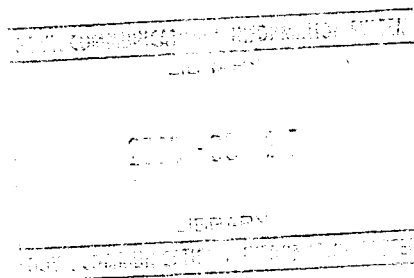


REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

(As amended by the Portfolio Committee on Finance (National Assembly))
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)



[B 9B—2003]

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BILL

To provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for the 2003/2004 financial year and the reporting requirements for allocations pursuant to such division; to permit the withholding and the delaying of payments in certain circumstances; to provide for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; to regulate the adoption of local government budgets; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made;

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

Definitions

1. In this Act, unless the context indicates otherwise, a word to which a meaning has been assigned in the Public Finance Management Act, 1999 bears the same meaning, and—

- (i) **"accredited bank account"** means—
 - (a) in respect of a province, the primary bank account of the provincial Revenue Fund, which the head official of the provincial treasury has certified to the National Treasury as the bank account into which allocations in terms of this Act must be deposited; and
 - (b) in respect of a municipality, the primary bank account of a municipality, which the municipal manager has certified to the national accounting officer responsible for local government as the bank account into which allocations in terms of this Act must be deposited;
- (ii) **"Director-General"** means the Director-General of the National Treasury;
- (iii) **"head official of the provincial treasury"** means the head of the provincial department responsible for financial matters in the province;
- (iv) **"Intergovernmental Fiscal Relations Act"** means the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997);
- (v) **"municipality"** means a municipality established in terms of the Municipal Structures Act;
- (vi) **"municipal accounting officer"** means the municipal manager of a municipality;
- (vii) **"Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

- (viii) **“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- (ix) **“next financial year”** means the financial year commencing on 1 April 2004 and ending on 31 March 2005;
- (x) **“payment schedule”** means an instalment schedule which sets out— 5
 - (a) the amount of each instalment of an equitable share or any other allocation to be transferred to a province or municipality for the financial year;
 - (b) the date on which each such instalment must be paid; and
 - (c) to whom, and to which accredited bank account, each such instalment must be paid; 10
- (xi) **“prescribe”** means prescribe by regulation in terms of section 33 ;
- (xii) **“Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (xiii) **“receiving officer”** means— 15
 - (a) in respect of a Schedule 4 allocation transferred to a province, the head official of a provincial treasury;
 - (b) in respect of a Schedule 5 allocation transferred to a province, the accounting officer of a provincial department which receives such allocation; or 20
 - (c) in respect of a Schedule 6 and 6A allocation transferred to a municipality, the municipal accounting officer of that municipality;
- (xiv) **“transferring national officer”** means the accounting officer responsible for a national department which transfers to a province or municipality a Schedule 5, 6 or 6A allocation, but excludes the accounting officer of the National Treasury in respect of an allocation listed in those Schedules and which is on the vote of the National Treasury; and 25
- (xv) **“transferring provincial officer”** means the accounting officer responsible for a provincial department which receives a Schedule 4, 6 or 6A allocation for the purpose of transferring it to a municipality in the relevant province. 30

PART I

OBJECTS OF ACT

Promoting co-operative governance in intergovernmental budgeting

2. The objects of this Act are to—
- (a) provide for the equitable division of revenue raised nationally among the three spheres of government; 35
 - (b) promote co-operative governance and principles of intergovernmental relations on budgetary matters;
 - (c) promote better co-ordination between policy, planning, budget preparation and execution processes; 40
 - (d) promote predictability and certainty in respect of all allocations to provincial and local governments in order that such governments may plan their budgets over a multi-year period;
 - (e) promote transparency and equity in all allocations, including in respect of the criteria for their division; 45
 - (f) promote accountability for the use of public resources by ensuring that all transfers are reflected on the budgets of benefiting provincial and local governments; and
 - (g) ensure that legal proceedings between organs of state of the three spheres of government are avoided. 50

PART II

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue anticipated to be raised nationally among spheres of government

3. (1) Revenue anticipated to be raised nationally in respect of the financial year is divided among the national, provincial and local spheres of government for their equitable share as set out in Column A of Schedule 1. 5

(2) An envisaged division of revenue anticipated to be raised for the next financial year and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act in respect of those financial years, is set out in Column B of Schedule 1. 10

(3) Despite subsection (2), the Minister may, in respect of the next financial year and until the commencement of the annual Division of Revenue Act for that financial year, determine that an amount not exceeding 45 per cent of the envisaged division for the next financial year, be transferred as a direct charge against the National Revenue Fund to each province and to a municipality contemplated in section 5(1). 15

Equitable division of provincial share among provinces

4. (1) Each province's equitable share of the provincial share of revenue anticipated to be raised nationally in respect of the financial year is set out in Column A of Schedule 2. 20

(2) An envisaged division for each province of revenue anticipated to be raised nationally in respect of the next financial year and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 2.

(3) Each province's equitable share contemplated in subsection (1) must be transferred to the province in instalments in accordance with a payment schedule determined by the National Treasury, after consultation with the head officials of the provincial treasuries. 25

(4) Despite subsection (3), the National Treasury may, on such conditions as it may determine, advance funds to a province in respect of its equitable share contemplated in subsection (1), which have not yet fallen due for transfer in accordance with a payment schedule referred to in subsection (3) in respect of that province. 30

(5) The advances contemplated in subsection (4) must be set-off against transfers to the province which would otherwise become due in terms of that payment schedule.

Equitable share for local government

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5. (1) Each municipality's equitable share of the local government share of revenue anticipated to be raised nationally in respect of the financial year is set out in Column A of Schedule 3.

(2) An envisaged division for each municipality of revenue anticipated to be raised nationally in respect of the next financial and the 2005/2006 financial year, and which is subject to the provisions of the annual Division of Revenue Act for those financial years, is set out in Column B of Schedule 3. 40

(3) Each municipality's equitable share contemplated in subsection (1) must be transferred to the municipality in quarterly instalments in accordance with a payment schedule within the first three weeks of May, August, November and February. 45

(4) Despite subsection (3), the national accounting officer responsible for local government may, in consultation with the National Treasury, and on such conditions as he or she may determine, advance funds to a municipality in respect of its equitable share contemplated in subsection (1), which have not fallen due for transfer in accordance with a payment schedule referred to in subsection (3) in respect of that municipality. 50

(5) The advances contemplated in subsection (4) must be set-off against transfers to the municipality which would otherwise become due in terms of that payment schedule.

(6) Despite subsection (3), the National Treasury may, after consultation with the national accounting officer responsible for local government, delay or withhold the transfer of an instalment on the grounds of a municipality's serious or persistent material breach of uniform treasury norms and standards. 55

(7) Such uniform treasury norms and standards include a requirement that a municipality must—

- (i) submit to the Auditor-General, not later than 30 September 2003, financial statements in respect of the 2002/2003 financial year, and submit to the Auditor-General, not later than 30 April 2003, outstanding financial statements in respect of the financial years preceding the 2002/2003 financial year; 5
- (ii) submit to the National Treasury, the relevant provincial treasury and the provincial department responsible for local government, not later than 30 June 2003, its budget for the financial year and such other budgetary information required by the National Treasury, including, but not limited to, information on the nature and extent of basic services, including free basic services, to be provided by that municipality; 10
- (iii) submit to the National Treasury, the national accounting officer responsible for local government and the provincial department responsible for local government, not later than 10 days after the end of each quarter, information on the implementation of the budget, including, but not limited to, information on actual revenue collected, actual total spending on water, electricity, refuse removal, municipal infrastructure and free basic services; and 15
- (iv) co-operate on financial and fiscal matters with other municipalities within the district in which it is located in order to ensure effective and efficient spending for purposes of sustainable delivery of municipal services in that municipal district. 20

Shortfalls and excess revenue

6. (1) If actual revenue raised nationally in respect of the financial year falls short of the anticipated revenue set out in Schedule 1, the national government bears the shortfall. 25

(2) If actual revenue raised nationally in respect of the financial year is in excess of the anticipated revenue set out in Schedule 1, the excess accrues to the national government and forms part of its equitable share.

(3) Despite subsection (2), the national government may, by means of an adjustments budget or any other appropriation legislation, and additional to the equitable share allocation and the allocations contemplated in Part III, make further allocations to the provincial and local spheres of government from its equitable share of nationally raised revenue. 30

PART III

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OTHER ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Other allocations to provinces and municipalities from national government

7. (1) Other allocations to provinces from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules:

- (a) Schedule 4 contains allocations to provinces for general and nationally assigned functions; 40
- (b) Schedule 5 contains specific-purpose allocations to provinces;
- (c) Schedule 7 contains indirect and special allocations to provinces.

(2) An envisaged division of anticipated allocations to provinces for the next financial year and the 2005/2006 financial year, and which is subject to the annual Division of Revenue Act for those years is set out in Column B of the Schedules referred to in subsection (1). 45

(3) Despite subsection (2), the Minister may, in respect of the next financial year and until the commencement of the relevant Division of Revenue Act, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year be transferred to a province as a direct charge against the National Revenue Fund. 50

(4) Other allocations to local government from the national government's share of revenue anticipated to be raised nationally are set out in Column A of the following Schedules: 55

- (a) Schedule 6 and 6A: contain specific-purpose allocations to local government; and

(b) Schedule 7A: contains allocations-in-kind to municipalities for designated special programmes.

(5) An envisaged division of anticipated allocations to local government for the next financial year and the 2005/2006 financial year, and which is subject to the annual Division of Revenue Act for those years is set out in Column B of the Schedules referred to in subsection (4). 5

(6) The Minister must, not later than 30 April 2003, publish in the *Gazette*, the share of a municipality in respect of the local government allocations referred to in subsections (4) and (5), unless such share was published on the date on which the annual budget is tabled in the National Assembly. 10

(7) Despite subsection (5), the Minister may, in respect of the next financial year and until the commencement of the relevant Division of Revenue Act, determine that an amount not exceeding 45 per cent of the envisaged division of the allocation for the next financial year be transferred to a municipality as a direct charge against the National Revenue Fund. 15

Transfers to entities

8. (1) An organ of state in the national or provincial sphere of government may only provide funds for a municipal service to the relevant municipality directly.

(2) A public entity that provides a municipal service on behalf of a municipality, must, not later than 30 June 2003 or such other date determined by the National Treasury, certify to the National Treasury that it complies as an external mechanism as contemplated in Chapter 8 of the Municipal Systems Act. 20

(3) A public entity that provides a municipal service on behalf of a municipality must report, on a monthly basis, to that municipality and such organ of state responsible for the transfer of such funds, the amount spent on such transferred funds. 25

Transfers not listed in Schedules

9. An allocation not listed in the Schedules referred to in section 7 may only be made in terms of section 6 (3) and must comply with such monitoring and reporting requirements as may be determined by the National Treasury.

Provincial infrastructure allocation 30

10. A provincial treasury must, in respect of an allocation for provincial infrastructure listed in Schedule 4, submit to the National Treasury, not later than 30 April 2003, and in the format determined by the National Treasury, a plan on proposed spending for the financial year, the next financial year and the 2005/2006 financial year.

Municipal infrastructure allocations 35

11. (1) Allocations for addressing backlogs in basic municipal infrastructure development and the carrying out of municipal services are set out in Schedule 6A.

(2) Any allocation contemplated in subsection (1) which is intended, entirely or in part, for the installation, maintenance or rehabilitation of municipal infrastructure, must— 40

- (a) only be transferred in terms of a policy framework approved by the Minister;
- (b) be accompanied by an indication of the recommended amounts of a similar allocation for the next financial year and the 2005/2006 financial year, unless the National Treasury grants exemption from compliance with this requirement; and 45
- (c) be in accordance with a distribution formula approved by the National Treasury.

Transfer of assets to municipalities

12. (1) A transferring national officer or a transferring provincial officer may not make any commitment to a municipality, of assets or any other financial resource, including an allocation-in-kind or the future transfer of an asset, intended, entirely or in part, for the construction, installation, maintenance or rehabilitation of municipal infrastructure without— 5

- (a) that municipality's confirmation that it will take transfer of such asset for operating purposes;
- (b) a realistic estimate of the future value of the asset and potential liability, including a reflection on the budget of the benefiting municipality of the associated operating costs; and 10
- (c) the approval of the municipal council and the national accounting officer responsible for local government.

(2) The transferring national officer or the transferring provincial officer, as the case may be, must, on such periods as may be determined by the National Treasury, report to the National Treasury on the actual transfers effected in respect of the allocations contemplated in subsection (1). 15

Municipal capacity building allocations

13. (1) Any transfer of an allocation, other than an allocation on the vote of the National Treasury, aimed at developing and improving municipal systems and the capacity of municipalities to perform functions assigned to them, may only be made in terms of a framework determined by the national accounting officer responsible for local government, in consultation with the Director-General. 20

(2) The framework contemplated in subsection (1) must take into account integrated planning, performance management, financial management, budgeting and spatial planning considerations, and the need to ensure that the capacity of a municipality is in fact developed. 25

(3) The transferring national or provincial officer responsible for a municipal capacity building allocation must, in the annual report of the department, indicate the extent to which the capacity of any municipality was improved by that allocation and the extent to which such allocation was spent on any other body providing assistance to a municipality. 30

PART IV

DUTIES OF ACCOUNTING OFFICERS AND TREASURIES

Duties of transferring national officer 35

14. (1) A transferring national officer must, not later than 14 days after this Act takes effect, certify to the National Treasury that—

- (a) allocation frameworks, conditions and monitoring provisions are reasonable and do not impose an undue administrative burden on benefiting provincial and local governments; 40
- (b) funds will only be transferred after information required in terms of this Act has been provided;
- (c) funds will only be deposited into an accredited bank account of a province or municipality; and
- (d) all other arrangements or requirements necessary for the transfer of an allocation have been complied with. 45

(2) A transferring national officer who has not complied with subsection (1) must, unless the National Treasury has directed otherwise, transfer such funds in terms of a mechanism determined by the National Treasury.

(3) Despite anything to the contrary contained in any law, a transferring national officer must, in respect of any allocation, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, not later than 20 days after the end of each month, and in the format determined by the National Treasury, submit to the National Treasury and the relevant executive authority, information for the month reported on and for the financial year up to the end of that month, on— 50

- (a) the amount of funds transferred to a province or municipality; 55

- (b) the amount of funds delayed or withheld from any province or municipality and the reasons for such delay or withholding;
- (c) the actual expenditure incurred by the province or municipality; and
- (d) such other issues as the National Treasury may determine.

Duties of transferring provincial officer

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15. A transferring provincial officer must, as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, and in respect of any allocation to be transferred to municipalities, within 15 days after the end of each month and in the format determined by the National Treasury, submit to the national transferring officer, the relevant treasury and executive authority responsible for that department, information on— 10

- (a) the amount of funds transferred to a municipality in the month reported on and for the financial year up to the end of that month;
- (b) the amount of funds delayed or withheld from any municipality in the month reported on; 15
- (c) actual expenditure incurred in respect of that allocation; and
- (d) such other issues as the National Treasury may determine.

Duties of receiving officer

16. (1) The relevant receiving officer must, in respect of an allocation to be transferred to— 20

- (a) a province, and as part of the report contemplated in section 40(4)(c) of the Public Finance Management Act, within 15 days after the end of each month, submit a report to the relevant provincial treasury, the relevant provincial executive authority and the transferring national officer; and
- (b) a municipality, within 10 days after the end of each month, submit a report to the relevant transferring national or provincial officer. 25

(2) The reports contemplated in subsection (1) must set out for that month and for the financial year up to the end of that month—

- (a) the amount received by the province or municipality, as the case may be;
- (b) the amount of funds delayed or withheld from the province or municipality, as the case may be; 30
- (c) the actual expenditure by the province or municipality, as the case may be, in respect of allocations set out in the Schedules referred to in section 7 or 9;
- (d) the extent of compliance with the conditions of an allocation and with this Act;
- (e) an explanation for any material problems experienced or variations effected by the province or municipality, as the case may be, regarding an allocation which has been received and a summary of the steps taken to deal with such problems or the effect of such variations; and 35
- (f) such other issues and information as the National Treasury may determine.

(3) The receiving officer of a municipality which intends to transfer to another municipality an allocation, or portion of it, transferred to it in terms of this Act must, effect such transfer in terms of a prescribed framework or with the approval of the National Treasury. 40

(4) The Minister may prescribe additional duties for the receiving officer contemplated in subsection (3). 45

Duties of provincial accounting officers and treasuries

17. (1) The accounting officer of a provincial department providing any allocation to local government from its vote must, not later than 14 days before the tabling of the annual budget of the province, submit to the provincial treasury information, in such format as may be determined by the provincial treasury after consultation with the National Treasury, on such allocations in order that the provincial treasury may publish, with its annual budget or in the provincial *Gazette*, not later than 30 April 2003, the share for a municipality in respect of that allocation. 50

(2) The MEC responsible for financial matters in the province must, in the publication contemplated in subsection (1), also indicate the envisaged division of the allocation contemplated in that subsection in respect of a municipality, for the next financial year and the 2005/2006 financial years. 55

(3) A provincial treasury must, within 22 days after the end of each month, and in the format determined by the National Treasury, and as part of its consolidated monthly report, report on—

- (a) actual transfers received by the province from national departments;
- (b) actual expenditure on such allocations, excluding the allocations set out in Schedule 4, up to the end of that month; 5
- (c) actual transfers made by the province to municipalities, and projections on actual expenditure by municipalities on such allocations; and
- (d) any problems of compliance with this Act, by transferring provincial officers and receiving officers, and the steps taken to deal with such problems. 10

(4) The report contemplated in subsection (3) must, in respect of the provincial infrastructure allocation, include reports for each quarter and be in such format as may be determined by the National Treasury.

Annual financial statements

18. (1) The financial statements contemplated in section 40 of the Public Finance Management Act must, for a department transferring any funds in respect of an allocation set out in Schedules 4, 5, 6, 6A, 7 and 7A, also— 15

- (a) indicate the total amount of that allocation transferred to a province or municipality;
- (b) indicate the funds, if any, that were withheld and the reasons for such withholding in respect of each province or municipality; 20
- (c) certify that all transfers to a province or municipality were deposited into the accredited bank account of a province or municipality;
- (d) certify that, except in respect of allocations contemplated in Schedule 7 or 7A or made in terms of section 9, no other funds were spent, directly or through a public or private entity, on a function normally performed by a province or municipality; 25
- (e) indicate to what extent a province or municipality was monitored for compliance with the conditions of an allocation and the provisions of this Act;
- (f) indicate to what extent the allocation achieved its purpose and outputs; 30
- (g) indicate the funds, if any, utilised for the administration of the allocation, and whether any portion of the allocation was retained by the transferring department for that purpose; and
- (h) indicate any non-compliance with this Act, and the steps taken to deal with such non-compliance. 35

(2) The financial statements contemplated in section 40 of the Public Finance Management Act, or in any other law, must, for a department or municipality receiving grants in respect of an allocation set out in Schedules 3, 4, 5, 6 and 6A, also—

- (a) indicate the total amount of all allocations received;
- (b) indicate the total amount of actual expenditure on all allocations except Schedule 3 allocations; 40
- (c) certify that all transfers in terms of this Act to a province or municipality were deposited into the accredited bank account of such province or municipality;
- (d) indicate to what extent a province or municipality met the conditions of such an allocation, and complied with the provisions of this Act; 45
- (e) indicate the extent to which the objectives of the allocation were achieved; and
- (f) contain such other information as the National Treasury may determine.

PART V

DUTIES OF DIRECTOR-GENERAL AND AUDITOR-GENERAL

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Duties of Director-General

19. The Director-General must, together with the report contemplated in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in the Schedules set out in section 7 or made in terms of section 9.

Duties of Auditor-General

20. (1) Without derogating from the powers and duties of the Auditor-General in terms of the Constitution and any other law, the Auditor-General may, in the audit of financial statements on the allocations set out in Part III or in a special report to be submitted to Parliament, report on—

- (a) the extent of compliance with this Act by the Director-General, transferring national officers, transferring provincial officers and receiving officers; 5
- (b) whether there was compliance with the certification and reporting requirements of this Act;
- (c) the evaluation of evidence supporting the amounts and disclosures in monthly and annual reports contemplated in this Act; 10
- (d) whether a transferring national officer or transferring provincial officer made unauthorised transfers to any province or municipality or to any public or other entity;
- (e) whether the monitoring of the receiving government's compliance with allocation conditions was undertaken in terms of the provisions of this Act; 15
- (f) whether each allocation to a province or municipality was made in accordance with this Act; and
- (g) such other intergovernmental financial management matters as may be prescribed. 20

(2) The internal audit unit of a department and such department's audit committee must establish procedures, systems and mechanisms to facilitate the external audit contemplated in subsection (1).

PART VI

GENERAL

Delaying of payments

21. (1) Subject to subsection (2), the transferring national officer may, after consultation with the National Treasury and the relevant provincial treasury if the National Treasury so determines, for a period not exceeding 30 days, delay the payment of an allocation in terms of Part III or any portion of such allocation, if— 30

- (a) the municipality or province does not comply with the conditions to which the allocation is subject;
- (b) the municipality is in breach of the measures contemplated in section 5(6); or
- (c) expenditure on previous transfers reflects significant underspending for which no satisfactory explanation is given. 35

(2) The National Treasury may, after consultation with the relevant provincial treasury, allow the transfer to be delayed for a period exceeding 30 days if such delay will ensure compliance with the conditions to which an allocation is subject or will ensure significant spending on that allocation.

(3) The transferring national officer must, in the monthly reports contemplated in this Act, inform the National Treasury of the steps taken to deal with the causes of the payment delay. 40

Withholding of payments

22. (1) The National Treasury may, subject to section 216 of the Constitution, withhold the transfer of— 45

- (a) an allocation set out in Schedules 4, 5, 6 and 6A, or any portion of such allocation, if the municipality or province is in serious or persistent material breach of the conditions to which the allocation is subject; or
- (b) an allocation in terms of section 5, if the municipality is in serious or persistent material breach of the measures contemplated in section 5(6); or 50
- (c) an allocation in terms of section 9;

if the transferring national officer has submitted to the province or municipality, as the case may be, a written report, at least 21 days before such allocation is due to be transferred, setting out facts reflecting a serious or persistent material breach of the

conditions to which the allocation is subject or the measures contemplated in section 5(6) upon receipt of audit reports which indicate serious or persistent material breach of this Act.

