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SPORT AND RECREATION SOUTH AFRICA GRANT

Mass Participation and Sport Development Grant	
Transferring department	<ul style="list-style-type: none"> • Sport and Recreation South Africa (Vote 20)
Strategic goal	<ul style="list-style-type: none"> • Increased and sustained participation in the sport and recreation development continuum (citizen access and sport participation)
Grant purpose	<ul style="list-style-type: none"> • To facilitate sport and recreation participation and empowerment within schools, clubs and hubs in partnership with relevant stakeholders
Outcome statements	<ul style="list-style-type: none"> • Increased and sustained participation in sport and recreation • Mass participation in schools, clubs and hubs
Outputs	<ul style="list-style-type: none"> • Improved sector capacity to deliver sport and recreation in schools, clubs and hubs • Schools, clubs and hubs supported
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • Provinces must submit monthly financial reports (IYM) and the monthly break-down reports per sub programme to Sports and Recreation South Africa (SRSA) 15 days after the end of the month, using the standard format as determined by the national department. An electronic version and faxed hard copy signed by the Chief Financial Officer and Head of Department must be submitted • Provinces must appoint permanent staff on their establishments for the coordination of schools sport, clubs and hubs programmes with specific focus at a local level in consultation with the national department. The establishment costs must not be more than 6 per cent of the total grant allocated • Procurement storage and insurance of branding material for SRSA events in the provinces must be as per SRSA specifications 0.5 per cent of the total allocation may be used for branding • Province may not use this grant on projects falling outside the scope of the grant unless written approval to such effect is granted by SRSA • Provinces may only procure equipment using the transversal contracts as determined by SRSA • Provincial departments responsible for sport and recreation are required to enter into a formal agreement with SRSA after approval of business plans prior to the start of the financial year • Each province must have risk management plans by 30 April 2012 • A provincial department's Annual Performance Plan for 2012/13 and over the MTEF must clearly indicate measurable objectives and performance targets of the conditional grant as agreed with the national department • Provincial departments of sport and recreation must submit costed operational plans for 2012/13 to SRSA by 30 April 2012 • 3.5 per cent of the total grant allocation must be used for district academies • The following priority areas must be supported through the grant in the following proportions after deductions for staff establishment, district academies and branding: <ul style="list-style-type: none"> – school sport (50 per cent) – club development (25 per cent) – hubs (25 per cent) <p>School Sport:</p> <ul style="list-style-type: none"> • Provinces must ring fence R5 million to provide transport, accommodation, all meals, attire and support for the delivery of provincial teams to national school sport competitions • Provinces must enter into SLA's with the prioritised provincial federations and fund coordinators for school sport programmes at R180 000 per coordinator per annum • The remaining school sport allocation must be allocated in the following proportions: <ul style="list-style-type: none"> – 5 per cent of school allocation to support school sport code structures through Service Level Agreements (SLAs) with provincial federations – 20 per cent of the school sport allocations to support the training of educators – 30 per cent of the school sport allocation to purchase equipment and kit for disadvantaged schools – 20 per cent of the school sport allocation to deliver district and provincial competitions – 15 per cent of the school sport allocation for the establishment and support of sport focus schools – 10 per cent of the school sport allocation for cluster co-ordinators to coordinate and support the delivery of school sport programmes and monitoring and evaluation at local level <p>Hubs:</p> <ul style="list-style-type: none"> • 3 per cent of the total allocation for hubs must be used for sports councils • Provinces must ring fence R2 million per province for Youth Camps

Mass Participation and Sport Development Grant	
	<ul style="list-style-type: none"> The remaining hubs allocation must be allocated in the following proportions: <ul style="list-style-type: none"> – 25 per cent on mass mobilisation – 10 per cent on sport for development – 30 per cent for equipment and kits – 5 per cent for outreach programmes – 30 per cent towards training Clubs: <ul style="list-style-type: none"> The portion of the grant ring fenced for club development must be used in the following proportions: <ul style="list-style-type: none"> – 15 per cent of allocation to club development to fund administration and sport specific training – 35 per cent of allocation to club development to provide transport to tournaments – 42 per cent of club development allocation to purchase equipment and kit – 8 per cent of allocation to club development for administration costs for provincial coordinators Clubs and hubs must be in the same area to ensure seamless service delivery Provinces must participate in the EPWP programme 75 per cent of the established clubs and hubs must be from farm and rural areas
Allocation criteria	<ul style="list-style-type: none"> Funds are distributed among provinces on a baseline allocation of R10 million, a needs analysis, and the provincial equitable share formula
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> A conditional grant is necessary to ensure national coordination, monitoring and facilitation
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R426.4 million to provinces Of the total available R447.2 million (including provincial roll-overs), R416.6 million (93.2 per cent) was spent <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> Number of people trained in sport and development: 3 298 Number of Mass mobilisation campaigns held: 45 Number of people participating in the programme: 5 081 306 people participating in schools and community clubs
Projected life	<ul style="list-style-type: none"> Ongoing subject to review as agreed with National Treasury
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R470 million, 2013/14: R498 million and 2014/15: R526 million
Payment schedule	<ul style="list-style-type: none"> Four instalments (31 May 2012, 30 July 2012, 31 October 2012 and 30 January 2013)
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Submit the 2011/12 annual evaluation report to National Treasury by 30 July 2012 Agree on outputs and targets with provincial departments in line with grant objective for 2013/14 by 14 September 2012 Provide the guidelines and criteria for the development and approval of business plans Provide the guidelines and criteria for the compilation and costing of the operational plans Monitor implementation and provide support Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter Ensure that all the conditional grant practice notes issued by National Treasury are adhered to <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> Submit the 2011/12 annual evaluation report to SRSA by 31 May 2012 Submit monthly reports as per the requirements contained in the Division of Revenue Act Submit quarterly performance reports (as per operational plans) to SRSA within 30 days after the end of each quarter Monitor progress of the grant in the schools, clubs and hubs All provincial grant managers must attend all the quarterly conditional grant meetings Provinces to ensure that capacity exists to manage the grant and there is a grant manager responsible for the grant Provinces must maintain the organisational capacity on the programme
Process for approval of the 2013/14 business plans	<ul style="list-style-type: none"> Provinces to provide draft business plans to SRSA by 15 October 2012 SRSA evaluates draft business plans by 15 November 2012 Comments sent to provinces by 30 November 2012 Provinces to submit revised business plans to SRSA by 14 December 2012 SRSA to approve revised business plans by 13 February 2013 Heads of Departments (HODs) to submit signed business plans to SRSA by 15 March 2013 SRSA to sign project implementation agreements and business plans with Provincial HODs by 5 April 2013 SRSA to submit approved business plans to National Treasury by 12 April 2013

TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 37)
Strategic goal	<ul style="list-style-type: none"> • To ensure efficient investment in provincial roads
Grant purpose	<ul style="list-style-type: none"> • To supplement provincial roads investments and support preventative, routine and emergency maintenance on provincial road networks • Ensure provinces implement and maintain road asset management systems • Promote the use of labour-intensive methods in road maintenance • Repair roads and bridges damaged by floods
Outcome statements	<ul style="list-style-type: none"> • Increased lifespan of provincial roads and decreased vehicle operating costs on provincial road networks • Improved rates of employment and skills development in the delivery of infrastructure
Outputs	<ul style="list-style-type: none"> • Collected pavement and bridge condition data as well as traffic data • The extent of the road (length) and bridge (number) network • Current condition distribution of the road and bridge network, as well as traffic distribution • Maintenance needs of the road and bridge network • Length (km) of preventative, routine and emergency maintenance work per year • Change in network condition distribution over time due to prioritised maintenance actions • Number of EPWP work opportunities created • Number of S3 students provided with experiential internships • Number of emerging contractor opportunities created • Rehabilitation and repair of roads and bridges damaged by floods
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses a Road Asset Management Plan, which contains the following details: <ul style="list-style-type: none"> – levels of service – network condition and traffic volumes – project lists for 2012/13 to 2014/15 – financial summary – organisational and support plan – job opportunities – emerging contractor opportunities – linkages to social and economic opportunities
Conditions	<ul style="list-style-type: none"> • Provinces may use a maximum of R10 million of this grant for the appointment of public servants to their infrastructure units. These appointments, including the formal qualifications and relevant work experience of the public servants must be relevant to the implementation of Road Asset Management Systems • Provinces must report all infrastructure expenditure partially or fully funded by this grant through Project and Asset Segment in the Standard Chart of Accounts • Provinces must maintain up to date databases of all contracts that are fully or partially funded by this grant that is compliant with the Register of Projects and i-Tender system. Non-compliance with this requirement may result in the withholding of this grant • Provinces must submit condition data to the national data repository as per format prescribed by the national Department of Transport (DoT) by 30 November 2012 and must comply with the requirements below • For Road Infrastructure Strategic Framework for South Africa (RISFSA) Class R1, R2 and R3 data collection requirements are: <ul style="list-style-type: none"> – visual condition data not older than 2 years for pavements and 5 years for bridges – instrumental pavement data for roughness, rut depth and macro texture not older than 2 years – instrumental pavement data for structural strength not older than 5 years – traffic data not older than 3 years • For RISFSA Class R4 and R5 data requirements are: <ul style="list-style-type: none"> – visual condition data not older than 3 years for pavements and 5 years for bridges – instrumental pavement data for roughness, rut depth and macro texture not older than 4 years on paved roads – traffic data not older than 5 years • Up to a maximum of R1000 per km per year for paved roads and R500 per km per year for gravel roads of the grant may be allocated towards the collection of data required by this grant. Provinces that lack the capacity to collect data must request assistance from DoT • The above condition data must be utilised according to applicable national Committee of Transport Officials (COTO) standards (Technical Recommendations for Highways/ Technical

