May 2005; ○ provide proof that original budget provision for input cost escalation requires additional funds per work group index as presented in the Joint Building Contracts Committee Work Groups Composition and Weightings Sub-Indices; ○ provide detailed analysis of consumption of the funds provided for in the contingencies

2010 FIFA World Cup Stadiums Development Grant	
	<p>line item;</p> <ul style="list-style-type: none"> ○ provide a detailed analysis of the budget of provisional sum items and deviations from that budget; and ○ provide a detailed sources and application of funds statement of the current project value and that of the shortfall in funds <ul style="list-style-type: none"> ● If there is a shortfall in funding for the construction of the stadium the municipality: <ul style="list-style-type: none"> ○ can obtain funding from other sources; and ○ may approach a registered banking institution for a loan subject to the Municipal Supply Chain Management Regulations. The interest on the loan will be subsidised from the National Revenue Fund for period of two financial years 2009/10 and 2010/11 ● Upon completion of the stadium construction program the municipality must provide the transferring department: <ul style="list-style-type: none"> ○ with a report that includes the final construction cost and expenditure items, sources of funds, detailed reasons for cost overruns, guarantees provided by the equipment manufacturers especially the guarantee provided to mitigate against corrosion of the roof structure and, the number of jobs (unskilled, semi-skilled, skilled) created during the construction of the stadium; and ○ with a report that details the estimated annual operating and maintenance costs of the stadium and how the municipality intends to finance these costs ● On completion of the 2010 FIFA World Stadium Development Program, the transferring officer must provide National Treasury, by no later than 30 September 2010, with a consolidated report that includes the final construction cost and expenditure items, sources of funds, detailed reasons for cost overruns, guarantees provided by the equipment manufacturers especially the guarantee provided to mitigate against corrosion of the roof structures and, the number of jobs (unskilled, semi-skilled, skilled) created during the construction of the stadium
Allocation criteria	<ul style="list-style-type: none"> ● Grant allocated based on projected funding requirements of World Cup host cities
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● The conditional allocation is made for specific sports facilities to be constructed or upgraded by designated World Cup host cities for the 2010 FIFA World Cup
Monitoring system	<ul style="list-style-type: none"> ● Submission of monthly professional quantity surveyor's cost report and expenditure reports by municipalities as stipulated in the Division of Revenue Act
Past performance	<p>2007/08 audited financial outcome</p> <p>2006/07: R600 million was allocated to municipalities to commence construction of stadiums 2007/08: R4.7 billion disbursed 2008/09: R4.3 billion disbursed</p> <p>2007/08 service delivery performance</p> <p>Project Status:</p> <ul style="list-style-type: none"> ● Soccer City: Construction phase on programme - 2010 FIFA World Cup Stadium ● Green Point: Construction phase on programme - 2010 FIFA World Cup Stadium ● eThekweni: Construction phase on programme - 2010 FIFA World Cup Stadium ● Nelson Mandela: Construction phase on programme - 2010 FIFA World Cup Stadium ● Mbombela: Construction phase on programme - 2010 FIFA World Cup Stadium ● Polokwane: Construction phase on programme - 2010 FIFA World Cup Stadium ● Mangaung: Construction phase on programme - 2009 FIFA Confederations Cup and 2010 FIFA World Cup Stadium ● Royal Bafokeng: Construction phase on programme - 2009 FIFA Confederations Cup and 2010 FIFA World Cup Stadium ● Ellis Park: Construction phase on programme - 2009 FIFA Confederations Cup and 2010 FIFA World Cup Stadium ● Loftus Versfeld: Construction phase on programme - 2009 FIFA Confederations Cup and 2010 FIFA World Cup Stadium
Projected life	2007/08 to 2010/11

2010 FIFA World Cup Stadiums Development Grant	
2009 MTEF allocations	2009/10: R1.7 billion 2010/11: R302 million
Payment schedule	<ul style="list-style-type: none">• Transfers will be made in accordance with the an approved payment schedule by National Treasury
Responsibilities of the National department	<ul style="list-style-type: none">• Provided for in the Division of Revenue Act
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• The distribution mechanism/criteria to be finalised by 31 October 2009