(2) The Minister may, by notice in the *Gazette*, approve that an allocation, or any portion of such allocation, withheld from a municipality in terms of subsection (1), be utilised to meet that municipality's outstanding statutory financial commitments. 5

(3) The money contemplated in subsection (2) shall, despite anything to the contrary contained in any law, be a direct charge against the National Revenue Fund.

Reallocation of allocations between municipalities

23. (1) The transferring national or provincial officer may, with the written consent of the National Treasury and after consultation with the affected municipalities, reallocate an allocation, or a portion thereof, from one municipality to another municipality in that district, if the reallocation will reduce the risk of underspending or where a category B and C municipality fail to agree on the use of any funds transferred to them in terms of section 7. 10 15

(2) The National Treasury must publish such reallocation in the *Gazette*.

Spending in terms of purpose and subject to conditions

24. (1) Despite anything to the contrary contained in any law, an allocation set out in Schedule 4, 5, 6, 6A, 7 or 7A may only be utilised for the purpose stipulated in the Schedule concerned and in accordance with the conditions it is subject to, which conditions must, not later than 30 April 2003, be published by the Minister in the *Gazette*, unless such conditions were published on the date on which the annual budget is tabled in the National Assembly. 20

(2) The utilisation of an allocation set out in the Schedules for purposes other than those set out in the Schedules concerned, constitutes a breach of the measures established in terms of section 216(1) of the Constitution. 25

(3) Despite subsections (1) and (2), the National Treasury may authorise a province or municipality to retain and utilise such portion of the funds of an allocation set out in the Schedules listed in section 7, which remains after the fulfilment of that allocation's purpose and compliance with the conditions to which it is subject. 30

Transfers made in error

25. (1) Despite anything to the contrary contained in any law, the transfer of an allocation to a province, in error, is regarded as not legally due to the province for the purpose of its Revenue Fund.

(2) A transfer contemplated in subsection (1) must be recovered without delay by the responsible transferring national officer. 35

(3) The Director-General may direct that the recovery contemplated in subsection (1) be effected by set-off against future transfers to the province, which would otherwise become due in accordance with a payment schedule.

(4) Despite anything to the contrary contained in any law, the transfer of an allocation to a municipality, in error, is regarded as not legally due to that municipality and must be recovered without delay by the responsible transferring national officer. 40

(5) The national accounting officer responsible for local government may direct that the recovery contemplated in subsection (4) be effected by set-off against transfers to the municipality concerned, which would otherwise become due in accordance with any payment schedule. 45

Transfers to municipalities with weak administrative capacity

26. (1) If the national accounting officer responsible for local government reasonably believes that a category B or C municipality is not able to effectively administer an allocation, or portion thereof, that officer may transfer such allocation, or portion thereof, to the province in which the municipality is located or, when appropriate, to another municipality, after consultation with the municipalities and province concerned. 50

(2) Any allocation, or portion thereof, contemplated in subsection (1) must be dealt with by the province or other municipality to which it has been transferred in accordance with any directions by the national accounting officer responsible for local government. 55

(3) The national accounting officer responsible for local government must publish in the *Gazette* information on the transfer of an allocation contemplated in subsection (1).

Funds to follow transfer of functions or obligations

27. (1) Despite anything to the contrary contained in any law, the transfer of functions or obligations from an organ of state in one sphere of government to an organ of state in another sphere of government or from one municipality to another municipality must take place only with the prior written approval of the National Treasury and the national accounting officer responsible for provincial and local government. 5

(2) The transfer of functions or obligations contemplated in subsection (1) must, unless the Minister directs otherwise, include the transfer of funds available to the transferring organ of state or sphere of government for the purposes of performing such transferred function or obligation. 10

(3) No financial function or obligation of a national or provincial department may be imposed on a municipality without—

- (a) that municipality's prior written acceptance by resolution of its council; and 15
- (b) the prior written approval of the National Treasury.

(4) A province must utilise its own funds for any obligation which is in conflict with subsection (1).

(5) Any liability arising from a determination of functions between a category B and C municipality by a province in terms of section 84 or 85 of the Municipal Structures Act, is a liability of that province and not of the national government. 20

Amendment of payment schedule and transfer mechanism

28. (1) Subject to subsection (2), a transferring national officer may, in respect of an allocation set out in Schedule 5, 6 or 6A, after consultation with the National Treasury and the relevant provincial treasury, if the National Treasury so determines, amend a payment schedule due to the underspending of the funds or for any other exceptional reason. 25

(2) The National Treasury may, in the interest of improved accountability or debt and cash-flow management, or on the grounds of substantial non-compliance with any condition to which an allocation is subject, amend any payment schedule of an allocation listed in Schedule 2, 3, 4, 5, 6 or 6A, and direct that no transfer of funds be effected through the payment schedule amended in accordance with subsection (1) or that the payment schedule be amended as directed by it. 30

Exemptions by National Treasury

29. (1) The National Treasury may, on application in writing by a transferring national or provincial officer, exempt in writing a transferring national or provincial officer from the duty to comply with reporting requirements or any other requirement regarding an allocation set out in a Schedule listed in section 7 or envisaged in section 9: Provided that such exemption may only be granted if such officer satisfies the Director-General that— 35 40

- (a) the duty cannot be complied with at that stage;
- (b) the allocation programme is properly designed; and
- (c) the accounting officer is taking steps to comply with the provisions of this Act.

(2) Any exemption contemplated in subsection (1)—

- (a) may only be granted if the accounting officer provides reasons why information was not included in respect of an allocation set out in a Schedule listed in section 7; and 45
- (b) must set out the conditions, if any, to which it is subject and must be published in the *Gazette*.

Non-compliance with this Act constituting financial misconduct

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30. Despite anything to the contrary contained in any law, any serious or persistent non-compliance with the provisions of this Act, or the conditions which an allocation in terms of this Act is subject to, constitutes financial misconduct.

Liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations

31. (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any financial or fiscal matter must, before approaching a court to resolve such dispute, make every effort to settle the dispute with the other organ of state concerned, including by making use of the structures established in terms of the Intergovernmental Fiscal Relations Act. 5

(2) In the event that a dispute is referred back by a court in accordance with section 41(4) of the Constitution, due to the court not being satisfied that the organ of state approaching the court has complied with subsection (1), the expenditure incurred by that organ in approaching the court is regarded as fruitless and wasteful. 10

(3) The amount of any such fruitless and wasteful expenditure must, in terms of a prescribed procedure, be recovered without delay from the person who caused the organ of state not to comply with the requirements of subsection (1).

Acts performed before this Act took effect 15

32. Despite anything to the contrary contained in any law, any act performed prior to the coming into effect of this Act or in accordance with any prescribed requirements in fulfillment of the objects of this Act is regarded as having been done in terms of the relevant provisions of this Act.

Regulations 20

33. The Minister may, by notice in the *Gazette*, make regulations regarding—
- (a) anything which must or may be prescribed in terms of this Act; and
 - (b) any matter which is necessary to prescribe for the effective implementation of the provisions and achievement of the objects of this Act.

Repeal and amendment of law 25

34. (1) Schedule 6 of the Division of Revenue Act, 2002 (Act No. 5 of 2002) is, in respect of the vote of the Department of Water Affairs and Forestry (Vote 33) hereby amended by the deletion of the numbers in bold square brackets and the insertion of the underlined numbers, as set out in Schedule 8 to this Act.

(2) Anything done in terms of Schedule 6 of the Division of Revenue Act, 2002 (Act No. 5 of 2002) is deemed as having been done under that Schedule as amended by Schedule 8 to this Act. 30

(3) Subject to subsections (1), (2) and (4), the Division of Revenue Act, 2002 (Act No. 5 of 2002) is hereby repealed with effect from the date on which this Act takes effect or from 1 April 2003, whichever is the later. 35

(4) The repeal of the Division of Revenue Act, 2002 does not affect any duty or obligation set out in that Act, the execution of which is still outstanding.

Short title

35. This Act is called the Division of Revenue Act, 2003 and comes into operation on a date determined by the President by proclamation in the *Gazette*. 40

SCHEDULE 1**EQUITABLE DIVISION OF REVENUE ANTICIPATED TO BE RAISED
NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT**

Spheres of Government	Column A	Column B	
	2003/04	Forward Estimates	
	Allocation	2004/05	2005/06
	R'000	R'000	R'000
National ¹	185 235 905	200 954 497	220 351 687
Provincial	142 386 031	155 313 096	167 556 442
Local	6 343 478	7 077 546	7 698 179
TOTAL	333 965 414	363 345 139	395 606 308

¹ National share includes conditional grants to provincial and local spheres, debt service cost and the contingency reserve.

SCHEDULE 2**DETERMINATION OF EACH PROVINCES'S EQUITABLE SHARE OF THE
PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(as a direct charge against the National Revenue Fund)**

Province	Column A	Column B	
	2003/04	Forward Estimates	
	Allocation	2004/05	2005/06
	R'000	R'000	R'000
Eastern Cape	24 227 559	26 427 150	28 510 405
Free State	9 462 691	10 321 798	11 135 467
Gauteng	21 875 885	23 861 973	25 743 013
KwaZulu-Natal	29 279 286	31 937 519	34 455 157
Limpopo	19 352 278	21 109 250	22 773 294
Mpumalanga	10 219 531	11 147 349	12 026 097
Northern Cape	3 455 244	3 768 943	4 066 049
North West	11 821 596	12 894 864	13 911 367
Western Cape	12 691 961	13 844 250	14 935 593
TOTAL	142 386 031	155 313 096	167 556 442

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF
THE LOCAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY
(As appropriated in the vote of Department of Provincial and Local Government
(Vote 5) for the financial year)**

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
WESTERN CAPE			R'000	R'000	R'000
A		City of Cape Town	159 992	167 038	169 338
B	WC011	Matzikama	5 317	6 110	6 586
B	WC012	Cederberg	4 310	4 918	5 291
B	WC013	Bergrivier	3 313	3 892	4 254
B	WC014	Saldanha Bay	2 464	2 650	2 711
B	WC015	Swartland	5 972	6 755	7 188
DMA	DMA01	West Coast DMA			
C	DC1	West Coast District Municipality	1 485	1 082	1 034
Total: West Coast Municipalities			22 861	25 406	27 064
B	WC022	Witzenberg	7 513	8 631	9 359
B	WC023	Drakenstein	11 856	12 879	13 363
B	WC024	Stellenbosch	6 954	7 885	8 399
B	WC025	Breede Valley	11 288	12 732	13 481
B	WC026	Breede River/Winelands	7 169	7 982	8 464
DMA	DMA02	Breede River DMA			
C	DC2	Boland District Municipality	2 083	1 785	1 875
Total: Boland Municipalities			46 863	51 893	54 940
B	WC031	Theewaterskloof	7 642	9 016	9 847
B	WC032	Overstrand	3 414	3 683	3 781
B	WC033	Cape Agulhas	1 982	2 279	2 422
B	WC034	Swellendam	3 449	3 932	4 207
DMA	DMA03	Overberg DMA			
C	DC3	Overberg District Municipality	811	432	290
Total: Overberg Municipalities			17 297	19 344	20 546
B	WC041	Kannaland	3 668	4 080	4 365
B	WC042	Langeberg	3 375	3 769	4 042
B	WC043	Mossel Bay	3 522	3 814	3 935
B	WC044	George	6 288	6 640	6 752
B	WC045	Oudtshoorn	4 390	4 676	4 798
B	WC047	Plettenberg Bay	2 981	3 278	3 419
B	WC048	Knysna	3 972	4 160	4 218
DMA	DMA04	South Cape DMA			
C	DC4	Garden Route/Klein Karoo District Municipality	2 669	2 420	2 498
Total: Garden Route/Klein Karoo Municipalities			30 864	32 836	34 025
B	WC051	Laingsburg	2 333	2 442	2 509
B	WC052	Prince Albert	2 792	2 966	3 075
B	WC053	Beaufort West	3 226	3 518	3 641
DMA	DMA05	Central Karoo DMA			
C	DC5	Central Karoo District Municipality	5 639	5 654	5 827
Total: Central Karoo Municipalities			13 990	14 581	15 052
Western Cape Provincial Total			291 867	311 097	320 965

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
NORTHERN CAPE			R'000	R'000	R'000
B	NC01B1	Gammagara	4 547	5 118	5 342
B	NW1a1	Segonyana	15 429	17 665	19 975
B	CBLC1	Kuruman-Mothibstad	11 726	13 646	15 042
DMA	CBDMA1	Kalahari CBDMA			
C	CBDC1	Kalahari-Kgalagadi Cross-border Municipality	14 811	16 503	17 794
Total: Kalahari-Kgalagadi Municipalities			46 514	52 932	58 154
B	NC061	Richtersveld	3 023	3 275	3 435
B	NC062	Nama Khoi	6 495	7 520	8 243
B	NC064	Kamiesberg	3 829	4 082	4 253
B	NC065	Hantam	6 000	6 525	6 810
B	NC066	Karoo Hoogland	4 607	4 998	5 235
B	NC067	Khai-Ma	3 098	3 372	3 545
DMA	DMA06	Namaqualand			
C	DC6	Namakwa District Municipality	2 375	2 466	2 669
Total: Namakwa District Municipalities			29 427	32 239	34 190
B	NC071	Ubuntu	5 867	6 744	7 392
B	NC072	Umsobomvu	7 445	8 099	8 439
B	NC073	Emthanjeni	8 524	9 119	9 369
B	NC074	Kareeberg	4 279	4 602	4 799
B	NC075	Renosterberg	4 200	4 486	4 643
B	NC076	Thembelihle	4 221	4 471	4 606
B	NC077	Priemanday	5 703	6 176	6 417
B	NC078	Siyancuma	8 991	10 138	10 966
DMA	DMA07	Karoo DMA			
C	DC7	Karoo District Municipality	3 928	3 613	3 978
Total: Bo-Karoo District Municipalities			53 158	57 449	60 609
B	NC081	Mier	3 202	3 340	3 422
B	NC082	Nama Khoi	10 161	11 731	12 846
B	NC083	Gariep	8 810	9 739	10 217
B	NC084	! Kheis	4 267	4 683	4 973
B	NC085	Re A Ipela	6 352	6 928	7 166
B	NC086	Dan-Lime	4 569	4 892	5 044
DMA	DMA08	Siyanda DMA			
C	DC8	Siyanda District Municipality	3 691	3 626	4 073
Total: Benede-Oranje District Municipalities			41 052	44 940	47 742
B	NC091	Sol Plaatje	26 882	28 288	29 001
B	NC092	Dikgatlong	10 792	11 756	12 287
B	NC093	Magareng	7 372	7 939	8 166
B	CBLC7	Vaalharts-Morobeng	14 946	16 285	16 921
DMA	DMA09	Diamondfields			
C	DC9	Frances Baard District Municipality	1 778	1 652	1 840
Total: Diamantveld District Municipalities			61 771	65 920	68 214
Northern Cape Provincial Total			231 922	253 480	268 909

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
EASTERN CAPE			R'000	R'000	R'000
A		Nelson Mandela	149 300	155 746	158 233
B	EC101	Camdeboo	7 571	8 321	8 578
B	EC102	Blue Crane Route	9 592	10 393	10 776
B	EC103	Ikwezi	3 840	4 077	4 192
B	EC104	Makana	13 843	15 349	15 938
B	EC105	Ndlambe	11 821	13 000	13 519
B	EC106	Sunday's River Valley	10 693	12 065	12 863
B	EC107	Baviaans	4 657	4 958	5 116
B	EC108	Kouga	9 577	10 740	11 279
B	EC109	Kou-Kamma	6 387	7 415	8 113
DMA	DMA10	Aberdeen Plain			
C	DC10	Cacadu District Municipality	6 012	4 549	3 935
Total: Cacadu Municipalities			83 992	90 868	94 310
B	EC121	Mbhashe	41 760	46 301	53 060
B	EC122	Mnquma	46 850	51 117	57 618
B	EC123	Great Kei	8 788	9 492	10 412
B	EC124	Amahlati	23 574	25 748	28 787
B	EC125	Buffalo City	187 156	186 631	184 358
B	EC126	Ngqushwa	17 015	19 027	21 549
B	EC127	Nkonkobe	22 295	23 446	25 493
B	EC128	Nxuba	6 005	5 974	6 091
C	DC12	Amatole District Municipality	66 970	119 490	161 318
Total: Amathole Municipalities			420 413	487 226	548 685
B	EC131	Inxuba Yethemba	7 861	8 109	8 388
B	EC132	Tsolwana	7 872	8 642	9 444
B	EC133	Inkwanca	5 119	5 371	5 567
B	EC134	Lukanji	25 345	24 727	24 846
B	EC135	Intsika Yethu	37 313	41 979	48 098
B	EC136	Emalahleni	22 759	25 044	27 930
B	EC137	Engcobo	25 732	28 599	32 540
B	EC138	Sakhisizwe	10 270	10 792	11 530
DMA	DMA13	Mount Zebra NP			
C	DC13	Chris Hani District Municipality	78 798	113 203	139 926
Total: Chris Hani Municipalities			221 071	266 466	308 268
B	EC141	Elundini	26 108	29 131	32 640
B	EC142	Senqu	23 036	26 409	29 827
B	EC143	Malethswai	6 181	6 459	6 668
B	EC144	Gariep	6 246	6 655	6 932
DMA	DMA14	Oviston Nature Reserve			
C	DC14	Ukwahlamba District Municipality	43 562	55 858	65 617
Total: Ukwahlamba Municipalities			105 132	124 513	141 683
B	EC151	Mbizana	35 133	39 031	44 738
B	EC152	Ntabankulu	22 086	24 253	27 582
B	EC153	Ingquza	37 861	41 749	47 756
B	EC154	Port St Johns	25 647	28 309	32 228
B	EC155	Nyandeni	42 972	47 739	54 813
B	EC156	Mhlontlo	33 101	36 625	41 731
B	EC157	King Sabata Dalindyebo	60 851	66 342	74 325
C	DC15	O.R Tambo District Municipality	147 908	223 644	284 751
Total: O.R Tambo Municipalities			405 560	507 690	607 924

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
B	EC05b1	Umzimkulu	27 357	30 536	34 631
B	EC05b2	Umzimvubu	63 961	72 899	83 839
DMA	DMA44	O'Connors Camp			
C	DC44	Alfred Nzo District Municipality	60 285	86 362	108 596
Total: Alfred Nzo Municipalities			151 603	189 797	227 066
Eastern Cape Provincial Total			1 537 070	1 822 307	2 086 169

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
FREE STATE			R'000	R'000	R'000
B	FS161	Letsemeng	10 733	11 998	12 720
B	FS162	Kopanong	14 754	16 391	17 214
B	FS163	Mohokare	14 625	16 562	17 713
C	DC16	Xhariep District Municipality	3 350	3 349	3 405
Total: Xhariep District Municipalities			43 462	48 300	51 052
B	FS171	Naledi	10 429	11 624	12 272
B	FS172	Mangaung	199 609	197 707	192 198
B	FS173	Mansopa	15 543	17 489	18 658
C	DC17	Motheo District Municipality	717	456	303
Total: Motheo District Municipalities			226 299	227 276	223 431
B	FS181	Masilonyana	23 004	26 043	27 658
B	FS182	Tokologo	10 783	12 013	12 778
B	FS183	Tswelopele	18 512	20 929	22 335
B	FS184	Matjhabeng	106 044	117 493	123 018
B	FS185	Nala	26 789	29 464	30 907
C	DC18	Lejweleputswa District Municipality	2 535	1 613	1 071
Total: Lejweleputswa District Municipalities			187 668	207 553	217 767
B	FS191	Setsoto	32 092	38 385	42 388
B	FS192	Dihlabeng	22 876	25 853	27 449
B	FS193	Nketoana	22 291	25 359	27 050
B	FS194	Maluti a Phofung	112 538	126 813	137 790
B	FS195	Phumelela	13 182	14 670	15 589
DMA	DMA19	Golden Gate Highlands NP			
C	DC19	Thabo Mofutsanyane District Municipality	19 273	13 254	13 487
Total: Thabo Mafutsanyane Municipalities			222 252	244 333	263 752
B	FS201	Moqhaka	37 095	41 265	43 599
B	FS203	Ngwathe	35 056	37 650	38 979
B	FS204	Metsimaholo	19 410	20 974	21 669
B	FS205	Mafube	16 013	17 490	18 328
C	DC20	Northern Free State District Municipality	1 771	1 127	748
Total: Northern Free State Municipalities			109 344	118 506	123 324
Free State Provincial Total			789 025	845 968	879 326