Provincial Roads Maintenance Grant	
	<p>Methods for Highways (TRH/TMH)) to identify and prioritise the maintenance requirements within the relevant budget limit, to improve condition of the roads and extend the lifespan of road infrastructure</p> <ul style="list-style-type: none"> • A draft detailed Road Asset Management Plan for 2013/14 that is compliant with the requirements of the Government Immovable Assets Management Act (2007) and based on the COTO Road Asset Management Guidelines must be submitted by 31 August 2012 to DoT and National Treasury • Provincial departments must submit quarterly infrastructure reports to the DoT and the relevant Provincial Treasury that comply with the Infrastructure Reporting Model Toolkit and S'hamba Sonke templates • Final list of projects must be captured on the Infrastructure Reporting Model and submitted to the relevant Provincial Treasury and DoT by 20 April 2012 • Where applicable provincial departments must implement their projects in line with the S'hamba Sonke and Expanded Public Works Programme (EPWP) guidelines • Provincial departments should report on the EPWP work opportunities to the DoT and national Department of Public Works on the EPWP reporting system • The payment of the first instalment is dependent upon submission of the signed-off Infrastructure Reporting Model (IRM) budget sheet and the planning IRM for 2012 MTEF and signed-off project list for the 2012 MTEF in a Table B5 format. The payment of the second instalment of this grant is dependent on receipt by DoT of the quarterly performance reports for the fourth quarter of 2011/12. The third instalment is dependent on receipt by DoT of the first quarter report for 2012/13 and the final instalment is dependent on receipt of the second quarterly performance reporting for 2012/13 • Projects for which tendered contracts have been entered into or funding committed before 31 March 2011 will be exempted from the conditions above apart from the quarterly reporting requirements on the infrastructure reporting model • Mpumalanga and Gauteng provinces must allocate the following amounts to coal haulage projects: <ul style="list-style-type: none"> – Mpumalanga: R659 million in 2012/13, R808 million in 2013/14 and R803 million in 2014/15 – Gauteng: R4.4 million in 2012/13 and R0.9 million in 2013/14 • Funds have been added to this grant for the repair of roads and bridges damaged by floods in January and February 2011. Provisional allocations have been made for 2013/14 and 2014/15 for the same purpose in the provinces listed below. Should the cost of repairing the affected infrastructure exceed the amounts earmarked below provinces may not fund this shortfall out of their remaining allocation of this conditional grant. The following amounts per province must be used for the repair of infrastructure damaged by the natural disaster declared in Government Gazette 33949 and as assessed by the National Disaster Management Centre: <ul style="list-style-type: none"> – Eastern Cape: R166 million – Free State: R44 million – Gauteng: R2 million – KwaZulu-Natal: R60 million – Limpopo: R81 million – Northern Cape: R124 million – North West: R11 million
Allocation criteria	<ul style="list-style-type: none"> • Allocations are retained at 45 per cent of the Infrastructure Grant to Provinces in relation of proportional allocations shown in the 2010 Division of Revenue Act for 2011/12 and 2012/13 • Allocation criteria from 2013/14 onwards will be based on the extent of the provincial road network, the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors and therefore provisional allocations for 2013/14 and 2014/15 are subject to revision. Key performance indicators will be developed and agreed to between DoT and the provinces during 2012/13 which will be used to link allocations of this grant to performance • The funding for the coal haulage road network to Gauteng and Mpumalanga is subject to separate allocation criteria based on the programme schedule
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant is intended to ensure that provinces give priority to road infrastructure maintenance and promote efficiency in road investment
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant is ongoing, but will be subject to periodic review
MTEF allocations	<ul style="list-style-type: none"> • 2012/13: R7 982 million, 2013/14: R8 540 million and 2014/15: R8 953 million
Payment schedule	<ul style="list-style-type: none"> • Payment will be made in accordance with a payment schedule approved by National Treasury

Provincial Roads Maintenance Grant	
Responsibilities of the transferring national officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> • Assess and evaluate all provinces' road asset management systems and ensure these are used to plan and prioritise maintenance work according to RISFSA • The DoT in partnership with the national Department of Public Works will assess business plans to ensure compliance to the S'hamba Sonke and EPWP guidelines. In addition, the two departments will monitor and assess the performance on the S'hamba Sonke and EPWP by provincial departments • Provide support to provinces to enable them to report on asset management system data that is compatible with the national system • Updating national standards for Pavement Management Systems (TRH22), Visual Condition Assessments for Pavements (TMH9, THM12 and M3-1), Visual Condition Assessments for Bridges (New TMH), Traffic Assessments (TMH 8, TMH16) and vehicle operating costs through the re-establishment of the relevant COTO technical subcommittees • Monitor expenditure and performance in accordance with road asset management systems • Verify that primary data sources are updated • Submit quarterly performance reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter • Prescribe national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly by provinces as per the National Land Transport Act • Liaise with tertiary institutions for the placement of S3 students • Provide guidelines in line with the Road Infrastructure Strategic Framework on the capacity requirements for road asset management
	Responsibilities of the provincial departments <ul style="list-style-type: none"> • Update monthly expenditure reporting in terms of Section 40(4)(c) of the Public Finance Management Act and through the Infrastructure Reporting Model • Design and implement projects in compliance with the S'hamba Sonke and EPWP guidelines • Report on the EPWP work opportunities created on the projects • Submit quarterly performance reports within 30 days after the end of each quarter to DoT, the relevant Provincial Treasury and National Treasury, including reporting on: <ul style="list-style-type: none"> – visual conditioning index – traffic volumes – lifespan of the road (based on original design life, traffic and weather patterns)
Process for approval of the 2013/14 business plans	<ul style="list-style-type: none"> • Provinces submit Road Asset Management Systems and priority projects in the form of a Road Asset Management System by 30 November 2012

Public Transport Operations Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 37)
Strategic goal	<ul style="list-style-type: none"> • Subsidisation of road based public transport services
Grant purpose	<ul style="list-style-type: none"> • To provide supplementary funding towards public transport services provided by provincial departments of transport
Outcome statements	<ul style="list-style-type: none"> • 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
Outputs	<ul style="list-style-type: none"> • Subsidy per trip operated • Subsidy per km operated • Subsidy per passenger • Subsidy per vehicle • Number of vehicles subsidised • Number of scheduled trips • Number of trips operated • Total number of penalties incurred • Monetary value of penalties (including escalation) • Passengers per kilometre operated • Passengers per trip operated • Employees per vehicle
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • Not applicable
Conditions	<ul style="list-style-type: none"> • The conditional grant is the national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised services • All contracts concluded must be done as per relevant legislation and in compliance with the Public Transport Strategy • Designs and operators' 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, the functions of the two committees must be consolidated to ensure integration of planning, services and modes • Supervision, monitoring and or verification must be done to certify the correctness of the operators claim in terms of kilometres of services provided and reported to Department of Transport (DoT) monthly • If the operating licence function is transferred to any municipality before the 2012/13 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality. The devolution must include all services in that city at once. To have the money devolved in the adjusted budget the municipality will have to have received the function by 1 September 2012. Should the function be devolved later than that, the funds will only be shifted in 2013/14. The municipality, province and operators will have to make transitional arrangements to ensure payments to operators. Should contracts be devolved during 2012/13, a Service Level Agreement (SLA) between the province and the municipality must be signed and funds must flow in line with Division of Revenue Act (DoRA) requirements • Where public transport services provided by a provincial department of transport are replaced by municipal run Integrated Public Transport Network (IPTN) services, the province must take all reasonable measures to assist the transition within a framework to be prescribed by the DoT and National Treasury
Allocation criteria	<ul style="list-style-type: none"> • The 2012/13 to 2014/15 allocations are based on 2009 DoRA allocation baseline plus a 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"> – population weighted by density – GDP per province – employment per province – poverty population – passengers transported
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Subsidies are earmarked for the provision of public transport services

Public Transport Operations Grant	
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R3 863 million to provinces Of the total available of R3 863 million (including provincial roll-overs), R3 648.5 million (94.4 per cent) was spent <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> Summary of Monthly Averages for Key Outputs and Performance for subsidised services 2010/11: <ul style="list-style-type: none"> number of vehicles subsidised: 78 357 number of routes subsidised: 102 296 number of vehicle kms subsidised: 259 413 572 subsidy/vehicle: R49 266.90 subsidy/passenger: R11.23 subsidy/kilometre operated: R14.88 kilometres operated/vehicle: 3 310.7 passengers/vehicle: 4 388.2 passengers/trip operated: 52.2 passenger revenue/kilometre: R10.80 passenger revenue/trip operated: R425.17 staff/vehicle: 2.05 number of subsidised passengers: 343 843 556 number of unsubsidised passengers: 36 278 304 number of trips subsidised: 6 591 581
Projected life	<ul style="list-style-type: none"> Subject to the devolution of funds to local government as part of the operationalisation of the National Land Transport Act (NLTA)
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R4 317 million, 2013/14: R4 553 million and 2014/15: R4 783 million
Payment schedule	<ul style="list-style-type: none"> Twelve (12) monthly payments/instalments according to payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Develop and coordinate the necessary contracting documents to be used in subsidising public transport services Provide the guidelines and criteria for the development of business plans for services to be subsidised Develop norms and standards for the creation of the IPTNs with all spheres of government Advise contracting authorities regarding the design of contracted services Maintain national database with key performance indicators of public transport services Improve efficiencies of public transport spending <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> Any contractual agreement entered into by a provincial department in relation to this grant will be the responsibility of the provincial department Verify accuracy of monthly claims Ensure that contracted operators' certified claims are paid within thirty (30) calendar days from the date of receipt Submit monthly performance reports to DoT within 25 calendar days of the month following the operation and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT Utilise supervision, monitoring and or verification to certify the correctness of the operator's subsidy claims in terms of km of services provided and report to DoT monthly Ensure alignment of IPTNs with national policy, legislation and other guidelines and/or standards Provinces must assist municipalities in the process of devolving the operating licence function as set out in the NLTA
Process for approval of the 2013/14 business plans	<ul style="list-style-type: none"> Not applicable

Part 3: Frameworks for Conditional Grants to Municipalities

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

Introduction

This annexure provides a brief description for each grant in Schedules 4, 6, 7 and 8 of the 2012 Division of Revenue Act. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2012 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2013/14 or process for approval of 2013 MTEF allocations

The attached frameworks are not part of the 2012 Division of Revenue Act, but are published in order to provide more information on each grant to Parliament, provincial legislatures, municipal councils, officials in all three spheres of government and the public. Section 15 of the 2012 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 2012/13 will report against the 2012 Division of Revenue Act, 2012 Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved. The Auditor-General is expected to audit compliance to the 2012 Division of Revenue Act and gazetted grant frameworks by both transferring national departments and receiving municipalities.

