

HUMAN SETTLEMENTS GRANT

Rural Households Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 30)
Strategic goal	<ul style="list-style-type: none"> The grant seeks to provide funds to subsidise rural households to eliminate household backlogs in water and sanitation The programme intends to provide once-off subsidy to eliminate backlogs whilst the ongoing maintenance of the infrastructure is to be institutionalised to be dealt with within communities This is intended to facilitate the resuscitation of Community Based Organisations and Non-Governmental Organisations sector in providing on-site training to rural households on how to sustain the maintenance of infrastructure beyond implementation To facilitate hands-on involvement of beneficiaries into the implementation of programme benefiting them so as to instil a culture of ownership towards sustainable communities
Grant purpose	<ul style="list-style-type: none"> The grant is intended to provide specific capital finance for the eradication of rural sanitation backlogs targeted at existing households without access to sanitation and water
Outcomes statements	<ul style="list-style-type: none"> Facilitating access to water and sanitation by rural households Alleviate poverty by implementing programmes through labour based methods Pursuit of on-site solutions, and allowing people to take charge of the improvement of their wellbeing
Outputs statements	<ul style="list-style-type: none"> Number of rural households provided with basic sanitation facilities Number of rural households having access to safe water Number of jobs created using Expanded Public Works Programme (EPWP) guidelines Number of people trained on on-site technologies and maintenance of facilities
Details contained in business plans	<ul style="list-style-type: none"> Outcome indicators Outputs indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Grant specifically targets the eradication of rural sanitation and water from rural communities and should not be used on new residential developments Implementation of this grant has to be done in consultation with the Water Services Authorities (WSA) responsible Service Level Agreements with the respective WSAs have to be entered into with the national programme manager. Agreements include joint planning as well as acceptance of obligation by the recipient municipality regarding facilitation of possible operation and maintenance of facilities provided The design of sanitation facilities have to be within acceptable norms and standards The implementation of the programme should include training of communities on technical and also on their understanding of their responsibilities with the outcomes of the programme Transparency of selection criteria
Allocation criteria	<ul style="list-style-type: none"> Identified households in rural municipalities where water and sanitation needs exist or which have no conventional accepted basic sanitation facilities
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a special purpose grant with specific objectives and distribution criteria, different from that of the equitable share Outputs have to be measured specifically
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> New grant in the 2010/11 financial year <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> New grant in the 2010/11 financial year
Projected life	<ul style="list-style-type: none"> The programme is in line with government's target to eradicate rural backlogs by 2014
MTEF allocations	<ul style="list-style-type: none"> 2010/11: R100 million 2011/12: R350 million 2012/13: R750 million
Payment schedule	<ul style="list-style-type: none"> The grant will be disbursed in accordance with an agreed payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Administer the implementation of the programme Agree with municipalities on outputs and targets Continuously monitor implementation and provide support to municipalities Submit monthly and quarterly reports to National Treasury Verifying reports from service providers
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> Concrete plans on how the programme will be rolled out and progress on implementation will determine future allocations Based on current concentrations of backlogs in rural sanitation as a priority, the Department of Human Settlements must determine the municipalities and specific communities where funding will be spent. Similarly, in respect to the eradication of rural household water backlogs, the Department of Water Affairs must determine communities where funding will be spent. In both cases, this should be done in consultation with the respective WSAs Selection and prioritisation of project list will be finalised by 29 October 2010

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 9)
Strategic goal	<ul style="list-style-type: none"> To secure sound and sustainable management of the fiscal and financial affairs of municipalities
Grant purpose	<ul style="list-style-type: none"> To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcomes statements	<ul style="list-style-type: none"> Improved capacity in financial management of municipalities Progressive improvement in the quality of reporting for municipalities 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
Outputs	<ul style="list-style-type: none"> Improved and sustained skills development including the appointment of at least five 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 and implementation 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 MFMA
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"> Establishment of a Budget and Treasury Office with positions filled by appropriately qualified personnel and appointment of at least five 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 Utilise funding to support the training of municipal officials in financial management reforms in support of Competency Regulations, Gazette 29967 of June 2007 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 and the transference of skills to municipal officials Where appropriate, the preparation of a financial recovery plan and the implementation thereof
Allocation criteria	<ul style="list-style-type: none"> Funds allocated to all municipalities to assist in the implementation of financial management reforms, attendance at accredited training and capacity building programmes on financial management 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 implementation coordination 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 MFMA and regulations
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> All funds were transferred and no adverse audit issues were identified. The department's 2008/09 annual report contains further details on the grant outcomes