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
KWAZULU-NATAL			R'000	R'000	R'000
A		eThekwini	370 461	378 522	379 178
B	KZ211	Vulamehlo	11 370	12 983	14 562
B	KZ212	Umdoni	3 970	4 640	5 128
B	KZ213	Khiphinkunzi	15 713	18 050	20 427
B	KZ214	uMuziwabantu	9 751	11 024	12 285
B	KZ215	Izingolweni	6 408	7 213	7 970
B	KZ216	Hibiscus Coast	11 600	13 235	14 490
C	DC21	Ugu District Municipality	35 201	46 203	56 832
Total: Ugu Municipalities			94 013	113 349	131 694
B	KZ221	uMshwathi	9 815	10 564	11 951
B	KZ222	uMngeni	7 285	6 524	6 010
B	KZ223	Mooi Mpofana	3 250	3 476	3 680
B	KZ224	Impendle	4 086	4 216	4 497
B	KZ225	Msunduzi	75 050	72 666	68 912
B	KZ226	Mkhambathini	4 958	5 223	5 701
B	KZ227	Richmond	7 162	8 579	9 441
DMA	DMA22	Highmoor/Kamberg Park			
C	DC22	uMgungundlovu District Municipality	21 625	33 300	43 577
Total: uMgungundlovu Municipalities			133 232	144 547	153 768
B	KZ232	Emnambithi-Ladysmith	12 397	11 220	10 821
B	KZ233	Indaka	8 729	9 848	10 758
B	KZ234	Umtshezi	7 240	6 508	5 889
B	KZ235	Okhahlamba	8 836	9 990	10 936
B	KZ236	Imbabazane	7 895	9 074	10 042
DMA	DMA23	Giants Castle Game Reserve			
C	DC23	Uthukela District Municipality	21 573	23 197	26 589
Total: Uthukela Municipalities			66 670	69 838	75 035
B	KZ241	Endumeni	3 077	3 182	3 290
B	KZ242	Nquthu	13 505	14 219	15 089
B	KZ244	Umsinga	18 146	20 881	23 619
B	KZ245	Umvoti	12 754	15 154	17 108
C	DC24	Umzinyathi District Municipality	34 823	38 980	46 170
Total: Umzinyathi Municipalities			82 305	92 416	105 275
B	KZ252	Newcastle	28 178	26 774	25 124
B	KZ253	Utrecht	3 240	3 405	3 598
B	KZ254	Dannhauser	7 637	8 290	9 147
C	DC25	Amajuba District Municipality	5 858	6 825	7 946
Total: Amajuba District Municipalities			44 913	45 295	45 814
B	KZ261	eDumbe	5 729	6 403	6 950
B	KZ262	uPhongolo	9 825	10 667	11 382
B	KZ263	Abaqulusi	10 654	11 070	11 457
B	KZ265	Nongoma	14 798	15 937	17 116
B	KZ266	Ulundi	17 167	17 563	18 091
C	DC26	Zululand District Municipality	35 540	37 963	42 527
Total: Zululand Municipalities			93 714	99 603	107 523

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
B	KZ271	Umhlabyalingana	12 432	13 908	15 570
B	KZ272	Jozini	14 501	16 011	17 767
B	KZ273	Umzinene	4 004	4 259	4 535
B	KZ274	Hlabisa	11 106	12 231	13 555
B	KZ275	Inyala/Mtubatuba	5 323	5 044	4 952
DMA	DMA27	St Lucia Park			
C	DC27	Umkhanyakude District Municipality	32 371	38 450	44 025
Total: Umkhanyakude Municipalities			79 737	89 904	100 402
B	KZ281	Mbonambi	7 473	8 329	9 171
B	KZ282	uMhlathuze	22 242	19 051	17 353
B	KZ283	Ntambanana	5 820	6 027	6 469
B	KZ284	Umlalazi	16 273	17 741	19 318
B	KZ285	Mthonjaneni	4 443	5 345	5 685
B	KZ286	Nkandla	12 512	13 670	14 987
C	DC28	uThungulu District Municipality	21 391	28 487	36 161
Total: uThungulu Municipalities			90 155	98 651	109 144
B	KZ291	Mandeni	15 248	15 850	16 679
B	KZ292	KwaDukuza	18 529	19 785	21 042
B	KZ293	Ndwedwe	14 894	16 763	18 908
B	KZ294	Maphumulo	13 243	14 725	16 566
C	DC29	King Shaka District Municipality	27 135	40 739	52 350
Total: Shaka Zulu Municipalities			89 049	107 862	125 544
B	KZ5a1	Ingwe	11 311	12 674	14 255
B	KZ5a2	Kwa Sani	3 651	4 019	4 364
B	KZ5a3	Matatiele	2 879	2 978	3 067
B	KZ5a4	Greater Kokstad	6 800	7 063	7 387
B	KZ5a5	KZ5a5	10 333	11 620	13 028
DMA	DMA43	Mkhomazi Wilderness Area			
C	DC43	Sisonke District Municipality	16 161	23 902	29 663
Total: Sisonke Municipalities			51 134	62 257	71 763
KwaZulu-Natal Provincial Total			1 195 384	1 302 243	1 405 141

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
MPUMALANGA			R'000	R'000	R'000
B	MP301	Albert Luthuli	26 926	30 326	33 098
B	MP302	Msukaligwa	15 849	17 265	18 027
B	MP303	Mkhondo	10 968	12 565	13 727
B	MP304	Seme	8 385	9 599	10 342
B	MP305	Lekwa	12 495	13 595	14 191
B	MP306	Dipaleseng	6 367	7 013	7 359
B	MP307	Highveld East	31 449	33 559	34 263
C	DC30	Eastvaal District Municipality	5 148	3 276	2 176
Total: Eastvaal Municipalities			117 589	127 199	133 183
B	MP311	Delmas	5 957	6 639	7 022
B	MP312	Emalahleni	25 566	27 467	28 172
B	MP313	Middelburg	15 290	16 759	17 451
B	MP314	Highlands	6 542	7 301	7 743
B	MP315	Thembisile	17 619	19 520	20 855
B	MP316	Dr JS Moroka	17 367	17 907	18 353
DMA	DMA31	Mdala Nature Reserve			
C	DC31	Ngankala District Municipality	2 058	1 254	835
Total: Nkangala Municipalities			90 398	96 846	100 434
B	MP321	Thaba Chweu	15 187	18 030	19 726
B	MP322	Mbombela	51 965	57 263	60 932
B	MP323	Umjindi	9 111	10 345	11 063
B	MP324	Nkomazi	35 669	42 960	48 759
DMA	DMA32	Lowveld			
C	DC32	Ehlanzeni District Municipality	8 549	5 440	3 613
Total: Ehlanzeni Municipalities			120 481	134 038	144 093
Mpumalanga Provincial Total			328 467	358 083	377 710

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
LIMPOPO			R'000	R'000	R'000
B	NP03A2	Makhudutamaga	18 783	22 210	25 364
B	NP03A3	Fetakgomo	8 952	10 150	11 320
B	CBLC3	Greater Marble Hall	10 255	10 980	11 598
B	CBLC4	Groblersdal	16 870	16 141	16 179
B	CBLC5	Greater Tubatse	19 658	22 272	24 868
B	CBDMA3	Schuinsdraai Nature Reserve			
C	CBDC3	Sekhukhune Cross-boundary Municipality	50 421	60 721	71 859
Total: Sekhukhune Municipalities			124 938	142 473	161 188
B	NP04A1	Maruleng	9 309	10 628	12 048
B	CBLC6	Bushbuckridge	56 520	56 858	59 300
DMA	CDDMA4	Kruger Park			
C	CBDC4	Eastern Cross-boundary Municipality	35 494	47 618	58 423
Total: Eastern Municipalities			101 322	115 104	129 770
B	NP331	Greater Giyani	37 419	35 177	34 206
B	NP332	Greater Letaba	20 021	22 762	25 390
B	NP333	Greater Tzaneen	31 073	34 630	38 417
B	NP334	Ba-Phalaborwa	17 584	15 710	14 453
C	DC33	Mopani District Municipality	39 495	61 919	80 917
Total: Mopani Municipalities			145 591	170 198	193 383
B	NP341	Musina	6 557	6 924	7 383
B	NP342	Mutale	13 318	12 847	13 104
B	NP343	Tohoyandou Malamulele	51 702	53 379	57 605
B	NP344	Makhado	48 388	47 488	49 144
C	DC34	Vhembe District Municipality	42 843	72 959	96 058
Total: Vhembe Municipalities			162 807	193 597	223 295
B	NP351	Blouberg	16 723	18 680	20 825
B	NP352	Aganang	9 607	11 037	12 441
B	NP353	Molemole	7 600	8 772	9 903
B	NP354	Polokwane	37 455	42 040	45 057
B	NP355	Lepelle-Nkumpi	13 031	14 505	15 762
C	DC35	Capricorn Cross-boundary Municipality	35 743	42 058	49 334
Total: Capricorn Municipalities			120 161	137 092	153 321
B	NP361	Thabazimbi	11 015	13 355	14 729
B	NP362	Lephalale	12 437	15 829	18 090
B	NP364	Mookgapong	3 305	4 080	4 661
B	NP365	Modimolle	7 511	8 880	9 658
B	NP366	Bela Bela	6 773	7 923	8 449
B	NP367	Mogalakwena	24 365	29 661	33 447
C	DC36	Waterberg District Municipality	8 664	5 514	3 662
Total: Waterberg Municipalities			74 071	85 242	92 695
Limpopo Provincial Total			728 890	843 704	953 653

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
NORTH WEST			R'000	R'000	R'000
B	NW371	Moretele	17 024	20 970	24 139
B	NW372	Madibeng	50 929	59 644	66 328
B	NW373	Rustenburg	50 418	56 950	60 957
B	NW374	Kgetlengrivier	7 189	8 239	8 903
B	NW375	Moses Kotane	36 068	42 267	47 104
DMA	DMA37	Pilansberg National Park			
C	DC37	Bokone-Botlhaba District Municipality	18 357	9 015	3 009
Total: Bojanala-Botlhaba Municipalities			179 985	197 085	210 439
B	NW381	Setla-Kgobi	15 145	16 936	19 149
B	NW382	Tswaing	12 190	13 207	14 358
B	NW383	Mafikeng	21 720	24 389	27 566
B	NW384	Lichtenburg	13 174	13 425	13 973
B	NW385	Zeerust	14 875	16 217	17 892
C	DC38	Central District Municipality	45 640	59 921	72 861
Total: Central Municipalities			122 743	144 095	165 799
B	NW391	Kagisano	15 653	17 601	20 016
B	NW392	Naledi	6 057	6 418	6 873
B	NW393	Schweizer-Reneke	7 399	7 694	8 034
B	NW394	Greater Taung	26 347	28 616	31 964
B	NW395	Molopo	3 626	3 962	4 343
B	NW396	Lekwa-Teemane	5 433	5 701	5 929
C	DC39	Bophirima District Municipality	31 208	45 998	57 982
Total: Bophirima Municipalities			95 723	115 990	135 140
B	NW401	Ventersdorp	8 546	9 411	9 996
B	NW402	Potchefstroom	13 636	14 559	14 923
B	NW403	Klerksdorp	47 483	51 662	53 544
B	NW404	Maquassi Hills	11 822	12 982	13 623
C	DC40	Southern District Municipality	1 901	1 210	803
Total: Southern Municipalities			83 388	89 825	92 889
North West Provincial Total			481 839	546 995	604 268

Category	Number	Municipality	Column A	Column B	
			2003/04	Forward Estimates	
			Allocation	2004/05	2005/06
GAUTENG			R'000	R'000	R'000
A	East Rand	Ekurhuleni	192 485	200 540	201 907
A	Johannesburg	City of Johannesburg	238 763	253 440	258 429
A	Pretoria	City of Tshwane	158 737	162 465	162 369
B	GT02b1	Nokeng tsa Taemane	6 027	7 102	7 603
B	CBLC2	Kungwini	9 229	10 212	10 441
C	CBDC2	Metsweding Cross-boundary Municipality	3 953	2 516	1 671
Total: Metsweding Municipalities			19 209	19 830	19 715
B	GT421	Emfuleni	53 410	56 159	56 666
B	GT422	Midvaal	9 885	10 814	11 317
B	GT423	Lesedi	7 539	8 053	8 333
C	DC42	Sedibeng District Municipality	1 169	744	494
Total: Sedibeng Municipalities			72 003	75 770	76 810
B	GT411	Mogale City	21 433	23 037	23 625
B	GT412	Randfontein	10 739	11 333	11 524
B	GT414	Westonaria	20 621	21 525	21 708
B	CBLC8	Merafong	23 054	24 135	24 386
DMA	DMA41	Sterkfontein			
C	CBDC8	West Rand Cross-boundary Municipality	1 971	1 593	1 566
Total: West Rand Municipalities			77 818	81 623	82 809
Gauteng Provincial Total			759 015	793 668	802 039
SOUTH AFRICA TOTAL			6 343 478	7 077 546	7 698 179

SCHEDULE 4

GENERAL AND NATIONALLY ASSIGNED FUNCTION ALLOCATIONS TO PROVINCES

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	
					2004/05	2005/06	
Health (Vote 16)	(a) National Tertiary Services Grant	To fund tertiary health services.	Nationally assigned function grant to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	195 504	272 036	353 022
				Gauteng	336 501	384 165	432 116
				KwaZulu-Natal	1 679 760	1 727 736	1 760 465
				Limpopo	551 831	619 462	686 637
				Mpumalanga	46 297	46 878	46 973
				Northern Cape	40 265	41 427	42 224
				North West	32 892	42 105	51 747
				Western Cape	35 000	35 109	34 822
	TOTAL				1 076 724	1 104 087	1 121 380
National Treasury (Vote 8)	(b) Health Professions Training and Development Grant	To support the training and development of health professionals.	Nationally assigned function grant to provinces	Eastern Cape	3 994 774	4 273 005	4 529 386
				Free State	79 873	97 464	127 566
				Gauteng	90 061	93 643	92 517
				KwaZulu-Natal	539 330	560 778	554 039
				Limpopo	167 553	180 629	192 373
				Mpumalanga	40 414	51 805	72 411
				Northern Cape	34 421	41 808	54 363
				North West	30 007	34 444	41 069
				Western Cape	37 144	46 351	62 564
	TOTAL				314 696	327 210	323 278
National Treasury (Vote 8)	(a) Provincial Infrastructure Grant	To fund the construction and maintenance of provincial infrastructure like roads, school buildings, health facilities and rural development.	General conditional grant to provinces	Eastern Cape	1 333 499	1 434 132	1 520 186
				Free State	433 673	535 646	569 409
				Gauteng	141 950	175 327	186 379
				KwaZulu-Natal	235 802	291 248	309 606
				Limpopo	500 302	617 944	656 892
				Mpumalanga	420 632	519 538	552 286
				Northern Cape	180 066	222 407	236 426
				North West	72 394	82 362	85 663
				Western Cape	204 479	252 560	268 479
	TOTAL				145 190	179 330	190 633
National Treasury (Vote 8)	(b) Provincial Infrastructure Grant—Flood Rehabilitation	To fund the reconstruction of provincial infrastructure damaged by the floods in 1999 and 2000.	General conditional grant to provinces	Eastern Cape	2 334 488	2 876 362	3 055 773
				Free State	23 000	—	—
				Limpopo	21 000	—	—
				Mpumalanga	120 000	—	—
	TOTAL				36 000	—	—
	TOTAL				200 000	—	—

SCHEDULE 5
SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	
					R'000	2004/05	2005/06
Agriculture (Vote 26)	(a) Land Care Grant	To address the degradation of natural resources and improve the socio-economic status of rural communities.	Conditional grant	Eastern Cape	8 000	—	—
				Free State	1 800	—	—
				Gauteng	1 600	—	—
				KwaZulu-Natal	6 500	—	—
				Limpopo	8 000	—	—
				Mpumalanga	3 500	—	—
				Northern Cape	1 800	—	—
				North West	5 000	—	—
				Western Cape	1 800	—	—
				TOTAL	38 000	—	—
Education (Vote 15)	(a) Early Childhood Development Grant	To provide quality education to poor children eligible for the reception year.	Conditional grant	Eastern Cape	16 280	—	—
				Free State	5 544	—	—
				Gauteng	10 824	—	—
				KwaZulu-Natal	19 448	—	—
				Limpopo	13 816	—	—
				Mpumalanga	6 424	—	—
				Northern Cape	1 672	—	—
				North West	7 040	—	—
				Western Cape	6 952	—	—
				TOTAL	88 000	—	—
	(b) Financial Management and Quality Enhancement Grant	To improve financial management in the education system and improve the quality of education in schools.	Conditional grant	Eastern Cape	43 367	45 969	48 727
				Free State	14 768	15 654	16 593
				Gauteng	28 833	30 563	32 397
				KwaZulu-Natal	51 805	54 913	58 209
				Limpopo	36 803	39 011	41 352
				Mpumalanga	17 112	18 139	19 227
				Northern Cape	4 454	4 722	5 004
				North West	18 753	19 878	21 071
				Western Cape	18 519	19 630	20 808
				TOTAL	234 414	248 479	263 388

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	
					R'000	2004/05	2005/06
	(c) HIV/Aids (Lifeskills Education) Grant	To promote HIV/Aids and life skills education in primary and secondary schools.	Conditional grant	Eastern Cape	22 288	23 787	R'000 25 215
				Free State	7 590	8 100	8 586
				Gauteng	14 818	15 816	16 765
				KwaZulu-Natal	26 624	28 416	30 120
				Limpopo	18 915	20 187	21 398
				Mpumalanga	8 794	9 386	9 949
				Northern Cape	2 289	2 443	2 589
				North West	9 638	10 286	10 904
				Western Cape	9 518	10 158	10 767
				TOTAL	120 474	128 579	136 293
Health (Vote 16)	(a) Hospital Revitalisation Grant	To transform and modernise hospitals in line with national policy.	Conditional grant	Eastern Cape	90 751	116 354	121 008
				Free State	50 356	52 370	54 466
				Gauteng	87 939	155 126	232 870
				KwaZulu-Natal	129 860	178 054	190 292
				Limpopo	96 239	106 463	110 722
				Mpumalanga	65 666	68 292	71 025
				Northern Cape	54 939	57 135	59 421
				North West	59 939	92 845	98 998
				Western Cape	81 939	85 217	88 625
				TOTAL	717 628	911 856	1 027 427
	(b) Pretoria Academic Hospital Grant	To support the construction and development of the Pretoria Academic Hospital.	Conditional grant	Gauteng	92 356	—	7
				TOTAL	92 356	—	—
	(c) HIV/Aids Health Grant	To enable the health sector to develop an effective response to the HIV/Aids epidemic, including expanding access to voluntary HIV counselling and testing, home-based care, prevention of mother-to-child transmission programmes, post exposure prophylaxis, step down care and other HIV/Aids health-related matters.	Conditional grant	Eastern Cape	38 934	58 193	77 451
				Free State	30 144	40 843	42 621
				Gauteng	55 275	87 629	91 844
				KwaZulu-Natal	85 591	122 270	123 313
				Limpopo	28 962	42 479	55 996
				Mpumalanga	26 287	36 364	46 441
				Northern Cape	11 268	17 318	18 924
				North West	32 981	41 855	42 669
				Western Cape	24 204	34 661	35 849
				TOTAL	333 556	481 612	535 108

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	
					R'000	2004/05 R'000	2005/06 R'000
	(d) Integrated Nutrition Programme Grant	To feed children and facilitate nutritional knowledge and education.	Conditional grant	Eastern Cape	172 465	202 698	222 133
				Free State	47 817	56 200	61 588
				Gauteng	74 273	87 293	95 662
				KwaZulu-Natal	176 646	207 612	227 518
				Limpopo	146 433	172 102	188 603
				Mpumalanga	62 789	73 796	80 872
				Northern Cape	21 617	25 407	27 842
				North West	71 967	84 583	92 693
				Western Cape	34 653	40 727	44 632
				TOTAL	808 660	950 418	1 041 543
	(e) Hospital Management and Quality Improvement Grant	To improve the management of hospitals and support the quality of care interventions.	Conditional grant	Eastern Cape	14 553	19 529	24 530
				Free State	12 730	13 055	13 393
				Gauteng	23 060	20 776	18 510
				KwaZulu-Natal	16 375	20 065	23 778
				Limpopo	13 337	15 388	17 457
				Mpumalanga	13 337	12 833	12 340
				Northern Cape	10 906	10 490	10 083
				North West	12 730	12 713	12 642
				Western Cape	16 376	16 983	17 608
				TOTAL	133 404	141 832	150 342
Housing (Vote 29)	(a) Housing Subsidy Grant	To finance subsidies under the national housing programme.	Conditional grant	Eastern Cape	641 757	598 900	635 288
				Free State	325 403	385 641	409 072
				Gauteng	923 892	1 117 463	1 185 357
				KwaZulu-Natal	796 390	748 463	793 936
				Limpopo	426 160	369 818	392 287
				Mpumalanga	275 408	296 457	314 470
				Northern Cape	85 973	89 442	94 877
				North West	347 974	421 378	446 981
				Western Cape	423 282	446 035	473 136
				TOTAL	4 246 239	4 473 597	4 745 404
	(b) Human Resettlement Grant	To fund projects aimed at improving the quality of the environment in urban communities.	Conditional grant	Eastern Cape	11 000	11 660	16 396
				Free State	8 500	9 010	10 558
				Gauteng	21 000	22 260	30 592
				KwaZulu-Natal	26 000	27 560	20 490
				Limpopo	11 000	11 660	10 124
				Mpumalanga	7 000	7 420	8 116
				Northern Cape	3 000	3 180	2 449
				North West	8 000	8 480	11 536
				Western Cape	13 500	14 310	12 211
				TOTAL	109 000	115 540	122 472

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	2005/06
Provincial and Local Government (Vote 5)	(a) Local Government Capacity Building Grant	To assist municipalities' to build their institutional capacity and improve their systems for sustainable service delivery.	Conditional grant	Eastern Cape	R'000 46 338	R'000 44 308	R'000 —
				Free State	30 409	28 204	—
				Gauteng	20 399	20 266	—
				KwaZulu-Natal	38 880	37 181	—
				Limpopo	21 633	20 751	—
				Mpumalanga	16 121	15 291	—
				Northern Cape	17 473	16 044	—
				North West	20 372	19 112	—
				Western Cape	20 714	19 302	—
				TOTAL	232 339	220 459	—
Social Development (Vote 19)	(b) Provincial Consolidated Municipal Infrastructure Programme (CMIP) Grant	To assist provinces to manage the CMIP effectively.	Conditional grant	Eastern Cape	8 643	9 169	9 770
				Free State	3 132	3 321	3 539
				Gauteng	5 339	5 664	6 035
				KwaZulu-Natal	7 874	8 353	8 900
				Limpopo	3 957	4 198	4 472
				Mpumalanga	2 110	2 238	2 599
				Northern Cape	1 737	1 843	1 963
				North West	2 309	2 439	2 542
				Western Cape	3 307	3 508	3 738
				TOTAL	38 408	40 733	43 558
Social Development (Vote 19)	(a) HIV/Aids Community-Based Care (CBC) Grant	To advance the development of CBC programmes in communities.	Conditional grant	Eastern Cape	6 658	7 089	7 514
				Free State	9 228	9 825	10 415
				Gauteng	9 690	10 315	10 934
				KwaZulu-Natal	11 996	12 773	13 540
				Limpopo	4 353	4 634	4 912
				Mpumalanga	9 821	10 456	11 084
				Northern Cape	3 691	3 930	4 165
				North West	7 580	8 070	8 554
				Western Cape	2 900	3 088	3 273
				TOTAL	65 917	70 180	74 391