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

Municipal Disaster Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 3)
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to immediate needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the immediate release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Immediate consequences of disasters are alleviated
Outputs	<ul style="list-style-type: none"> Victims of disasters supplied with immediate relief The impact of disasters minimised
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<p>This grant uses the template/framework developed by the National Disaster Management Centre (NDMC) which must include a detailed disaster report highlighting:</p> <ul style="list-style-type: none"> number of people affected items to be purchased or that have already been purchased by municipalities with relevant proof support received from Non-Government Organisations (NGOs) and local businesses contribution by the municipality (both financially and in-kind) funds required for disaster response plan on how the funds will be spent
Conditions	<ul style="list-style-type: none"> A copy of the classification letter and declaration of disaster in terms of the Disaster Management Act must be submitted to the NDMC Funds from this grant must be used to repair infrastructure that supports the provision of basic services and environmental health services for six months after the disaster Provide temporary shelter in the event that the Department of Human Settlements are unable to make provision for immediate housing (proof must be provided that they are unable to provide) Provide humanitarian relief, in the event that the Department of Social Development is unable to make provision (proof must be provided that they are unable to provide) Municipalities must fund a portion of the costs of the disaster response from their own budget or prove that they are not able to do so. Municipalities with large revenue raising capacity will be expected to fund 25 per cent of the response, mid-sized municipalities will be expected to fund 10 per cent and municipalities with limited or no revenue raising capacity may be funded in full
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated based on declared municipal disasters and assessment reports of immediate needs
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for response to unforeseen disasters
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> New grant introduced in 2011/12 <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> New grant introduced in 2011/12
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R330 million, 2013/14: R350 million and 2014/15: R371 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made upon receipt of an application for disaster funding and conditions being complied with. Payments are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of National Disaster Management Centre</p> <ul style="list-style-type: none"> Advise municipalities about the existence of the grant and how grant funding can be applied for Develop a guideline on the items that will qualify for funding through this grant Establish procedures for funding items already purchased by municipalities Together with the affected municipalities and provinces, conduct preliminary assessments of disaster impacts to verify the applications for funding as per the requirements of the Disaster Management Act Seek approval from National Treasury for disbursement of funds to municipalities and provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund Notify the relevant municipality of a transfer at least one day before transfer and transfer the funds no later than five days after notification Notify the relevant Provincial Disaster Management Centre (PDMC) of a transfer and reason for transfer within one day of the transfer of funds to municipalities Build relationships and establish the necessary communication channels with relevant national departments to ensure the country has a coordinated disaster response approach Provide a performance report to National Treasury within 45 days after the end of the quarter during which funds are spent Provide National Treasury and the relevant Provincial Treasury with written notification of the transfer within 14 days of a transfer of this grant <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Provide a performance report to the NDMC and relevant PDMC within 30 days after the end of the quarter during which funds are spent Initiate requests for disaster funding and monitor projects and provide report to the NDMC
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> Not applicable

Municipal Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 3)
Strategic goal	<ul style="list-style-type: none"> 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 municipal bulk, connector and internal infrastructure for key services
Grant purpose	<ul style="list-style-type: none"> To provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities
Outcome statements	<ul style="list-style-type: none"> Access to basic services infrastructure for poor communities
Outputs	<ul style="list-style-type: none"> Number of additional poor households receiving basic water and sanitation services Number of additional kilometres of municipal roads developed Number of additional solid waste disposal sites and transfer stations developed Number of additional sport and recreation facilities servicing poor communities developed Number of additional households serviced by street/community lighting Number of public facilities servicing poor communities developed Number of work opportunities created using Expanded Public Works Programme (EPWP) guidelines for above outputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses the Municipal Infrastructure Grant-Management Information System (MIG-MIS) registration requirements
Conditions	<ul style="list-style-type: none"> Municipalities must ensure appropriate programme and project planning and implementation readiness Prioritise basic residential infrastructure for water, sanitation, refuse removal, streets lighting, connector and internal bulk infrastructure, and other municipal infrastructure like roads, sport and recreation and community facilities in line with the Municipal Infrastructure Grant (MIG) policy framework (2004) and/or other government sector policies Funds can be used for new or upgrading of municipal bulk and connector infrastructure as a result of the formalisation of settlements subject to compliance with sector policies and on condition that pre-2001 backlogs have been addressed Compliance with Chapter 5 of the Municipal Systems Act (2000). Infrastructure investment and delivery must be based on an integrated development plan (National Spatial Development, Provincial Growth Strategies and municipal council resolutions) Municipalities must use labour-intensive construction methods in terms of EPWP guidelines Receiving officers must comply with sector norms, standards and legislation A municipality receiving MIG must table a three year capital budget as part of its budget for the 2012/13 financial year in accordance with the MFMA, unless exempted in terms of that Act A maximum of 5 per cent of a municipality's MIG allocation may be used for project management costs directly related to infrastructure projects At least 95 per cent of a municipality's MIG allocation must be appropriated on the municipality's capital budget The P-component of the MIG formula (described in part 5 of Annexure W1 to the Division of Revenue Bill) amounts to 15 per cent of the MIG and must be used for municipal sports facilities only
Allocation criteria	<ul style="list-style-type: none"> Part 5 of Annexure W1 spells out the MIG formula in detail. The formula incorporates backlog and poverty data 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 The MIG allocation for a category B or C municipality may be transferred to the category C municipality 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"> have sufficient expenditure capacity to effectively carry out the infrastructure programmes adhere to good financial governance practices
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share
Past performance	<p>2010/11 audited financial outcome</p> <ul style="list-style-type: none"> Allocated R9 924 million transferred R9 924 million to municipalities with R8 545 million (86 per cent) spent by the end of the 2010/11 municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> Households benefiting from the MIG in the 2010/11 financial year: <ul style="list-style-type: none"> water: 518 108 sanitation: 341 245 street/community lighting: 546 537 Number of Solid Waste Disposal Sites and Transfer Stations: 87 Kilometres of roads developed: 391
Projected life	<ul style="list-style-type: none"> The programme will continue up to 2014/15 subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R13 882 million, 2013/14: R14 643 million and 2014/15: R15 764 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury

Municipal Infrastructure Grant	
Responsibilities of the transferring national officer and receiving officer	Responsibilities of national departments <ul style="list-style-type: none"> • Department of Cooperative Governance (DCoG) administers the MIG and co-ordinates its activities with all stakeholders through appropriate structures: <ul style="list-style-type: none"> – DCoG must monitor expenditure and non-financial performance – DCoG coordinates monitoring systems and the overall programme implementation • Department of Water Affairs and the Department of Human Settlements to support and monitor municipalities to prepare and implement Water Services Development Plans (WSDPs), and monitor and oversee progress on water and sanitation projects implemented through the MIG • Department of Public Works to monitor compliance with the EPWP guidelines • Sport and Recreation South Africa (SRSA) to assist municipalities with planning of sport and recreation facilities and monitor implementation • Each national sector department will be expected to fulfil a sectoral monitoring role on relevant sectoral outputs
	Responsibilities of provincial departments <ul style="list-style-type: none"> • Coordinating municipal reports • Providing and coordinating support and technical capacity to municipalities • Submit reports to national DCoG • Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG • Monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration • Monitor performance of municipal Project Management Units and recommend relevant sanctions for under-performance to DCoG • Coordinate district project appraisal forums • Final sign-off on registered projects on the MIG-MIS • Each provincial department will be expected to fulfil a sectoral monitoring role on relevant sectoral outputs
	Responsibilities of municipalities <ul style="list-style-type: none"> • The receiving officer must submit a monthly project expenditure report in the prescribed format • The receiving officer of MIG must, by 1 August 2012, submit all the project registration forms for the projects to be implemented in 2013/14 to the provincial department responsible for local government • Municipalities must submit to the national department by 31 October 2012, detailed project implementation plans for all the projects to be implemented in the 2013/14 and 2014/15 financial years • Such plans should include timelines regarding project designs, initiation of procurement, and Environmental Impact Assessment (EIA) approvals in the prescribed format
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> • The receiving officer of a MIG must, by 31 May 2012, submit all technical reports to the sector departments responsible for water services, sanitation services, sport and recreation, roads and transport for all projects to be implemented in 2013/14 • The responsible sector department must evaluate reports and provide final recommendations to the receiving officer by 31 July 2012 • The provincial departments must provide final recommendations to receiving officers by 28 September 2012

Municipal Systems Improvement Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 3)
Strategic goal	<ul style="list-style-type: none"> An efficient and developmental sphere of local government capable of delivering services to local communities
Grant purpose	<ul style="list-style-type: none"> To assist municipalities build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation, policies and the local government turnaround strategy
Outcome statements	<ul style="list-style-type: none"> A responsive, accountable, effective and efficient local government system Strengthen the ward participation systems in local government Effective implementation of municipality-specific turnaround strategies
Outputs	<ul style="list-style-type: none"> Number of municipalities improving their viability and management through targeted support interventions Number of municipalities with strengthened administrative systems enabling effective implementation of the ward participation system Number of municipalities implementing by-laws, policies and systems that support local government legislation Number of municipalities with information systems that support effective service delivery
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Key activities Inputs
Conditions	<ul style="list-style-type: none"> Municipalities must submit a signed activity plan in the prescribed format with detailed budgets and timeframes for the implementation of prioritised measurable outputs Municipalities must adhere to the local government turnaround strategy
Allocation criteria	<ul style="list-style-type: none"> Allocations are made to selected municipalities based on previous expenditure performance and assessed priority needs
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is conditional and aimed at building the capacity of municipalities to implement sound institutional and governance systems required in terms of local government legislation
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated R212 million transferred R212 million to municipalities, of which R143 million (67.5 per cent) was spent by the end of the 2010/11 municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> 49 municipalities were supported with this grant to establish effective ward systems for public and community participation 61 Municipalities were supported with the implementation of various projects aimed at municipal specific turn-around strategies 41 municipalities were supported by the grant to review policies 67 municipalities received support to implement information systems for effective service delivery
Projected life	<ul style="list-style-type: none"> The grant continues over the MTEF period and will be reviewed during the 2012/13 financial year
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R230 million, 2013/14: R243 million and 2014/15: R257 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> Monitoring of expenditure on the grant and analysis of monthly expenditure reports from municipalities Visits to slow spending and non-reporting municipalities to determine challenges and to provide required support Submit quarterly and annual performance reports to National Treasury <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Submit activity plans in the prescribed format Submit monthly expenditure reports, in the prescribed format, within 10 working days after the end of every month
Process for approval of 2013/14 business plan	<ul style="list-style-type: none"> The department's business planning process is as follows: <ul style="list-style-type: none"> activity plan format guidelines, criteria and outputs sent to municipalities by 31 January 2013 submission of business/activity plans by municipalities by 30 April 2013 appraisal and approval of business/activity plans by 30 May 2013

