

<b>Expanded Public Works Programme Incentive Grant to Provinces for the Infrastructure Sector</b>	
<b>Responsibilities of the National and Provincial Departments</b>	<b>Responsibilities of the national department of public works</b> <ul style="list-style-type: none"> <li>• Determine eligible provincial departments based on reported performance</li> <li>• Set minimum thresholds, performance targets and indicative incentive allocations for eligible provincial departments</li> <li>• Provide provincial departments with the EPWP Incentive Manual outlining the conditions and obligations of the incentive as well as the audit requirements</li> <li>• Support provincial departments to develop plans and design projects to meet targets</li> <li>• Monitor the performance of provinces and report on quarterly progress against targets</li> <li>• Submit to National Treasury quarterly progress against performance targets along with the indicative incentive amounts earned for the different provincial departments within 45 days after the end of the quarter. The revised payment schedule must be submitted with quarterly progress report</li> <li>• Conduct sample audits on a continuous basis</li> <li>• Audit the final performance of provinces after the closure of the financial year</li> <li>• Disburse incentives on a quarterly basis to eligible provincial departments (via provincial treasuries) based on performance in the previous quarter once the quarterly thresholds have been exceeded</li> </ul>
	<b>Responsibilities of the provincial treasuries</b> <ul style="list-style-type: none"> <li>• Appropriate the indicative incentive allocation to eligible provincial departments as indicated in the annual Division of Revenue Act and the Gazette on allocations and frameworks for provinces and municipalities</li> <li>• Disburse the incentive to the eligible provincial departments in accordance with the quarterly disbursement instructions of NDPW</li> </ul>
	<b>Responsibilities of eligible provincial departments</b> <ul style="list-style-type: none"> <li>• Sign the standard incentive agreement with NDPW agreeing to comply with the conditions and obligations of the incentive grant before receiving any incentive payment</li> <li>• Report all projects to be taken into account when assessing performance into the EPWP MIS and update progress quarterly in accordance with the reporting requirements in the incentive agreement</li> </ul>
<b>Process for concluding 2011/12 agreements</b>	<ul style="list-style-type: none"> <li>• Provincial departments must report performance on EPWP projects for the 2009/10 financial year by 15 April 2010. Performance in 2009/10 as well as allocated infrastructure budgets will determine the targets and allocations for 2011/12</li> <li>• NDPW will distribute the standard incentive agreement in March every year</li> <li>• Eligible provincial departments must sign the standard incentive agreement with NDPW and agree to comply with the conditions and obligations of the incentive grant by 30 April every year</li> </ul>

<b>Expanded Public Works Programme Grant for the Social Sector</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works (Vote 6)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase the amount of Full Time Equivalent (FTE) employment created through labour intensive employment by provinces</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To subsidise Non-Profit Organisations (NPOs) in Home and Community Based Care (HCBC) via the provincial departments of Health and Social Development, to provide stipends to previously unpaid volunteers to maximise job creation and skills development in line with the Expanded Public Works Programme (EPWP) Guidelines that were issued in 2004 and updated in 2005</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Increased employment and skills development through the delivery of quality services</li> <li>Provide income to volunteers currently offering their services on a voluntary unpaid basis</li> <li>Improved opportunities for participation in mainstream economy through experience and learning gained in EPWP</li> <li>Increased contribution to government's goal of halving poverty and unemployment by 2014</li> <li>Improved sector coherency, coordination and integration through development of sector wide policies, systems and delivery processes</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Increased number of people employed and FTEs reported through the EPWP reporting system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Only volunteers not receiving a stipend are to be paid from this grant</li> <li>Stipends paid from this grant must be at a rate of R50 per day</li> <li>Volunteers not receiving stipends must be identified and included in the EPWP project plans</li> <li>Provinces must sign intergovernmental protocols and provincial departments must sign standard agreements with national Department of Public Works (NDPW) to comply with the rules and conditions of the programme by the end of April 2010</li> <li>Provincial departments must include EPWP project expansion plans and targets in their Social Sector Plans and register EPWP projects and targets in NDPW's EPWP Web-based Reporting System</li> <li>Provincial departments must report monthly to NDPW through NDPW's EPWP Web-based reporting system on all their projects for which they are claiming the grant</li> <li>Provincial departments must monitor that the use of subsidy claims complies with conditions set as specified in the EPWP audit regulations. All project and payroll data must be available for auditing, and performance adjusted in accordance with audited data</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Indicative grant allocations to each province are based on: <ul style="list-style-type: none"> <li>past FTE performance as reported to EPWP in 2008/09 and</li> <li>need in terms of the number of non-stipended volunteers who deliver HCBC services, as estimated by the Provincial Programmes</li> </ul> </li> <li>In order to qualify for a grant allocation for financial year 2010/11: <ul style="list-style-type: none"> <li>a public body must have reported on 2008/09 performance for HCBC projects on the EPWP reporting system</li> <li>developed an EPWP project expansion plan</li> <li>signed the relevant protocols and agreements</li> </ul> </li> <li>For 2010/11 financial year each programme must develop an EPWP project expansion plan to qualify for the grant allocations for that year. The following must be covered in this plan: <ul style="list-style-type: none"> <li>targeted number of Work Opportunities to be created per programme per province</li> <li>targeted number of FTEs to be created per programme per province</li> <li>number of unpaid volunteers targeted to receive a stipend to the value of R50 per day</li> <li>number of NPOs hosting stipended beneficiaries</li> </ul> </li> <li>Incentive grant allocations to be paid out upfront to responsible departments, as published in the Division of Revenue Act</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to subsidise HCBC programmes to increase their impact on job-creation as part of the EPWP in addition to meeting their core programme objectives. In 2010/11, payment of the grant will be based on the EPWP performance of programmes in 2008/09 and their capacity to expand employment by employing people currently working as volunteers. The model for the Grant will be revised in 2010/11. The revised model will base the payment on performance on the Grant and against planned targets</li> </ul>
<b>Past performance</b>	<b>2008/09 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<b>2008/09 service delivery performance</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R56.6 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Once off payment by 30 June 2010</li> </ul>