Vote	Name of Allocation	Purpose	Type of Allocation	Province	Column A	Column B	
					2003/04 Allocation	Forward Estimates	
						2004/05	2005/06
					R'000	R'000	R'000
	(b) Child Support Extension Grant	To fund the phased extension of child support grants to eligible children until their 14th birthday.	Conditional grant	Eastern Cape	272 130	866 885	1 669 903
				Free State	72 497	233 242	457 870
				Gauteng	66 449	193 815	359 609
				KwaZulu-Natal	235 143	723 700	1 367 785
				Limpopo	172 969	536 542	1 000 815
				Mpumalanga	78 360	239 836	442 010
				Northern Cape	19 671	63 540	121 421
				North West	125 426	367 979	652 257
				Western Cape	57 355	174 461	328 330
				TOTAL	1 100 000	3 400 000	6 400 000
	(c) Food Relief Grant	To fund rapid food relief to vulnerable households and communities in the form of food parcels and related assistance	Conditional grant	Eastern Cape	94 133	94 133	94 133
				Free State	37 334	37 334	37 334
				Gauteng	27 904	27 904	27 904
				KwaZulu-Natal	68 185	68 185	68 185
				Limpopo	61 146	61 146	61 146
				Mpumalanga	27 651	27 651	27 651
				Northern Cape	9 998	9 998	9 998
				North West	41 615	41 615	41 615
				Western Cape	20 034	20 034	20 034
				TOTAL	388 000	388 000	388 000

SCHEDULE 6
RECURRENT ALLOCATIONS TO LOCAL GOVERNMENT

Vote	Name of Allocation	Purpose	Type of Allocation	Column A	Column B	
				2003/04 Allocation R'000	Forward Estimates 2004/05 R'000	2005/06 R'000
Provincial and Local Government (Vote 5)	(a) Municipal Systems Improvement Grant	To support municipalities in implementing new systems as provided in the Municipal Systems Act, 2000, including integrated development planning, performance management, spatial planning and local development objectives.	Conditional grant	150 418	182 243	423 484
National Treasury (Vote 8)	(a) Local Government Financial Management Grant	To promote and support reforms to municipal financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems in municipalities and implementation of national legislation on municipal financial management.	Conditional grant	151 000	129 000	133 740
	(b) Local Government Restructuring Grant	To modernise large municipalities to become more effective and efficient service delivery organs through assisting them to restructure their organisations, functions and fiscal positions.	Conditional grant	315 000	342 900	363 474
TOTAL				616 418	654 143	920 698

SCHEDULE 6A
INFRASTRUCTURE ALLOCATIONS TO LOCAL GOVERNMENT

Vote	Name of Allocation	Purpose	Type of Allocation	Column A	Column B	
				2003/04 Allocation	Forward Estimates	2005/06
Provincial and Local Government (Vote 5)	(a) Consolidated Municipal Infrastructure Programme (CMIP) Grant	To provide internal bulk, connector and internal infrastructure, community services and facilities for low income households.	Conditional grant	R'000 2 246 253	R'000 2 724 028	R'000 3 016 470
	(b) Local Economic Development Fund and Social Plan Measures Grant	To support the planning and implementation of municipal job creation and poverty alleviation projects.	Conditional grant	117 000	—	—
	(c) Municipal Infrastructure Grant (MIG)	To address infrastructure backlogs in an integrated and co-ordinated way and provide basic bulk, connector and internal infrastructure for municipal services, primarily to poor households.	Conditional grant	47 000	117 000	97 000
Sport and Recreation (Vote 20)	(a) Building for Sport and Recreation Programme Grant	Promotion of sport and recreation in disadvantaged communities through upgrading of existing facilities or the construction of new facilities.	Conditional grant	123 095	—	—

Vote	Name of Allocation	Purpose	Type of Allocation	Column A	Column B	
				2003/04 Allocation	Forward Estimates	2005/06
Public Works (Vote 6)	(a) Community Based Public Works Programme Grant	To create community assets in disadvantaged rural communities and empower the communities to manage the facilities in co-operation with the local municipality. Employment of community during construction and promotion of long term jobs associated with the facilities.	Conditional grant	R'000 249 820	R'000 —	R'000 —
Transport (Vote 33)	(a) Urban Transport Fund	To promote planning of intermodal land transport infrastructure and operations, and the facilitation of integrated land use and transport planning and development.	Conditional grant	9 100	—	—
Mineral and Energy (Vote 31)	(a) National Electrification Programme Grant	To implement the National Electrification Programme through providing capital subsidies to municipalities to address the electrification backlog in permanently occupied residential dwellings.	Conditional grant	240 000	245 000	258 000
TOTAL				3 032 268	3 086 028	3 371 470

SCHEDULE 7
IN-KIND/INDIRECT ALLOCATIONS TO PROVINCES

Vote	Name of Allocation	Purpose	Province	Column A	Column B	
				2003/04 Allocation R'000	Forward Estimates 2004/05 R'000	2005/06 R'000
Agriculture (Vote 26)	(a) Special Food Security Projects Grant	To implement special programmes for food security.	Eastern Cape	2 000	—	—
			Free State	—	—	—
			Gauteng	—	—	—
			KwaZulu-Natal	2 000	—	—
			Limpopo	6 000	—	—
			Mpumalanga	—	—	—
			Northern Cape	—	—	—
			North West	—	—	—
Education (Vote 15)	(a) Thuba- Makoto: Schools as Centres for Community Development Grant	To develop and pilot a cost effective approach to the design, construction and management of school facilities which will also meet the developmental needs of rural communities.	Western Cape	—	—	—
			TOTAL	10 000	—	—
			Eastern Cape	17 455	—	—
			Free State	5 818	—	—
			Gauteng	—	—	—
			KwaZulu-Natal	17 455	—	—
			Limpopo	11 636	—	—
			Mpumalanga	5 818	—	—
			Northern Cape	—	—	—
			North West	5 818	—	—
			Western Cape	—	—	—
			TOTAL	64 000	—	—

Vote	Name of Allocation	Purpose	Province	Column A	Column B		
				2003/04 Allocation	Forward Estimates		
				R'000	2004/05 R'000	2005/06 R'000	
	(b) Poverty Relief Allocation for National Ikhwelo Projects Grant	The overall goal of the project is to provide access to skills development in general education and training for adult learners to enhance their social and economic capacity.	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	9 250 3 150 6 150 11 050 7 850 3 650 950 4 000 3 950 50 000	— — — — — — — — — —	— — — — — — — — — —	
Social Development (Vote 19)	(a) Poverty Relief Grant	To increase self-reliance and improve the social cohesion of specific demographic groups such as women, youth, children, disabled and the aged, who are particularly vulnerable to the conditions associated with poverty.	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	10 449 5 774 3 190 11 274 10 229 6 874 2 887 5 827 2 942 59 446	— — — — — — — — — —	— — — — — — — — — —	

SCHEDULE 7A

IN-KIND/INDIRECT ALLOCATIONS TO LOCAL GOVERNMENT

Vote	Name of Allocation	Purpose	Type of Grant	Column A	Column B	
				2003/04 Allocation	Forward Estimates	2005/06
				R'000	2004/05 R'000	2005/06 R'000
Public Works (Vote 6)	(a) Community Based Public Works Programme Grant	To create community assets in disadvantaged rural communities and empower the communities to manage the facilities in co-operation with the local municipality through labour intensive methods, managed by the Independent Development Trust.	Indirect Conditional grant	10 000	—	—
	(a) Financial Management Grant	To promote and support reforms to municipal financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems in municipalities and implementation of Municipal Financial Management Bill, after its enactment.	Indirect Conditional grant	60 915	70 249	74 464
Water Affairs and Forestry (Vote 34)	(a) Water Services Operating Subsidy (via Augmentation to the Water Trading Account)	To augment the Water Trading Account (Sub-Programme 4) of Department of Water Affairs and Forestry in order to provide subsidies to users of water schemes that are owned by the department, which are either directly operated by the department or by other agencies on behalf of the department.	Indirect Conditional grant	836 436	858 334	934 434
	(b) Implementation of Water Services Projects Grant	To fund bulk, connector and internal infrastructure for the provision of water services at a basic level of services, and to implement such projects where municipalities lack the required capacity to do so.	Indirect Conditional grant	1 101 812	947 554	1 036 607
TOTAL				2 009 163	1 876 137	2 045 505

SCHEDULE 8
AMENDMENT OF DIVISION OF REVENUE ACT, 2002
(SECTION 34)

Vote	Name of Allocation	Purpose	Type of Allocation	Column A	Column B	
				2002/03 Allocation	MTEF Outer Years	2004/05
Water Affairs and Forestry (Vote 33)	(a) Water Services Operation Subsidy Grant	To augment the Water Services Trading Account (Sub-Programme 4) of the Department of Water Affairs and Forestry thus providing funding for the operation and maintenance of water schemes that are owned and/or operated by the department or by other agencies on behalf of the department.	Indirect Conditional (via Water Trading Account) Grant	[669 687] 699 687	776 436	768 334
	(b) Implementation of Water Services Projects Grant	To fund bulk, connector and internal infrastructure for water services at a basic level of service, and implement such projects where municipalities lack the required capacity to do so.	Indirect Conditional Grant	884 099	1 011 812	817 554
			TOTAL	[1 553 786] 1 583 786	1 788 248	1 585 888

MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE BILL

1. Section 214(1) of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) ("the Constitution") requires that an Act of Parliament be enacted to provide for the following:
 - 1.1 The equitable division of revenue raised nationally among the national, provincial and local spheres of government;
 - 1.2 The determination of each province's equitable share of the provincial share of that revenue; and
 - 1.3 Any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made.
2. Section 10 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997) ("the Act") requires that, as part of the process of the enactment of the Act of Parliament referred to in paragraph 1, each year when the annual budget is introduced, the Minister of Finance ("the Minister") must introduce in the National Assembly, a Division of Revenue Bill ("the Bill") for the financial year to which that budget relates.
3. The Act requires that the Bill be accompanied by a memorandum explaining—
 - 3.1 How the Bill takes account of each of the matters listed in section 214(2)(a) to (j) of the Constitution;
 - 3.2 The extent to which account was taken of any recommendations of the Financial and Fiscal Commission ("the FFC") submitted to the Minister or as a result of consultations with the FFC; and
 - 3.3 Any assumptions or formulae used in arriving at the respective shares of the three spheres of government and the division of the provincial share between the nine provinces.
4. The Bill is introduced in compliance with the requirements of the Constitution and the Act as set out in paragraphs 1 and 2 above.
5. The memorandum referred to in paragraph 3 above will be attached as "Annexure E" in the Budget Review which will be made available on Budget Day.
6. The allocations contemplated in section 214(1) of the Constitution are set out in 7 Schedules to the Bill, namely—
 - 6.1 Schedule 1, which sets out the respective shares of revenue anticipated to be raised nationally in respect of the national, provincial and local spheres of government;
 - 6.2 Schedule 2, which sets out the respective shares of each province from the equitable share of the provincial sphere of government;
 - 6.3 Schedule 3, which deals with respective shares of each municipality from the equitable share of the local sphere of government;
 - 6.4 Schedule 4, which sets out allocations for general and nationally-assigned functions;
 - 6.5 Schedule 5, which sets out specific-purpose allocations to provinces only;
 - 6.6 Schedule 6 and 6A which set out specific-purpose allocations to municipalities only; and
 - 6.7 Schedule 7 and 7A, which contain indirect and special allocations to provinces and municipalities, respectively.
7. The Bill builds on the provisions of the Division of Revenue Act, 2002 (Act No. 5 of 2002) ("the Division of Revenue Act") and seeks to enhance transparency and certainty in municipal transfers and budgets. Given the improved functioning of the intergovernmental fiscal transfers system as a result of reforms introduced in the previous Acts, this year's Bill does not propose material changes to the Division of Revenue Act. It mainly amends those sections affecting the local government's allocations to take account of the early publication of municipal allocations.
 - 7.1 The Bill provides for the allocation of local government equitable share as set out in Schedule 3, which allows, for the first time, for the publication of divisions per municipality when the annual Budget is

tabled. Clause 5 has been adjusted accordingly in order to reflect the early publication of local government allocations.

- 7.2 Clause 5 of the Bill provides for the delaying of equitable shares to municipalities if they fail to provide basic budget information. This provision is aimed at ensuring that municipalities provide basic budget information indicating how they are catering for the provision of basic services.
- 7.3 The Bill also recognises the service authority role of municipalities, and requires a public entity providing services to a municipality to do so only if it complies as an "external mechanism" in terms of the Municipal Systems Act.
- 7.4 Clause 17 of the Bill also requires provinces to publish information on their own allocations to local government when they table their budgets.

8. The following is a brief summary of the Bill:

Clause 1 contains the relevant definitions;

Clause 2 sets out the object of this Bill, which is essentially the promotion of co-operative governance in intergovernmental budgeting;

Clause 3 provides for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government as set out in Schedule 1;

Clause 4 provides for each province's equitable share, which is set out in Schedule 2, and for a payment schedule in terms of which such shares must be transferred;

Clause 5 provides for local government's equitable share of revenue and the determination of each municipality's share of that revenue;

Clause 6 determines what must happen if actual revenue raised falls short of anticipated revenue for the financial year;

Clause 7 provides for other allocations to provinces and municipalities from the national government's equitable share, as set out in Schedules 3, 4, 5, 6, 6A, 7 and 7A to the Bill;

Clause 8 provides for transfers to public entities;

Clause 9 provides for the process of dealing with allocations to provinces and municipalities, which are not set out in the Schedules referred to in clause 7 of the Bill;

Clause 10 provides for a provincial government to submit information in respect of the infrastructure allocation for construction, maintenance and rehabilitation;

Clause 11 to 13 provide for municipal infrastructure and capacity building allocation and a process for transferring assets to municipalities;

Clause 14 to 20 set out the responsibilities of accounting officers, provincial treasuries, the Director-General: National Treasury and the Auditor-General;

Clause 21 provides a framework for the delay in payment of allocations in the event of non-compliance with conditions to such allocations or underspending;

Clause 22 provides for the steps which must be taken and the factors which must be considered before an allocation may be withheld from a province or municipality;

Clause 23 allows for reallocations between municipalities;

Clause 24 requires that an allocation set out in Schedule 3 or 4 or 5 or 6 or 6A or 7 or 7A only be utilised for its purpose and subject to its conditions;

Clause 25 provides for the correction of any allocation in error;

Clause 26 provides that an allocation to a municipality with weak administrative capacity must be transferred to a stronger district municipality for its benefit;

Clause 27 allows for funds to follow functions or obligations and requires that no financial obligation may be imposed on a municipality without its concurrence;

Clause 28 provides for the amendment of a payment schedule and transfer mechanism by the Director-General: National Treasury;

Clause 29 enables the Director-General: National Treasury to exempt an accounting officer from reporting requirements and other responsibilities;

Clause 30 provides that non-compliance with this Act constitutes financial misconduct;

Clause 31 provides for responsibility for costs incurred for litigation in violation of the principles of co-operative governance and intergovernmental relations;

Clause 32 provides that any act performed prior to the commencement of this Act and in fulfilment of its objects will be deemed as having been done in terms of this Act's provisions;

Clause 33 provides that the Minister may make regulations regarding any matter which may or must be prescribed or which is necessary for the effective implementation of this Act;

Clause 34 makes provision for the repeal of the Division of Revenue Act, 2002 and the amendment of a provision of that Act;

Clause 35 sets out the short title of this Act.

9. PARLIAMENTARY PROCEDURE

The Bill must be dealt with in accordance with the procedure set out in section 76(1) of the Constitution as it provides for legislation required in Chapter 13 of the Constitution, and affects the financial interests of the provincial sphere as contemplated in section 76(4)(b) of the Constitution.

EXPLANATORY ATTACHMENTS

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**EXPLANATORY MEMORANDUM
TO THE DIVISION OF REVENUE
(“Annexure E” of Budget Review)**

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE

Background

The allocation of resources to the three spheres of government is a critical step in the budget process, required before National Government, nine provinces and 284 municipalities can determine their own budgets. The process for making this decision is at the heart of co-operative governance as envisaged in the Constitution of South Africa.

It is a Constitutional requirement (Section 214(1)) that an annual Act of Parliament must determine the equitable division of nationally raised revenue between the national, provincial and local spheres, the equitable division among the nine provinces of the provincial allocation, and any other allocation from the national sphere to provincial and local governments. Section 214(2) details criteria to be taken into account in determining the division of revenue and indicates the consultation process necessary before enactment of the Division of Revenue Bill.

The *Intergovernmental Fiscal Relations Act* (Act 97 of 1997) gives effect to section 214 of the Constitution by establishing the forums and processes for consultation. It establishes the Budget Council and Budget Forum as consultative intergovernmental forums with provincial and local governments respectively. The Act outlines various consultation processes (sections 9, 10(3) and 10(4)) that should precede the tabling of the Division of Revenue Bill, including the consideration of recommendations of the Financial and Fiscal Commission (FFC).

Section 10(5) of the *Intergovernmental Fiscal Relations Act* requires that when the Division of Revenue Bill is introduced to Parliament, an explanatory memorandum should accompany it. It must explain how the Division of Revenue Bill takes into account the considerations listed in Section 214(2)(a) to (j) of the Constitution, Government's response to the recommendations of the FFC (on the vertical division, equitable share and other allocations), and the assumptions and formulae used to effect divisions among provinces and municipalities.

This document is the explanatory memorandum to the 2003 Division of Revenue Bill. It expands on the Division of Revenue Bill and Budget as tabled on 26 February 2003.

It has five parts:

- Part 1 is a summary of how the Bill and the division of revenue take account of Section 214(2)(a) to (j) of the Constitution.
- Part 2 sets out how the FFC's recommendations on the 2003 Division of Revenue have been taken into account.
- Part 3 outlines the fiscal framework that informs the division of revenue between the three spheres of government.
- Part 4 expands on all provincial grants, providing an explanation of the formulae and criteria for the equitable division between provinces of the provincial equitable share and conditional grants.
- Part 5 expands on all local government grants, providing an explanation of the formulae and criteria for dividing the local government equitable share and conditional grants among municipalities.

The Division of Revenue Bill and its underlying allocations are the culmination of extended consultation processes. The Budget Council, made up of the Minister of Finance and the nine provincial Members of Executive Council (MECs) responsible for Finance, deliberated on the issues discussed in this memorandum at its annual Lekgotla on 22-24 August 2002 and at meetings of 19 July, 3 and 10 October 2002. Consultations over the local government share allocation involved a Joint MinMEC with local government held on 12 August 2002, and several technical meetings that included the South African Local Government Association (SALGA) and provincial associations. All these consultations culminated in a meeting of the Budget Forum (Budget Council plus SALGA) on 3 October 2002. Representations by the FFC were made at these meetings of the Budget Council and Budget Forum. The Ministers' Committee on the Budget, composed of National Government Ministers, deliberated on the division of revenue before forwarding recommendations to Cabinet for consideration. An Extended Cabinet, involving Cabinet Ministers, provincial Premiers and the chairperson of SALGA, was held on the 16 October 2002 and agreed on the final budget priorities and the division of revenue consistent with these priorities.

The 2003 Division of Revenue Bill sets out the division of revenue as agreed through

the consultative processes explained above, while this memorandum elaborates on the policy priorities, and legal and economic criteria which inform the division.

This memorandum does not discuss the utilisation of this revenue by provincial and local government. This information will only be available after they have tabled their budgets. The *2003 Intergovernmental Fiscal Review* (published in the first week of April), will examine budget trends in the 2003 provincial budgets, as well as the 2002 municipal budgets. It will also provide sectoral information for key concurrent functions like school education, health, social development, housing, roads, water and electricity.

The *2003 Intergovernmental Fiscal Review (IGFR)* is being printed earlier to assist Parliament and provincial legislatures to conduct more comprehensive budget hearings for key concurrent sectors. Apart from the many hard copies to be printed, the IGFR will be available on the National Treasury website www.treasury.gov.za. Other relevant documents to this memorandum, including the *Budget Review 2003* (particularly chapters 6 and 7), the 2003 Division of Revenue Bill and all its Schedules, allocations per province and per municipality for all grants, and the frameworks for all conditional grants, will also be available on the National Treasury website.

Part 1: Taking account of factors set out in the Constitution

Section 214 of the Constitution requires that the annual *Division of Revenue Act* be enacted only after account is taken of factors in sub-section 214(2) (a) to (j) of the Constitution. These include national interest, provision for debt, needs of National Government and emergencies, the allocation of resources to provide basic services and meet developmental needs, fiscal capacity and efficiency of the provincial and local spheres, reduction of economic disparities, and promotion of stability and predictability.

Chapters 2 to 6 of the *2003 Budget Review* set out in detail the economic and fiscal policy considerations, revenue issues, debt and financing considerations and expenditure plans of government. Aspects of provincial and local government financing are discussed in chapter 7. The constitutional principles taken into account in deciding on the division of revenue are briefly noted below.

National interest and the division of resources

The national interest is encapsulated by those governance goals that benefit the nation as a whole. The policies and programmes that give effect to these goals include the development of a stable macroeconomic environment, strong economic growth, and an efficient public service. It also encompasses policy objectives such as reducing inequality, unemployment, crime, poverty and vulnerability, thus contributing to a better quality of life for all South Africans. Programmes directed towards these purposes cut across all spheres of Government and are largely coordinated by National Government.

Provision for debt costs

The resources shared among the three spheres of Government include proceeds from National Government borrowing used to fund spending by all spheres. National Government provides for the resulting debt costs as a first obligation, to protect the integrity and credit reputation of the country.

National Government's needs and interests

The Constitution assigns exclusive and concurrent powers and functions to each sphere of government. National Government is exclusively responsible for functions that serve the national interest and are best centralised, like national defence, foreign affairs, the criminal justice system, home affairs, higher education, national tax collections and certain economic services. For the division of revenue, national government priorities were taken into account. These include crime prevention, improved court administration, security infrastructure and increased international commitments, particularly related to the New Partnership for Africa's Development (NEPAD) and the African Union (AU), land restitution and reform, higher education, promoting infrastructure investment and industrial development, and improved services to citizens.