Local Government Financial Management Grant	
	2008/09 service delivery performance <ul style="list-style-type: none"> • Workshops with municipal officials have been undertaken across the country on the implementation of the regulations providing for minimum competencies and training providers have been accredited • Training was provided to over 800 municipal officials with regard to the Asset Transfer Framework, covering the disposal, transfers, granting of right of use, control and management of assets • Regulations on Medium Term Budgeting were issued and training provided to over 350 municipal officials • Generally Recognised Accounting Practice (GRAP) training was provided to over 250 municipal officials • Over 573 graduate finance interns have been appointed in municipalities with the objective of increasing finance management capacity • 220 municipalities submitted their Annual Financial Statements within the required timelines • 235 municipalities have submitted their Annual Reports for 2007/08 • Quarterly MFMA co-ordination meetings are held with relevant stakeholders in support of provincial and municipal efforts in implementing the financial reforms. Technical advisors have been placed in two provincial treasuries KwaZulu-Natal and Eastern Cape and other support is offered to municipalities in Limpopo and Eastern Cape provinces • 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
MTEF allocations	<ul style="list-style-type: none"> • 2010/11: R365 million • 2011/12: R385 million • 2012/13: R404 million
Payment schedule	<ul style="list-style-type: none"> • The grant will be disbursed during July 2010
Responsibilities of the national department	Responsibilities of the national department <ul style="list-style-type: none"> • Monitoring and management of the programme • Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations • Undertake ongoing monitoring in selected municipalities
Process for approval of 2011 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 9)
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)
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
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 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
Past performance	<p>2008/09 Audited financial outcomes</p> <ul style="list-style-type: none"> R71 million in Schedule 7 indirect transfers to municipalities and R68 million spent R223 million in Schedule 6 direct transfers to municipalities and R182 million spent <p>2008/09 Service delivery performance</p> <ul style="list-style-type: none"> 86 projects in 51 municipalities granted award status 48 projects in receipt of planning and project preparation technical assistance 27 projects are in construction phases (2008/09: 23 projects commenced construction)
Projected life	<ul style="list-style-type: none"> The grant will be ongoing to assist municipalities in planning and implementing projects identified to meet outcomes above, subject to annual reviews
2010 MTEF allocations	<ul style="list-style-type: none"> Direct transfers: <ul style="list-style-type: none"> 2010/11: R1 030 million 2011/12: R1 190 million 2012/13: R1 182 million Indirect transfers: <ul style="list-style-type: none"> 2010/11: R125 million 2011/12: R100 million 2012/13: R105 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	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> The national department 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 ensure that projects submitted for funding must demonstrate the inclusion of private sector funding and involvement in the project structure where appropriate determine the grant allocations for the future MTEF periods Periodic reviews between Neighbourhood Development Partnership Unit and municipalities on progress made with the design and implementation of plans <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Submission of monthly expenditure and progress reports as stipulated in the Division of Revenue Act
Process for approval of 2011 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