2010 World Cup Host City Operating Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 17)
Strategic goal	<ul style="list-style-type: none"> • Acceleration of infrastructure development in the country and fast-track the attainment of the Millennium Development Goals and the Accelerated and Shared Growth Initiatives (ASGISA)
Purpose	<ul style="list-style-type: none"> • To assist host cities with the operational response associated with the hosting of the 2009 Confederations Cup and the 2010 FIFA World Cup competition
Outcomes statements	<ul style="list-style-type: none"> • Operational plans to address the needs of the 2009 FIFA Confederations Cup and the 2010 FIFA World Cup
Measurable Outputs	<ul style="list-style-type: none"> • Successful hosting of 2009 Confederations Cup and the 2010 FIFA World Cup • Short-term jobs created • Expertise in event management developed
Details contained in business plans	<ul style="list-style-type: none"> • The activities that each host city will carry out in order to ensure that the both tournaments are successful • Plans of events and how these are to be carried out
Conditions	<ul style="list-style-type: none"> • The project and funding must be approved by municipal council in accordance with the Municipal Finance Management Act • The allocation must be used for the following, subject to the specific maximum amounts allocated for: <ul style="list-style-type: none"> ○ the operations of the Confederations Cup and 2010 FIFA World Cup competitions; ○ the recruitment of volunteers for the duration of the competition; ○ the recruitment of specialists in event planning and commissioning of stadiums; ○ the execution of labour intensive city beautification and environmental projects; ○ the installation of appropriate signage for the competition; ○ the preparation and distribution of promotional and marketing materials highlighting the host city's economic assets and investment opportunities; ○ the preparation of training venues, public viewing areas and fan parks; and ○ the provision of ancillary event related overlay facilities • The municipality must: <ul style="list-style-type: none"> ○ ensure that the operational plan complies with the minimum requirements for the hosting of the 2009 FIFA Confederations Cup and the 2010 FIFA World Cup competitions; ○ ensure that the operational plan is approved by the municipal council; ○ enter into contracts with a qualified specialists (if required) in accordance with its supply chain management policy; ○ appoint and retain a dedicated operations manager for the duration of the project that is responsible for managing the performance of the volunteers and contracted specialists in accordance with the contracts; ○ ring-fence funds transferred to the municipality's primary bank account and interest thereon in a separate dedicated 2009 FIFA Confederations Cup and 2010 FIFA World Cup operation secondary account; and ○ submit annually a detailed operational plan to the national transferring officer by 1 April 2009
Allocation criteria	<ul style="list-style-type: none"> • The allocation is a grant to assist host cities with the funding of the operations of the 2009 FIFA Confederations Cup and 2010 FIFA World Cup competitions
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • The allocation is made for specific operational budgets for the hosting of the Confederations Cup in 2009 and the FIFA World Cup in 2010
Monitoring system	<ul style="list-style-type: none"> • Provided for by the Division of Revenue Act
Past performance	<ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant will continue to 2010/11
2009 MTEF allocations	<ul style="list-style-type: none"> • 2009/10: R508 million • 2010/11: R210 million
Payment schedule	<ul style="list-style-type: none"> • Transfers will be made quarterly and in accordance with the approved payment schedule from National Treasury
Responsibilities of the National Department	<ul style="list-style-type: none"> • The national transferring officer is responsible for the application of the provisions contained in the 2009 Division of Revenue Act applicable to this oversight and monitoring of this grant • The national transferring officer must present a system to monitor this grant within thirty days after this Act has been promulgated • The national transferring officer must submit monthly expenditure reports
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> • The receiving officer must submit an operational plan that has been approved by the council to transferring national officer • The national transferring national officer must evaluate and approve the operational plan • The national transferring national officer must approve the cash flow in accordance with the provisions and allocations set out in the 2009 Division of Revenue Act