Provincial and local government basic services

Provinces and municipalities are assigned key delivery functions such as school education, health, social development, housing, roads, provision of electricity, water and municipal infrastructure. They have significant autonomy to allocate resources to meet basic needs and respond to provincial and local priorities, whilst at the same time giving effect to nationally agreed priorities.

The division of revenue provides equitable shares to provinces and local government. This year's division of revenue takes explicit account of cost pressures relating to extending social security grants, increasing spending on professional personnel with scarce skills (for example doctors, pharmacist in the health sector) and stepping up provision of critical inputs such as textbooks, stationery and medicines in education and health. Further, the division of revenue allows for the phased extension over the next three years of the child support grant to children up to their 14th birthday. The phased extension of the Child Support grant is funded through a conditional grant administered by the national Department of Social Development. The division of revenue also reinforces government's commitment to the expansion of free basic services at the municipal level. In this regard it introduces a further supplementary free basic services component in the local government equitable share allocation, for provision of free basic electricity and water to poor households.

Fiscal capacity and efficiency

The Constitution assigns the primary government revenue raising power to the national sphere. Despite the promulgation of the *Provincial Tax Regulation Process Act* (no 53 of 2001), provinces still have limited revenue raising capacity relative to the resources required to deliver provincial functions that do not lend themselves to self-funding or cost recovery. Local governments finance most of their expenditure through property rates, user charges and fees. It is recognised, however, that rural municipalities raise significantly less revenue than the urban metro municipalities. To compensate for this, provinces receive the largest share of nationally raised revenue, and local government a substantial portion.

Fiscal efficiency indicators are still being developed, as budget and expenditure classifications are standardised to allow for comparisons between various governments. The implementation of the *Public Finance Management Act* has improved the fiscal efficiency of provincial governments, and the pending promulgation of the *Municipal Finance Management Bill* is expected to do the same for municipalities over the next few years. Once more accurate data on these indicators become available it will be possible to take more explicit account of these in the determination of the division of revenue.

Developmental needs

Developmental needs are encapsulated in the equitable share formulae for provincial and local government and in specific conditional grants. In particular, the various infrastructure grants and growing capital budgets aim to boost the economic and social development of provinces and municipalities. Developmental needs are accounted for at two levels: firstly, in the determination of the division between the three spheres, which explains the strong growth in the provincial and local government shares of nationally raised revenue, and secondly, in the determination of the division within each sphere, through the formulae used for dividing national transfers among municipalities and provinces.

Economic disparities

Both the equitable share and infrastructure grant formulae are redistributive towards poorer provinces and municipalities because of the economic and demographic disparities between and within provinces and municipalities. In particular, Government has increased allocations to invest in economic infrastructure like roads, and social infrastructure like schools, hospitals and clinics, in order to stimulate economic development and job creation, and address economic and social disparities. Further, the extension of the child support grant to children up to 14 years will greatly assist in

alleviating poverty. The prioritisation of nodal areas in the allocation of local government grants seeks to address disparities among local authorities.

Obligations in terms of national legislation

While the Constitution confers autonomy on provincial governments to determine priorities and allocate budgets, National Government retains responsibility for policy development, national mandates and the monitoring of implementation for concurrent functions. New national mandates and priorities result in increased allocations to provincial and local government over the 2002 MTEF baseline allocations. In particular, the 2003 MTEF and division of revenue provides funding for statutory obligations relating to social security grants — both increases in grant values and the phased extension of the age limit for the child support grant to children until they turn fourteen.

Predictability and stability

Provincial equitable share allocations are based on estimates of nationally raised revenues. These allocations are protected. In the event that nationally raised revenue falls short of the estimates, the equitable share will not be adjusted downwards. Allocations are assured (voted, legislated and guaranteed) for the first year and are transferred according to a payment schedule. In order to contribute to longer term predictability and stability, forward estimates for a further two years are published alongside the annual proposal for appropriations. For the first time, the allocations per municipality are also published with the Division of Revenue Bill. The Bill also requires provincial governments to publish all their grants to local government per municipality. This will enable municipalities to incorporate all national and provincial grants in their budgets.

Need for flexibility in responding to emergencies

Government has flexibility to respond to emergencies through a contingency reserve that provides a cushion for “unforeseeable and unavoidable” expenditure. Sections 16 and 25 of the *Public Finance Management Act* make specific provision in relation to allocation of funds to deal with emergency situations while section 30(2) deals with adjustment allocations in respect of unforeseeable and unavoidable expenditure.

Part 2: Response to the Financial and Fiscal Commission recommendations

Section 214 of the Constitution and Section 9 of the *Intergovernmental Fiscal Relations Act* (Act 97 of 1997) require the Financial and Fiscal Commission (FFC) to make recommendations on the division of revenue. Under the Act, the FFC submits its recommendations to the Minister of Finance. Parliament and provincial legislatures ten months ahead of the financial year, or later as may be agreed between the Minister of Finance and the FFC.

The FFC tabled proposals for the 2003 Budget in Parliament on 30 April 2002 in *Financial and Fiscal Commission Submission: Division of Revenue 2003 — 2004*. The provincial proposals were presented to the Budget Council meeting of 17 May 2002 by the FFC, and discussed at the Budget Council meetings of 19 July, 22-24 August and 3 and 10 October 2002. The local government proposals were discussed at the joint Finance and Local Government MinMEC of 12 August 2002 and the Budget Forum of 3 October 2002. The extended Cabinet meeting of 16 October 2002 considered national Government's response.

The FFC presented its proposals on provincial government, on local government, and proposals on crosscutting equitable share issues. Most of these do not have immediate implications for the 2003 Budget, as they are either of a general nature or require more research or time to investigate or implement. Some of the proposals are summaries of, and work in progress arising from proposals made to Parliament during 2001/02.

The proposals can be divided into the following:

Provincial government proposals:

- Provincial Own Revenue Sources
- Provincial Tax Regulation Process Bill (2001)
- Early childhood development funding

- Implications of HIV/Aids for Health, Welfare and Education sectors
- Primary Health Care
- Framework for Comprehensive Social Security Reform

Local government proposals:

- Division of powers and functions between district and local municipalities (July 2001)
- Restructuring of the electricity distribution industry
- Municipal borrowing and municipal finance markets
- Municipal Finance Management Bill
- Remuneration of municipal councillors (July 2001)
- Measurement of Revenue Raising Capacity.

Cross-cutting proposals:

- Review of the Intergovernmental System
- Central Contingency Reserve
- Assessment of Disaster Management Funding.

Summary of each proposal and Government's response

Provincial government proposals

FFC proposals on Provincial Own Revenue Sources and the Provincial Tax Regulation Process Bill

The FFC makes two proposals on provincial own revenue. Firstly, it notes that the relative decline in provincial own revenue has, to a certain extent, been the result of management and technical-capacity problems. It identifies some of the obstacles, and notes that the possibility of improvement exists, particularly if reforms already implemented in some provinces spread to others. The reforms include better data-management systems, financial management, regular review of fees, tariffs and fines, incentives and monitoring.

Secondly, in a 2001 submission, the FFC recommended that the provincial Tax Regulation Process Bill ought to have:

- Specified criteria against which the Minister of Finance would assess provincial tax proposals
- Clarified the implications and procedures relating to capacity limitations of the South African Revenue Service (SARS) in advance
- Allowed provinces maximum flexibility in determining tax rates within tax rate bands
- Included guidelines with regard to tax room and equalisation measures, where certain taxes have implications for the equitable share revenue pool
- Specified regulations for dispute resolution, especially where a province may fail to reach an agreement with SARS on certain tax proposals
- Included a clause for dealing with the impact on local government finances of a proposed provincial tax or surcharge.

National government's response to the FFC proposals on Provincial Own Revenue and the Provincial Tax Regulation Process Act

National Government notes the problems identified by the FFC on the collection of revenue by provinces. Many of these problems have been raised in the 2001 *Intergovernmental Fiscal Review* and Budget Council. A revenue task team was formed, and resulted in the implementation of some of the proposals made by the FFC. All provinces now regularly review their fees and tariffs. However, National Government recognises the need for more improvements, particularly in the area of motor license fees and road traffic enforcement. This includes the better use of the National Transport Information System (Natis) and its interface with the provincial and national financial management system (BAS), and the need for proper contracts with municipalities registering motor vehicles and enforcing traffic laws. A revenue classification project has also been initiated to ensure that all revenue collected is properly classified, and reconciled, with the financial management system. A further area of improvement is in revenue projections for own revenue. Further improvements

will be effected on an on-going basis, as provinces improve their monitoring and collecting capacity.

The second proposal of the FFC on the Provincial Tax Regulation Bill relates to a 2001 submission. The Bill was passed by Parliament in that year, and proclaimed into law on 10 December 2001. Before, and during, the hearings in Parliament to adopt the Bill, proposals by the FFC were considered by National Government. Many of the recommendations were accepted, and implemented, including the proposals on the role of the Minister of Finance and SARS with regard to a provincial tax, and procedures for dealing with disputes.

Some of the recommendations could not be taken into account in the Act because the Act does not deal with specific provincial taxes, but with the *process* to approve tax proposals by provinces. These recommendations (for example to what extent a province has tax discretion to determine tax rates, the impact of a tax on local government) will be considered for specific provincial taxes, as and when they are proposed and considered, by the Minister of Finance. Further, the comments of the FFC will also be taken into account when any specific tax proposal is considered.

The Act does not stipulate which taxes provinces can or cannot impose, as provisions on this matter are contained in the Constitution. In deciding on the feasibility of a tax, the Minister of Finance will examine the anticipated impact of a specific tax on government's macroeconomic policy objectives and the implementation mechanisms contained in the proposal. Decisions on the administrative feasibility, or otherwise, of a specific tax would also be informed by an assessment of the capacity of SARS. The assessment of the anticipated macroeconomic impact and appropriateness of implementation mechanisms can only be done once a proposal is made, and cannot be stipulated in advance. Similarly, the administrative feasibility (largely a matter between SARS and the province(s) concerned) can only be determined after a tax proposal is made.

FFC proposal on Early Childhood Development Funding

The FFC proposes that the current conditional grant funding arrangements for Early Childhood Development (ECD) continue until ECD can be fully incorporated into the provincial equitable share formula. The FFC will consider ECD funding issues in its review of the provincial equitable share formula.

National government's response to the FFC proposal on Early Childhood Development Funding

As indicated in the 2002 Budget, conditional grant funding for ECD will cease at the end of 2003/04, and the programme will become part of the equitable share to provinces. Government agrees that, in future, the equitable share formula should attempt to capture funding for ECD more explicitly. The increase in the baseline provincial equitable share of the forthcoming MTEF period takes account of the phased roll out of ECD.

FFC proposals on implications of HIV/Aids for Health, Welfare and Education Sectors

The FFC reiterates its previous recommendation that conditional grants remain the most appropriate mechanism for targeting spending on HIV/Aids. It proposes that the development of a suitable data and information base for long-term projections on HIV/Aids be prioritised.

National government's response to the FFC proposals on implications of HIV/Aids for Health, Welfare and Education Sectors

Whilst agreeing with the thrust of the proposal, including the impact on provincial health budgets and the problem of hidden costs, Government, however, is of the opinion that earmarked funding for HIV/Aids is only appropriate for limited aspects of HIV/Aids related spending, such as the prevention of mother to child transmission and Home based care and awareness programmes. Other aspects of HIV/Aids expenditure such as treatment of opportunistic infections, cost of hospitalisation, which are hard to isolate, are better funded through the equitable share. The problem of poor information identified by the FFC makes the task of separating conditional grant funding from the equitable share an even harder task. While supporting the view that conditional grant funding for conditional grant-funded HIV/Aids programmes be increased, Government

is also of the view that unconditional funding to provinces should be increased to reinforce relevant HIV/Aids programmes funded from own provincial revenue. National Government also agrees that a strong information base is necessary to design and implement more effective programmes to treat, and contain, HIV/Aids.

FFC proposals on Primary Health Care

On the primary health care package the FFC lists the following issues for investigation:

- the need for reliable data on spending for primary health care
- the role of the private sector and local government
- a thorough analysis of the implications of any decentralisation to local government
- the extent to which primary health care services correspond with constitutionally mandated basic health services.

National government's response to the FFC proposal on Primary Health Care

Since there are no specific proposals on primary health care, National Government notes the area for further work identified. This will be taken into account for further investigation and consultation with key stakeholders.

FFC proposals on the Framework for Comprehensive Social Security Reform

The FFC proposes that the following guidelines be used to assist interested stakeholders in reviewing the *Comprehensive Social Security Review Report* :

- principles and criteria that may be used
- background and contextual information requirements
- range of services that might be encompassed
- financial and administrative frameworks for implementation of social security policy.

For the interim the FFC reiterates its proposals that old age and veteran pensions be budgeted and administered by National Government. In the medium- to long-term, it believes that social security should be a national responsibility administered through the establishment of a national social security agency. Among other functions, the core business of the agency would be the payment of old age and child support grants.

National government's response to the FFC proposal on the Framework for Comprehensive Social Security Reform

Building on the *Comprehensive Social Security Review*, Cabinet has in principle approved the establishment of a public entity in the national sphere to administer and pay social grants. A Transition Committee, under the leadership of the Department of Social Development, is currently working to advise Cabinet further on the implications of such a step. Final approval of such an entity may entail the complete shift of responsibility for social grants to the national sphere.

In the interim, while institutional arrangements are being finalised, the bulk of social grants will continue to be funded through the provincial equitable shares for the 2003 Budget and administered by the provincial sphere. The review of the equitable share formula next year will consider funding social grants separately, either as a conditional grant or transfer on the budget of the National Government, depending on the final decision on the role of the national public entity.

Government also recognises the significant pressure on provincial budgets due to the child support grant, and has therefore significantly increased the equitable share allocation to provinces over the MTEF. These increases also take into account the grant increases announced by the Minister of Finance in the Budget. Further, from 2003/04, a new conditional grant, the child support extension grant, has been created to fund the phased extension of the child support grant to 7-13 year old children. The funding for children less than seven years is included in the equitable share grant.

Local government proposals

Two of the FFC proposals deal with significant restructuring of local government. These relate to the division of functions between local and district municipalities (made

in 2001, but to which National Government was not in a position to respond in time for the 2002/03 Budget) and the restructuring of the electrification industry (EDI). Both these reforms will have significant fiscal implications for the local sphere. However, work on revising the fiscal framework can only commence now that the division of functions of category B (local) and C (district) municipalities have been finalised. Much of this work will require additional information on municipal budgets and actual spending for key functions in electricity, water, sanitation and municipal health, as well as for all other local government functions. National Government is therefore not in a position to respond to any proposals on the fiscal framework.

Given the impending restructuring of the electrification industry, the finalisation of the reconfigurations of functions of category B and C municipalities, and the imminent publication of Census 2001 results, National Government is proposing a comprehensive review of the local government fiscal system. This would include a review assessing whether current revenue raising powers match the functions of various categories and types of municipalities, the tax-raising powers of local government and their assignment within the local sphere, the future of the RSC levies, the feasibility of implicit or explicit municipal levies on key municipal services like electricity and water, and the division of fiscal powers between category B and C municipalities. The review will also include the formulae for the equitable share, and conditional, grants. It is anticipated that this review will be completed in time for the 2004 Budget.

The National Treasury will consult key stakeholders for the review, including national departments (Departments of Provincial and Local Government, Mineral and Energy, Water Affairs and Forestry), SALGA and the FFC. The Budget Forum and Cabinet will consider the proposals for implementation in the 2004 Budget.

The response of National Government to the 2003/04 proposals of the FFC on local government is therefore an interim measure, taking account of urgent revisions on current grants. Some major proposals are also being implemented, including the creation of a consolidated municipal infrastructure grant (MIG). National Government is finalising the governance arrangements for the MIG grant, which is expected to take effect around October 2003.

FFC proposal on the Division of Municipal Powers and Functions

The FFC proposes that the following two principles inform the division of powers and functions between district and local municipalities:

- Existing local government policy should inform the division of powers and functions. Hence local municipalities should be responsible for the delivery of municipal services, and district municipalities should be responsible for district-wide and support functions.
- Issues of redistribution should not determine the division of powers and functions between local and district municipalities, given the primary role that National Government should play in funding redistribution.

The FFC further proposes that:

- District municipalities should be the service authorities for municipal health services, except where efficiency considerations dictate otherwise
- District municipalities play no role in the distribution of electricity
- Local municipalities should be the service authorities for water and sanitation services, and district municipalities should be responsible for sanitation promotion (as part of their municipal health function)
- Both district and local municipalities be empowered to operate municipal enterprises such as abattoirs and fresh produce markets. District municipalities should bear responsibility for regulating the public health aspect of these enterprises.

National government's response to the FFC proposal on the Division of Municipal Powers and Functions

Government agrees with the FFC that local municipalities should be responsible for the delivery of municipal services and that district municipalities should be responsible for district-wide functions. Government also agrees that redistribution issues should not be a factor in determining the division of functions between category B and C

municipalities, as this is primarily the role of National Government when determining the grants framework for local government.

The proposals on the responsibilities for local municipalities for water, sanitation and electricity, and the proposal that districts should not play any role in electricity distribution, are supported by National Government. Government also supports the proposal that district municipalities be responsible for municipal health services, as these mainly comprise environmental health services and not primary health care (which is the responsibility of provincial governments).

The national executive (Cabinet) approved the division of the above four functions, after the Minister for Provincial and Local Government completed his consultations with provincial Local Government MECs and SALGA. As a result, the Minister gazetted the new division of the four "national" functions (electricity, water, sanitation, health) on 3 January 2003 Gazette number 24228. The gazetted functions differ from the general approach of the FFC, as provincial and local government comments have been taken into account. As a result, the functions that will be performed differ from region to region. An asymmetrical approach has been adopted for water and sanitation. Where there are marked district-wide service delivery backlogs and inequities, the approach is for the district to retain the service authority function. In these instances, local municipalities (category B) will be regarded as potential service providers only, and (where agreed with the district municipality) will receive funding to perform such function from the district municipality. The national Department of Provincial and Local Government (DPLG) is also holding workshops in all provinces to explain how the newly-gazetted division of functions are to be implemented.

The implications of Gazette 24228 require adjustments in 2003/04 in the equitable share allocations to category B and C municipalities to ensure appropriate alignment with the revised division of functions. The allocations in Schedule 4 of the Division of Revenue Bill have taken the new division of functions into account.

FFC proposal on Restructuring of the Electricity Distribution Industry (EDI)

The FFC makes detailed proposals on the restructuring of the electricity distribution industry. Their proposals are mainly centred on funding proposals, efficiency gains and consolidated billing systems for municipalities.

The funding issues raised by the FFC include that:

- No stakeholder should experience deterioration in its circumstances owing to the restructuring process, unless this is an explicit policy decision
- Tariff support to low-income consumers be financed primarily by a national grant to Regional Electricity Distributors (REDs) for the provision of free electricity, and to a lesser extent by a consumer cross-subsidy
- Capital electrification for low-income consumers be financed by National Government, and provision for this should be made in the MTEF estimates
- The local government levy be made available to all municipalities:
 - Municipalities be allowed to set the levy up to a maximum level
 - The possibility of allowing a higher cap for distributing municipalities should be investigated, so as to take account of the net loss experienced by some municipalities.
 - The local government levy should not be phased out unless fiscal mechanisms are in place to fully compensate for the loss of revenue.
- The cap of R2,4 billion placed on local government revenue be re-examined, and given the increasing loss in receipts to local government implied by the restructuring process, consideration should be given to regular increases to the absolute cap on local government revenue.
- Consideration be given to introducing a "local government levy" for large customers imposed by National Government and disbursed through the local government equitable share.
- The restructuring process focuses on compensation to municipalities through the local government levy and not through dividend income.
- The REDs structure ensure that accountability for efficient service delivery is promoted in a simple and effective way.
- Municipalities be compensated for all losses related to the transfer of electricity distribution to REDs.
- The advantages and disadvantages of retaining consolidated billing systems with

municipalities be carefully weighed, and measures should be implemented to retain the advantages.

- RED boundaries be co-terminus with municipal boundaries to ensure that residents of a given municipality do not fall within different REDs and hence under different tariff structures.
- Implementation of any proposal be carefully phased-in owing to the integral role played by electricity provision in the system of local government finance.

National government's response to the FFC proposal on the Restructuring of the Electricity Distribution Industry (EDI)

National Government agrees that restructuring of the electricity distribution industry and the creation of REDs will have a major impact on local government finances. Government has committed itself to more work in this area and put forward detailed proposals regarding both the funding requirements and financial impact of the restructuring. The financial and fiscal implications for each municipality will be considered. Government is therefore not in a position to comment in detail on the FFC proposals until negotiations between key stakeholders are completed, and more detailed proposals put forward. The allocations for the 2003 Budget do *not* take into account the impact on municipalities of electricity distribution restructuring.

Government supports a broad and comprehensive approach to the funding of the restructuring of electricity distribution industry. It agrees that municipalities need to be compensated for any significant loss in their revenue stream, and that this should be done in a fair and consistent manner.

National Government notes the proposal on an imposition of a local government levy, and believes that such new funding mechanisms need to be investigated further, including the impact of a levy on large industrial customers. These proposals will be considered as part of the comprehensive review of local government fiscal framework, and the impact of such local taxes on economic activity will be assessed.

Cross subsidies also need careful consideration, and should not be the automatic first choice for funding lifeline tariffs. The national grants system will be designed to subsidise poorer households in this respect. Any cross subsidies should not place an excessive burden on those paying for the cross subsidy, and should not vary significantly across the REDs.

National Government is also mindful that the advantages and disadvantages of retaining consolidated billing systems with municipalities should be carefully weighed, and measures should be implemented to retain current advantages. It agrees that a key operational issue is the impact on municipal billing of the restructuring of electricity. The Department of Minerals and Energy has agreed this should be looked at in greater depth. Government does not, however, want to impose a uniform solution on municipalities, and it believes that a range of options may be needed to ensure that each municipality can implement a solution that suits its needs.

Lastly, the FFC proposes that the implementation of any proposals should be sequenced owing to the integral role played by electricity provision in the system of local government finance and the somewhat precarious financial state and transitional nature of the local government sphere. Government agrees that the EDI restructuring process needs to be carried out in a careful and phased manner. The timetable for the EDI will ensure that the restructuring process does not cause any significant disruption to the finances or operations of municipalities.