PUBLIC WORKS GRANT

Expanded Public Works Programme Incentive Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 6)
Strategic goal	<ul style="list-style-type: none"> To increase the amount of Full Time Equivalent (FTEs) jobs through labour intensive infrastructure programmes 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 Expanded Public Works Programme (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 and unemployment Improved social stability through mobilising the unemployed in productive activities Improved opportunities for sustainable work through experience gained Increased contribution to the objective of halving unemployment by 2014
Outputs	<ul style="list-style-type: none"> Increased number of people employed and receiving income through the EPWP Average duration of work opportunities created Increased income per EPWP beneficiary Increase in number of municipalities reporting on EPWP
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 sign a standard incentive agreement with national Department of Public Works (NDPW) to agree to comply with the conditions and obligations of the grant Municipalities must report progress on all projects for which they are claiming the incentive via NDPW's EPWP Management Information System (MIS). This includes reporting beneficiary information Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP Incentive Manual Eligible municipalities must use the EPWP incentive grant received for continuing or expanding job creation programmes
Allocation criteria	<p>Allocation criteria</p> <ul style="list-style-type: none"> Minimum thresholds and performance targets along with indicative incentive amounts to be paid out to eligible municipalities if performance targets are met, are published in the gazette 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 targeted number of FTEs for each municipality is based on the allocated infrastructure grant budget and performance in the 2008/09 financial year <p>Eligibility criteria</p> <ul style="list-style-type: none"> In any one financial year, to be eligible to participate in the EPWP incentive grant, municipalities must have reported to NDPW on their contribution to job creation in a prior financial year: <ul style="list-style-type: none"> to be eligible for the 2010/11 incentive, municipalities must have reported on 2008/09 EPWP performance to NDPW by the 15 April 2009 municipalities that did not report in 2008/09, but reported before 15 October 2009, will be allocated a nominal incentive amount of R870 000 In addition, municipalities must meet the minimum performance threshold. The minimum performance threshold is the number of FTEs that must be created by the municipality in delivering infrastructure and is based on their existing infrastructure grant allocations. Rural municipalities have a zero minimum threshold in 2010/11 <p>Disbursement criteria</p> <ul style="list-style-type: none"> Reports must be loaded on the MIS 20 days after the end of the quarter to be considered for payment of the incentive of the preceding quarter The incentive is paid on a quarterly basis, based on actual performance in the preceding quarter provided the minimum quarterly threshold is met Municipalities that partially meet their performance target will be paid the incentive on a pro-rata basis up to the full incentive amount as published in the gazette The indicative incentive allocation from underperforming municipalities may be re-allocated to over performing municipalities Municipalities that exceed their FTE targets may be paid an incentive in excess of their published incentive amount subject to the 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
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

Expanded Public Works Programme Incentive Grant for Municipalities	
MTEF allocations	<ul style="list-style-type: none"> • 2010/11: R623 million • 2011/12: R1 108 million • 2012/13: R1 163 million
Payment schedule	<ul style="list-style-type: none"> • Four instalments in the 2010/11 national financial year: 14 May 2010, 13 August 2010, 15th November 2010 and 15 February 2011 in terms of an approved payment schedule by National Treasury
Responsibilities of the national department	Responsibilities of the national department <ul style="list-style-type: none"> • Determine eligible municipalities and set performance targets and incentive allocations for these municipalities • Provide municipalities with the EPWP incentive manual outlining the conditions and obligations of the grant as well as the audit requirements • Support municipalities develop plans and design projects to meet targets • Monitor the performance of municipalities and report on quarterly progress against targets to National Treasury within 40 days after the end of the quarter. The quarterly progress report shall show incentive amounts earned due to performance in the preceding quarter and shall include the revised payment schedule • Conduct sample audits on a continuous basis • Audit the final performance of municipalities after the closure of the financial year • All reported data will be subject to verification and auditing, and performance may be adjusted in accordance with audited data • Disburse incentives on a quarterly basis to eligible municipalities based on performance in the previous quarter once the quarterly thresholds have been exceeded
	Responsibilities of eligible municipalities <ul style="list-style-type: none"> • Sign the standard incentive agreement in order to comply with the conditions and obligations of the incentive agreement before 30 July 2010 • 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
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> • Municipalities 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 • Municipalities that did not report in 2009/10, but reported before 15 October 2010, will be allocated a nominal incentive amount of R870 000 • NDPW will distribute the standard incentive agreement before the end of May of each year • Eligible municipalities must sign the standard incentive agreement with NDPW by the 29 July 2011 and agree to comply with the conditions and obligations of the incentive grant before the first disbursement at the beginning of the municipal financial year