TRANSPORT GRANTS

Public Transport Infrastructure and Systems Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Strategic goal	<ul style="list-style-type: none"> To support and promote provision of accessible, reliable and affordable public transport systems, to effectively aid the access to economic opportunities and facilitate economic growth
Grant purpose	<ul style="list-style-type: none"> To provide for accelerated planning, establishment, construction and improvement of new and existing public transport, and non-motorised transport infrastructure and systems
Outcomes statements	<ul style="list-style-type: none"> Improved public transport (PT) systems that will ensure accessibility, reduced journey time and affordability for commuters in South Africa's urban centres
Measurable outputs	<ul style="list-style-type: none"> Improved public transport facilities, construction of access roads, airport-city links, public transport priority lanes, bus stops, taxi ranks, rail systems transport plans, bicycle lanes, pedestrian lanes, signage, shelters, vehicles and IT solution throughout the country Number of households within 500 metres of a public access point Sufficient infrastructure to meet the needs of the 2010 FIFA World Cup
Details contained in business plans	<ul style="list-style-type: none"> The business plans contain municipalities' Rapid Public Transport Network Plans, with funding requests focusing on Phase 1, meant for implementation by 2010 The operational plans define routes, appropriate modes, desired service levels and the costs and potential revenues General infrastructure improvements projects that have to be implemented, to enable cities to host the 2010 FIFA World Cup
Conditions	<ul style="list-style-type: none"> The grant funds municipal infrastructure and systems in support of public transport Projects related to new or improved infrastructure have to conform to EPWP directives and guidelines Only qualified professionals should be used to execute projects BEE guidelines and directives of government should be applied where applicable
Allocation criteria	<ul style="list-style-type: none"> The grant is currently focused on 2010 host cities and will be expanded to include 12 cities in accordance with phase 2 of Public Transport Strategy Projects shall be evaluated on the extent to which they provide for municipal infrastructure in support of public transport and non-motorised transport Provide for systems in support of public transport services Projects approved by municipal council Provide for access to public transport for greatest number of households Meet the dual objective of long term mobility and support for 2010 FIFA World Cup
Reason not incorporated in equitable share	This is a specific purpose grant with objectives and distribution criteria different from that of the Equitable Share
Monitoring system	<ul style="list-style-type: none"> Detailed reports must be submitted by receiving officers to Department of Transport (DOT) quarterly or at such intervals requested by DOT from time to time Quarterly presentation on progress should be made to the PTIS committee within 30 days of the end of the quarter
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> The Auditor-General reported no matter on the PTIS grant <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> The infrastructure projects are still underway, at varying stages in the different municipalities All municipalities have completed number of road upgrades and construction City of Johannesburg, Cape Town and Nelson Mandela Bay have completed PT Operational Plans, which will lead to the implementation of BRT and IRPTN projects The stadium precinct projects in most cities are also at advanced stages of completion
Projected life	<ul style="list-style-type: none"> The grant is expected to continue up to 2020 in support of the Public Transport Strategy, 2007
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R2 418 million 2010/11: R4 290 million 2011/12: R5 149 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in terms of the approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Provide the overall vision and guidance for public transport restructuring and reform Allocate the funds based on stated priorities Disbursement, and monitoring of allocated funds, as the national transferring department Provide the necessary project management assistance to host cities, to ensure the 2010 transport guarantees are met
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> Municipalities will be requested to submit Priority Statements, which will be evaluated on the abovementioned allocation criteria DOT will prioritise projects for budgetary allocation by National Treasury