<b>Expanded Public Works Programme Grant for the Social Sector</b>	
<b>Responsibilities of the National and Provincial Departments</b>	<b>Responsibilities of the national department of public works</b> <ul style="list-style-type: none"> <li>Assess the eligibility of HCBC programmes within the provincial departments of health and social development to access the grant based on the conditions and allocation criteria identified above</li> <li>Support the provincial departments to set targets and provide them with information, including standardised template for the project expansion plan, the rules of the grant, its application, monitoring and evaluation information and audit regulations</li> <li>Estimate number of FTEs created for each HCBC programme</li> <li>Monitor progress against targets captured in the EPWP project expansion plan and provide support</li> <li>Lead a process to ensure that monitoring frameworks and definitions used by programmes and EPWP are aligned so that programme and EPWP data are comparable</li> <li>Undertake audits according to the EPWP audit framework</li> <li>Assess the final performance of provinces after the closure of the financial year</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul>
	<b>Responsibilities of the national departments of social development and health</b> <ul style="list-style-type: none"> <li>Social Development's Special Projects Office must chair the Social Sector Management Committee for this grant. National programme managers, NDPW and National Treasury must form part of this committee</li> <li>The Social Sector Management Committee must evaluate and assess the indicators chosen by the NDPW and the national departments of health and social development are to monitor minimum standards of work creation and their minimum values that will inform possible adjustments in the next financial year</li> <li>Programme managers must cooperate in the process to ensure that monitoring frameworks and definitions used by programmes and EPWP are aligned so that programme and EPWP data are comparable</li> </ul>
	<b>Responsibilities of provincial departments of social development and health</b> <ul style="list-style-type: none"> <li>Report monthly and quarterly on the performance of all projects in terms of prescribed reporting templates and performance indicators, on the date indicated in the EPWP reporting requirements schedule</li> <li>Submit quarterly reports to NDPW within 30 days after the end of each quarter</li> <li>Support EPWP audits</li> </ul>
<b>Process for concluding 2011/12 agreements</b>	<ul style="list-style-type: none"> <li>Process will be guided by the development of an incentive model for the EPWP Social Sector during the 2010/11 financial year</li> </ul>

## SPORT AND RECREATION SOUTH AFRICA GRANT

<b>Mass Sport and Recreation Participation Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Sport and Recreation South Africa (SRSA) (Vote 19)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Promotion of sport in communities and schools through mass participation and sport development</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote mass participation within communities and schools through selected sport and recreation activities, empowerment of communities and schools in conjunction with stakeholders and development of communities through sport</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Life long participation in sport making more people more active, more often</li> <li>Improved sector capacity</li> <li>Improved partnership within the three spheres of government</li> <li>Increased number of participants in sport through Mass Participation</li> <li>Improved school and community links</li> <li>Promote access to sector resources</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Better managed programmes and better trained coordinators</li> <li>Improved communication with stakeholders</li> <li>Increased number of structured clubs</li> <li>Better quality data and reports</li> <li>Communities mobilised for FIFA 2010 World Cup</li> <li>Active communities and schools</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial departments responsible for sport will be required to enter into formal agreements after approval of business plans prior to the start of the financial year</li> <li>Provinces may appoint permanent staff on their establishments for the programme in consultation with the national department insofar as not more than 6 per cent of the total grant is requested.</li> <li>Each province must have sustainability and risk management plans by 30 June 2010 to ensure that it will be self-sufficient after 4 years</li> <li>Provinces will be required to submit monthly reports by the 15th of each month</li> <li>Provincial department strategic plan for 2010/11 and over the MTEF to clearly indicate measurable objectives and performance targets of the conditional grant as agreed with the national department</li> <li>Signed cooperation agreements with Heads of Departments (HODs) and stakeholders</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Funds are distributed among provinces on an equitable share as well as the provincial base allocation and top up based on needs analysis</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>A conditional grant is necessary to ensure national coordination, monitoring and facilitation; and national coordinated and integrated campaign to get the nation active</li> </ul>
<b>Past Performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R293.7 million to provinces</li> <li>Of the total available of R293.5 million (including provincial adjustments), 93 per cent was spent</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Number of people trained in sport and development: 9 000</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing subject to review as agreed with National Treasury</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R426.4 million; 2011/12: R452 million; 2012/13: R474.6 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (20 April 2010; 15 July 2010; 15 October 2010 and 20 January 2011)</li> </ul>
<b>Responsibilities of the National and Provincial Departments</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Evaluate Annual Reports for the 2009/10 grants for submission to the National Treasury by 30 July 2010</li> <li>Agree on outputs and targets with provincial departments in line with grant objective for 2011/12 by 15 September 2010</li> <li>Provide the guidelines and criteria for the development and approval of business plans</li> <li>Monitor implementation and provide support</li> <li>Submit approved business plan for 2011/12 to the National treasury on 31 March 2010</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Submit quarterly performance reports to SRSA within 30 days after the end of each quarter</li> </ul>
<b>Process for approval of 2011/12 business plans</b>	<ul style="list-style-type: none"> <li>Provinces provide draft business plan to SRSA by 15 November 2010</li> <li>SRSA evaluates draft business plans by 15 December 2010</li> <li>Comments sent to provinces by 30 December 2010</li> <li>Provinces submit revised business plans to SRSA by 14 January 2011</li> <li>HODs approve business plans by 15 March 2011</li> <li>SRSA to approve business plans by 31 March 2011</li> <li>Sign PIA with provincial HODs by 5 April 2011</li> <li>SRSA submit business plan to National Treasury by 13 April 2011</li> </ul>

## TRANSPORT GRANTS

<b>Gautrain Rapid Rail Link Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 36)</li> </ul>
<b>Receiving department</b>	<ul style="list-style-type: none"> <li>• Gauteng Provincial Treasury for implementation by the Gautrain Management Agency (GMA)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide for national government funding contribution to the Gauteng Provincial Government for the construction of a fully integrated Gautrain Rapid Rail network</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• 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</li> <li>• DOT ensures that transfer payments 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</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 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)</li> <li>• Implementation of the Gautrain Strategic Integration Plan as approved by Cabinet in December 2005</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The conditional grant is to be used towards the payment of the provincial contribution for the completion of the Gautrain, as specified in the CA</li> <li>• 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 (PFMA)</li> <li>• The GMA will provide the national DOT 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</li> <li>• 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 DOT 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 South African Reserve Bank (SARB)</li> <li>• 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</li> <li>• The national DOT will advise the SARB of the annual payment schedule required for the Gautrain</li> <li>• The GMA will advise the Gauteng Treasury to draw required funds from the SARB's Gautrain holding account and to effect payment to the Concessionaire</li> <li>• The annual payment schedule lodged with the SA Reserve Bank may be amended from time to time according to revisions to the annual cash flow forecasts provided by the Gautrain Management Agency</li> <li>• The Gauteng Department of Roads and Transport 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 Passenger Rail Agency of South Africa with the primary task developing a Gautrain Integration Implementation Plan that will respond to the: <ul style="list-style-type: none"> <li>– Rail Plan corridor alignment and the Gautrain implementation parameters</li> <li>– proposed new commuter rail links including station precinct developments, specifically Pretoria, Johannesburg, Hatfield and Rhodesfield as well as park and ride and feeder facilities</li> <li>– 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</li> <li>– Operating License Strategies of the three Metropolitan Authorities;</li> <li>– Operating Contracts with metropolitan bus services, subsidised bus services, Metrorail and recapitalised taxi operators and their service specifications</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The Gautrain Conditional Grant may be used only for the purposes set out in this framework</li> </ul>