SPORT AND RECREATION SOUTH AFRICA GRANTS

2010 FIFA World Cup Stadiums Development Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 19)
Strategic goal	<ul style="list-style-type: none"> • Acceleration of infrastructure development in the country
Grant purpose	<ul style="list-style-type: none"> • To fund the design and construction of new designated stadiums or the design and upgrading of designated existing stadiums and supporting bulk services infrastructure in the 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
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 • Funds conversion rate to fixed asset • Construction contract completion 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 - 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 - 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 - 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 project plan to the national transferring officer by 1 April 2010 which must provide for separate cost centres for professional fees, the stadium, bulk services infrastructure and overlay • 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 - may approach a registered financial 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 in 2010/11 • Upon completion of the stadium construction programme 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 and skilled) created during the construction of the stadium - with a report that details the estimated annual operating and maintenance costs of the stadium and how the municipality intends to finance these costs for the next ten years after the 2010 FIFA World Cup • On completion of the 2010 FIFA World Stadium Development Programme, 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, number of jobs (unskilled, semi-skilled and skilled) created during the construction of the stadium

2010 FIFA World Cup Stadiums Development Grant	
	<ul style="list-style-type: none"> Disposal of stadiums are subject to approval of the national transferring officer and National Treasury
Allocation criteria	<ul style="list-style-type: none"> Grant allocated based on projected funding requirements of World Cup host cities
Reason not incorporated in the 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
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> R4 300 million disbursed and R3 287 million was spent <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> Project Status: <ul style="list-style-type: none"> Soccer City: Practical completion - 2010 FIFA World Cup Stadium Green Point: Practical completion - 2010 FIFA World Cup Stadium eThekweni: Practical completion - 2010 FIFA World Cup Stadium Nelson Mandela: Complete Mbombela: Practical completion - 2010 FIFA World Cup Stadium Polokwane: Practical completion - 2010 FIFA World Cup Stadium Mangaung: Complete Royal Bafokeng: Complete Ellis Park: Complete Loftus Versfeld: Complete
Projected life	<ul style="list-style-type: none"> The grant has a projected life of up to 2010/11 financial year
2010 MTEF allocations	<ul style="list-style-type: none"> 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	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> The transferring national officer must ensure that: <ul style="list-style-type: none"> spending on stadiums does not exceed the amounts appropriated for that purpose on municipal budgets Municipal Finance Management Act is adhered to expert technical, engineering and project management support necessary to ensure the construction or upgrading of the relevant stadiums are provided to the World Cup host cities ensure, by no later than 29 October 2010, that all the final financial reports on stadiums are submitted by the transferring national officer to the National Treasury submit a monitoring plan to National Treasury 30 days after the Division of Revenue Act has taken effect. The monitoring plan must set out the key performance indicators, financial procedures, internal audit processes and monitoring and reporting mechanisms of the national department, in order to ensure the effective and efficient construction or upgrading of the relevant stadiums Consolidate reports relating to the maintenance of the stadiums <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Ensure that the amount budgeted for the construction or upgrading of the relevant stadium and supporting infrastructure takes into account the allocation and indicative allocations for the grant Submit final financial reports on stadiums to transferring national officer Ensure that spending is in accordance with the approved payment schedule Within three months after works completion of the stadium construction, evaluate its performance with regard to the stadium construction programme and the allocated funds, and submit a report to the transferring national officer that includes a reconciliation of all expenditure, lessons learned from the construction project and a business model that will ensure financial sustainability, maintenance and operations of the stadium for a period of ten years after the completion of the 2010 FIFA World Cup competition in July 2010 Submission of monthly professional quantity surveyor's cost report and expenditure reports by municipalities as stipulated in the Division of Revenue Act
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> Not applicable