Rural Transport Services and Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 33)
Strategic goal	<ul style="list-style-type: none"> To promote rural transport infrastructure and services through coordinated rural nodal and linkage development which meets the requirement of rural public transport networks and corridors
Grant purpose	<ul style="list-style-type: none"> To improve mobility and access in rural municipalities in support of Integrated Development Plans (IDPs) through: <ul style="list-style-type: none"> development of rural transport infrastructure; enhancement of rural transport services; provision of non-motorised transport infrastructure; and provision of rural passenger transport facilities and rural freight transport logistics
Outcomes statements	<ul style="list-style-type: none"> Improved rural transport networks which enhances socio-economic conditions of communities
Measurable output	<ul style="list-style-type: none"> Improved accessibility and mobility in rural areas To improve rural infrastructure by upgrading of rural access roads, construction of pedestrian bridges and walkways, construction of intermodal public transport facilities and rural freight logistics facilities
Details contained in the business plan	<p>Outcomes indicators</p> <ul style="list-style-type: none"> Improved service frequency and punctuality Taxi and bus operators will have lower operating costs and experience less traffic congestion Improved public transport service for passengers Increased economic development opportunities Improved passenger safety Access to retail outlets and other community needs Minimised negative impact of transport facilities on natural and built environment <p>Output Indicator</p> <ul style="list-style-type: none"> Transfer of payments to the relevant district municipalities Procurement of services and implementation of projects Regular progress reporting Existing projects in Chris Hani district municipality will be finalised and allocation criteria developed for 2010/11: <ul style="list-style-type: none"> phase 1 will comprise of the detailed design and construction of civil infrastructure, earthworks and canalisation, long and short distance taxi facilities, bus facilities, bridges and pedestrian facilities; and phase 2 will comprise of construction of public transport facilities including pedestrian facilities and the ancillary infrastructure such as hawkers stalls, ablution facilities, shelters, waste bins, telecommunication, canopies for bus and taxis, street lighting etc Includes other projects in municipalities that will be identified <p>Inputs</p> <ul style="list-style-type: none"> Participation of beneficiary communities in rural transport planning (Local Integrated Transport Plans) Prioritisation and evaluation of projects Enhancement of capacity to plan and manage rural transport infrastructure and services Funding availability <p>Key Activities</p> <ul style="list-style-type: none"> Consolidate prioritised interventions to produce action plans / projects Integrate prioritised interventions into ITPs and IDPs Monitoring and evaluation (planning and implementation stages)
Conditions	<ul style="list-style-type: none"> Projects must be inline with the Rural Transport Strategy for South Africa Action Plan; Public Transport Strategy Action Plan; Freight Logistics Strategy Action Plan and Road Infrastructure Action Plan (RISFSA) Projects must be part of the Integrated Development Plans (IDP) of municipalities and be included in the Integrated Transport Plan
Allocation criteria	<ul style="list-style-type: none"> The grant will initially fund the following projects initiated by the department in 2009/10: <ul style="list-style-type: none"> inter-modal public transport facility in Chris Hani district municipality; development of a pedestrian and bicycle paths master plan in Sekhukhune district municipality; upgrading of access road to Thusong Service Centre in Bophirima district municipality; and building pedestrian bridges in Thabo Mofutsanyana district municipality

Rural Transport Services and Infrastructure Grant	
	<ul style="list-style-type: none"> • An integrated project management team comprising of all spheres of government per district will identify, prioritise and select projects according to the allocation criteria for 2010/11 financial year
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant mainly for the provision of rural transport infrastructure and services • It is also used, as vehicle for stimulating the use of labour intensive methods in large infrastructure programmes/projects to create jobs and develop required skills in terms of the Expanded Public Works Programme guidelines
Monitoring system	<ul style="list-style-type: none"> • Frequent progress meetings • Inspection of progress on site
Past performance	<ul style="list-style-type: none"> • This is a new grant
Projected life	<ul style="list-style-type: none"> • The grant has a life span of up to 2012/13 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2009/10: R9.8 million • 2010/11: R10.4 million • 2011/12: R11.1 million
Payment schedule	<ul style="list-style-type: none"> • Funds will be transferred according to an approved payment schedule by National Treasury
Responsibilities of national department	<ul style="list-style-type: none"> • Monitoring implementation of projects • Provide guidance for rural transport services and infrastructure
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> • Existing projects in Chris Hani district municipality will be finalised and allocation criteria developed for 2010/11