ENERGY GRANTS

Electricity Demand Side Management Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 29)
Strategic goal	<ul style="list-style-type: none"> • To reduce electricity consumption by promoting energy efficient practices
Grant purpose	<ul style="list-style-type: none"> • To provide subsidies to municipalities to implement Electricity Demand Side Management (EDSM) in municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
Outcomes statements	<ul style="list-style-type: none"> • Reduced demand for electricity • Increased awareness of energy saving • Skills development in energy efficiency • Energy management capability enhanced
Outputs	<ul style="list-style-type: none"> • Amount of energy saved in MWh • Number of energy efficient light bulbs installed • Number of jobs created using Expanded Public Works Programme (EPWP) guidelines
Details contained in the business plans	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Key activities • Inputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced
Conditions	<ul style="list-style-type: none"> • Funds can only be used to implement projects for energy efficient public lighting and retrofitting of energy efficient technologies in municipal buildings • Measurement and verification of energy savings to be done in line with standards set by the South African Bureau of Standards (SABS) and municipalities must establish a baseline prior to the implementation of the programme • A maximum of 2.5 per cent of the grant may be used towards the monitoring and verification costs for projects implemented • Municipalities must compile and submit a maintenance and sustainability plan for the EDSM projects they implement to the Department of Energy (DoE) • Sign a contractual agreement with the DoE prior to the first transfer • Ensure capacity building through recruitment of students to participate in the programme
Allocation criteria	<ul style="list-style-type: none"> • Allocations are made to selected municipalities based on: <ul style="list-style-type: none"> - municipalities not having participated in the EDSM grant before - municipalities participating in the Energy Efficiency Monitoring Programme - performance of other electrification programmes funded by the DoE - capacity to provide electricity reticulation
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional transfer in support of the EDSM programme
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R220 million, transferred R220 million to municipalities and R164 million spent (75 per cent) by the end of the 2010/11 municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> • More than 50 000 street and traffic lights were retrofitted with energy efficient lighting technologies
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2014/15, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2012/13: R200 million, 2013/14: R200 million and 2014/15: R200 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made according to a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Monitoring and evaluation of the EDSM programme • Provide municipalities with guidance on best practices and pricing for EDSM projects • Communicate to municipalities the process and requirements for obtaining EDSM grant funds in 2013/14 <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Implement the EDSM programme as per the framework and contractual agreement • Submit monthly reports signed by the municipal accounting officer
Process for approval of 2013/14 business plan	<ul style="list-style-type: none"> • Allocations for 2013/14 will be based on proposals submitted by municipalities. Proposals must be submitted by 3 September 2012 and will be evaluated based on energy savings and costs. Proposals do not have to be limited to projects for public lighting and municipal buildings

Integrated National Electrification Programme (Eskom) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 29)
Strategic goal	<ul style="list-style-type: none"> • To reduce the backlogs of un-electrified households • Funding of bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply
Outcome statements	<ul style="list-style-type: none"> • A reduction in household and clinic electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of connections to households and clinics per annum • The number of bulk infrastructure installations • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in business plans	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Key activities • Inputs
Conditions	<ul style="list-style-type: none"> • Plans need to have undergone pre-engineered project feasibility approval • Projects must be prioritized by municipalities in their Integrated Development Plans (IDPs) and supporting letters provided to demonstrate this • Municipalities to comply with requirements to provide approved bulk project in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities based on: <ul style="list-style-type: none"> – high backlogs – rural bias – integration with other programmes such as Urban Renewal Programme, Integrated Sustainable Rural Development and other infrastructure programmes like Breaking New Ground (BNG), housing, etc – ability to provide top-up or seed capital for project finance – effective credit control policies – cost of project is contained and aligned with IDPs for a particular municipality
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households and clinics not catered for in the equitable share
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> • R1 751 million was allocated, transferred R1 751 million to Eskom <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> • 119 062 household connections and 6 substations were completed and 7 substations were in an advanced stage of construction
Projected life	<ul style="list-style-type: none"> • The grant will continue until the backlogs are eradicated
MTEF allocations	<ul style="list-style-type: none"> • 2012/13: R1 879 million, 2013/14: R1 983 million and 2014/15: R2 099 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with municipalities on outputs and targets • Continuously monitor implementation • Provide central coordination for bulk infrastructure • Approve submissions for refurbishment of critical infrastructure <p>Responsibilities of Eskom</p> <ul style="list-style-type: none"> • Provide 20 Amp connections for households and applicable supply for clinic connections • Report to Department of Energy and National Treasury on monthly expenditure for the grant
Process for approval of 2013/14 business plan	<ul style="list-style-type: none"> • Ensure that all planned projects are in line with the municipal IDP and priority list • Ensure that planned projects are feasible and went through the pre-engineering process

Integrated National Electrification Programme (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> Energy (Vote 29)
Strategic goal	<ul style="list-style-type: none"> To reduce the backlogs of un-electrified households Funding of bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of occupied residential dwellings, clinics and the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply
Outcome statements	<ul style="list-style-type: none"> A reduction in household electrification backlogs Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> The number of connections to households per annum The number of bulk infrastructure installations Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Key activities Inputs
Conditions	<ul style="list-style-type: none"> Adhere to labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc Register master plans for bulk infrastructure with INEP and abide by the directives of the department regarding the central planning and co-ordination for such bulk infrastructure. Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by the national department Utilise own funding if subsidy is insufficient – top-up funding must be available Minimum suite of supply of 1KVA, ADMD, 20 Amp per household and maximum of 16 KVA per clinic connection
Allocation criteria	<ul style="list-style-type: none"> Applications from licensed municipal distributors based on: <ul style="list-style-type: none"> high backlogs rural bias nodal zones number of occupied households for connections projects past performance integration with other programmes such as Urban Renewal Programme, other infrastructure programmes like Breaking New Ground (BNG), housing, etc the financial, technical and staff capabilities to distribute electricity and expand and maintain the networks consultation with communities in terms of the Integrated Development Plan (IDP) process ensuring that universal access objectives are fast tracked new and upgrading of bulk infrastructure projects related to (i) future electrification and (ii) where distribution network reliability adversely impacts economic activity infrastructure which is in a state of disrepair, unsafe and which prohibits further connections informal settlements where service delivery has been prioritised
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional capital transfer for electrification of households and clinics not catered for in the equitable share
Past performance	<p>2010/11 audited financial outcome:</p> <ul style="list-style-type: none"> R1 020 million was allocated and R1 033 million was transferred to municipalities with R661 million (65 per cent) spent by the end of the 2010/11 municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> 41 823 households were electrified and 9 sub-stations were completed
Projected life	<ul style="list-style-type: none"> Grant continues until universal access is achieved, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R1 151 million, 2013/14: R1 315 million and 2014/15: R1 488 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> Agree with municipalities on outputs and targets Continuously monitor implementation and provide support to municipalities Verify reports from municipalities <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Ensure that projects are implemented in line with what is reflected in the IDP of the municipality Report correctly on the management of this grant
Process for approval of 2013/14 business plans	<ul style="list-style-type: none"> Application forms are sent to municipalities and evaluation of all applications/proposals received from municipalities to be done by 31 July 2012

HUMAN SETTLEMENTS GRANTS

Rural Households Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 31)
Strategic goal	<ul style="list-style-type: none"> To eliminate backlogs in water and sanitation in rural households
Grant purpose	<ul style="list-style-type: none"> To provide specific capital funding for the eradication of rural water and sanitation backlogs and is targeted at existing households where bulk-dependent services are not viable. The grant also funds training for beneficiaries on health and hygiene practices and how to maintain the facilities provided
Outcome statements	<ul style="list-style-type: none"> Increase the number of rural households provided with non-bulk-dependent sanitation and water facilities Encourage the use of Community Based Organisations, Non-Governmental Organisations and Public Entities in delivering facilities and on-site training to rural households on how to sustain the maintenance of infrastructure Alleviate poverty by implementing programmes through labour-intensive methods Pursue on-site solutions, and allow people to take charge of the improvement of their wellbeing
Outputs	<ul style="list-style-type: none"> Number of rural households provided with access to on-site sanitation and non-bulk-dependent water facilities Number of jobs created in accordance with Expanded Public Works Programme (EPWP) guidelines Number of people trained in on-site technologies and maintenance of facilities Number of people reached by health and hygiene awareness training
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses an implementation framework which contains the following: <ul style="list-style-type: none"> outcome indicators output indicators key activities inputs
Conditions	<ul style="list-style-type: none"> Target the provision of on-site sanitation and water facilities to rural households not intended for connector services Implementation of this grant has to be done in consultation with the Water Services Authority (WSA) responsible for an area Specific service level agreements with the respective WSAs have to be entered into by the national programme manager Agreements must include joint planning as well as acceptance by the recipient municipality of the obligation to facilitate the operation and maintenance of facilities provided The design of sanitation facilities has to be within acceptable norms and standards The implementation of the programme should include training of communities on their responsibilities with regard to the outcomes of the programme and health and hygiene awareness training Proper procurement procedures must be followed
Allocation criteria	<ul style="list-style-type: none"> Households in municipalities identified as rural households where water and sanitation needs exist and connector solutions are not appropriate
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a special purpose grant with specific objectives and distribution criteria and is not implemented by municipalities Outputs have to be measured specifically
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> The grant was allocated R100 million and expenditure was recorded at R62 million (62 per cent spending) <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> 5 580 households were provided with sanitation facilities
Projected life	<ul style="list-style-type: none"> The programme will become part of the Municipal Infrastructure Grant (MIG) in 2014/15
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R480 million and 2013/14: R389 million
Payment schedule	<ul style="list-style-type: none"> Payments are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Administer the implementation of the programme Conclude written agreements with municipalities on outputs and targets Continuously monitor implementation and provide support to municipalities and households Submit monthly and quarterly reports to National Treasury Verify reports from municipalities <p>Responsibilities of Water Services Authorities (WSAs)</p> <ul style="list-style-type: none"> Determine through municipal participatory structures the most appropriate technology per project area Municipalities will be responsible for selection of the project areas that provide total coverage within available funds (e.g. whole ward, village etc) The ownership of assets and schemes developed through the project will not necessarily reside with either of the parties to the service level agreement. However, the municipality shall be responsible for maintenance of the installed infrastructure WSAs will be part of the project steering committee, and will be part of problem solving, progress monitoring, evaluation and reporting