2010 World Cup Host City Operating Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 19)
Strategic goal	<ul style="list-style-type: none"> • Hosting a successful 2010 FIFA World Cup in South Africa
Grant purpose	<ul style="list-style-type: none"> • To assist host cities with the operational response associated with the hosting of the 2010 FIFA World Cup competition
Outcomes statements	<ul style="list-style-type: none"> • Operational plans to address the needs of the 2010 FIFA World Cup
Outputs	<ul style="list-style-type: none"> • Successful hosting of the 2010 FIFA World Cup • Short-term jobs created • Expertise in event management developed
Details contained in business plan	<ul style="list-style-type: none"> • The activities that each host city will carry out in order to ensure that the tournament is 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 2010 FIFA World Cup competition - 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 - 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 2010 FIFA World Cup competition - ensure that the operational plan is approved by the municipal council - enter into contracts with 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 2010 FIFA World Cup operation secondary account - submit a detailed operational plan to the national transferring officer by 1 April 2010
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 2010 FIFA World Cup competition
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 FIFA World Cup in 2010/11
Past performance	2008/09 audited financial outcomes
	<ul style="list-style-type: none"> • New grant
	2008/09 service delivery performance
	<ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant has a projected life of up to 2010/11 financial year
2010 MTEF allocations	<ul style="list-style-type: none"> • 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 oversight and monitoring provisions of the grant • The national transferring officer must present a system to monitor this grant within thirty days after this Act has been promulgated • Prepare consolidated report and lessons learnt by 31 October 2010
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

TRANSPORT GRANTS

Rural Transport Services and Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 36)
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 strengthen the rural transport services by improving accessibility to essential services
Outcomes statements	<ul style="list-style-type: none"> Improved rural transport networks which enhances socio-economic conditions
Outputs	<ul style="list-style-type: none"> To improve rural infrastructure by upgrading rural access roads; construction of pedestrian bridges and walkways; construction of intermodal public transport facilities and rural freight logistics facilities
Details contained in business plan	<ul style="list-style-type: none"> Outcomes indicators Output indicators Inputs Key Activities
Conditions	<ul style="list-style-type: none"> Projects must be in line with the Rural Transport Strategy for South Africa (RTSSA) Action Plan; Public Transport Strategy Action Plan; Freight Logistics Strategy Action Plan and Road Infrastructure Action Plan (RISFSA) Projects must improve integrated delivery of government programmes
Allocation criteria	<ul style="list-style-type: none"> Identified projects shall be included in the municipal Integrated Transport Plans (ITPs) and Integrated Development Plans (IDPs) Projects shall enhance linkage between households and services Projects shall provide access and mobility to basic, social and economic services The execution of projects must be in accordance with the Expanded Public Works Programme (EPWP) principles Project should be in line with the Public Transport Strategy and Freight Logistics Strategy Projects should aim to improve mobility and accessibility in rural areas through the: <ul style="list-style-type: none"> - development of rural transport infrastructure - enhancement of rural transport services - use of non-motorised transportation - provision of rural passenger transport facilities
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
Past performance	<p>2008/09 audited financial outcome</p> <ul style="list-style-type: none"> Allocated and transferred R8.9 million to municipalities and 82 per cent was spent The Auditor-General's Report contained no matters on the grant <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> Design of the Intermodal Rural Transport Facility at Chris Hani District municipality Design and construction of pedestrian bridges at Thabo Mofutsanyana District Municipality Development of non-motorised transport master plan at Sekhukhune District municipality Upgrade of 1.9km access road with paving at Dr Ruth Mompati District municipality
Projected life	<ul style="list-style-type: none"> Grant continues until 2014, thereafter municipalities will budget and implement similar type of programmes and projects
2011 MTEF allocations	<ul style="list-style-type: none"> 2010/11: R10.4 million 2011/12: R11.1 million 2012/13: R11.7 million
Payment schedule	<ul style="list-style-type: none"> Funds will be transferred according to an approved payment schedule by National Treasury
Responsibilities of the national department	<ul style="list-style-type: none"> Monitoring implementation of projects Inspection of progress on site Provide guidance for rural transport services and infrastructure
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> Projects will be ensured that are included in the ITPs and IDPs Selection and prioritisation of project list will be finalised by 29 October 2010