<b>Gautrain Rapid Rail Link Grant</b>	
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R3 266 million to Gauteng province, and 100 per cent was spent</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>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</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Five years: 2006/07 to 2010/11 inclusive and extended to 2011/12 to make provision for CPI and FOREX variances</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R438.4 million (inclusive of 50 per cent contribution to CPI of R69.8 million and 100 per cent FOREX adjustment of R53 million offset against Treasury Approval III)</li> <li>2011/12: R5.3 million (inclusive of 50 per cent contribution to CPI: R5.7 million and 100 per cent FOREX adjustment: R0.4 million offset against Treasury Approval III)</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>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 may be amended from time to time by the National Treasury</li> </ul>
<b>Responsibilities of the National and Provincial Department</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Ensure that expenditure from the Division of Revenue Act (DoRA) grant is in terms of the allocated funds and based on the approved payment schedule</li> <li>Submit reports as required in terms of the DoRA to National Treasury</li> <li>Facilitate the integration of Gautrain with the public transport system in line with the Cabinet resolution</li> </ul>
	<p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>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"> <li>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</li> <li>progress as it relates to Gautrain Integration Implementation Plan</li> </ul> </li> <li>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</li> </ul>
<b>Process for approval of 2011/12 business plan</b>	<ul style="list-style-type: none"> <li>If changes in the current business plan are required, the national DOT will be the approving authority, subject to such amendments being in line with the Concession Agreements and approved variations</li> </ul>

<b>Overload Control Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 36)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To preserve road infrastructure by ensuring that overloading practices are significantly reduced</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To successfully implement the National Overload Control Strategy and ensure that overloading practices are significantly reduced</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Provision of new or upgraded/modern and adequate weighbridge infrastructure and traffic control facilities</li> <li>Higher visibility of law enforcement</li> <li>Reduction in heavy vehicles overloading practices</li> <li>Reduction in road damage/depreciation of pavements</li> <li>Reduction in road maintenance costs</li> <li>Improved road safety</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Completed and operational weighbridge infrastructure and traffic control facilities</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The allocations will have a payment schedule/cost management schedule</li> <li>Payment certificates as per National Treasury Regulations and oversight by the national Department of Transport (DoT)</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Areas in which secondary roads are threatened by overloading and where law enforcement can be enhanced through overload control mechanisms</li> <li>Areas where high volumes of heavy vehicle traffic is generated or passing through</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a national imperative aimed at specifically preserving the road infrastructure (state assets)</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>No spending</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Infrastructure projects were delayed to the 2009/10 financial year</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Three years starting from 2008/09 and ending in 2010/11</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R11.038 million (R5.519 million to Eastern Cape and R5.519 million to Mpumalanga)</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payment transfers to be in accordance with the approved payment schedule</li> </ul>
<b>Responsibilities of the National and Provincial Departments</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Provide leadership and oversight</li> <li>Monitor and evaluate financial and non-financial performance</li> <li>Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>Provinces to submit monthly reports to the DoT providing an update on actual progress against planned progress including (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</li> </ul>
<b>Process for approval of 2011/12 business plans</b>	<ul style="list-style-type: none"> <li>Provinces submit draft business plans to DoT for evaluation by 30 September 2010</li> <li>DoT to evaluate provincial business plans by 30 November 2010</li> <li>Comments sent to provinces to amend the plans by 17 December 2010</li> <li>Provinces submit final signed plans to DoT by 1 March 2011</li> </ul>

<b>Public Transport Operations Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 36)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidisation of roads based public transport services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide supplementary funding towards public transport services provided by provincial departments of transport</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>The provision of public transport services in terms of contracts which are kilometre based that are supportive of intermodal efficiencies in public transport and affordable to the users of the services</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Subsidy per trip operated</li> <li>Subsidy per km operated</li> <li>Subsidy per passenger</li> <li>Subsidy per vehicle</li> <li>Number of vehicles subsidised</li> <li>Number of scheduled trips</li> <li>Number of trips operated</li> <li>Total number of penalties incurred</li> <li>Monetary value of penalties (including escalation)</li> <li>Passengers per kilometre operated</li> <li>Passengers per trip operated</li> <li>Employees per vehicle</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The conditional grant is the national contribution to subsidised service contracts entered into by the provincial department of transport and public transport operators for the provision of affordable subsidised services</li> <li>All contracts concluded must be done as per relevant legislation and in compliance with the Public Transport Strategy</li> <li>Designs and business plans detailing subsidised services 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). Where an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act no. 5 of 2009, the functions of the two committees must be consolidated to ensure integration of planning, services and modes</li> <li>Utilise the Subsidy Management System (SUMS) for the verification of monthly claims and inform the national Department of Transport (DoT) in circumstances when the SUMS system is not operational, in such circumstances monthly claims will be verified and processed manually</li> <li>Supervision and monitoring and/or external auditing must be utilised to certify the correctness of the operator's claim in terms of km of services provided and report to DoT monthly</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The 2010/11 to 2012/13 allocations are based on 2009 Division of Revenue Act (DoRA) allocation baseline plus percentage of additional budget per year based on an allocation formula as developed by DoT recognising the following factors: <ul style="list-style-type: none"> <li>population weighted by density</li> <li>GDP per province</li> <li>employment in province</li> <li>poverty population</li> <li>passengers transported</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Subsidies are earmarked for the provision of public transport services</li> </ul>
<b>Past performance</b>	<ul style="list-style-type: none"> <li><b>2008/09 audited financial outcomes</b></li> <li>New grant</li> </ul>
	<ul style="list-style-type: none"> <li><b>2008/09 service delivery performance</b></li> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Ongoing and subject to review as agreed with National Treasury</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R3 863 million; 2011/12: R4 153.2 million; and 2012/13: R4 360.9 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four payment instalments (28 April 2010; 21 July 2010; 20 October 2010 and 19 January 2011)</li> </ul>
<b>Responsibilities of the national and provincial departments</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Coordinate and/or develop the necessary contracting documents to be used in subsidising public transport services</li> <li>Provide the guidelines and criteria for the development of business plans for services to be subsidised</li> <li>Develop norms and standards for the creation of the IPTNs with all spheres of government</li> <li>Advise contracting authorities regarding the design of contracted services</li> <li>Ensure alignment of IPTNs with national policy, legislation and other guidelines and/or standards</li> <li>Maintain national database with key performance indicators of public transport services and Subsidy Management System (SUMS)</li> <li>Provide performance reports to National Treasury within 45 calendar days after the end of each quarter</li> </ul>