Rural Households Infrastructure Grant	
	<ul style="list-style-type: none">• Facilitate the introduction of the project team to benefiting communities to ensure smooth running of the project• The WSAs shall adopt a Water Services Development Plan, as part of their Integrated Development Plans, as prescribed by the Water Services Act, and ensure that all projects included in the schedule of projects are identified and prioritized in accordance with their Water Services Development Plans• The WSAs must ensure that groundwater protocols have been conducted to manage the potential of groundwater contamination from the on-site sanitation facilities. Results must be attached to the agreement
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none">• Based on current concentrations of backlogs in rural sanitation, 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, allocations will be determined in consultation with the Department of Water Affairs. In both cases, allocations will be made in consultation with the respective WSAs

Urban Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 31)
Strategic goal	<ul style="list-style-type: none"> Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme
Grant purpose	<ul style="list-style-type: none"> To assist metropolitan municipalities to improve urban land production to the benefit of poor households, by supplementing the revenues of metropolitan municipalities to: reduce the real average cost of urban land, increase the supply of well-located land, enhance tenure security and quality of life in informal settlements, improve spatial densities and to subsidise the capital costs of acquiring land and providing basic services for poor households
Outcome statements	<ul style="list-style-type: none"> Sustainable human settlements and improved quality of household life are defined by: <ul style="list-style-type: none"> access to basic services and infrastructure incremental improvements in security of tenure access to social services and economic opportunities improved rates of employment through skills development in the delivery of infrastructure bridging the bankability gap for infrastructure provisions within mixed income and mixed use developments
Outputs	<ul style="list-style-type: none"> Number of additional households in informal settlements receiving basic municipal services per annum, including water and sanitation, solid waste and area lighting Number of insitu upgraded households in informal settlements Number of households relocated from informal settlements Hectares of land identified, procured and proclaimed for informal settlement upgrading and/or mixed use development Number of title deeds transferred to eligible households Number of work opportunities created through the overall capital programme of the municipality Number of households served by schools and clinics within upgraded settlements
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and an improved quality of household life Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in business plan	<ul style="list-style-type: none"> This grant uses Built Environment Performance Plans (BEPP) (with Human Settlements component indicators and targets attached) that are consistent with the Integrated Development Plans (IDP) and the Service Delivery and Budget Implementation Plans (SDBIP) of metropolitan municipalities
Conditions	<ul style="list-style-type: none"> The flow of the first instalment depends on the submission of a signed off 2011/12 third quarter report and a BEPP that is aligned to the draft SDBIP and approved municipal budget by 15 June 2012 The flow of the second instalment will be conditional upon the transferring national officer's approval of: <ul style="list-style-type: none"> the submission of the signed-off 2011/12 fourth quarter report and the 2012/13 first quarter report by the accounting officer to the transferring national officer and the National Treasury; and the submission of the council approved extract of the human settlements component of the SDBIP and IDP, which must be consistent with the Housing Code, the Outcome 8 delivery targets and the municipal human settlements development plan, by 28 September 2012 Flow of the third instalment will be conditional upon submission and approval of signed-off second quarter reports by the accounting officer to the transferring national officer and the National Treasury Report on performance against the targets provided in the SDBIP and in conjunction with the reporting requirements in terms of section 71 of the Municipal Finance Management Act Non-compliance with the above conditions will result in the funds being withheld and/or re-allocated
Allocation criteria	<ul style="list-style-type: none"> The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the Division of Revenue Bill The formula incorporates backlog and poverty-weighted data
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a supplementary infrastructure grant with conditions, objectives and distribution criteria, (e.g. infrastructure backlogs) different from that of the equitable share
Past performance	2010/11 audited financial outcomes <ul style="list-style-type: none"> New grant introduced in 2011/12 2010/11 service delivery performance <ul style="list-style-type: none"> New grant introduced in 2011/12
Projected life	<ul style="list-style-type: none"> The programme will continue beyond 2014 subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R7 392 million, 2013/14: R9 077 million and 2014/15: R10 546 million
Payment schedule	<ul style="list-style-type: none"> Transfers will be made in terms of a payment schedule approved by National Treasury

Urban Settlements Development Grant	
Responsibilities of transferring national officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> • The national department must develop proper indicators for the outcomes • The national department needs to have a structured forum to meet with municipalities on a quarterly basis • Monitor and evaluate the financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities • Provide support to municipalities with regards to human settlements delivery • Undertake oversight visits to municipalities • Facilitate strategic and spatial planning related to human settlements development • Submit an evaluation report on the 2011/12 municipal grant to National Treasury by 14 December 2012 • Provide systems (including the Housing Subsidy System) that support the administration of the human settlement delivery process • Comply with the responsibilities of the transferring national officer outlined in the Division of Revenue Act (DORA) • Review and approve BEPP and integrated human settlements implementation plan • Develop built environment performance measurement indicators that take cognisance of associated sector departments norms and standards for access to services
	Responsibility of municipality <ul style="list-style-type: none"> • Submit 2011/12 annual reports in terms of the BEPPs and Implementation Plans to the transferring national officer on or before 28 September 2012 and to National Treasury by 14 December 2012 • Ensure that the municipal planning of human settlements and the built environment development plan are consistent and aligned with national priorities and provincial human settlements plans • Comply with the terms and conditions of the receiving officer outlined in the DORA • Submit BEPP with Human Settlements SDBIP portion
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> • Municipalities must submit comprehensive and credible BEPPs which include the human settlements component of indicators and targets aligned to the SDBIP and approved municipal budget, by 15 June 2012

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 10)
Strategic goal	<ul style="list-style-type: none"> To secure sound and sustainable management of the fiscal and financial affairs of municipalities
Grant purpose	<ul style="list-style-type: none"> To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcome statements	<ul style="list-style-type: none"> Improved capacity in financial management of municipalities Appropriately skilled financial 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 budgeting, financial statements and 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 per municipality supporting the implementation of financial management reforms in municipalities focusing on the gaps identified in MFMA implementation support plans Upgrading of information technology systems to deliver reports required for financial management improvement and improved quality of data Preparation and implementation of multi-year budgets meeting uniform norms and standards Assist in the implementation of supply chain management reforms, accounting reforms and 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 Plans (SDBIP) and in-year and annual reports Implementation of the MFMA
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: A responsive, accountable, effective and efficient local government system Outcome 12: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses an MFMA support plan which contains the following: <ul style="list-style-type: none"> – outcomes indicators – output indicators – key activities – inputs
Conditions	<ul style="list-style-type: none"> Establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel and appointment of at least five interns over a multi-year period To assist and support in the building skills in financial management Establishment of Supply Chain Management and Internal Audit units with positions filled by appropriately qualified personnel Ongoing review, revision, and submission of MFMA implementation and support plans to National Treasury to address weaknesses in financial management leading to improvements in compliance Acquisition and maintenance of a financial management system that can produce multi-year budgets, in-year reports, SDBIP, annual financial statements and annual reports and automation of financial management practices reports Support the training of municipal officials in financial management reforms in support of Competency Regulations, Government 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 Transfers will be dependent on timely reporting and maintaining spending at appropriate levels
Allocation criteria	<ul style="list-style-type: none"> Funds allocated to municipalities to assist in support and implementation of financial management reforms, attendance at accredited training and capacity building programmes on financial management
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To provide direct support to develop municipal financial management and technical capacity for the implementation of the MFMA and regulations
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R365 million to 283 municipalities of which R333 million (91 per cent) was spent by the end of 2010/11 municipal financial year No adverse audit issues were identified

Local Government Financial Management Grant	
	2010/11 service delivery performance <ul style="list-style-type: none"> • Workshops with municipal officials have been undertaken across the country on financial management reforms • Facilitation of accreditation for training providers with Local Government Sector Education and Training Authority (LGSETA) • Generally Recognised Accounting Practice (GRAP), Municipal Budget formats and supply chain management training provided to municipal officials • Over 1 300 graduate finance interns have been appointed in municipalities with the objective of increasing financial management capacity in municipalities • Internship workshops have been concluded in a number of provinces • 194 municipalities have submitted their Annual Reports for the 2009/10 financial year • 237 municipalities submitted their Annual Financial Statements for the 2009/10 financial year • Drafted recovery plans for municipalities under financial distress • Technical advisors have been placed in seven provincial treasuries and other forms of support have been rendered to municipalities countrywide • 8 235 officials registered for the MFMA DVD interactive learning programme • Conducted two day Asset Management training workshops with all municipalities • MFMA implementation plans were submitted for all 283 municipalities • Further support and guidance through the MFMA mailbox provided to municipalities on the implementation and interpretation of reforms • Contributed towards training of municipal councillors on governance and oversight undertaken, upon request
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"> • 2012/13: R403 million, 2013/14: R425 million and 2014/15: R449 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> • Monitoring and management of the programme • Transfer funds to support administration of the grant and to municipalities to assist implementation of the MFMA and its supporting regulations • Undertake ongoing monitoring in all municipalities
	Responsibilities of the municipalities <ul style="list-style-type: none"> • Submit monthly reports as per the requirements contained in the Division of Revenue Act
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> • Ongoing review, revision and submission of implementation and support plans to address weaknesses in financial management • The programme is based on the MFMA implementation and support plans of municipalities