Public Transport Infrastructure and Systems Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 36)
Strategic goal	<ul style="list-style-type: none"> To support the Public Transport Strategy and Action Plan in promoting the provision of accessible, reliable and affordable Integrated Rapid Public Transport Network (IRPTN) services in the major cities of South Africa
Grant purpose	<ul style="list-style-type: none"> To provide for accelerated planning, construction and implementation of public and non-motorised transport networks in major cities of South Africa. This includes network-related infrastructure and information systems as well as transitional measures such as the inclusion of directly affected public transport operators and workers and also once-off measures to ensure the availability of network vehicle fleets for the 2010 FIFA World Cup and for network phase 1A services
Outcomes statements	<ul style="list-style-type: none"> Improved public transport network services that are formal, scheduled, well managed with supporting non-motorised networks and which are accessible to an increasing percentage of the population of the major cities of South Africa
Outputs	<ul style="list-style-type: none"> Number of weekday passenger trips carried on IRPTN systems The number of households within 1 km of IRPTN access points (stations and feeder service stops) Number of kilometres of bi-directional, exclusive lanes in operation in IRPTN systems Number of route kilometres of IRPTN services by trunk, complementary and feeder operating categories Number of IRPTN network stations and feeder service stops in operation Size of the formal IRPTN vehicle fleet in operation (per contracted trunk, complementary and feeder vehicle type) as well as average passenger trips per trunk/complementary vehicle per weekday as well as total passenger kilometres supplied per vehicle type in a typical peak week
Details contained in business plan	<ul style="list-style-type: none"> Outcomes Indicators Output indicators Inputs Key Activities
Conditions	<ul style="list-style-type: none"> The current Public Transport Infrastructure and Systems (PTIS) grant funds municipal public transport infrastructure and systems and related transitional measures in support of integrated networks as defined in the Public Transport Strategy and provided for in the National Land Transport Act The allocation of PTIS funds must be aligned with the Integrated Transport Plan and its IRPTN components as approved by the relevant municipal council Total city-wide IRPTN system must cover direct vehicle operator costs from fare revenue, any other local sources of revenue and Public Transport Operations Grant if applicable. This applies to the city-wide network as a whole and not necessarily to initial phases Cities are required to establish dedicated project teams with sufficient capacity to design and implement IRPTN projects Cities are required to establish specialist capacity to manage and monitor IRPTN system contracts and operations as well as to plan future expansions of the network and this must be in place in advance of the first IRPTN operator commencing with service provision to the public
Allocation criteria	<ul style="list-style-type: none"> The grant is focused on IRPTN implementation in up to 12 cities in accordance with Phase 1 and 2 of the Public Transport Strategy and Action Plan Budget proposals will be evaluated in accordance with the outputs of a municipal IRPTN operational plan which specifies the infrastructure, systems and transitional costs of serving a defined number of passenger trips per day by a given fleet of IRPTN vehicles running on a defined amount of exclusive IRPTN infrastructure (including IRPTN stations, feeder stops, depots and exclusive lanes)
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific purpose grant with objectives and distribution criteria which differ from those of the Equitable Share allocations
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> The Auditor-General's report contained no matters on the grant <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> Funds allocated: R3 169 million Funds transferred: R2 919 million Funds spent: R1 450 million R250 million was not transferred to the City of Tshwane in this period due to project delays and a lack of capacity to spend these funds which were redirected to the National Revenue Fund Construction of Phase 1a infrastructure of the Rea Vaya BRT was 80 per cent complete in the City of Johannesburg and 143 BRT vehicles were delivered to the city Cape Town commenced construction of BRT infrastructure worth R600 million IRPTN operational planning commenced in Buffalo City, Rustenburg and Polokwane <p>The grant is expected to continue up to at least 2020 in support of the Public Transport Strategy of 2007</p>
2011 MTEF allocations	<ul style="list-style-type: none"> 2010/11: R3 699 million 2011/12: R4 425 million 2012/13: R4 125 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in terms of the approved payment schedule by National Treasury