WATER AFFAIRS AND FORESTRY GRANTS

Water Services Operating Subsidy Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34)
Strategic goal	<ul style="list-style-type: none"> To ensure effective, efficient and sustainable service delivery to all water services authorities
Grant purpose	<ul style="list-style-type: none"> To subsidise water schemes owned and/or operated by the department or by other agencies on behalf of the department and transfer these to local government
Outcomes statements	<ul style="list-style-type: none"> To ensure that transferred schemes are fully functional and operated by skilled personnel to ensure optimal service delivery to Water Service Authorities To ensure that funds transferred to municipalities are utilised for the intended purpose and that there is proper accountability by both receiving and transferring institutions
Measurable Outputs	<ul style="list-style-type: none"> Operating outputs: <ul style="list-style-type: none"> operation of water services schemes and improved revenue collection; all transfer agreements signed and formalised by 31 March 2009; and successful transfer of all appropriate staff, budgets and schemes to municipalities by 31 March 2009 Transfer outputs: <ul style="list-style-type: none"> schemes refurbished to standards outlined in terms of the agreed policy framework; sustainability assessments completed per scheme or group of schemes to be transferred; water Services Authority/Provider has developed sufficient capacity in line with funding requirements; and cost recovery plan in place to support the sustainability of schemes This grant is used to fund over 318 water schemes and 1 348 rudimentary schemes and 7 482 staff involved with operations. Both the schemes and the appropriate staff are to be transferred to 54 municipalities. The key measurable output is on the speed and success of effecting such transfers to municipalities
Details contained in business plans	<ul style="list-style-type: none"> 100 per cent allocation to municipalities until 2008/09, subsequently the subsidy will decline and incorporated into equitable share as follows: <ul style="list-style-type: none"> 2009/10: 33 per cent 2010/11: 67 per cent 2011/12: 100 per cent
Conditions	<ul style="list-style-type: none"> The operating and transfer subsidy is a grant in kind until the effective date of transfer The operating subsidy (grant-in-kind) will cover staff related costs (HR component), the direct operating and maintenance costs (O component), the refurbishment costs and will facilitate the transfer of schemes All receiving municipalities and providers will be required to conclude formal transfer agreements where the latest effective date of transfer is 31 March 2010 The necessary capacity must be in place in the receiving institution for the implementation of the conditional grant 2009/10 – All transfer agreements concluded, receiving institutions receive reduced allocation of 70 per cent for O&M and HR components inline with Joint Policy on Transfers 2009/10 – 2011/12 – subsidy reduced by 33 per cent every year with the difference incorporated into the local government equitable share
Allocation criteria	<ul style="list-style-type: none"> Basic allocation per Water Services Authority in accordance with the operational requirements identified and agreed to in transfer agreements
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To facilitate the transfer of schemes to Water Service Authorities/Providers, following which funds will be incorporated into the local government equitable share
Monitoring system	<ul style="list-style-type: none"> A comprehensive information monitoring and evaluation system has been developed and implemented Submission of monthly expenditure report as stipulated in the Division of Revenue Act
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> Schedule 6 direct transfers to municipalities R621.7 million Schedule 7 indirect subsidy for municipalities R456.8 million <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> 57 agreements signed, 3 236 staff transferred and 1 698 (this includes the rudimentary schemes) schemes with a total asset value of approximating R5 932 million transferred the department conducted joint assessments on water schemes earmarked to be transferred with dplg outlining the process of transferring over 300 water schemes with their staff to 53 municipalities
Projected life	<ul style="list-style-type: none"> The transfer of assets would be completed by 31 March 2010 and the transfer of appropriate staff to be completed by 31 March 2010 DWAF to continue to monitor implementation of conditional grants to the end of 2011/12