Infrastructure Skills Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 10)
Strategic goal	<ul style="list-style-type: none"> Support municipalities to create a long term and sustainable pool of young professionals with technical and project/operations management skills to increase the delivery and maintenance of infrastructure related to water, sanitation, electricity and the built environment
Grant purpose	<ul style="list-style-type: none"> To strengthen the capacity of local government to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills available and to facilitate lifelong learning and the transfer of knowledge to municipalities To sustain infrastructure related capacity in local government
Outcome statements	<ul style="list-style-type: none"> Improved technical and management capacity in infrastructure delivery and technical services in municipalities Qualified and professionally registered technical management officers appointed in municipalities to operate and sustain infrastructure assets Increase infrastructure delivery in the municipalities
Outputs	<ul style="list-style-type: none"> Number of interns/graduates in engineering, science, built environment and project management registered as professionals Improved and sustained skills development including the appointment of at least three interns per participating municipality supporting the operation of water, waste water and energy infrastructure Number of interns/graduates managed, mentored and coached by senior professionals in the same field
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: A responsive, accountable, effective, efficient local government system Outcome 5: A skilled and capable workforce to support an inclusive growth path
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Training, mentoring and coaching must be provided by registered professionals in engineering (i.e. electrical, civil, mechanical, and chemical), science (raw and waste water treatment, water quality monitoring), the built environment (town/development planning and land use management urban design) and project management Training programmes must be approved by a professional body (i.e. Engineering Council of South Africa, South African Council for Natural Scientific Professionals, South African Council for Planners) Functional technical services departments must be established by the municipalities with positions filled by appropriately qualified personnel Interns must be registered with relevant institutions and paired with qualified mentors and coaches Funding is to be utilised exclusively for the costs associated with the internship programme Where training is provided by a public entity, service level agreements (SLAs) must be signed between the municipality and the public entity Municipalities and Public Entities to adhere to the Terms of Reference of the grant
Allocation criteria	<ul style="list-style-type: none"> Allocations are based on business plans submitted and demonstrated ability to host the programme Allocations are based on the demand for technical expertise given a municipality's infrastructure related challenges
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Conditional grant meant to specifically develop technical skills in municipalities
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> New grant introduced in 2012/13 <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> New grant introduced in 2012/13
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R75 million, 2013/14: R100 million and 2014/15: R106 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> Ensure roll out of programme in municipalities and public entities complies with the framework Ensure that programme is standardized and linked to the recognized professional bodies/ institutions Ensure that SLAs are signed between beneficiary municipalities and the training institutions Monitor progress of the programme as per the terms of reference study within a municipality or public entity Ensure that the prescribed minimum number of interns are trained over the MTEF period <p>Responsibilities of municipalities or public entities</p> <ul style="list-style-type: none"> Recruit interns, host, train and register them with professional bodies Expose interns to both on the job training and classroom learning Recruit coaches and mentors and pair them with interns Manage the programme and provide progress reports on a quarterly basis in the prescribed format
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> Business plans must be submitted by 31 August 2012 to be evaluated by a committee of stakeholders to be set up by National Treasury

Neighbourhood Development Partnership Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 10)
Strategic goal	<ul style="list-style-type: none"> To improve the 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)
Outcome statements	<ul style="list-style-type: none"> Deliver targeted and sustainable capital improvements Leverage private and public investments and partners into target areas Increase municipal/local capacity for ongoing township development
Outputs	<ul style="list-style-type: none"> Establish long-range strategies and targeted plans (programmes) for township regeneration Catalytic township development projects are scoped, designed and implemented Partnerships and funding are leveraged into the programmes and/or target areas Township development knowledge is generated and disseminated
Priority outcome(s) of government that this grant contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive economic growth Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all Outcome 8: Create sustainable human settlements and improve the quality of household life Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Key activities Inputs
Conditions	<ul style="list-style-type: none"> Compliance with terms of funding agreement signed between municipality and national department Approval by the transferring national officer of business plans and project plans which are aligned with Neighbourhood Development Partnership Grant (NDPG) objectives and guides Programmes are aligned to municipal Integrated Development Plans (IDPs), and there is council resolution supporting the award and/or programme to be implemented Receiving officer to submit a payment schedule with budgets and timeframes for programme implementation by April annually Submission and approval of required monthly and quarterly reports Evidence of partnerships and leveraged funding into programme/target area Prioritisation of projects and approaches which align with the municipal segmentation categories of the grant and demonstrate explicit response to government-wide priorities, including the promotion of labour-absorbing investments, green technology and youth development
Allocation criteria	<ul style="list-style-type: none"> Allocations are made to 57 qualifying municipalities that demonstrated the need for townships developments that catalyse commercial and social upliftment. The grant is currently not open for new applications
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To directly facilitate neighbourhood/township development in selected municipal areas. This grant has a strong focus on nodal and corridor development as well as the catalytic role of public and private funding for spatially targeted development which is not the focus of the equitable share
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> R1 030 million allocated in Schedule 6 direct transfers to municipalities, R831 million transferred, with R613 million (59.6 per cent) spent by the end of the municipal financial year R125 million allocated in Schedule 7 indirect transfers to municipalities, R50 million (40 per cent) spent by the end of the municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> 57 municipalities granted award status, 52 of which are in receipt of technical assistance funding for programme planning and preparation (Schedule 7 grant), and 43 (11 new in period) have embarked on construction or implementation (Schedule 6 grant) to date 150 townships directly targeted by NDPG investment 18 municipalities meeting township regeneration strategy requirements 35 business plans approved for NDPG programme implementation 43 projects under construction 4 projects in completion (exit & review) stage 7 programmes with identified partnerships and funding leveraged 3 (8 day) learning/training events delivered to a total of 95 NDPG officials & township development stakeholders through the Training for Township Renewal Initiative 4 knowledge generation products supported (Township Renewal Sourcebook, Township Transformation Timeline, impact of township retail study, value capture of transport interchanges study)
Projected life	<ul style="list-style-type: none"> The NDP is currently engaged with its midterm review to determine the projected life of the programme
MTEF allocations	<ul style="list-style-type: none"> Direct transfers (Schedule 6) 2012/13: R578 million, 2013/14: R598 million and 2014/15: R591 million Allocation-in-kind (Schedule 7) 2012/13: R80 million, 2013/14: R55 million and 2014/15: R58 million

Neighbourhood Development Partnership Grant	
Payment schedule	<ul style="list-style-type: none"> Quarterly transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Determine the criteria for evaluating requests for grants from municipalities Appropriate allocations for the grant and reporting in terms of the Division of Revenue Act (DORA) Determine the grant allocations for future MTEF periods Monitor, manage and evaluate financial and non-financial performance Oversee and enforce objectives and conditions of this grant <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the DORA Provide adequate human resources capacity for the successful coordination and implementation of NDPG Coordinate the development of programmes and plans aligned with the grant objectives against which performance will be assessed Establish additional clear indicators for outputs and outcomes intended by the municipality against which performance may be further assessed Manage and monitor implementation of programmes according to the approved business and project plans, and ensuring sound financial management and value for money Maintain accurate and current grant and performance information as specified in NDPG management information formats and systems Engage stakeholders so as to develop partnerships and mainstream the township development agenda in municipal and other relevant growth and development plans
Process for approval of 2013/14 business plans	<ul style="list-style-type: none"> NDPG business plans are typically approved on a multi-year basis. The process for approval of business plans and annual allocations against these plans are based on: <ul style="list-style-type: none"> alignment with NDPG criteria for sustainable neighbourhoods, focusing on leveraged funds and job creation ongoing progress reporting and performance reviews where necessary Municipal provisional allocations will be finalised by 31 October 2012

PUBLIC WORKS GRANT

Expanded Public Works Programme Integrated Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 7)
Strategic goal	<ul style="list-style-type: none"> To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP Guidelines: <ul style="list-style-type: none"> road maintenance and the maintenance of buildings low traffic volume roads and rural roads basic services infrastructure, including water and sewer reticulation, sanitation, pipelines and dams (excluding bulk infrastructure) other economic and social infrastructure tourism and cultural industries waste management parks and beautification sustainable land-based livelihoods
Outcome statements	<ul style="list-style-type: none"> Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities Reduced levels of poverty Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> Increased number of people employed and receiving income through the EPWP Increased average duration of the work opportunities created Increased income per EPWP beneficiary
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive growth Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plans	<ul style="list-style-type: none"> A National Implementation Plan for the grant will be developed which will contain an outline of the planned EPWP projects per sector and per province, including the project budgets, planned outputs and Full Time Equivalent (FTE) targets; and will set out the coordinating and/or governance structures that will support implementation
Conditions	<ul style="list-style-type: none"> EPWP projects must comply with the project selection criteria determined in the 2012 EPWP Grant Manual; the EPWP guidelines set by DPW and the Ministerial Determination updated annually on 1 November each year Eligible municipalities must sign a funding agreement with the DPW before the first grant disbursement, with their final EPWP project list attached Municipalities must report quarterly on all EPWP projects via DPW's EPWP reporting system Reports must be loaded on the EPWP reporting system within 22 days after the end of every quarter in order for progress to be assessed Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the 2012 EPWP grant manual The EPWP grant cannot be used to fund the costs of permanent municipal personnel; however, a maximum of 5 per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list To receive the first planned grant disbursement, eligible municipalities must: <ul style="list-style-type: none"> submit a final EPWP project list by 8 June 2012 sign a grant agreement with DPW by 15 August 2012 Subsequent grant disbursements are conditional upon eligible municipalities: <ul style="list-style-type: none"> reporting on EPWP performance quarterly within the required timeframes Municipalities must implement their approved EPWP project list and meet their agreed job creation targets
Allocation criteria	<ul style="list-style-type: none"> To be eligible for an EPWP grant allocation in 2012/13, a municipality must have reported EPWP performance (in either the infrastructure or environment and culture sectors) by 22 October 2011. The EPWP grant allocations are based on: <ul style="list-style-type: none"> past EPWP performance - the number of full time equivalent jobs created in the prior municipal financial year the potential of each municipality to create work with their baseline budgets the need for EPWP work in an area, indicated by levels of unemployment, poverty and service backlogs special consideration and additional funding support for capacity and planning to vulnerable, rural municipalities. These municipalities will also be prioritised in terms of technical support for implementation provided by DPW R1 million is the minimum grant allocation