<b>Public Transport Operations Grant</b>	
	<ul style="list-style-type: none"> <li>• Provide clear regulatory framework with regards to operating licensing</li> <li>• Improve efficiencies of public transport spending</li> <li>• Transferring officer to monitor intermodal efficiencies of public transport services in provinces and report to National Treasury on annual basis;</li> <li>• Transferring officer to monitor the alignment process of the subsidised bus services, commuter and passenger rail services as well as minibus taxi services into IPTNs and report to National Treasury on annual basis</li> </ul>
	<p><b>Responsibilities of the provincial department</b></p> <ul style="list-style-type: none"> <li>• Any contractual agreement entered into by a provincial department in relation to this grant will be the responsibility of the provincial department</li> <li>• Utilise SUMS for verification of monthly subsidy claims and only utilise the reporting format developed by DoT as an alternative in instances where SUMS is not operational</li> <li>• Utilisation of supervision and monitoring and/or external auditing to certify the correctness of the operator's claims in terms of km of services provided and report to DoT on a monthly basis (within 25 calendar days of the month following the operation)</li> <li>• Ensure the efficient operation of the Public Transport Integration Committees comprising of the three spheres of Government with the primary task of ensuring that all subsidised road and rail based passenger services comply with IPTNs developed. Where an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act no. 5 of 2009, ensure that the functions of the two committees are consolidated to facilitate integration of planning, services and modes</li> <li>• Ensure that the development of public transport services to be subsidised are in line with all relevant legislation, the National Transport Strategy and any other guidelines and frameworks issued for this purpose</li> </ul>
<b>Process for approval of 2011/12 business plans</b>	<ul style="list-style-type: none"> <li>• Contracting authorities to submit approved business plans regarding envisaged redesigns in terms of IPTNs to DoT for evaluation by August 2010</li> </ul>

## **Part 3: Frameworks for Conditional Grants to Municipalities**

### **Detailed frameworks on schedules 3, 4, 6, 7 and 8 grants to municipalities**

#### **Introduction**

This appendix provides a brief description for each grant in Schedules 3, 4, 6, 7 and 8 of the 2010 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
- 2010 MTEF allocations
- The payment schedule
- Responsibility of national transferring department
- Process for approval of 2010/11 MTEF allocations

The attached frameworks are not part of the 2010 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 14 of the 2010 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 2010/11 will report against the 2010 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.

## COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

<b>Municipal Systems Improvement Grant (MSIG)</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To progressively build local government into an efficient and developmental sphere capable to deliver services to local communities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, 2000 (MSA) and related legislation and policies</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>Responsive, accountable, effective and efficient local government system</li> <li>Improve municipal audit outcomes</li> <li>Strengthen the ward participation systems in local government</li> <li>Effective implementation of the municipal specific turn around strategies</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipalities improving on viability and management through targeted support interventions</li> <li>Number of municipalities with strengthened administrative systems enabling effective implementation of ward participation system</li> <li>Number of municipalities implementing by-laws, policies and systems that support local government legislations</li> <li>Number of municipalities with an effective information system enabling regular reporting on drinking and waste water quality</li> <li>Number of municipalities that developed turn around strategies and implementing the strategies.</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>Activities</li> <li>Indicators</li> <li>Timeframes</li> <li>Allocation per activity</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Submission of signed activity plan in a prescribed format with detailed budgets and timeframes on the implementation of prioritised measurable outputs</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are made to selected municipalities based on previous expenditure performance and assessed priority needs</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is conditional and aimed at building capacity of municipalities to implement sound institutional and governance systems required in terms of local government legislation.</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated R200 million to municipalities</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>219 municipalities were supported with this grant to establish effective ward systems for public and community participation</li> <li>220 municipalities received support to identify, verify and finalise fixed asset registers in line with the Generally Recognised Accounting Practice (GRAP)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant forms part of government's commitment to building local government in-house capacity to perform their functions</li> <li>The grant continues over the MTEF period</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R212 million</li> <li>2011/12: R225 million</li> <li>2012/13: R236 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers to be made in July 2010 in accordance with an approved payment schedule by National Treasury</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>Monitoring of expenditure and compliance with the Division of Revenue Act (DoRA)</li> <li>Random visits to slow spending and non-reporting municipalities</li> <li>Carry out duties and responsibilities of the national transferring officer as stipulated by DoRA</li> <li>Implementation of the monthly expenditure report tracking system</li> <li>Submission of monthly expenditure reports within 10 working days after end of every month in a prescribed format</li> <li>Monthly analysis of monthly expenditure reports by municipalities as stipulated in DoRA</li> <li>Submit quarterly and annual performance reports to National Treasury</li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"> <li>The department aligns its business planning process as follows: <ul style="list-style-type: none"> <li>activity plan format guidelines, criteria and outputs to municipalities by 28 January 2011</li> <li>submission of business/activity plans by municipalities by February/March 2011</li> <li>appraisal and approval of business/activity plans by April/May 2011</li> </ul> </li> </ul>