In the interim for the 2003 Budget, National Government has allocated funds for a minimum level of electricity into the equitable share allocation to local government.

FFC proposals on Municipal Borrowing and Municipal Finance Markets

The FFC:

- Reiterates its proposal of last year that there be a combination of market discipline and the rules-based approach applied to the municipal borrowing market
- Is of the view that there be a differentiated approach to the borrowing market, with classes of municipalities being treated differently according to objective criteria
- Is of the view that those municipalities that are able, should continue to issue bonds and access other forms of loan finance

- Advises that municipalities that have no capacity to access debt should be assisted through deliberate policy measures to build their creditworthiness. This objective should be supported through the capital grants system and other appropriate forms of funding and capacity building.

National Government's response to the FFC proposal on Municipal Borrowing and Municipal Finance Markets

Government supports the FFC's proposals on municipal borrowing. Given that the municipal borrowing market is no longer as active as it was previously, a combination of market discipline and a rules-based approach is supported. This approach is appropriate as not all municipalities are able to borrow from the private sector presently and in the foreseeable future.

There are two potential issues of concern in relation to poor municipalities and borrowing.

Firstly, poor municipalities may not be able to access credit. National government's view is that, over time, all municipalities should be able to borrow for capital infrastructure delivery. Borrowing is not appropriate for municipalities that lack the management capacity to plan and borrow wisely, neither is it appropriate for municipalities that lack stable and adequate revenues with which to repay loans. In order to help these municipalities, Government has a two-fold strategy: (1) as more creditworthy municipalities increasingly draw capital from the private sector, national grant programmes can become more targeted at municipalities that are not able to attract private finance; and (2) as intergovernmental transfers are increasingly consolidated, and made predictable over time, these flows can be leveraged for borrowing.

Secondly, poor municipalities may take on more loans than they can really sustain. Government's preference has been to rely on the discipline of the market to avoid over-borrowing by under-capacitated municipalities. The removal of explicit and implicit government guarantees means that lenders making risky or irresponsible loans to municipalities will not be compensated by national or provincial governments. This is expected to act as a powerful deterrent to irresponsible lending practices. Rules limiting borrowing could also be formulated, and such options were considered in the development of government policy. One option would be a rule limiting debt service to some measure of potential revenue.

Government would welcome specific proposals from the FFC as to how municipalities should be differentiated in a way that does not distort incentives, and clarification of the FFC's view on what should be done to make credit available to non-creditworthy municipalities, without giving guarantees.

FFC proposal on the Municipal Finance Management Bill, 2001

The FFC proposes that the Bill should allow for classification of municipalities according to objective criteria, with different provisions and regulations applying to different categories of municipalities. It proposes clearer lines of accountability between national, provincial and local government, and the need for a careful balance between oversight and discretion, and inter sphere co-operation for the future. It also proposes that the Bill include procedures to be followed if municipalities default on their loans.

National Government's response to the FFC proposal on the Municipal Finance Management Bill, 2001

The proposals of the FFC have been considered by both National Government, and the Portfolio Committee on Finance during its hearings on the Bill in Parliament. Since the Bill has already been tabled, any final decision on any recommendation resides with Parliament rather than with national Government.

National Government agrees with the FFC comments and has inserted new provisions in the Bill dealing with the strengthening of intergovernmental relations and co-operative governance between the spheres. The complex nature of the intergovernmental relations system in South Africa is acknowledged by the addition of a new chapter, and the Bill further defines the role of treasuries and local government departments in the national and provincial spheres. The revised Bill caters more strongly for monitoring, supervision, support and intervention in the event of financial emergencies, including municipal defaults. The approach to municipal defaults has also

required constitutional amendments to section 139 of the Constitution. The Minister of Finance and the Minister for Provincial and Local Government are also working closely on harmonisation of the Bill with the *Municipal Systems Act* and the *Municipal Structures Act*.

The Bill also offers a clear accountability regime and allows for phased implementation taking into account capacity differences within and between municipalities. New provisions dealing with capacity building by provincial and National Government have been added.

FFC proposal on the Remuneration of Municipal Councillors

The FFC proposes that:

- Resources for the remuneration of councillors be channeled through local government revenue which includes the municipality's own revenue as well as the existing Institutional (I) Grant of the local government equitable share
- The current Institutional Grant be reviewed in light of the most recent legislation and regulations concerning councillor remuneration

National government's response to the FFC proposal on the Remuneration of Municipal Councillors

This proposal is not new, and was addressed last year. National Government supports the recommendation that councillor remuneration be paid from own budgets, as is the case with provinces and National Government. National Government also supports the need for the institutional I-grant to support the costs of governance generally. The current I-grant includes a population component, so that higher-populated municipalities become eligible for larger institutional support, as recommended by the FFC. Nevertheless, the I-grant also has a fiscal capacity measure, so that wealthier municipalities get less support than poorer ones. The allocation to the I-grant has been revised upwards to take account of the most recent recommendations of the Goldstone Commission on the remuneration of political office-bearers.

FFC proposal on Measurement of Revenue Raising Capacity

Following its submission for 2002/03, the FFC has identified that it will conduct further research, in the coming year, on the following five methods for measuring the fiscal capacity for the local government equitable share formula:

- Revenue collected
- Per capita income
- Gross geographic product
- Total taxable resource
- Representative tax system

National government's response to FFC proposal on Measurement of Revenue Raising capacity

As noted in the response to last year's FFC proposals (tabled with the 2002 Division of Revenue Bill and published in the *2002 Budget Review*, Annexure E), National Government agrees with the FFC that it is desirable to include a fiscal capacity parameter in the local government equitable share formula. The response last year noted that the information required to do so is not available or reliable at this stage. The FFC suggestion on the five possible measures represents a step forward, and National Government welcomes the intention of the FFC to conduct further research with a view to identifying the most appropriate measure. Should it complete this research in time, it will be considered for the review of the local government equitable share formula. The desire to improve on the fiscal capacity measure is therefore supported, but cannot be taken into account for the 2003 Budget allocations to local government.

Cross-cutting proposals

FFC proposal for the Review of the Intergovernmental Fiscal System

The FFC present the following recommendations when reviewing current intergovernmental fiscal mechanisms and processes:

- The possible incorporation of elements and parameters in the intergovernmental transfer formulae that will balance the need to provide Constitutionally mandated obligations with the considerations listed in Section 214(2)(a-j) of the Constitution
- The need for substantial improvement in data collection to enhance the development of intergovernmental fiscal mechanisms
- The development of specific intergovernmental fiscal capacity building programmes, both inside and outside of Government.

National government's response to the FFC proposal for the Review of the Intergovernmental Fiscal System

Government intends to undertake a comprehensive and fundamental review of the equitable share formula, and all other allocations for both provincial and local government once the results of Census 2001 become available. It is expected that the results of the review will be implemented in the 2004 Budget. This review and assessment will involve the FFC and give careful consideration to its proposals, as well as the impact of possible provincial and local government tax proposals. It will explore mechanisms that would make the formulae more forward looking and policy-based.

Government also notes the need to emphasise improved data collection by relevant agencies, and has convened a number of forums with key sectors to standardise and prioritise basic information.

National Government has initiated a 'Provincial Good Practice Programme' that focuses on intergovernmental fiscal capacity building. It aims to improve the quality of strategic departmental plans that are linked to budgets, uniform formats for budgets and strategic plans for provincial departments in the same sector, the development of non-financial performance systems, in-year financial management and sector-specific annual reports.

FFC proposal on the Central Contingency Reserve

The FFC proposes that:

- A more defined legal basis be provided for the contingency reserve. This should ensure that the reserve is for emergency purposes
- The contingency reserve for a relevant budget year be allocated for two emergency purposes, namely macroeconomic stability and response to natural or human-made disasters
- The "new spending priorities" of the outer years of the MTEF be categorised separately as the "policy reserve"
- The Municipal Finance Management Bill include a provision that empowers municipalities to make appropriations to defray expenditure of an exceptional nature (similar to the provisions of Sections 16 and 25 of the PFMA)
- Provinces and municipalities should exercise their discretion in determining how to build flexibility into their budgets.

National government's response to the FFC proposal on the Central Contingency Reserve

Government is in agreement with the broad approach of the FFC, and believes that its current approach is in line with the recommendations of the FFC

In assessing the FFC's recommendations, it is important to note that the budget framework provides for a contingency reserve for each of the three MTEF years. It is important to differentiate between the coming budget year (in year) contingency reserve, and that for the two outer years.

The contingency reserve for the budget year allows for the possibility that funds might be required to defray emergency expenditure (sections 16 and 25 of the PFMA) and unforeseeable and unavoidable expenditure (sections 30 and 31 of the PFMA). The

contingency reserve is set aside at the time of the national Budget, and then allocated through the mid-year adjustments process, where Parliament and provincial legislatures enact Adjustments Appropriation Acts. The contingency funds are therefore allocated through several legal processes, and no funds are spent outside such legal appropriations by National and provincial governments.

The contingency reserve for the two outer years includes both a policy reserve and an emergency reserve for unforeseeable and unavoidable expenditure. In the next Budget these funds are then divided between new spending priorities and an in-year emergency reserve. These funds are allocated legally in the Division of Revenue and Appropriation and Adjustments Acts in the next year. Government does not see merit in dividing the contingency reserve into two parts in advance, as there does not appear to be any objective basis for such a division. It is unclear how an *ex ante* division of the contingency reserve could be reconciled with the annual revision of the framework to take account of changes in the macro-economic forecasts and other policy considerations.

Government does not share the FFC's view that the (in-year) contingency grant be confined to cover specific emergencies related to macroeconomic stability and natural or human-made disasters. Recent experience demonstrates that such a narrow approach would prevent Government in dealing with other valid pressures that may be unforeseeable and unavoidable but do not qualify as disasters. An example of this is the faster than anticipated take-up of social grants, which have tended to squeeze out other priorities in provincial budgets.

Government agrees that the adjustment process also be extended to the local sphere. This is covered in the coming Municipal Finance Management Bill, which makes provision for expenditure of an exceptional nature (similar to section 16 and 25 in the PFMA) and in-year adjustment budgets (similar to sections 30 and 31 in the PFMA).

Government also agrees, and respects, the right of municipalities and provinces to determine their own budgets, and believes that the current approach to intergovernmental budgeting allows them to exercise their discretion to determine how they can build flexibility in their budgets.

FFC proposal on Disaster Management Funding

The FFC proposes that:

- Central funding mechanisms for disaster management be introduced, to ensure budget frameworks and the delivery of Constitutionally mandated basic services are not compromised
- Local municipalities be primarily responsible for the co-ordination and management of local disasters, unless they lack the necessary capacity
- Start-up costs for emergency preparedness for local government be funded from a national conditional grant targeted primarily at municipalities with limited capacity
- On-going institutional costs for emergency preparedness be incorporated into the equitable share
- Funding for prevention/mitigation projects be provided by National Government to provinces and municipalities on a matching-grant basis
- A portion of the contingency reserve be used to fund emergency response activities once provinces and municipalities have exceeded a specified financial threshold of disaster response expenditure
- National departments, provinces, and municipalities submit requests for reconstruction funding to National Government, a budget appropriations would be requested based upon the sum of the approved claims
- The three relief funds administered by the Department of Social Development be combined and administered centrally. Where budgeted funds are exceeded, the contingency reserve could be drawn upon.

National government's response to the FFC proposal on Disaster Management Funding

Major disasters and emergencies are, by their nature, unforeseeable and unavoidable, and hence cannot be budgeted for in advance. National Government accepts responsibility for emergencies and disasters that call for resources beyond the capacity of provinces or local authorities. This is one of the key reasons for the contingency reserve.

Government agrees that the three relief funds (Disaster Relief Fund, the Social Relief Fund and the State President's Fund) administered by the national Department of Social Development be combined and administered centrally. The Department of Social Development has initiated a process to consolidate the various components of legislation and create a central Board to administer these funds centrally. These funds also provide sources of funds available to assist relevant national departments, provinces and local governments in the event of a major disaster. Currently, these funds are administered by separate Boards and regulated by different legislation.

Infrastructure rehabilitation is funded through national grants. In-year, such grants are made through the Adjustments Budget and/or in terms of emergency funding in accordance with sections 16, 25, 30 and 31 of the PFMA. Thereafter, they are funded through the normal budget process, through a conditional grant.

For minor disasters or emergencies, and where no national funds are deemed to be necessary, provincial and local government budgets have the discretion to fund such emergencies and disasters. The *Public Finance Management Act* and Municipal Finance Management Bill contain specific provisions to provide for appropriations to accommodate emergency-related spending at national, provincial and local levels.

Nothing in the current legal framework precludes a province or municipality from allocating funds to disaster related programmes (mitigation, relief, etc) to the extent that its resources allow. The current framework does not set predetermined ratios or proportions to be contributed by each sphere in the event of a disaster. There are both advantages and disadvantages with this approach. The advantage is that it leaves room for discretion among decision makers depending on circumstances. On the other hand, it creates uncertainty for the affected organ of state as to how much financial support it would receive from other sources.

Current funding arrangements for disasters and emergencies therefore take advantage of both centralised and decentralised mechanisms. National Government does not see the need for a separate conditional grant to enable municipalities and provinces to perform their emergency or disaster responsibilities. The current equitable share mechanism allows local governments to perform this function adequately for routine emergencies or disasters.

The FFC is invited to provide more specific information on any other problems that it believes should be resolved, including the advantages of alternative funding proposals over current arrangements.

Part 3: Fiscal Framework for 2003 MTEF

Fiscal framework

Table E-1 presents medium-term macroeconomic forecasts for the 2003 Budget. It sets out the growth assumptions and fiscal projections on which the fiscal framework is based.

Table E1 Medium-term macroeconomic assumptions

R billion	2002/03		2003/04		2004/05		2005/06
	2002 Budget	2003 Budget	2002 Budget	2003 Budget	2002 Budget	2003 Budget	2003 Budget
Gross domestic product	1 082,8	1 120,1	1 178,9	1 234,6	1 277,5	1 344,3	1 466,6
Real GDP growth	2,7%	3,2%	3,3%	3,4%	3,6%	3,8%	4,0%
GDP inflation	6,5%	7,7%	5,4%	6,6%	4,6%	4,9%	4,9%
National Budget Framework							
Revenue	265,2	275,7	288,7	304,5	313,2	331,0	361,2
Percentage of GDP	24,5%	24,6%	24,5%	24,7%	24,5%	24,6%	24,6%
Expenditure	287,9	291,8	311,2	334,0	334,6	363,3	395,6
Percentage of GDP	26,6%	26,1%	26,4%	27,1%	26,2%	27,0%	27,9%
Budget deficit	-22,7	-16,1	-22,5	-29,5	-21,4	-32,4	-34,4
Percentage of GDP	-2,1%	-1,4%	-1,9%	-2,4%	-1,7%	-2,4%	-2,3%

Cabinet determines the division of revenue between spheres of Government using the previous year's baseline division as a point of departure and taking account of ongoing commitments, and current and new policy priorities. For the 2003 Budget, the priorities are:

- Extending social assistance through enhanced income support to the poor, and improvements in the social grant payment system

- Improving the health capital infrastructure and increased spending on professional personnel with scarce skills, equipment and medicines
- Improving capacity to deal with the impact of HIV/Aids
- Enhanced spending on education programmes administered by provinces, specifically relating to the roll-out of the early childhood development programmes, supply of learner support material and reduction of classroom backlogs
- Enhancing investment in municipal household service infrastructure, including the prioritisation of basic services in support of the rural development and urban renewal strategies and labour-intensive job creation projects
- Accelerating the extension of free basic municipal services
- Accelerating the land reform and restitution programmes
- Improvements in the transport infrastructure at national, provincial and local level
- Higher education restructuring, including support for institutional mergers and investment in infrastructure
- Re-engineering services provided to citizens by the Department of Home Affairs
- Expanding capacity in the safety and security sector to prevent and combat crime, including a particular focus on the functioning of the court system
- A growing international role through increased regional representation and international commitments, in particular, support for the African Union and NEPAD.

The new priorities, and expansions of previous year's programmes, are accommodated through reprioritization and growth in the resource envelope. Growth in the resource envelope is due to robust tax collection, drawing down of the contingency reserve, unallocated infrastructure funds, and savings on debt service costs. In addition, higher inflation and revisions to the fiscal framework due to higher economic growth increases the amount of fiscal resources. Table E-2 reflects the additional resources available over last year's baseline allocations, totalling R25 billion in 2003/04 and R35 billion in 2004/05.

Table E2 Changes over 2002 Budget baseline

R million	2003/04	2004/05	2005/06 ¹
National	7 176	9 639	11 938
Provincial	16 150	23 105	30 085
Local	1 767	2 395	3 119
Allocated expenditure	25 093	35 139	45 142

¹ The assumed baseline for 2005/06 is the 2004/05 baseline plus 6 per cent.

The additional funds are divided between the spheres depending on which sphere is responsible for the prioritised functions. The impact of the new policy priorities and additional funds on the total division of revenue is reflected in table E-3. The total division firstly makes provision for national commitments such as debt service costs as a direct charge on the National Revenue Fund, and the contingency reserve. Debt servicing obligations of R50.9 billion, R53.1 billion and R55.1 billion are projected for the three MTEF years, and the contingency reserve amounts to R3.0 billion, R4.0 billion and R8.0 billion. Once these commitments are taken into account, the revenue pool available for sharing between national, provincial and local spheres amounts to R279.9 billion, R306.2 billion and R332.5 billion over the three MTEF years.

Table E3 Division of revenue between spheres of government

R million	1999/00 Outcome	2000/01 Outcome	2001/02 Outcome	2002/03 Revised	2003/04	2004/05 Medium-term estimates	2005/06 Medium-term estimates
National departments ¹	66 385	73 178	87 709	98 853	108 983	117 549	126 323
Provinces	99 465	108 899	121 099	136 919	158 995	175 468	191 590
Equitable share	89 094	98 398	107 460	123 457	142 368	155 313	167 556
Conditional grants	10 370	10 501	13 638	13 462	16 609	20 155	24 033
Local government	4 610	5 536	6 516	8 801	12 001	13 249	14 624
Equitable share	2 163	2 315	2 607	3 964	6 343	7 078	7 698
Conditional grants	2 447	3 221	3 909	4 837	5 658	6 171	6 926
Non-interest allocations	170 460	187 613	215 324	244 573	279 979	306 266	322 536
Percentage increase	7.4%	10.1%	14.8%	13.6%	14.5%	9.4%	8.6%
State debt cost	44 290	46 321	47 581	47 250	50 986	53 079	55 070
Contingency reserve	—	—	—	—	3 000	4 000	8 000
Main budget expenditure	214 750	233 934	262 905	291 823	333 965	363 345	395 606
Percentage increase	6.6%	8.9%	12.4%	11.0%	14.4%	8.8%	8.9%
Percentage shares							
National departments	38.9%	39.0%	40.7%	40.4%	38.9%	38.4%	38.0%
Provinces	58.4%	58.0%	56.2%	56.0%	56.8%	57.3%	57.6%
Local government	2.7%	3.0%	3.0%	3.6%	4.3%	4.3%	4.4%

¹ Includes a transfer of R855 million to the Umsobomvu Fund in 1999/00.

Both the shares for provincial and local government allocations increases significantly, with the provincial allocation increasing from 56,0 per cent to 57,6 per cent, and the local government allocation from 3,6 per cent in 2002/03 to 4,4 per cent in 2005/06. These increases are at the cost of National Government, whose share decreases from 40,5 per cent in 2002/03 to 38,0 per cent in 2005/06. Table E-3 is the *actual* division of revenue between the three spheres of government, and Table E-4 is the Schedule 1 of the Division of Revenue Bill that reflects the *legal* division of revenue between the three spheres. In this legal division, the national share includes all conditional grants to the other two spheres, and the provincial and local government allocations reflect their equitable share only. This is because section 214 of the Constitution regards all conditional grants as additional funds allocated from the national equitable share.

Table E4 Schedule 1 of the Division of Revenue Bill

Sphere of government R million	Column A 2003/04 Allocation	Column B Medium term forward estimates	
		2004/05	2005/06
National ^{1,2}	185 235 905	200 954 497	220 351 687
Provincial	142 386 031	155 313 096	167 556 442
Local	6 343 478	7 077 546	7 698 179
Total	333 965 414	363 345 139	395 606 308

¹ National share includes conditional grants to provincial and local spheres, debt service cost and the contingency reserve.

² The direct charges for the provincial equitable share is netted out.

Nationally-raised revenue is distributed either through appropriation to main division of votes (programmes of national departments) or as a direct charges on the National Revenue Fund, in accordance with the Division of Revenue Bill and the Constitution.

Provincial equitable shares are direct charges on the National Revenue Fund and flow directly into Provincial Revenue Funds, where provincial legislatures appropriate the funds to main divisions of votes — in this instance, votes and programmes of provincial departments. Various local government allocations are appropriated on national votes, as the Constitution does not make them a direct charge on the National Revenue Fund. The local government equitable share is appropriated on the vote of the Department of Provincial and Local Government. The actual division of all grants (whether appropriated or a direct charge) between provinces or municipalities is in accordance with the Division of Revenue Bill and this memorandum.

Part 4: Provincial Allocations

National transfers to provinces for 2003/04, comprise more than 96 per cent of provincial revenues, with provinces raising less than 4 per cent of their revenues from own sources. Of the funds that are transferred, 90 per cent is through the equitable share and the remaining 10 per cent flows as conditional grants.

Table E5 Total transfers to provinces for 2003/04

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	24 228	2 219	26 447
Free State	9 463	1 247	10 709
Gauteng	21 876	3 919	25 794
KwaZulu-Natal	29 279	2 917	32 196
Limpopo	19 352	1 691	21 043
Mpumalanga	10 220	911	11 131
Northern Cape	3 455	386	3 841
North West	11 822	1 048	12 869
Western Cape	12 692	2 272	14 964
Total	142 386	16 609	158 995

Provincial equitable share

The Constitution entitles provinces to a share of nationally raised revenue. This share is divided between provinces on the basis of the provincial equitable share formula. The provincial equitable share allocation funds the bulk of public services rendered by provinces. The equitable share amounts to R142,4 billion in 2003/04, R155,3 billion in 2004/05, and R167,6 billion in 2005/06. The structure of the equitable share formula has been retained for the 2003 Budget. Updates of data are effected on an annual basis, depending on availability of official data.