Expanded Public Works Programme Integrated Grant for Municipalities	
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	<p>2010/11 audited financial outcomes for the national financial year</p> <ul style="list-style-type: none"> 96 of the 126 eligible municipalities earned the incentive and were paid a total of R350 million (44 per cent of the R623 million allocated) from the previous schedule 8 incentive grant <p>2010/11 service delivery performance for the national financial year</p> <ul style="list-style-type: none"> 137 375 work opportunities were reported by 111 municipalities and validated by the EPWP system 36 695 FTE jobs were reported by 111 municipalities and validated by the EPWP system
Projected life	<ul style="list-style-type: none"> Grant continues until 2014/15, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R599 million, 2013/14: R702 million and 2014/15: R744 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national Department of Public Works</p> <ul style="list-style-type: none"> Determine eligibility and set grant allocations and FTE targets for eligible municipalities Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination Support municipalities, in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria apply the EPWP project selection criteria and EPWP guidelines to project design report using the EPWP reporting system Consolidate all EPWP projects funded by the grant into a National Implementation Plan for the grant and submit this to National Treasury by 15 August 2012 Monitor the performance and spending of municipalities and assess implementation of the municipal EPWP Implementation Plan Disburse the grant to eligible municipalities Report to National Treasury on a quarterly basis progress against FTE targets and on a monthly basis report on spending against the grant allocation Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement Manage the EPWP coordinating structures to support implementation, identify blockages and facilitate innovative solutions <p>Responsibilities of the eligible municipalities</p> <ul style="list-style-type: none"> Develop and submit an EPWP project list to DPW by 8 June 2012 Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement Agree on the areas requiring technical support from DPW upon signing the grant agreement Report on all EPWP projects into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement Municipalities must maintain beneficiary and payroll records as specified in the Audit Requirements in the 2012 EPWP grant manual, and make these available to DPW for data quality assessment tests
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> Municipalities must report performance on EPWP projects for the 2011/12 municipal financial year by 22 August 2012; or first quarter 2012/13 performance by 22 October 2012 to be eligible for a grant allocation Municipalities must submit draft 2013 EPWP project lists to DPW by 8 June 2012 Eligible municipalities must sign the standard funding agreement with an approved 2013 EPWP project list by the 15 August 2012

TRANSPORT GRANTS

Public Transport Infrastructure and Systems Grant	
Transferring department	<ul style="list-style-type: none"> Transport (Vote 37)
Strategic goal	<ul style="list-style-type: none"> To support the National Land Transport Act (NLTA) and Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable integrated public transport services
Grant purpose	<ul style="list-style-type: none"> To provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure and services
Outcome statements	<ul style="list-style-type: none"> Improved public transport network services that are formal, scheduled and well managed and which are accessible to an increasing percentage of the population of urban municipalities
Outputs	<ul style="list-style-type: none"> Public transport infrastructure including the development, upgrade and maintenance of dedicated lanes, routes, stations, depots, control centres and related information technology and fare systems Public transport services, including public transport vehicles, security, station management, ticketing services, control centre operations, network management functions and contributions towards the economic rights of existing operators Number of average weekday passenger trips carried on Public Transport Infrastructure Systems (PTIS) grant funded systems Plans related to the above including: <ul style="list-style-type: none"> network operational plans including universal access design plans business and financial plans (including financial modelling, economic evaluation, and operator transition plans) institutional network management plans engineering and architectural preliminary and detailed designs public transport vehicle and technology plans marketing and communication plans
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plans	<ul style="list-style-type: none"> This grant uses Integrated (Rapid) Public Transport Network (IPTN or IRPTN) operational and related plans, including financial modelling
Conditions	<ul style="list-style-type: none"> Projects must support an integrated network approach as defined in the PTS and in the NLTA Integrated public transport solutions should incorporate: i) integration between different public transport services, including non-motorised transport infrastructure; ii) fare integration between different services; iii) marketing integration with unified branding; and iv) institutional integration between services Projects must be based on an IPTN/IRPTN operational plan (including detailed financial modelling) approved by the Municipal Council For each phase, final network routing and related financial modelling must be agreed with the national Department of Transport (DoT) before municipalities proceed with detailed infrastructure design IRPTN/IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations) From the start of operations, IPTN/IRPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operational costs consist of fuel, labour, operator administration and vehicle maintenance If PTIS grant funds can be used to cover the costs of existing economic rights of affected operators. Verified data on payment details and verified services must be provided to DoT for their agreement, prior to entering into agreements on economic rights If buses are bought with grant funds and are used by contracted operators, the municipality must retain ownership unless alternative arrangements are pre-approved by National Treasury and DoT Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations supported by this grant as well as to plan future expansions of the network
Allocation criteria	<ul style="list-style-type: none"> The grant is focused on the implementation of quality public transport services in urban municipalities Budget requests will be evaluated in accordance with the outputs of a municipal plan which specifies the infrastructure, systems, transformational and operating costs of serving a defined number of passenger trips per average weekday
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Public transport investment needs are not provided for in the local government equitable share allocations

Public Transport Infrastructure and Systems Grant	
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R3 699 million to municipalities, with R2 958 million (80 per cent) spent by the end of the 2010/11 municipal financial year <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> Johannesburg's Rea Vaya BRT system carried 315 000 fans during the 2010 FIFA Soccer World Cup. 11km of dedicated trunk route of Phase 1b between Noordgesig in Soweto to Parktown in Johannesburg was constructed but not yet operational. 10 stations were completed along the Phase 1b trunk route. A permanent depot at Dobsonville (for 270 buses) was under construction with 80 per cent of the civil works completed Cape Town's MyCiTi starter service network carried over 6 000 passengers per weekday after 5 weeks of operation, with a total of 428 000 passengers having been carried during the financial year. MyCiTi services were operated with 43 high floor buses, purchased for about R100 million, R90 million of which was paid in 2010/11. One busway contract and the initial redevelopment of the Prestwich street depot were completed during the 2010/11 financial year. By the end of 2010/11 further busways and stations, the large stables depot and non-motorised transport infrastructure were under construction, and infrastructure and operational tenders on an automated fare system and control centre had been awarded Nelson Mandela Bay used 2010/11 funds to pay for operations during the 2010 World Cup, bought 25 buses, completed an additional 1.6 km of bus lanes, bought information technology system equipment, control centre facilities and paid for design costs. Expenditure slowed due to the stalled negotiations with the affected operators Polokwane, Rustenburg, Buffalo City, Mbombela and eThekweni completed Operational Plans
Projected life	<ul style="list-style-type: none"> The grant is expected to continue for as long as national funding is required to support ITPNs/IRPTNs as envisaged in the NLTA and PTS
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R4 988 million, 2013/14: R5 550 million and 2014/15: R5 871 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Disburse PTIS funds and monitor PTIS expenditure Monitor IRPTN implementation progress in line with the NLTA and the PTS Verify reports from municipalities by conducting at least one site visit per annum Allocate funds based on stated priorities through an allocation mechanism agreed to by DOT and National Treasury Evaluate the performance of the grant annually <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Ensure that projects are implemented in line with what is reflected in the Integrated Development Plan of the municipality Report correctly on the management of this grant and ensure all relevant DoRA requirements are adhered to Provide budget proposals for PTIS funding that are based on sound operational plans Establish a dedicated project team to establish specialist capacity to manage and monitor operations and to plan expansions Compile and submit data that indicates the efficiency and effectiveness of planned and actual services as requested by the DoT, including: <ul style="list-style-type: none"> number of weekday passenger trips on PTIS funded systems change, relative to the previous year, in the number and percentage of households within 500 metres of formal public transport access points planned/actual capital expenditure per passenger kilometre for PTIS funded systems planned/actual operational expenditure per passenger kilometre in the PTIS funded system the actual costs of procuring inputs including those for infrastructure, systems and transitional and regulatory items
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> Municipalities will be requested to submit budget proposals that are based on sound IRPTN operational plans by 16 July 2012 These requests will be evaluated by DOT and National Treasury Provisional municipal allocations will be finalised by 30 November 2012

Rural Roads Asset Management Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 37)
Strategic goal	<ul style="list-style-type: none"> • Ensure efficient and effective investment in rural roads through development of Road Asset Management Systems (RAMS) and collection of data
Grant purpose	<ul style="list-style-type: none"> • To assist rural district municipalities to set up rural RAMS, and collect road and traffic data in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)
Outcome statements	<ul style="list-style-type: none"> • Improved data on rural roads to guide infrastructure investments • Reduced vehicle operating costs and extended lifespan of rural roads
Outputs	<ul style="list-style-type: none"> • Collection of road inventory data including condition assessment and traffic data • Setting up pavement and bridge management systems compatible with national standards
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses Road Asset Management Business Plans which contain the following details: <ul style="list-style-type: none"> – network data collection plan – network condition and traffic volumes – organisational and support plan – financial summary
Conditions	<ul style="list-style-type: none"> • For RISFSA Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> – visual condition data not older than 2 years for pavements and 5 years for bridges – instrumental pavement data for roughness, rut depth and macro texture not older than 2 years – instrumental pavement data for structural strength not older than 5 years, and – traffic data not older than 3 years • For RISFSA Class R4 and R5 roads, data requirements are: <ul style="list-style-type: none"> – visual condition data not older than 3 years for pavements and 5 years for bridges – traffic data not older than 5 years • All condition data to be submitted to the national data repository as per agreed format by end of November each year, with first year of submission being November 2012 • The above condition data shall be utilised according to applicable national Committee of Transport Officials (COTO) standards, according to Technical Recommendations for Highways (TRH) and Technical Methods for Highways (TMH) to identify and prioritise the maintenance requirements within the relevant budget limit, to improve condition of the roads and extend the lifespan of road infrastructure • All data collected must be made available to the national Department of Transport (DOT), South African National Roads Agency Limited (SANRAL) and the relevant provincial roads authorities • Systems developed to record data must be compatible with DoT specifications
Allocation criteria	<ul style="list-style-type: none"> • Amount equally shared among 21 rural district municipalities
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant mainly for the provision of systems to collect rural road and traffic data
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> • New focus of the grant introduced in 2011/12 <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> • New focus of the grant introduced in 2011/12
Projected life	<ul style="list-style-type: none"> • The grant has a life span up to 2014/15, but will be subject to periodic review
MTEF allocations	<ul style="list-style-type: none"> • 2012/13: R37 million, 2013/14: R39 million and 2014/15: R41 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> • Monitoring implementation of RAMS together with provincial road authorities • Data integrity will be checked by DOT and provincial road authorities • Provide guidance on sustainable RAMS operations and standards • Facilitate training to municipalities and assist them to acquire RAMS from SANRAL • Check the quality of data captured on municipalities' RAMS <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Municipalities must make provision to maintain RAMS after the lifespan of the grant • Data for all rural roads to be updated within two years • Employ unemployed youth, S3 Experiential Training Students and young graduates • Ensure human capacity at municipalities for the operation of RAMS is built • Road quality data on RAMS must be used for planning Municipal Infrastructure Grant (Roads) investments
Process for approval of 2013 MTEF allocations	<ul style="list-style-type: none"> • Municipalities must submit a progress report for 2011/12 to DOT by 16 March 2012 • Progress reports must contain the following: <ul style="list-style-type: none"> – the extent of the road network in the municipality – the condition of the network in the municipality – the status of the municipality's RAMS – the proportion of municipal roads with updated data captured on its RAMS • DOT together with provincial roads authorities will evaluate the business plans and progress reports by 30 April 2012