Public Transport Infrastructure and Systems Grant	
Responsibilities of the national department	Responsibilities of the national department <ul style="list-style-type: none"> • Monitor IRPTN implementation progress in line with the conditions above • Verify reports from municipalities by conducting at least one site visit per annum • Allocate the funds based on stated priorities through a Joint PTIS Committee comprising the Department of Transport and National Treasury
	Responsibilities of municipalities <ul style="list-style-type: none"> • Provide business plans for the PTIS IRPTN expenditure that are based on sound operational plans • Compile and submit data that indicates the efficiency and effectiveness of the IRPTN services where operations have commenced - in line with measurable outputs above • Provide detailed information on the actual costs of procuring IRPTN inputs including those for infrastructure, systems and transitional and regulatory items • Establish a dedicated IRPTN project team to implement the system in the development phase and subsequently once IRPTN services to the public have commenced • Establish a specialist capacity to manage and monitor operations and to plan expansions
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> • Municipalities will be requested to submit budget proposals that are based on business plans by 30 July 2010 • These requests will be evaluated by a Joint PTIS Committee comprising the Department of Transport and National Treasury • Cities may be required to make presentations to the Joint PTIS Committee in August and September 2010 • Municipal provisional allocations will be finalised by 29 October 2010

WATER AFFAIRS GRANTS

Water Services Operating Subsidy Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs (Vote 37)
Strategic goal	<ul style="list-style-type: none"> To ensure effective, efficient and sustainable service delivery by selected Water Services Authorities (WSA)
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 schemes to local government
Outcomes statements	<ul style="list-style-type: none"> To ensure that transferred schemes are fully functional, sustainable and operated by skilled personnel to ensure optimal service delivery by WSA 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
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 2010 successful transfer of all appropriate staff, budgets and schemes to municipalities by 31 March 2010 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 cost recovery plan in place to support the sustainability of schemes number of transferred schemes
Details contained in business plans	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
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 The necessary capacity must be in place in the receiving institution for the implementation of the conditional grant All transfer agreements concluded by the end of 31 March 2011 Subsidy will be reduced over the 2010 MTEF based on the progress made with transfers of schemes with the difference incorporated into the local government equitable share The transferring national department may adjust the allocation to a municipality subject to an approval from National Treasury to reflect: <ul style="list-style-type: none"> the actual personnel allocation payable to a municipality as a result of the number of staff transferred to the municipality the actual operating allocation payable to a municipality, as informed by the percentage or portion of assets transferred to a municipality in respect of assets shared across municipal boundaries
Allocation criteria	<ul style="list-style-type: none"> Basic allocation per WSA 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 WSA/Providers, following which funds will be incorporated into the local government equitable share
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> Schedule 6 direct transfers to municipalities R986 million Schedule 7 indirect subsidy for municipalities R284 million <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> 58 agreements signed, 3 839 staff transferred and 1 787 (this includes the rudimentary schemes) schemes with a total asset value of approximating R6.4 billion transferred The Department of Water Affairs conducted joint assessments on water schemes earmarked to be transferred with the Department of Cooperative Governance and Traditional Affairs outlining the process of transferring over 300 water schemes with their staff to 56 municipalities
Projected life	<ul style="list-style-type: none"> Detailed assessment will be undertaken by the Department of Water Affairs on the status of schemes transferred to municipalities. This will inform the projected life of the grant Department of Water Affairs to continue to monitor implementation of conditional grants until the transfer of Department of Water Affairs schemes to municipalities have been fully concluded

Water Services Operating Subsidy Grant	
MTEF allocations	<ul style="list-style-type: none">• Direct transfer to municipalities:<ul style="list-style-type: none">- 2010/11: R662 million- 2011/12: R380 million- 2012/13: R399 million• Indirect transfer to municipalities:<ul style="list-style-type: none">- 2010/11: R146 million
Payment schedule	<ul style="list-style-type: none">• 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">• Agree with municipalities on outputs and targets• Continuously monitor implementation and provide support to municipalities• Submit reports to National Treasury• Verify reports from municipalities• Ensure compliance with the grant conditions• Implement monitoring and
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none">• All transfer agreements signed and formalised by 31 March 2011