<b>Municipal Infrastructure Grant for Cities (MIG-Cities)</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>MIG-Cities seeks to supplement capital budgets of large cities, ensure integrated planning, effective leveraging of municipal resources towards the eradication of backlogs, improved performance in integrated human settlement development outcomes and effective asset management practices</li> <li>Subsidise capital costs of providing basic services to poor households</li> <li>Improving efficiency of maximising developmental outcomes and a coordinated approach to built environment management</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Supplements the capital revenues of selected large urban municipalities in order to support their infrastructure investment programmes</li> <li>MIG-Cities differs from other infrastructure grants in that it seeks to regulate all outputs and outcomes of municipal infrastructure expenditure programmes through multi-year targets as contained in Performance Framework that allows municipalities to allocate grant resources in an integrated manner across their infrastructure budgets</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Facilitating access to basic level of services to all South Africans by 2014</li> <li>Poverty alleviation through job creation by implementing projects using labour intensive methods</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Specific, medium-term outputs and outcomes are identified with individual municipalities within MIG-Cities and typical indicators will focus on the infrastructure programme as a whole. Indicators may include, but are not limited to: <ul style="list-style-type: none"> <li>proportion of capital revenues sourced from user charges and development charges (increasing over period)</li> <li>number of new households receiving support in basic municipal services per annum over a three year period, including water and sanitation, solid waste and electricity services and bulk and connector infrastructure</li> <li>number of kilometres of roads developed, and types of roads</li> <li>number of community and sports facilities developed</li> <li>number of households benefiting from the infrastructure linked to housing programmes</li> <li>progressive improvement of good practices in asset management i.e. asset registers</li> <li>extent of integration of poor households with wealthier communities within the city</li> <li>extent of success of efforts to identify land within strategically located areas for mixed use residential purposes</li> <li>extent of programmes targeted at maintenance, refurbishment and renewal of infrastructure and reduction of leakages and blackouts in these areas</li> <li>reduction of basic services of 10 per cent annually</li> <li>number of jobs created using Expanded Public Works Programme (EPWP) guidelines for above outputs</li> <li>lead times for capital project implementation (declining)</li> <li>audit opinion on capital programme (stable or improving, without adverse or disclaimed opinion)</li> </ul> </li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>As reflected in the infrastructure performance framework as prescribed</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>A multi-year MIG-Cities performance targets must be agreed with the National Treasury, the national transferring officer and relevant sector departments, based on the strategic capital investment plans and programme of the municipality</li> <li>Conditions associated with the grant must be restricted to output and outcome performance of the overall municipal capital expenditure programme</li> <li>The MIG-Cities may be transferred to a municipality only if the municipality has satisfied the criteria set out in the grant policy framework; and has submitted, a draft performance framework by 30 March 2010 and the final approved framework by 7 June 2010, an infrastructure performance framework which complies with the requirements set out in the grant policy framework to the National Treasury and the transferring national officer, along with proof that the performance framework and the performance targets contained therein have been ratified by a resolution of the municipal council</li> <li>This programme must: <ul style="list-style-type: none"> <li>prioritise residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and bulk infrastructure, and roads, in line with government sector conditions, policies and legislation before the start of the financial year</li> <li>adhere to the labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines</li> </ul> </li> <li>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"> <li>the flow of the first instalment depends on the submission and approval of performance framework including agreed performance targets</li> <li>the flow of the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> instalment will be conditional upon submission and approval of signed-off quarterly reports</li> <li>report to National Treasury and CoGTA on performance against the targets provided for in the framework and in conjunction with the reporting requirements of section 71 and 72 of the Municipal Finance Management Act</li> </ul> </li> <li>Non compliance to the above conditions can result in the funds being withheld or re-allocated</li> </ul>

<b>Municipal Infrastructure Grant for Cities (MIG-Cities)</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Part 4 of Annexure W1 spells out the MIG-Cities formula in detail</li> <li>The formula incorporates backlog and poverty-weighted data</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a supplementary infrastructure grant with conditions, objectives and distribution criteria, (e.g. backlogs on infrastructure) different from that of the equitable share</li> </ul>
<b>Past performance</b>	<b>2008/09 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>Reported under Municipal Infrastructure Grant</li> </ul>
<b>Projected life</b>	<b>2008/09 service delivery performance</b>
	<ul style="list-style-type: none"> <li>Reported under Municipal Infrastructure Grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The programme will continue up to 2013 subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R2 604 million</li> <li>2011/12: R3 132 million</li> <li>2012/13: R3 808 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Quarterly transfers in terms of the approved payment schedule by National Treasury</li> <li>Division of Revenue Act based on the funding and performance agreements with the individual city</li> </ul>
<b>Responsibilities of national departments</b>	<b>Responsibilities of the national department</b>
	<ul style="list-style-type: none"> <li>Department of Cooperative Governance and Traditional Affairs (CoGTA) – administer the municipal infrastructure grant and coordinating all stakeholders through the appropriate structures</li> <li>Submit copies of the infrastructure performance to the relevant sectoral departments by 1 July 2010</li> <li>Department of Water Affairs (DWA) – support and monitor municipalities to prepare and implement Water Services Development Plans (WSDPs) and monitor as well as overseeing progress on water and sanitation projects as contained in municipal capital budgets</li> <li>Department of Public Works to monitor compliance with the EPWP</li> <li>Sport and Recreation SA to assist municipalities with planning of sports and recreation facilities and monitor implementation</li> <li>Each sector, national or provincial department of local government will be expected to fulfil sectoral and provincial monitoring role on relevant sectoral and provincial outputs</li> <li>CoGTA and National and provincial treasuries will monitor overall municipal budgets in terms of sections 71 and 72 of MFMA</li> <li>CoGTA will make available section 71 and 72 reports available to provincial departments of local government</li> <li>CoGTA will inform provincial departments of local government when it intends to withhold allocations from municipalities</li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<b>Responsibilities of provincial departments for local government</b>
	<ul style="list-style-type: none"> <li>Monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration</li> <li>Ensure that municipalities implement projects in the municipal Integrated Development Plan and council and there is council resolution for any project to be implemented</li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Municipalities must submit comprehensive and credible funding proposals in a prescribed format, and demonstrate eligibility for the grant in terms of prescribed requirements</li> </ul>