Water Services Operating Subsidy Grant	
MTEF allocations	<ul style="list-style-type: none">• Direct transfer to municipalities:<ul style="list-style-type: none">○ 2009/10: R979 million○ 2010/11: R570 million○ 2011/12: R380 million• Indirect transfer to municipalities:<ul style="list-style-type: none">○ 2009/10: R135 million
Payment schedule	<ul style="list-style-type: none">• The payments will be made on a quarterly basis as agreed to in the transfer agreement for each specific scheme/municipality and also according to an approved payment schedule by National Treasury
Responsibilities of the National Department	<ul style="list-style-type: none">• Detailed information on the allocation formula and data used, and on monitoring system, to be submitted with SCOF in NCOP during the Division of Revenue hearings or as agreed• Submission of quarterly performance (i.e. outputs) reports with a quarter lag to SCOF in NCOP
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• All transfer agreements signed and formalised by 31 March 2009

Backlogs in Water and Sanitation at Clinics and Schools	
Transferring department	<ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34)
Strategic goal	<ul style="list-style-type: none"> To improve the quality of life for all South Africans
Grant purpose	<ul style="list-style-type: none"> To eradicate water supply and sanitation backlogs of all clinics and schools which were never served by December 2009
Outcomes statements	<ul style="list-style-type: none"> Improved health and prevention of communicable diseases Savings in health costs due to less diarrhoeal diseases Better schools attendance Increased life expectancy
Measurable outputs	<ul style="list-style-type: none"> The grant has the following targets: <ul style="list-style-type: none"> 506 schools supplied with safe water; 374 schools supplied with sanitation services by 2008/09; further 1878 schools supplied with safe water; and 935 schools with sanitation facility by December 2009
Details contained in business plans	<ul style="list-style-type: none"> Coordination with Department of Education (DoE) Data verification Addressing schools without water and sanitation
Conditions	<ul style="list-style-type: none"> Provincial schools' water and sanitation implementation plans submitted to DWAF by end February 2009 Quarterly cash flows and projections and reports presented to provincial and national coordination and management structures Implementation plans developed and assessed by provincial management structures Operation and maintenance plans and budget requirements for facilities to be incorporated in the Infrastructure Grant for Provinces of the DoE
Allocation criteria	<ul style="list-style-type: none"> All funding in 2009/10 to be applied to schools Schools without any form of water services facilities Provincial allocation be determined proportional to backlog To exclude cases where the only need is a toilet for the disabled
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Specific focus on meeting target for schools requires ring-fenced budget and dedicated focus Fostering the prioritisation of water services to schools that were never served to eradicate backlog by December 2009
Monitoring system	<ul style="list-style-type: none"> DWAF submits quarterly reports to national coordination structure on expenditure and physical progress DWAF submits expenditure and physical progress reports monthly to provincial coordinating and management structures National transferring officer and National Treasury will monitor the capital budgets, and reporting on expenditure National and provincial DoE and Department of Health (DoH) will fulfil sector monitoring roles
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> R105 million was allocated and 99 per cent was spent <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> Clinics programme achieved practical completion in 2007/08 All schools with bucket sanitation system were addressed in 2007/08 Schools not previously served started in 2008/09
Projected life	<ul style="list-style-type: none"> 2007/08 to 2009/10
MTEF allocations (R000s)	<ul style="list-style-type: none"> 2009/10: R350 million
Payment schedule	<ul style="list-style-type: none"> Monthly instalments Transfers are made in terms of the approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> National framework for water services to schools and clinics to be developed by DWAF, DoE and DoH DWAF manages water services budget, implement and report to relevant structures DoE to provide updated provincial programmes by February 2009 DWAF, DoE and DoH support provinces in planning Direct implementation by DWAF in consultation with DoE nationally and provincially Monitor implementation by implementing agencies such water boards etc
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none"> The grant ends in 2009/10