The equitable share formula

The equitable share formula comprises seven components, or indices, of the relative demand for services between provinces and taking into account particular provincial circumstances. It considers, for example, infrastructure backlogs and poverty levels. Although the formula has components for education, health and welfare, the share "allocations" are intended as broad indications of relative need and not earmarked allocations. Provincial Executive Committees have discretion regarding the provincial allocations for each function. The provincial equitable share formula comprises of the following components:

- An education share (41 per cent) based on the size of the school-age population (ages 6-17) and the average number of learners enrolled in ordinary public schools for 1998 to 2000
- A health share (19 per cent) based on the proportion of the population with and without access to medical aid
- A welfare component (18 per cent) based on the estimated number of people entitled to social security grants — the elderly, disabled and children — weighted by using a poverty index derived from the Income and Expenditure Survey
- A basic share (7 per cent) derived from each province's share of the total population of the country
- A backlog component (3 per cent) based on the distribution of capital needs as captured in the schools register of needs, the audit of hospital facilities and the distribution of the rural population
- An economic output component (7 per cent) based on the distribution of total remuneration in the country
- An institutional component (5 per cent) divided equally among the provinces.

Table E-6 shows the current structure and distribution of shares by component. The elements of the formula are neither indicative budgets, nor guidelines as to how much should be spent on those functions. Rather, the components are weighted broadly in line

with expenditure patterns to provide an indication of relative need for the purpose of allocating funds.

Table E6 Distributing the equitable share, percentages by province

	Education	Health	Social welfare	Basic	Economic activity	Institu- tional	Backlog	Target shares
<i>Weighting</i>	<i>41,0</i>	<i>19,0</i>	<i>18,0</i>	<i>7,0</i>	<i>7,0</i>	<i>5,0</i>	<i>3,0</i>	<i>100,0</i>
Eastern Cape	18,4	17,0	19,6	15,5	6,5	11,1	20,6	17,0
Free State	6,3	6,5	7,1	6,5	5,3	11,1	5,7	6,6
Gauteng	12,6	14,7	13,9	18,1	41,6	11,1	5,1	15,4
KwaZulu-Natal	22,0	21,7	19,6	20,7	17,0	11,1	22,9	20,6
Limpopo	15,4	13,3	13,7	12,1	3,0	11,1	22,9	13,6
Mpumalanga	7,3	7,2	6,5	6,9	4,9	11,1	8,5	7,2
Northern Cape	1,9	2,0	2,2	2,1	1,7	11,1	1,3	2,4
North West	8,0	8,6	8,7	8,3	5,7	11,1	9,4	8,3
Western Cape	8,0	8,9	8,8	9,7	14,4	11,1	3,7	8,9
Total	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

The phasing-in of the formula

In 1999, two years after the formula was introduced, data for the 1996 Census was published. Given the need to ensure stability in provincial budgets, it was agreed that revisions to the formula should be phased in over five years, from 1999/00 to 2003/04. The target date of 2003/04 has been reached, and the formula is now fully implemented. Table E-7 shows the phasing. The 2001 Census are still to be published, so it has not been used in the current formula.

Table E7 Phasing in the equitable share

	1999/00	2000/01	2001/02	2002/03	2003/04
Percentage	base				target
<i>Phasing</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>
Eastern Cape	17,6	17,4	17,3	17,2	17,0
Free State	6,8	6,8	6,7	6,7	6,6
Gauteng	14,9	15,1	15,2	15,3	15,4
KwaZulu-Natal	19,8	20,0	20,2	20,4	20,6
Limpopo	13,3	13,4	13,5	13,5	13,6
Mpumalanga	6,7	6,8	6,9	7,1	7,2
Northern Cape	2,4	2,4	2,4	2,4	2,4
North West	8,6	8,5	8,4	8,4	8,3
Western Cape	9,8	9,6	9,4	9,1	8,9
Total	100,0	100,	100,0	100,0	100,0

Education component

The education component targets primary and secondary schooling, which accounts for approximately 80 per cent of provincial education spending. Both the school-age population and enrolment numbers are used to reflect the demand for education services. The school-age cohort, ages 6-17, is double weighted, reflecting Government's desire to reduce out-of-age enrolment. For 2003, Government has decided to retain the weightings in the 2002 Budget.

Table E8 Calculation of education component

Thousands	Enrolment	School-age (6-17)	Weighted share (%)
<i>Weighting</i>	<i>1</i>	<i>2</i>	
Eastern Cape	2 253	2 010	18.4
Free State	784	680	6.3
Gauteng	1 508	1 394	12.6
KwaZulu-Natal	2 749	2 377	22.0
Limpopo	1 904	1 665	15.4
Mpumalanga	922	789	7.3
Northern Cape	202	223	1.9
North West	934	896	8.0
Western Cape	928	895	8.0
Total	12 184	10 930	100.0

Health component

The health component addresses the need for provinces to deliver primary and secondary health care services. As all citizens are eligible for health services, the provincial shares of the total population form the basis for the health share. The formulation of the health component recognises that people without medical aid support are more likely to use public health facilities, and are therefore weighted four times more than those with medical aid support. The proportions of the population with and without access to medical aid are taken from the 1995 October Household Survey and applied to the census figures. Although there have been October Household Surveys in subsequent years, these do not improve the quality of this information and the 1995 data have been retained.

Table E9 Calculation of health component

Thousands	With medical aid	Without medical aid	Weighted share (%)
<i>Weighting</i>	<i>1</i>	<i>4</i>	
Eastern Cape	510	5 793	17.0
Free State	467	2 166	6.5
Gauteng	2 958	4 390	14.7
KwaZulu-Natal	1 103	7 314	21.7
Limpopo	376	4 554	13.3
Mpumalanga	392	2 409	7.2
Northern Cape	175	665	2.0
North West	457	2 897	8.6
Western Cape	1 127	2 830	8.9
Total	7 566	33 018	100.0

Welfare component

The welfare component has two elements, the target population for the main social grants ("all grants" in Table E-10) and the population in the lowest two quintiles of the income distribution ("income adjustment"). The first element weights the target population groups (the elderly, disabled and children) according to historical distribution of expenditure on the different grants. The second element is based on results of the 1995 Income and Expenditure Survey (IES). The distribution of expenditure between grants has changed significantly since the introduction of the child support grant and updated information on this is available. However, it is also likely that income distribution has changed since 1995. Results of the 2000 Income and Expenditure Survey have, however, only recently become available and need to be reviewed before the formula can be updated. Changes to the welfare component based on partial information would therefore not be appropriate. The welfare component is an index of the distribution of economic dependency and poverty levels between provinces and captures the responsibility of provinces to pay social grants. The weight of this

component was increased to 18 per cent in 2002 from the initial 17 per cent to reflect the increasing expenditure on grants as a result of the Child support grant. Increasing spending pressures as a result of the child support grant have also been accommodated in the vertical division of revenue, and the introduction of a new conditional grant for its extension to children up to the age of fourteen years.

Table E10 Calculation of the welfare component

Percentage	Old age	Disability	Child care	All grants	Income adjustment	Weighted share (%)
<i>Weighting</i>	<i>65.0</i>	<i>25.0</i>	<i>10.0</i>	<i>75.0</i>	<i>25.0</i>	<i>100.0</i>
Eastern Cape	19.1	15.5	17.4	18.0	24.3	19.6
Free State	6.2	6.5	5.7	6.2	9.6	7.1
Gauteng	15.7	18.1	14.3	16.2	7.2	13.9
KwaZulu-Natal	19.8	20.7	21.7	20.2	17.6	19.6
Limpopo	13.0	12.1	14.8	13.0	15.8	13.7
Mpumalanga	5.9	6.9	7.3	6.3	7.1	6.5
Northern Cape	2.1	2.1	2.0	2.1	2.6	2.2
North West	7.8	8.3	8.4	8.0	10.7	8.7
Western Cape	10.4	9.7	8.4	10.0	5.2	8.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Economic activity component

The economic activity component is a proxy for provincial tax revenue, directing a proportion of nationally raised revenue back to its source. It also reflects costs associated with economic activity, such as maintenance of provincial roads. In 1999, the distribution of employee remuneration replaced provincial Gross Geographic Product (GGP) figures, since remuneration comprises roughly 60 per cent of provincial GGP. The new GGP estimates published by StatsSA in November 2002 came out after Cabinet had decided on the formula for 2003, and will only be considered in next year's budget.

Table E11 Economic activity shares

Percentage	Share of Remuneration
Eastern Cape	6.5
Free State	5.3
Gauteng	41.6
KwaZulu-Natal	17.0
Limpopo	3.0
Mpumalanga	4.9
Northern Cape	1.7
North West	5.7
Western Cape	14.4
Total	100.0

Basic component

In 1999, the basic component was split into a basic share distributed by population and a backlog component. The backlog component incorporates estimates of capital needs as drawn from the Schools Survey of Needs and the 1998 MTEF health sector report on hospital rehabilitation. The backlog component also incorporates a rural factor, in keeping with Government's focus on rural development. As no new information is available regarding its sub-components, the backlog component remains unchanged. However, with the imminent phasing out of the provincial infrastructure grant, it is anticipated that this component will be reviewed.

Table E12 Calculation of backlog component

Percentage	Health	Education	Rural	Weighted share (%)
<i>Weighting</i>	<i>18,0</i>	<i>40,0</i>	<i>42,0</i>	<i>100,0</i>
Eastern Cape	16,3	22,0	21,3	20,6
Free State	3,8	7,8	4,4	5,7
Gauteng	10,8	6,3	1,2	5,1
KwaZulu-Natal	16,0	23,5	25,5	22,9
Limpopo	27,5	20,4	23,3	22,9
Mpumalanga	9,2	7,5	9,1	8,5
Northern Cape	1,2	1,2	1,3	1,3
North West	9,1	7,5	11,6	9,4
Western Cape	6,1	3,9	2,3	3,7
Total	100,0	100,0	100,0	100,0

Institutional component

The institutional component recognises that some costs associated with running a government, and providing services, are not directly related to the size of a province's population. It is therefore evenly distributed between provinces, as was the case last year. It constitutes 5 per cent of the total equitable share, of which each province gets 11,1 per cent.

Conditional grants to provinces

Schedules 4 and 5 of the Division of Revenue Bill list all conditional grants to provinces. Conditional grants are a small but significant portion of provincial revenue. These grants were introduced in 1998 to provide for national priorities and compensate provinces for cross-boundary use of services, particularly in hospital services. The current conditional grant system has been shaped by reforms introduced through successive Division of Revenue Acts since 2000. These reforms have contributed to clarifying accountability between spheres. They have also helped sharpen description of policy objectives and grant outputs, thus resulting in improved use of grants in speeding delivery, and the strengthening of Parliamentary oversight.

Allocations

Table E-13 provides a summary of conditional grants by sector and province for 2003/04. Conditional grants to provinces amount to R16,6 billion in 2003/04, increasing to R24 billion in 2005/06, an average annual increase of 20,3 per cent from 2002/03. Seven departments administer grants, with the largest being in the health sector, totalling R7,4 billion, followed by housing, R4,4 billion, and the infrastructure grant, R2,5 billion. The most significant new conditional grant introduced is in Social Development, to fund the phased extension of the child support grant to children up to fourteen years. Education and Social Development departments also administer small but important grants for the improvement of financial management and the combating of HIV/Aids.

The major health grants were reconfigured in the 2002 Budget. Gauteng, and Western Cape continue to receive the largest share of health grants, as they receive most of the tertiary services and training grants in health (which make up more than 70 per cent of all health grants) since they provide most of the tertiary and specialised referral health services for the whole country.

Apart from these health grants, and the housing subsidy grant, all other conditional grants favour poorer provinces.

Table E13 Conditional Grants to Provinces for 2003/04

R million	Agriculture	Health	Provincial and Local Government	Infra- structure	Housing	Educa- tion	Social Devel- opment	Total
Eastern Cape	8.0	592.0	54.9	456.6	652.7	81.9	372.9	2 219.3
Free State	1.8	567.6	33.5	162.9	333.9	27.9	119.0	1 246.7
Gauteng	1.6	2 551.9	25.7	235.8	944.8	54.4	104.0	3 918.5
KwaZulu-Natal	6.5	1 127.8	46.7	500.3	822.3	97.8	315.3	2 917.0
Limpopo	8.0	371.6	25.5	540.6	437.1	69.5	238.4	1 691.0
Mpumalanga	3.5	242.7	18.2	216.0	282.4	32.3	115.8	911.1
Northern Cape	1.8	161.6	19.2	72.3	88.9	8.4	33.3	385.7
North West	5.0	249.6	22.6	204.4	355.9	35.4	174.6	1 047.8
Western Cape	1.8	1 548.5	24.0	145.1	436.7	34.9	80.2	2 271.6
Total	38.0	7 413.8	270.7	2 534.4	4 355.2	442.8	1 553.9	16 609.1

Table E-14 presents a summary of all the conditional grants listed in Schedules 4 and 5 of the Bill for the 2003 Budget.

Agriculture grants

Department of Agriculture transfers R38 million to provinces to implement land care projects. The aim of these projects is to reduce degradation of natural resources and to improve productivity of land. The allocation targets poorer provinces with the greatest problem with land degradation. Funds are also used to rehabilitate irrigations schemes in the former homeland areas (focussed on Limpopo) for resettlement of small scale farmers.

Education grants

The Department of Education manages grants for financial management and school quality enhancement, early childhood development and HIV/Aids. The financial management grant is in its fifth year, and it plays a pivotal role in the implementation of the strategic objectives of education transformation (*Tirisano* strategy). No changes are proposed to the baseline allocations of this grant.

The early childhood development grant was introduced in 2001. This grant is now in its last year and will be incorporated into the equitable share in 2004, with the allocation of R88 million. The roll out of the programme, to be phased in over 10 years, will mainly be funded from provincial equitable shares. The education sector is also responsible for the roll out of the HIV/Aids programme life skills in schools. This grant increases from R120 million in 2003 to R136 million in 2005.

Table E14 Conditional grants per sector

R thousand	2002/03	2003/04	2004/05	2005/06
Agriculture	24 000	38 000	—	—
Land Care	24 000	38 000	—	—
Education	408 778	442 888	377 058	399 681
Financial Management and Quality Enhancement	228 320	234 414	248 479	263 388
HIV/Aids	127 458	120 474	128 579	136 293
Early Childhood Development	53 000	88 000	—	—
Health	6 820 945	7 413 877	8 192 855	8 803 986
National Tertiary Services	3 727 077	3 994 774	4 273 005	4 529 386
Health Professions Training and Development	1 299 248	1 333 499	1 434 132	1 520 180
Hospital Revitalisation	649 000	717 628	911 856	1 027 427
Cholera Epidemic — KwaZulu-Natal	147 000	—	—	—
Pretoria Academic Hospital	70 000	92 356	—	—
HIV/Aids	210 209	333 556	481 612	535 108
Integrated Nutrition Programme	592 411	808 660	950 418	1 041 543
Hospital Management and Quality Improvement	126 000	133 404	141 832	150 342
Housing	3 906 674	4 355 239	4 589 137	4 867 876
Housing Subsidy	3 800 674	4 246 239	4 473 597	4 745 404
Human Resettlement	106 000	109 000	115 540	122 472
National Treasury	1 950 000	2 534 488	2 876 362	3 055 773
Provincial Infrastructure	1 550 000	2 334 488	2 876 362	3 055 773
Flood Rehabilitation	400 000	200 000	—	—
Provincial and Local Government	293 131	270 747	261 192	43 558
Local Government Capacity Building	241 244	232 339	220 459	—
Consolidated Municipal Infrastructure Programme	51 887	38 408	40 733	43 558
Social Development	58 300	1 553 917	3 858 180	6 862 391
HIV/Aids	47 500	65 917	70 180	74 391
Child Support Extension	—	1 100 000	3 400 000	6 400 000
Food Relief	—	388 000	388 000	388 000
Financial Management	10 800	—	—	—
Total	13 461 828	16 609 156	20 154 784	24 033 265

Health grants

Health grants amount to about R7,4 billion in 2003/04, and increase to R8.8 billion by 2005/06, reflecting an annual average increase of about 9 per cent. Health grants constitute about 44.4 per cent of total conditional grants to provinces. Following comprehensive research, the health sector reconfigured the three tertiary services and training grants and implemented a new framework for tertiary services and training in the 2002 Budget. The two grants are: the National Tertiary Services grant (NTS) and a Health Professions Training and Development grant (HPTD).

The NTS grant amounts to nearly R4 billion in 2003/04, increasing to R4,5 billion in 2005/06. The NTS grant targets 27 hospitals spread across the provinces. Given the provisioning of tertiary services in the Western Cape and Gauteng for the benefit of the health sector countrywide, about 70 per cent of the grant still flows to these provinces. Further research to explore ways of improving inter-provincial distribution of medical specialists is under way. The outcome of the research will inform government's approach to funding tertiary services ahead of the 2004 Budget.

The HPTD grant increases from R1,3 billion in 2003/04 to R1,5 billion in the third year, and consists of several components. The largest portion is distributed to provinces according to a formula based on the number of current medical students. In the 2002 Budget, an additional component was introduced to provide for a phased increase in the number of medical specialists and registrars in under-served provinces to address

inter-provincial inequities in post-graduate training capacity. This additional component amounts to R227 million over five years.

The Hospital Revitalisation grant funds a broader range of activities aimed at improving the quality of hospital infrastructure and quality of services, including upgrading and replacement of equipment. Over the next three years the grant will fund the revitalisation of a further 18 hospitals, two in each province. The 2003 MTEF allocation for the revitalisation grant includes a new component aimed at improving systems for medical equipment and mechanisms for facilitating adoption of modern technology. The allocation for the Hospital Revitalisation grant amounts to R717 million in 2003/04, an increase of about 10,6 per cent compared to 2002/03. The allocation grows to R1 billion in the last MTEF year.

The Integrated Nutrition Programme (INP) is targeted at poor provinces with large populations of school children. The Eastern Cape, Limpopo and kwaZulu-Natal receive more than 61,2 per cent of the allocation. The 2003 MTEF provides for an average annual increase of 21 per cent for the Integration Nutrition Programme rising from R592 million in 2002/03 to R808 million in 2003/04, further increasing to R1 billion in 2005/06. This increase will provide for expansion of the programme to cover more school children, rising prices, and improved quality of feeding. The grant is at present administered by the Department of Health but will be moved to the Department of Education from 2004/05, as this programme is delivered through the schooling system.

The Hospital Management and Quality Improvement grant is allocated R133 million in 2003/04, increasing to R150 million in 2005/06. This grant facilitates financial, personnel, and procurement delegations and strengthens financial management capacity. It also supports the implementation of a range of hospital quality of care interventions specified in the national policy for quality of care and can be seen as complimentary to the aims of the hospital revitalisation programme.

The health sector share of the HIV/Aids grant increases from R210 million in 2002/03 to R334 million in 2003/04. The significant increase in the allocation of this grant to the health sector is to give effect to Cabinet decisions and to implement additional programme priorities—post exposure prophylaxis for victims of sexual abuse, rollout of mother-to-child transmission prevention and targeted interventions for commercial sex workers — whilst still maintaining other HIV/Aids prevention programmes.

Housing grants

The Department of Housing administers two grants. The Housing Subsidy Grant provides subsidies for low-income housing, and the Human Settlement grant funds urban pilot projects. The Housing Subsidy allocation increased significantly in the 2002 Budget in order to enable the department to improve the quality of houses and to take on new priorities, including the implementation of medium density housing. The 2003 budget makes an above baseline allocation of R373 million to allow for an inflation adjustment of subsidies. The housing subsidy grant increases from R4,2 billion in 2003/04 to R4,7 billion in 2005/06.

In 2001, the Department of Housing reviewed the formula for allocating funds between provinces to align it with the new policy for prioritisation of urban and medium density housing. The key elements of the new formula and weights are:

- Housing need defined by number of homeless living in shacks and informal units (50 per cent)
- Households earning less than R3 500 (30 per cent)
- Population based on the 1996 Census (20 per cent).

In order to reduce the impact of the new formula on provinces receiving reduced allocations, for the first two years the new formula is only applied to additional allocations above the 2001 baseline. Full implementation of the formula in the allocations begins in 2004/05.

National Treasury grants

The provincial infrastructure grant grows from R2,5 billion in 2003/04 to R3 billion in 2005/06. This brings the total infrastructure funds available through this grant to R8,2 billion over this period. In order to deal effectively with backlogs, the provincial division has been effected using a combination of the equitable share formula and backlog component. This enables Government to direct funds towards provinces with large backlogs, without neglecting provinces that have inherited higher levels of

infrastructure. Provinces are expected to use these funds mainly for rehabilitation and construction of roads, schools, and health facilities and to address infrastructure needs for rural development. Provincial treasuries administer this grant and make allocations are to the line departments.

The flood disaster reconstruction grant is used to assist with the reconstruction and rehabilitation of infrastructure damaged by floods in 1999 in all the provinces. This grant phases out with the final allocation of R200 million in 2003.

Department of Provincial and Local Government Grants to Provinces

The Department of Provincial and Local Governments transfers two grants to provinces — Local Government Capacity Building Grant (LGCBG) and the Consolidated Municipal Infrastructure Programme (CMIP) grants — to enable provinces to assist municipalities. The Local Government Capacity Building Fund is allocated to support efforts to restructure institutional and financial arrangements and assist municipalities facing financial difficulties in the medium term. It amounts to R232 million and R220 million in 2003/04 and 2004/05. In the 2003 allocation, the component of CMIP that focused on capacity building, is consolidated into this grant. By 2004/05, this grant will be phased out and a consolidated Municipal System Improvement Grant (inclusive of all capacity building initiatives at local government) will be created and funds will be transferred directly to municipalities.

In addition to the CMIP component that focused on capacity building (now incorporated into the LGCBG), the CMIP funding to provinces contain a component that is focused on managerial, technical and administrative support to enable municipalities to implement the infrastructure programme. This component of the grant continues, and provinces are allocated R38 million in 2003/4, increasing to R44 million in 2005/06.