<b>Municipal Infrastructure Grant (MIG)</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 3)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidise the capital costs of providing basic services to poor households: priority must be given to meeting the basic infrastructure needs of poor households, through the provision of appropriate bulk, connector and internal infrastructure in key services</li> <li>Distribute funding for municipal infrastructure in an equitable, transparent and efficient manner which supports a co-ordinated approach to local development and maximises developmental outcomes</li> <li>Assist in enhancing the developmental capacity of municipalities, through supporting multi-year planning and budgeting systems</li> <li>Provide a mechanism for the co-ordinated pursuit of national policy priorities with regard to basic municipal infrastructure programmes, while avoiding the duplication and inefficiency associated with sectoral fragmented grants</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>The grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households to micro enterprises and social institutions servicing poor communities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Facilitate access to basic services infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of additional poor households receiving basic water and sanitation services per annum</li> <li>Number of additional kilometres of municipal roads developed</li> <li>Number of additional sports facilities servicing poor communities developed</li> <li>Number of work opportunities created using Expanded Public Works Programme (EPWP) guidelines for above outputs</li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>Project description (specific details, e.g. number of kilometres of roads to be constructed)</li> <li>Project funding (Municipal Infrastructure Grant (MIG) funding, private as well as municipal own funding)</li> <li>Project category (B-Component, P-component, E-component or N-component) in terms of MIG allocation formula</li> <li>Population benefiting from the project (the grant is biased to rural poor households)</li> <li>Project location (this includes GPS coordinates of the project)</li> <li>Operation and maintenance budget projections</li> <li>Employment generation of the projects</li> <li>Specific indicators (depending on level of service to be provided, e.g. VIP or full water borne sanitation)</li> <li>Project approved by council and also appears in the municipal three year capital budget or Integrated Development Plans (IDP)</li> <li>Sector departments' recommendations where applicable</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Prioritise basic residential infrastructure for water, sanitation, refuse removal, streets lighting, solid waste, connector and internal bulk infrastructure, and other municipal infrastructure like roads, sports and community facilities in line with the MIG policy framework (2004) and/or other government sector policies existed before the amalgamation of various grants into MIG</li> <li>Funds can be used for new or upgrading basic bulk and connector component of residential infrastructure as a result of the formalisation of settlements subject to compliance with sector policy and compliance on condition that backlogs as at 2001 has been addressed</li> <li>Compliance with Chapter 5 of the Municipal Systems Act (2000). Infrastructure investment and delivery must be based on an Integrated Development Plans (strengthened through comprehensive infrastructure planning) 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, Provincial Growth and Development Strategies and municipal council resolutions</li> <li>Municipalities must adhere to labour-intensive construction methods in terms of EPWP guidelines</li> <li>Compliance with the Division of Revenue Act, including additional reporting requirements on spending and projects as approved by sector departments</li> <li>Municipalities to ensure appropriate programme and project planning and implementation readiness</li> <li>Receiving officers must comply with sector conditions, norms, standards and legislation</li> <li>Funds can be used for basic new needs for upgraded and formalised settlements subject to compliance with sector policy and compliance</li> <li>A municipality receiving MIG must table a three-year capital budget as part of its budget for the 2010/11 financial year in accordance with the MFMA, unless exempted in terms of that Act</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Part 4 of Annexure W1 spells out the MIG formula in detail. The formula incorporates backlog and poverty-weighted data</li> <li>The MIG must be transferred directly to a category B or C municipality that has the powers and functions referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide municipal infrastructure in respect of those powers and functions</li> <li>The MIG allocation for a category B or C municipality may be transferred to the category C municipality or province within whose jurisdiction the municipality is situated if, in the assessment of the transferring national officer in consultation with the National Treasury, the municipality does not: <ul style="list-style-type: none"> <li>have sufficient expenditure capacity to effectively carry out the infrastructure programmes</li> <li>adhere to good financial governance practices</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a supplementary grant with conditions, objectives and distribution criteria, different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>No matter of emphasis was raised by the Auditor-General</li> </ul>

<b>Municipal Infrastructure Grant (MIG)</b>	
	<b>2008/09 service delivery performance</b> <ul style="list-style-type: none"> <li>The cumulative households benefited from MIG by end June 2007; water (610 293), sanitation (399 662), storm water (99 542), solid waste (238 552)</li> <li>10 481km of roads developed</li> <li>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</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The programme will continue up to 2013 subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R9 925 million</li> <li>2011/12: R11 937 million</li> <li>2012/13: R14 514 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by the National Treasury</li> <li>Transfers are effected subject to receipt of monthly expenditure report through the MIG-MIS as determined in the MIG processes and procedures</li> </ul>
<b>Responsibilities of the national department</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Submit a report within 20 days after the end of each month, to National Treasury and other national departments that have responsibilities relating to the grant. The report must include:             <ul style="list-style-type: none"> <li>expenditure and non-financial performance information on programmes funded by an allocation</li> <li>an explanation of any material problems experienced by municipalities regarding an allocation that has been received and a summary of the interventions or steps taken to deal with such problems</li> </ul> </li> <li>Department of Cooperative Governance and Traditional Affairs (CoGTA) administers the municipal infrastructure grant and co-ordinate its activities with all stakeholders through appropriate structures</li> <li>Department of Water Affairs to support and monitor municipalities to prepare and implement Water Services Development Plans (WSDPs), and monitor as well as overseeing progress on water and sanitation projects implemented through the MIG grant</li> <li>Department of Public Works to monitor compliance with the EPWP</li> <li>National Treasury and provincial treasuries – ensure receipt of budgets of municipalities and monitoring of spending trends in terms of MFMA</li> <li>Sport and Recreation SA to assist municipalities with planning of sports and recreation facilities and monitor implementation</li> <li>This grant requires monitoring of the overall infrastructure budget of municipalities as well as monitoring the overall programme implementation. Each sector, national or provincial department of local government will be expected to fulfil sectoral and provincial monitoring role on relevant sectoral and provincial outputs</li> <li>National and provincial treasuries will monitor municipal capital budgets, and reporting on spending information</li> <li>CoGTA coordinates monitoring systems and the overall programme implementation</li> <li>CoGTA will inform provincial departments of local government when it intends to withhold allocations from municipalities</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>Provincial departments responsible for local government are responsible for:             <ul style="list-style-type: none"> <li>coordinating municipal reports</li> <li>providing and coordinating support and capacity to municipalities</li> <li>submit reports to national department (CoGTA)</li> <li>monitor project implementation in collaboration with sectors and submit site visit reports to CoGTA</li> <li>monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration</li> <li>ensure that municipalities implement projects in accordance with the municipal IDPs and council resolution for any project to be implemented</li> <li>monitor performance of municipal PMUs and recommend relevant sanctions for under performance to CoGTA</li> </ul> </li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"> <li>The receiving officer of a MIG must by 28 May 2010 submit all technical reports to the sector department responsible for water services, sports and recreation, roads and transport for all projects to be implemented in 2011/12</li> <li>The responsible sector department must evaluate reports and provide final recommendation to the receiving officer by 30 July 2010</li> <li>The receiving officer of MIG must by 2 August 2010, submit all the project registrations forms for the projects to be implemented in 2011/12 financial year to the provincial department of local government</li> <li>The provincial department must provide final recommendations to receiving officer by 30 September 2010</li> <li>The receiving officer must submit to the national transferring officer by 29 October 2010, detail project implementation plan of all the projects to be implemented in the 2011/12 financial year. Such details should include timelines regarding project designs, initiation of procurement, and Environmental Impact Assessment (EIA) approvals</li> </ul>