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs and Forestry (Vote 34)
Strategic goal	<ul style="list-style-type: none"> Facilitate the delivery on water targets through successful execution and implementation of regional bulk infrastructure projects
Grant purpose	<ul style="list-style-type: none"> To develop regional bulk infrastructure for water supply to supplement water treatment works at resource development and link such water resource development with the local bulk and local distribution networks on a regional basis cutting across several local municipal boundaries In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works
Outcomes statements	<ul style="list-style-type: none"> Access to water supply will be enabled through the establishment of regional bulk infrastructure Proper waste water management and disposal will be effected through establishment of regional sanitation infrastructure (bulk sewer pipelines and waste water treatment works)
Measurable outputs	<ul style="list-style-type: none"> Number of project plans finalised for several regional bulk projects Number of funding arrangements in place for the funding of the social component of projects and implementation started on a number of regional bulk networks, mostly in rural areas Number of projects completed Number of people or households being served due to a new regional bulk system
Details contained in business plans	<ul style="list-style-type: none"> Identify and prioritise all potential bulk water and sanitation related projects (master plans) Integration of the grant with other departmental and national programmes and objectives (inter governmental relations) Facilitate the effective and efficient implementation of sustainable bulk water and sanitation services Activities with outcome and output indicators
Conditions	<ul style="list-style-type: none"> The emphasis is only on the social component of regional bulk water and sanitation services A clear perspective on the user profile must be provided (social and economic) The need for a bulk solution must be confirmed and accepted Proposed project must be ready for implementation All preparatory work must be completed and approved Financing plan with associated/co-funding options and agreements must be in place No duplication of funding will be allowed (e.g. MIG) Ownership and commitment for sustainable management must be proven Priority in terms of national and sector objectives must be motivated Due to the uniqueness and individuality of each case, nominated proposal will be assessed on merit and associated motivation – no blanket allocation to be made In the case of internal bulk, all funding requests must be preceded and accompanied by an acceptable asset management plan All projects must be aligned with and referenced to the IDP (and WSDP). Such alignment will be confirmed by the feasibility studies and checked by the project assessment panel
Allocation criteria	<ul style="list-style-type: none"> Allocations are made on a project basis and must take into account the conditions listed above
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific capital grant with objectives and criteria different from that of the Equitable Share Regional bulk projects will be closely linked to water resource development which is a national competency
Monitoring system	<ul style="list-style-type: none"> Submission of quarterly reports and annual reports Quarterly visits to projects
Past performance	<p>2007/08 audited financial outcome</p> <ul style="list-style-type: none"> Budget allocation of R 300 million either transferred or paid per invoice to Water Services Authorities or implementing agents Of the R300 million 78 per cent has been spent by the Water Services Authorities and implementing agents <p>2007/08 service delivery performance</p> <ul style="list-style-type: none"> Of the planned 30 multi year projects, 4 have been completed; 8 in construction and 18 in design or tender phase Started with the compilation of 44 feasibility studies (implementation readiness studies)
Projected life	<ul style="list-style-type: none"> There is a huge backlog for regional bulk infrastructure and further studies will indicate the full extend of the need At this stage it is estimated to continue beyond 10 years depending on future financing levels
MTEF allocations	<ul style="list-style-type: none"> 2009/10: R612 million 2010/11: R839 million 2008/09: R1 475 million
Payment schedule	<ul style="list-style-type: none"> Transfers and payments per invoice are made in terms of the approved payment schedule by National Treasury

Regional Bulk Infrastructure Grant	
Responsibilities of the national department	<ul style="list-style-type: none">• Detailed information on the selection criteria as well as the conditions• Monitoring of implementation by Water Services Institutions (municipalities or water boards)• Direct implementing where capacity gaps exist
Process for approval of 2010 MTEF allocations	<ul style="list-style-type: none">• Of the 30 infrastructure projects 26 will continue for the 2009/10 financial year• The 44 implementation readiness studies will be evaluated and approved if the feasibility studies comply with the policy and criteria guidelines. These projects are awaiting additional funding for implementation• National Treasury and dplg will be consulted during the process of implementation readiness project evaluation