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs (Vote 37)
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 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)
Outputs	<ul style="list-style-type: none"> Number of project plans finalised for several regional bulk projects Number of funding arrangements for the economic 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 impacted due to a new regional bulk system Number of villages/areas/municipalities to benefit from the 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 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 Integrated Development Plan and Water Services Development Plan. 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 R54 million is allocated in 2010/11 to Limpopo for drought relief
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 are closely linked to water resource development which is a national competency
Past performance	<p>2008/09 audited financial outcome</p> <ul style="list-style-type: none"> Of the budget allocation of R450 million, an amount of R443 million (90 per cent) was either transferred or paid per invoice to Water Services Authorities or Implementing Agents <p>2008/09 service deliver performance</p> <ul style="list-style-type: none"> 2 projects have been completed bringing the total completed projects since the start of the Regional Bulk Infrastructure Grant programme to 6 21 projects are in construction and 9 are in design or tender phase 47 projects are in feasibility stage of which 21 have been completed and evaluated
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"> 2010/11: R893 million 2011/12: R1 675 million 2012/13: R1 849 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"> • The national department must ensure: <ul style="list-style-type: none"> - every municipality benefiting from a specific project or scheme, is invited to participate in the feasibility study - enter into agreement with municipalities regarding the construction, ownership and operation of proposed infrastructure prior to the finalisation of funding arrangements and commencement of construction - submission of quarterly reports and annual reports by municipalities - quarterly visits to projects • Detailed information on the selection criteria as well as the conditions • Monitoring of implementation by Water Services Institutions (municipalities or water boards) • Direct implementation where capacity gaps exist
Process for approval of 2011 MTEF allocations	<ul style="list-style-type: none"> • Implementation readiness studies will be evaluated and approved if the feasibility studies comply with the policy and criteria guidelines • National Treasury and Department of Cooperative Governance and Traditional Affairs will be consulted during the process of implementation readiness project evaluation

Municipal Drought Relief Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs (Vote 37)
Strategic goal	<ul style="list-style-type: none"> Ensuring access to water supply in areas that are declared and gazetted as drought disaster areas in the affected municipalities in Eastern Cape and Western Cape
Grant purpose	<ul style="list-style-type: none"> To provide capital finance for basic water supply in municipal infrastructure for affected households, micro enterprises and social institutions
Outcome statements	<ul style="list-style-type: none"> All citizens in drought declared areas have access to water supply Impacts of drought alleviated in the affected municipalities
Outputs	<ul style="list-style-type: none"> Number of households, micro enterprises and social institutions receiving water
Details contained in the business plan	<ul style="list-style-type: none"> The reduction of a number of households, micro enterprises and social institutions, without access to basic services Type of drought intervention infrastructure developed and registered in municipal asset registers
Conditions	<ul style="list-style-type: none"> Municipal drought implementation plans submitted to the national Department of Water Affairs (DWA) Technical reports developed by municipalities and assessed by DWA Monthly cash flow projections and progress reports submitted to DWA and presented to provincial and national coordination and management structures Affected municipalities must: <ul style="list-style-type: none"> account to DWA for the allocated funds on a monthly basis by the 10th of every month as per Division of Revenue Act (DoRA) adhere to the approved drought programme and agreed cash flow budgets reflect all assets created under the special drought relief funds in the municipal asset register use drought relief funds for providing new and/or refurbishment of critical infrastructure, only upon submission of a technical report which must be approved and regulated by the DWA operation and maintenance plans specific to drought intervention infrastructure must be incorporated and be funded through normal municipal processes
Allocation criteria	<ul style="list-style-type: none"> Households, micro enterprises and social institutions without access to any form of water supply should be prioritised All households per affected municipality be covered within 2010/11 municipal financial year
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific grant with objectives and criteria different from that of the equitable share
Past performance	<p>2008/09 audited financial outcomes</p> <ul style="list-style-type: none"> R9 million was spent <p>2008/09 service delivery performance</p> <ul style="list-style-type: none"> Affected areas were supported
Projected life	<ul style="list-style-type: none"> One year
MTEF allocations	<ul style="list-style-type: none"> 2010/11: R228.4 million
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"> Administer the grant and coordinates all stakeholders through the appropriate structures Monitor the overall programme implementation Submit reports to National Treasury in line with DoRA requirements
Process for approval of 2011 allocations	<ul style="list-style-type: none"> Not applicable