## ENERGY GRANTS

<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 28)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce the backlogs of unelectrified households, schools and clinics</li> <li>Funding of bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>A reduction in households, schools and clinics backlogs</li> <li>Quality of electricity supply to all</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of connections to households, schools and clinics per annum by municipalities</li> <li>The number of bulk infrastructure installations</li> <li>Progress on reduction of electrification backlogs</li> <li>Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>Number of connections</li> <li>Cost per connection</li> <li>Name of project</li> <li>Duration of project</li> <li>Budget and expenditure for each project</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Municipalities must contractually undertake to: <ul style="list-style-type: none"> <li>account for the allocated funds on a monthly basis by the 10th of every month</li> <li>ensure that the designs for households connections projects are completed before June of every year in order to allow for construction to start shortly after July. If the external consultant will be used, such consultant must be appointed before the end of May</li> <li>pass all benefits to end-customers</li> <li>not utilise the fund for any purpose other than electrification</li> <li>ring-fence funds transferred, adhere to the approved electrification programme and agreed cash flow budgets</li> <li>ring-fence electricity function</li> <li>reflect all assets created under the INEP on the municipal asset register. This is to assist the process for the formation of the Regional Electricity Distributors (REDs)</li> <li>safely operate and maintain the infrastructure</li> <li>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</li> <li>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</li> <li>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</li> <li>utilise own funding if subsidy is insufficient – top –up funding must be available</li> <li>minimum suite of supply of 0.8 KVA, ADMD, 20 Amp per household connection</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> <li>high backlog</li> <li>rural bias</li> <li>nodal zones</li> <li>available households for connections projects</li> <li>past performance</li> <li>integration with other programmes such as Urban Renewal Programme, Integrated Sustainable Rural Development Programme other infrastructure programmes like RDP housing, etc</li> <li>ability to provide top-up or seed capital for project finance</li> <li>the requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions</li> <li>the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks</li> <li>effective credit control policies</li> <li>consultation with communities in terms of Integrated Development Programme process</li> <li>ensuring that universal access objectives are fast tracked</li> <li>new/upgrading of bulk infrastructure projects related to future realistic electrification</li> <li>infrastructure which is in a state of disrepair, unsafe and which adversely further connections to be realised</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>There were no specific findings on the INEP with regards to the 2008/09 financial year</li> <li>The department's 2008/09 annual report contains a detailed explanation of grant outcomes</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>55 156 households were connected with a total expenditure of R551 million as at 31 March 2009</li> </ul>



<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until the inception of the REDs</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2010/11: R1 020 million</li> <li>• 2011/12: R1 097 million</li> <li>• 2012/13: R1 151 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly transfers in accordance with an approved payment schedule by National Treasury</li> </ul>
<b>Responsibilities of the national department</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Agree with municipalities on outputs and targets</li> <li>• Continuously monitor implementation and provide support to municipalities</li> <li>• Submit reports to National Treasury and ensure that reports are in accordance with the Public Finance Management Act and Division of Revenue (DoRA) together with technical audit process</li> <li>• Verifying reports from municipalities</li> <li>• Ensure compliance with the DoRA provisions</li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"> <li>• The distribution mechanism/criteria to be finalised by 29 October 2010</li> </ul>

<b>Integrated National Electrification Programme (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 28)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce the backlogs of unelectrified households, schools and clinics in rural areas</li> <li>Funding of bulk infrastructure to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of permanently occupied dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>A reduction in households, schools and clinics backlogs</li> <li>Quality of electricity supply to all</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of connections to households, schools and clinics per annum by Eskom</li> <li>The number of bulk infrastructure installations</li> <li>Progress on reduction of electrification backlog</li> <li>Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>Number of connections</li> <li>Cost per connection</li> <li>Name of project</li> <li>Duration of project</li> <li>Budget and expenditure for each project</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eskom must contractually undertake to: <ul style="list-style-type: none"> <li>pass all benefits to end-customers</li> <li>not utilise the fund for any purpose other than electrification</li> <li>adhere to the approved electrification programme and agreed cash flow budgets</li> <li>reflect all assets created under the INEP separately from the Eskom asset register; this is to assist the process for the formation of the Regional Electricity Distributors (REDs)</li> <li>safely operate and maintain the infrastructure</li> <li>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</li> <li>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</li> <li>suite of supply 0.8 KVA ADMD, 20 Amps per household connection</li> </ul> </li> <li>Eskom must within 30 days after the end of each month report to the relevant municipality, transferring national officer and National Treasury on the amount spent on the implementation of INEP programme</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Applications from Eskom based on: <ul style="list-style-type: none"> <li>high backlog</li> <li>rural bias</li> <li>integration with other programmes such as Urban Renewal Programme, Integrated Sustainable Rural Development and other infrastructure programmes like RDP housing, etc</li> <li>the requirements to furnish appropriate documentation, approved tariffs, ring-fenced functions</li> <li>the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks</li> <li>effective credit control policies</li> <li>consultation with communities in terms of Integrated Development Plans (IDP) process</li> <li>ensuring that universal access objectives are fast tracked</li> </ul> </li> <li>Allocations to Eskom are made on behalf of municipalities based on: <ul style="list-style-type: none"> <li>projects to be electrified in Eskom area of supply</li> <li>Eskom to maintain assets until transferred to municipalities and/or REDs</li> <li>Eskom to collect revenue from these connections</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer in support of the Integrated National Electrification Programme</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>There were no specific findings on the INEP with regards to the 2008/09 financial year</li> <li>The department's 2008/09 annual report contains a detail explanation of grant outcomes</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>For 2008/09: 68 208 households, 498 schools and 16 clinics were connected with a total expenditure of R594 million excluding expenditure for bulk infrastructure</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Until the inception of the Regional Electricity Distributors</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R1 752 million</li> <li>2011/12: R1 770 million</li> <li>2012/13: R1 914 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made monthly in accordance with an approved payment schedule by National Treasury</li> </ul>
<b>Responsibilities of the national department</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Agree with municipalities on outputs and targets</li> <li>Continuously monitor implementation and provide support to municipalities</li> <li>Submit monthly and quarterly reports to National Treasury</li> </ul>

<b>Integrated National Electrification Programme (Eskom) Grant</b>	
	<ul style="list-style-type: none"><li>• Ensure monthly reports are in accordance with Public Finance Management Act and Division of Revenue Act together with a technical audit process</li><li>• Verification of reports from municipalities</li><li>• Ensure the implementation of the grant is aligned with municipalities' IDPs and prepared in accordance with the Municipal Systems Act</li></ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"><li>• The distribution mechanism/criteria to be finalised by 29 October 2010</li></ul>