WATER AFFAIRS GRANTS

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs (Vote 38)
Strategic goal	<ul style="list-style-type: none"> Facilitate achievement of targets for access to clean water through successful execution and implementation of regional bulk infrastructure projects
Grant purpose	<ul style="list-style-type: none"> To develop infrastructure required to connect or augment a water resource, to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality In the case of sanitation, to supplement regional bulk collection as well as regional waste water treatment works
Outcome statements	<ul style="list-style-type: none"> Access to water supply enabled through establishing regional bulk infrastructure Proper waste water management and disposal enabled through establishing regional sanitation infrastructure (bulk sewer pipelines and waste water treatment works)
Outputs	<ul style="list-style-type: none"> Number of implementation readiness plans finalised for regional bulk projects Number of regional bulk projects initiated Number of projects completed Number of people or households impacted Number of villages/areas/municipalities benefiting Number of job opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 9: A responsive, accountable, effective and efficient local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses implementation readiness studies and funding agreements which contain the following: <ul style="list-style-type: none"> Cash flow and implementation milestones Details of key stakeholders and main contractors Specific funding conditions related to the project
Conditions	<ul style="list-style-type: none"> The Regional Bulk Infrastructure Grant (RBIG) will fund only the social component of regional bulk water and sanitation services projects approved by the Department of Water Affairs (DWA) This grant can be used to build enabling infrastructure required to connect water resources over significant distances with bulk and reticulation systems The need for a bulk infrastructure solution must be confirmed and accepted by DWA A financing plan with associated co-funding options and agreements must be in place prior to implementation of the RBIG funded project All sources of funding for the full cost of the project must be outlined in the implementation readiness study and the funding agreement RBIG allocations will be paid based on proof of expenditure and achievement of outcomes to Water Services Authorities (WSA) or institutions which have capacity to deliver the infrastructure The transfer of infrastructure will be done on condition that the new owner has capacity to operate and maintain the schemes. All projects must be aligned with and referenced to municipalities' Integrated Development Plans (IDP) and Water Services Development Plans as well as a detailed plan which shows alignment of RBIG and Municipal Infrastructure Grant (MIG) projects
Allocation criteria	<ul style="list-style-type: none"> Allocations are made on a project basis and must take into account the conditions listed above. Projects are assessed individually and no blanket allocation method is used
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Regional bulk projects are closely linked to water resource development which is a DWA competency Bulk water supply systems frequently cross municipal boundaries and so cannot be funded at municipal level
Past performance	<p>2010/11 audited financial outcome</p> <ul style="list-style-type: none"> Of an allocation of R860 million, R628 million was transferred to implementing agents by DWA for the implementation of this grant <p>2010/11 service delivery performance</p> <ul style="list-style-type: none"> Nine (9) projects were completed, in the following local municipalities: <ul style="list-style-type: none"> King Sabata Dalindyebo Local Municipality (LM) with 95 500 people benefiting Umdoni LM with 14 487 people benefiting Umvoti LM with 18 363 people benefiting Elias Motsoaledi LM with 92 000 people benefiting Lepelle Nkumpi LM and Polokwane LM with 4000 000 people benefiting Lepelle Nkumpi LM with 35 600 people benefiting Mbombela LM with 52 488 people benefiting Bushbuckridge LM and Nzikazi North with 28 768 people benefiting Kai Garib LM with 7 370 people benefiting 41 Projects in construction phase, 15 projects in design or tender phase and 54 projects in feasibility stage

Regional Bulk Infrastructure Grant	
Projected life	<ul style="list-style-type: none"> The life span of the grant depends on the eradication of the water services backlogs
MTEF allocations	<ul style="list-style-type: none"> 2012/13: R2 517 million, 2013/14: R2 922 million and 2014/15: R3 351 million
Payment schedule	<ul style="list-style-type: none"> Payments are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	Responsibilities of national department <ul style="list-style-type: none"> Ensure every municipality benefiting from a specific project or scheme, is invited to participate in the feasibility and implementation readiness studies Enter into agreements with municipalities regarding the construction, ownership, funding arrangements and operation and maintenance of proposed infrastructure prior to the commencement of construction Ensure the necessary authorisations including environmental impact assessment and water use licences have been obtained prior to commencing construction Assess the implementing agent's progress quarterly Provide detailed information on the selection criteria and conditions for the grant Monitor implementation by Water Services Authorities (WSAs) (municipalities or water boards) Implement projects directly where capacity gaps exist Ensure that Service Level Agreements as well as Memoranda of Understanding are in place between Water Services Providers and WSAs
	Responsibilities of WSAs/ Institutions which schemes will be transferred to <ul style="list-style-type: none"> Submission of quarterly reports and annual reports Ensure that projects are appropriately linked to the municipalities' IDPs Ensure that the municipalities are able to provide the reticulation services required to provide households with access to the water provided through the bulk infrastructure funded by this grant
Process for approval of 2013/14 business plans	<ul style="list-style-type: none"> All proposed projects which comply with the RBIG criteria must be registered and listed with the DWA provincial bulk master plans Implementation readiness studies will be evaluated and approved if the feasibility studies comply with the RBIG implementation framework and criteria At a regional level a committee comprising of representatives from the DWA, National Treasury, Department of Cooperative Governance, and the South African Local Government Association meets to prioritise and approve projects At national level projects are allocated a budget by DWA, based on the implementation framework guidelines and National Treasury will be informed of the allocations Based on the outcome of the implementation readiness studies, the DWA will nominate the implementing agent for the construction phase; and designate the owner of the infrastructure, National Treasury and benefitting municipalities will be informed of the decisions

Water Services Operating Subsidy Grant	
Transferring department	<ul style="list-style-type: none"> Water Affairs (Vote 38)
Strategic goal	<ul style="list-style-type: none"> To ensure effective, efficient and sustainable service delivery by all Water Services Authorities (WSAs) (municipalities)
Grant purpose	<ul style="list-style-type: none"> To subsidise and build capacity in water schemes owned and/or operated by the Department of Water Affairs (DWA) 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 and operated by skilled personnel to ensure optimal service delivery by the Water Services Authority (WSA) To ensure that funds transferred to WSAs 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 as defined in the business plan for each individual scheme: <ul style="list-style-type: none"> number of schemes where capacity and skills to run schemes were built transfer workable and fully functional schemes to municipalities in accordance with the Water Services Act Transfer outputs as outlined in the policy framework and business plan: <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 WSA/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 Key activates Inputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: A responsive, accountable, effective and efficient local government system
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 building plan related to the development, operation and maintenance of the infrastructure must be in place prior to the transfer of infrastructure to the relevant institution Approval of allocations is conditional on a business plan that meets the requirements prescribed Reporting on the grant must be done on a monthly basis The transferring national department may adjust the allocation to a municipality subject to approval from National Treasury in terms of the Division of Revenue Act 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"> Allocation as agreed in the transfer agreement, in line with a business plan for the project and agreed upon with National Treasury Schedule 6 will cover provision for areas where refurbishment, human resource and operations and maintenance of schemes falls under a WSA Schedule 7 will cover provisions for staff not yet transferred to a WSA
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To ensure sustainability, functionality and proper working of water schemes in the country and to establish functional and sustainable capacity in municipalities to provide water services. Will be incorporated into the equitable share subject to an assessment of capacity and the timelines in business plans
Past performance	<p>2010/11 audited financial outcomes</p> <ul style="list-style-type: none"> Schedule 6 direct transfers to municipalities: R671 million allocated, with R608 million (91 per cent) transferred Schedule 7 allocation in kind for municipalities: R188 million, with R85 million (45 per cent) spent <p>20010/11 service delivery performance</p> <ul style="list-style-type: none"> Over the life of the grant 60 agreements have been signed, 5 524 staff transferred and 1 655 schemes transferred (including rudimentary schemes). Schemes with a total asset value of approximately R6.6 billion have been transferred
Projected life	<ul style="list-style-type: none"> Subjected to the outcome of a review of the grant
MTEF allocations	<ul style="list-style-type: none"> Direct transfer to municipalities: <ul style="list-style-type: none"> 2012/13: R562 million, 2013/14: R421 million and 2014/15: R450 million Allocation in kind to municipalities/WSA: <ul style="list-style-type: none"> 2012/13: R133 million, 2013/14: R313 million and 2014/15: R328 million

Water Services Operating Subsidy Grant	
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the national department and municipalities and WSAs	Responsibility of national department <ul style="list-style-type: none"> • Agree with municipalities and WSAs on outputs and targets • Continuously monitor implementation and provide support to municipalities to enable independence in managing the schemes • Report to National Treasury on the performance of the grant (in the prescribed format) and ensure compliance with the grant conditions • Implement the comprehensive information monitoring and evaluation system • Submit monthly and quarterly progress reports on expenditure in a format agreed to by National Treasury • Provide National Treasury with an assessment of the grant's performance since inception by 31 August 2012
	Responsibility of municipalities and WSAs <ul style="list-style-type: none"> • Municipalities and WSAs will submit monthly and quarterly reports in the format prescribed by National Treasury and DWA • Submission of operating and maintenance plans, and refurbishment plans in compliance with standards set by DWA
Process for approval of 2013 business plan	<ul style="list-style-type: none"> • 2013 refurbishment project plans signed and formalised by June 2013 must include: <ul style="list-style-type: none"> – specific support plans to enhance ability and capacity – a breakdown of the cost of refurbishment and its implications – a signed transfer agreement which contains a comprehensive assessment of the status report on management of the WSAs