<b>Electricity Demand Side Management (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Energy (Vote 28)</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To contribute towards reduction in the demand for electricity as per the National Energy Efficiency Strategy of 2005</li> <li>To create the capacity to manage electricity consumption and increase energy efficiency behaviour changes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Electricity Demand Side Management (EDSM) programme by providing capital subsidies to licensed distributors to address EDSM in residential dwellings, communities and municipal buildings in order to mitigate the risk of load shedding and supply interruptions</li> </ul>
<b>Outcomes statements</b>	<ul style="list-style-type: none"> <li>A reduction in the demand for electricity</li> <li>Increased awareness</li> <li>Skills development in energy efficiency</li> <li>Energy management capability created</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of energy efficiency projects initiated in households and public lighting including energy efficient street lights, traffic lights and high mast lighting</li> <li>Amount of MW/MWh saved</li> <li>Number of jobs created using Expanded Public Works Programme (EPWP) guidelines</li> <li>Number of equivalent carbon emission replaced by MWh saved</li> </ul>
<b>Details contained in business plans</b>	<ul style="list-style-type: none"> <li>Locations in which the EDSM projects will be rolled out</li> <li>Details of companies that will implement the projects</li> <li>Duration of project</li> <li>Budgetary requirements</li> <li>Alignment with the chosen technologies and subsidies for each</li> <li>Adherence to measuring and verification requirements in setting the baseline and measurements during the project implementation phase</li> <li>Readiness to implement</li> <li>Agreement to fund reallocation based on performance</li> <li>Possible additional funding requirements</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Implementation of labour intensive methods in accordance with EPWP guidelines on EDSM projects</li> <li>Measurements and verification (M&amp;V) system to be done by M&amp;V experts in line with EDSM policy</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> <li>areas target with high electricity usage</li> <li>integration with other programmes such as Urban Renewal Programmes (URP), other infrastructure programmes such as Reconstruction and Development Programme (RDP) housing, etc</li> <li>competency and the ability to implement and manage projects</li> <li>the financial, technical and staff capabilities to distribute electricity, to expand and maintain the networks</li> <li>effective credit control policies</li> <li>EDSM programme being implemented in municipalities' Integrated Development Plans</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer in support of the EDSM programme</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant in 2009/10 financial year</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant in 2009/10 financial year</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2011/12 financial year and is subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2010/11: R220 million</li> <li>2011/12: R280 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made monthly according to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the national department</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Identifying any corrective steps to be taken on any problems with this grant identified during audit</li> <li>Responsibilities of the department should include the following: <ul style="list-style-type: none"> <li>agree with municipalities on outputs and targets</li> <li>continuously monitor implementation and provide support to municipalities</li> <li>submit reports to National Treasury</li> <li>verifying reports from municipalities</li> <li>ensure submission of monthly reports by municipalities</li> </ul> </li> </ul>
<b>Process for approval of 2011 MTEF allocations</b>	<ul style="list-style-type: none"> <li>Business plans to be completed by the licensed distributor and submitted to the Department of Energy by 29 October 2010</li> <li>Department of Energy will review and approve business plans</li> </ul>

<b>Electricity Demand Side Management (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Energy (Vote 28)</li> </ul>
<b>Strategic Goal</b>	<ul style="list-style-type: none"> <li>• To contribute towards reduction in the demand for electricity as per the National Energy Efficiency Strategy of 2005</li> <li>• To create the capacity to manage electricity consumption and increase energy efficiency behaviour changes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To implement the Electricity Demand Side Management (EDSM) programme by providing capital subsidies to Eskom to address the EDSM in dwellings, communities and municipal buildings in order to mitigate the risk of load shedding and supply interruptions</li> </ul>
<b>Outcome statement</b>	<ul style="list-style-type: none"> <li>• A reduction in the demand for electricity</li> <li>• Increased awareness</li> <li>• Skills development in energy efficiency</li> <li>• Load management capability created</li> </ul>
<b>Output</b>	<ul style="list-style-type: none"> <li>• Amount of Mega Watt (MW) saved</li> <li>• Number of jobs created using Expanded Public Works Programme (EPWP) guidelines</li> <li>• Number of equivalent carbon emission replaced by MW saved</li> </ul>
<b>Details contained in business plan</b>	<ul style="list-style-type: none"> <li>• Locations in which the EDSM projects will be rolled out</li> <li>• Details of companies that will implement the projects</li> <li>• Duration of project</li> <li>• Budgetary requirements</li> <li>• Measuring and verification</li> <li>• Amount of savings in MW</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Implementation of labour intensive methods in accordance with EPWP guidelines on EDSM projects</li> <li>• Measurements and verification (M&amp;V) system to be done by M&amp;V experts in line with EDSM Policy and Department of Minerals and Energy's regulation No R.1190 of 2008</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• National priorities in ensuring security of supply</li> <li>• Areas targeted with high electricity usage</li> <li>• Integration with other programmes such as Urban Renewal Programme (URP), other infrastructure programmes</li> <li>• Ability to provide top-up or seed capital for project finance</li> <li>• The financial, technical and resource capabilities to implement EDSM projects</li> <li>• Effective credit control policies</li> <li>• EDSM programme being implemented in municipalities' Integrated Development Plans (IDP)</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific conditional capital transfer in support of the EDSM programme</li> </ul>
<b>Past performance</b>	<p><b>2008/09 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• A total amount from the fiscal allocations for the EEDSM was R180 million. An amount of R10 million was used by DOE for EDSM programme management and R170 million was transferred to Eskom. The total expenditure on Eskom CFL programme is R149 million (excluding VAT)</li> </ul> <p><b>2008/09 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Verified savings of 185.50 MW has been achieved by rolling out 4 150 277 Compact Fluorescent Lights (CFLs) in different areas of Eskom supply in the 2008/09 financial year</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The grant will continue until 2011/12 financial year and is subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2010/11: R109 million</li> <li>• 2011/12: R119 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made monthly according to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>• Identifying any corrective steps to be taken on any problems with this grant identified during audit</li> <li>• Department of Energy reports on outputs achieved in 2009/10</li> <li>• Responsibilities of the department should include the following: <ul style="list-style-type: none"> <li>- agree with municipalities on outputs and targets</li> <li>- continuously monitor implementation and provide support to municipalities</li> <li>- submit reports to National Treasury</li> <li>- verifying reports from municipalities</li> </ul> </li> </ul>
<b>Process for approval of 2011 MTEF Allocation</b>	<ul style="list-style-type: none"> <li>• Business plans to be completed and submitted to the Department of Energy by 29 October 2010</li> <li>• Department of Energy will review and approve business plans</li> </ul>