Social development grants

The Department of Social Development manages grants for Child Support Grant Extension, Food Security and the HIV/Aids Integrated Plan.

The Child Support Grant Extension grant amounts to R1.1 billion in 2003 increasing to R3.4 billion in 2004 and R6.4 billion in 2005. The grant will fund the phased extension of the means-tested child support grant to children until they reach the age of 14 years. The phasing will start with 7 and 8 year old children in 2003/04, incorporate 9 and 10 year old children in 2004/05 and, in 2005/06 incorporate 11, 12 and 13 year old children. The allocations also make provision for reasonable administration and payment costs.

The aim of the Food Relief grant is to provide emergency food assistance to destitute individuals and households. This grant contributes towards mitigating the effect of higher food prices and provides a mechanism to rapidly respond to urgent needs of poor people, especially women and children in poor and rural communities where food deprivation is the greatest. The food relief grant amounts to R388 million a year.

The HIV/Aids Integrated Plan grant amounts to R66 million in 2003/04, increasing to R70 million in 2004/05 and R74 million in 2005/06. The main focus of this grant is to facilitate the implementation of an integrated HIV/Aids programme through home based and community based care.

The Financial Management Grant was phased out in 2002/03.

Part 5: Local government allocations

Local government share of nationally raised revenue increases significantly from 3.6 per cent in 2002/03 to 4.4 per cent in 2005/06. It grows from R8.8 billion in 2002/03 to R12.0 billion in 2003/04, an increase of R3.2 billion or 36.4 per cent. The allocation grows to R14.6 billion at the end of the MTEF in 2005/06.

The funds are distributed through three major funding sources, the equitable share, two conditional grants for municipal infrastructure and capacity building, and a number of grants-in-kind. National allocations are an important (and growing) source of revenue

for municipalities, and are expected to comprise approximately 17 per cent¹ of all municipal revenue in the 2003 municipal budgets. For poorer municipalities the share is even higher, typically making up to 60 per cent of their total revenue.

The 2003 Budget will build on previous budgets and continue to support the National Government's commitment to poverty relief and job creation. Additional resources will remain focused on the provision of free basic services, infrastructure provision and institution building.

Table E15 National transfers to local government

R million	2002/03	2003/04	2004/05	2005/06
Equitable share	3 964	6 343	7 078	7 698
Transition grant	223	—	—	—
Water & sanitation operating	700	836	858	934
Subtotal equitable share & related	4 887	7 180	7 936	8 633
Consolidated Municipal Infrastructure Programme	1 671	2 246	2 724	3 016
Water Services Project	758	884	1 012	818
Community Based Public Works Programme	260	260	—	—
Local Economic Development Fund	111	117	—	—
Sport & Recreation facilities	76	123	—	—
National Electrification Programme	228	240	245	258
Urban Transport Fund	40	9	—	—
Integrated Sustainable Rural Development	32	—	—	—
Municipal Infrastructure Grant	—	47	117	97
Unallocated ¹	—	—	555	588
Subtotal capital	3 416	4 144	4 588	4 996
Restructuring grant	250	315	343	363
Financial management grant	154	212	199	208
Municipal System Improvement	94	150	182	423
Subtotal capacity building & restructuring	498	677	724	995
Total transfers to local government	8 801	12 001	13 249	14 624

¹ Poverty relief allocations in 2004/05 are subject to Cabinet review and therefore unallocated.

Table E-15 reflects all the national transfers to local government.

This year, for the first time, all grants to municipalities are published per municipality as part of this Budget as annexures to this memorandum to facilitate credible budgeting at local government sphere. Previously, these allocations were only published about two months after the national Budget. The allocations are also published for both the national and municipal financial year. The local government financial year commences three months later than the national and provincial financial year, on 1 July. The allocation in terms of the national financial year is the legal requirement for national and provincial transferring departments, and for audit purposes. The allocations in terms of the municipal financial year facilitates municipal budgeting as these allocation are required for municipal revenue budgets. Some conditional grants allocation could not be published for the municipal financial year — these will be provided to Parliament during the Portfolio Committee hearings on the Bill.

Municipalities take responsibility for the delivery of services to residents in their jurisdiction and this means that all grants provided to public entities, like Eskom and Water Boards, for the provision of municipal services will be done through the municipality. Service delivery agreements will have to be signed between the municipality and national public entities like Eskom and Water Boards. *The Municipal Systems Act* require that such providers be accredited as external mechanisms for the delivery of municipal services.

¹ The National Treasury estimates that the 284 municipalities will collect around R68 billion for their 2003 budgets. This estimate is lower than budgeted figures since municipalities do not collect all revenue budgeted, and also include borrowed funds.

The equitable share for local government

Background

Section 227 of the Constitution requires that an equitable share of revenue raised nationally be allocated to local sphere of government to enable it to provide basic services and perform the functions allocated to it. The equitable share grant and formula were first introduced in 1998/99. It is an unconditional grant assisting municipalities in supplementing their revenue to deliver services to poor households.

The equitable share formula was developed at a time when there was little information on each municipality. Essential information on population and income demographics of every municipality, their fiscal capacity and efficiency, backlogs, budget and costing information was not available and the formula had to be designed around the limited information that was available at the time. The population, per capita expenditure, household size, urban/rural proportions, and the number of poor households in the municipality are the primary factors used in determining formulae-based allocations for individual municipalities.

Table E-15 shows that the equitable share is growing in importance and is projected to increase by R2.4 billion from the 2002/03 figure of R3.9 billion to R6.3 billion in 2003/04. This reflects government's commitment to the provision of basic municipal services to poor households. As the intergovernmental system is maturing, the equitable share grant increases in relation to other local government grants, from 45 per cent in 2002/03 to 53 per cent in 2003/04. The equitable share grant has undergone a number of changes since its inception. These include the incorporation of R293 town subsidies, the re-alignment of allocations to the newly demarcated municipalities, and allocations to the district municipalities in the 2002/03 financial year. For 2003/04, a separate window for the funding of free basic services (electricity, water, sanitation and refuse) is created. This will enable municipalities to accelerate the provision of free basic services to poor communities.

A major change implemented for 2003/04 is the alignment of the equitable share allocation to the new division of functions between local (Category B) and district (Category C) municipalities. These divisions were gazetted by the Minister for Provincial and Local Government on 3 January 2003, and take effect from 1 July 2003 for the new municipal financial year. The Local Government Transition Grant is also discontinued as a separate grant and incorporated into the main equitable share formula.

The publication of the 2001 Census data during the course of 2003 will provide the opportunity to comprehensively review the local government equitable share formula. Given the impending restructuring of the electrification industry, the review will also assess whether current revenue raising powers match the functions of various categories and types of municipalities, the tax-raising powers of local government and their assignment within the local sphere, the future of the RSC levies, the feasibility of municipal levies on key municipal services like electricity and water, and the division of fiscal powers between category B and C municipalities. The review will also include the formula for the equitable share, and conditional grants, and include the phasing in of other grants — such as the water services operating subsidy — into the equitable share. It is anticipated that this review will be completed in time for the 2004 Budget.

The adjustments to the equitable share grant formula for the 2003 Budget is an interim measure to take account of urgent considerations. The following six budget windows are used in the allocation of the equitable share grant for the 2003/04 *national* financial year:

Element	R million
Equitable share allocation	6 343
(1) Less: R293 allocations	381
Amount available for distribution through the formula	5 962
(2) S-grant (including guarantees)	4 178
(3) I-grant	450
(4) Nodal allocation	212
(5) Free basic services (water, sanitation, refuse)	822
(6) Free basic electricity	300

Each of these windows are discussed below. Additional information on R293 allocations and the demographic information used in the equitable share is provided by StatsSA and is included as annexures to the Division of Revenue Bill.

R293 allocation

This window is phased out in 2004/05. It originally had two components, one dealing with non-personnel and the other with personnel. The non-personnel component of the R293 was phased out and incorporated into the local government equitable share in 2000/01.

The equitable share allocations for the 2001/02 to 2003/04 financial years included funding for R293 staff transferred to municipalities. Municipalities were guaranteed to receive a R293 town allocation for staff (100 per cent as at transfer) over a three-year period ending 30 June 2004. The normal formula allocations will apply thereafter and the guarantee mechanism (discussed below) will also apply.

S-grant

The S-grant is the biggest component within the equitable share grant, and is designed to meet the operating costs of a municipality when providing a package of basic services to low income households. Poor households are classified as those spending less than R1 100 per month. The formula for the S-grant is:

$$S = \alpha \beta L H_i$$

Where: α = a phase-in parameter with $0 < \alpha \leq 1$;
 β = a budget-adjustment parameter, set to adjust the size of the grants to the available budget;
 L = an estimate of the annual cost of providing basic public services; and
 H_i = the number of poor households.

The following parameters will be used for the 2003 MTEF:

	Parameter	2003/04	2004/05	2005/06
α	Rural alpha	0.7	0.85	1
	Urban alpha	1	1	1
β	Budget adjustment parameter	1.3582		
L	Annual cost of basket of basic services	R1 032		

The alpha parameters were introduced in recognition of the differences in the financial and administrative capacities of rural and urban municipalities. The alpha values for urban and metropolitan municipalities will reach 1 in the 2003/04 financial year, whilst the alpha values for the rural municipalities will reach 1 in the 2005/06 financial year. This will take account of capacity to spend efficiently and effectively.

The threshold poverty level is set at R1 100 household expenditure per month. According to the 1996 Census, 3.2 million households are living in poverty. In the 2003/04 financial year corrections have been made for the powers and functions carried out by different municipalities. The S-grant is divided between category B and C municipalities in line with functions performed. The overall S-grant is split up as follows: 23.3 per cent is for water supply, 41.9 per cent is for electricity supply, 11.6 per cent for sanitation services and 23.3 per cent for refuse removal.

I-grant

The purpose of the I-grant is to provide resources to municipalities to assist in institutional and governance requirements. The grant is designed to target municipalities with little capacity to fund their own administrative infrastructure. Currently the I-grant formula is applied to metropolitan, local and district municipalities. However, metropolitan municipalities have relatively high fiscal capacity and, do not qualify for the grant. Unlike last year, the grant allocations for district municipalities are determined by the same formula. The first part of this formula captures how the administrative costs of a municipality increase with population size. It assumes that these costs increase more

slowly than population does, i.e. a larger municipality has more costs, but not proportionately more than a smaller one. The second part of the formula is a correction for the inability of the municipality to fund its own administrative overheads. The formula for the I-grant is:

$$I_i = I_0 P_i^\gamma - 0.075 (Y_i - 250) P_i$$

Where: I_0 = a per capita I-grant parameter that serves to determine the total amount of money allocated through the I-grant;
 P_i = is the population in the municipality i ;
 γ = a scale parameter that could take any value > 0 and ≤ 1 ; and
 Y_i = is the average monthly per capita expenditure in municipality i , for values of y_i below the stated monthly per capita floor of R250, the term $(Y_i - \text{per capita floor})$ is set equal to zero.

The following values are allocated to the I-grant for Category A and B municipalities for the 2003 MTEF:

	Parameter	Value
I_0	per capita parameter for category B municipalities	R195 397
	per capita parameter for category C municipalities	R329 818
γ	Scale parameter	0.25
Y_i	Average per monthly per capita expenditure threshold	250
	Population cut-off	5 000
	Per capita floor	250

Nodal Allocations

The President announced 21 development nodes in his 2001 State of the Nation Address. Departments were subsequently requested to prioritise funding to these under-developed areas. In line with this objective, additional equitable share allocations are made available to these nodes for non-infrastructure developmental programmes, beginning in 2002/03. The funding of the nodes are linked to the life-span of projects. Similar to last year, 65 per cent of the nodal equitable share allocation will be allocated to the rural nodes and 35 per cent to the urban nodes.

Free Basic Services

This is a new supplementary component to accelerate the pace for the provision of free basic electricity/energy and free basic services (water, sanitation, refuse) to poor households. The division between municipalities has been determined by the S-grant formula and 1996 Census data on municipal infrastructure for water, sanitation, refuse and electricity infrastructure for poor households.

"Guaranteed" Amount

To create stability and prevent the disruption of services, municipalities are guaranteed 70 per cent of their previous year's allocation. However, given the new functions for the 2003/04 financial year for category B and C municipalities, the equitable share allocations have been adjusted to provide funds to the municipality legally entitled to perform that function. The guarantee mechanism does not apply to that portion where a municipality no longer carries out a specific function.

Conditional grants to local government

Schedule 6 and 7 of the Division of Revenue Bill presents the conditional grants to municipalities. Conditional grants are a significant portion of national grants to local government. In particular, conditional grants are used to:

- Incorporate national priorities in municipal budgets
- Promote national norms and standards
- Address backlogs and regional disparities in municipal infrastructure
- Effect transition by supporting capacity-building and restructuring of municipalities.

Allocations for conditional grants will rise over the medium term, reflecting the priority attached to the extension of municipal infrastructure. Significant changes are introduced in the policy framework underlying some grants, particularly in infrastructure and capacity building. Below is a summary of all the conditional grants listed in Schedule 6, 6A and 7A of the Division of Revenue Bill, 2003.

Capacity-building and restructuring grants

Over the past years, national and provincial government have committed significant resources to assist in building capacity at the local level of government. The range of programmes administered by different national departments is fragmented and in the process has delayed or does not appear to have delivered substantial improvements in municipal capacity. Government is concerned that the lack of coordination among capacity-building initiatives reduces their impact in improving the capacity of municipalities. Government intends to create one consolidated local government capacity-building programme, overseen by a multi-departmental team.

The Department of Provincial and Local Government (DPLG) is spearheading the shift towards a comprehensive capacity-building strategy. An interim framework for municipal capacity building allocations regulates the alignment of allocations into a consolidated grant by 2005/06. The framework provides for multi-departmental teams in the national and provincial spheres to oversee and manage the capacity-building programme, initially prioritising integrated development planning, strategic management and service delivery skills, and financial management and budget reforms. In line with this approach, the Local Government Capacity Building Grant, which is currently distributed via provinces to municipalities, will be incorporated into the Municipal Systems Improvement Grant and will be transferred directly to municipalities. The financial management grant under the National Treasury vote is committed to the international technical assistance programme. The demands of the coming *Municipal Finance Management Act* will require significant capacity building in municipalities. The National Treasury is working closely with DPLG to ensure co-ordination between the various capacity building programmes.

Capacity building and restructuring grants doubles from R498 million in the 2002/03 financial year to R995 million in the 2005/06 financial year. This translates to a nominal average annual increase of 26 per cent (19.4 per cent in real terms) over the next three years. Capacity building grants to municipalities that flow through provinces will be incorporated into the municipal systems improvement grant in 2005/06. This translates to an additional R233 million to the local sphere and hence the sharp increase in the municipal systems improvement grant in 2005/06.

The bulk of capacity building grants are targeted at smaller and medium size municipalities whereas the restructuring grant is targeted at larger municipalities with budgets exceeding R300 million.

Capital transfers to local government

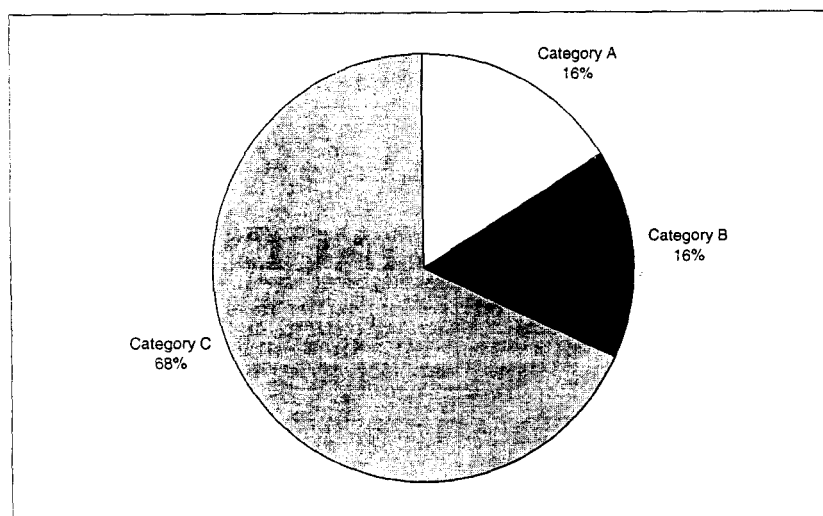
Infrastructure grants are a critical component of the national government's objective to expand the delivery of basic services to poor households and to alleviate poverty. They complement the equitable share allocations to give effect to government's commitment for delivery of free basic services. A further objective of the infrastructure grants is to stimulate job creation, and ensure skills transfer and gainful employment creation over the medium term. An additional R1 billion over the next three years is allocated for the purpose of labour-based infrastructure investments. These funds will be distributed through the existing municipal infrastructure grants framework.

Infrastructure grants increase to R4.1 billion in 2003/04 from R3.4 billion in 2002/03. For the outer years, total infrastructure transfers rise to R4.6 billion and R4.9 billion. The largest rise is in the Consolidated Municipal Infrastructure Programme (CMIP) grant, which experience an average annual increase of 21.8 per cent between 2002/03 and 2005/06. Of the total infrastructure transfers allocated in the period 2003/04, about 49 per cent goes to nodes identified as part of the Urban Renewal and the Integrated

Sustainable Rural Development programmes. Metropolitan areas receive 16,3 per cent of the total, of which 84 per cent goes into urban development nodes. District municipalities and district management areas receive 67,8 per cent of which about 51 per cent are for rural development nodes.

National Government is in the process of finalising the rationalisation of the many infrastructure grants to municipalities, and create the new Municipal Infrastructure Grant (MIG). The MIG gives effect to earlier Cabinet and Budget Forum decisions and policy positions on the establishment of a single consolidated fund for municipal infrastructure provisioning. The MIG gives municipalities a central role in coordinating development activity within their jurisdictions and the delivery of municipal infrastructure. The conditionalities of the MIG is focused on achieving a number of output conditions, including the achievement of service coverage targets and employment creation and link directly with Municipal Integrated Development Plans (IDP). The IDPs will be the primary strategic management tools for determining the scope, scale and mix of local service delivery activities through assessing local needs and priorities. The role of National Government would be to support, monitor policy outcomes and regulate municipal infrastructure investments. Crucially the policy reform around infrastructure grants will bring the grant system in line with the general direction and path of the intergovernmental system, which is focused towards improving the capacity, efficiency, effectiveness, sustainability and accountability of the local sphere.

Figure E.1 Infrastructure transfers to local government — 2003/04



Implementation of the MIG is expected to commence in October this year, and to be fully in place by 2005/06. Phased in over a three-year period, the new MIG will be created through the merger of the Consolidated Municipal Infrastructure Programme, the Water Service Grant (managed by the Department of Water Affairs and Forestry), and the National Electrification Programme (managed by the Department of Minerals and Energy). Current electrification funding will be incorporated once the framework for restructuring of the electricity distribution industry has been finalised. Consideration will also be given to including the existing poverty-relief programmes like the Local Economic Development Fund, the Community Based Public Works Programme and the Building for Sports and Recreation in the consolidated grant. These programmes will be incorporated after National Government has reviewed the poverty-alleviation programmes.

The Division of Revenue Bill, attendant documentation (schedules indicating revenue division and grant frameworks), and background material such as the *2002 Intergovernmental Fiscal Review* are available on the National Treasury website (www.treasury.gov.za).

**APPENDIX E1:
FRAMEWORKS FOR
CONDITIONAL GRANTS
TO PROVINCES**

Appendix E1: Frameworks for Conditional Grants to Provinces

Detailed Frameworks on Schedules 4, 5 and 7 Grants to Provinces

Introduction

This appendix provides a framework for each grant in Schedules 4, 5, and 7 of the Division of Revenue Bill. The following are key areas considered for each grant:

- Purpose and measurable objectives of the grant
- Conditions of the grant
- Criteria for allocation between provinces or municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- The payment schedule
- Capacity and preparedness of the transferring department

AGRICULTURE GRANTS

Land Care Programme Grant	
Transferring Department	Agriculture (Vote 26)
Purpose	<ul style="list-style-type: none"> • To address the degradation problems of natural resources and improve the socio-economic status of rural communities
Measurable objectives/outputs	<ul style="list-style-type: none"> • Rehabilitation of irrigation schemes to benefit small scale farmers • Rehabilitation and improvement in veldt management • Improvement in production systems for small scale farmers • Reduction in depletion of soil fertility and soil acidity • Training facilitation
Conditions	Implementation of approved projects according to the project schedule
Allocation criteria	Based on the submission of projects by Provinces, with some bias towards the poorest provinces
Reasons not incorporated to equitable share	The funding is from the special poverty allocation made by national government
Monitoring mechanisms	<ul style="list-style-type: none"> • Provinces report monthly on implementation progress • Impact assessment to be completed by the end of 2002/03 financial year
Past performance	2001/02 <ul style="list-style-type: none"> • 100 per cent spending of allocation • Evaluation of completed and ongoing projects completed
	2002/03 <ul style="list-style-type: none"> • 50 per cent has already been spent on projects by end of December 2002 • Expect all funds to be spent, although in some provinces they have been waiting for the rains to start in order to proceed without causing any degradation of the land and environment
Projected life	12 Months
Payment schedule	Four quarterly instalments
Capacity and preparedness of the transferring department	All administration, monitoring and reporting capacity is in place

Table 1 Land Care Grant

R thousand	2002/03 Revised Allocations	2003/04 Budget
Eastern Cape	6 000	8 000
Free State	1 400	1 800
Gauteng	-	1 600
KwaZulu-Natal	4 000	6 500
Limpopo	5 000	8 000
Mpumalanga	2 000	3 500
Northern Cape	1 300	1 800
North West	3 000	5 000
Western Cape	1 300	1 800
Total	24 000	38 000

Special Food Security Projects (Indirect Transfer)	
Transferring Department	Agriculture (Vote 26)
Purpose	To implement special programme for food security
Measurable Objectives/ outputs	<ul style="list-style-type: none"> • Rehabilitation of irrigation schemes to benefit small scale farmers • Training facilitation • Improvement of community vegetable garden • Reduce household food insecurity
Conditions	Funds used specifically for special programme for food security
Allocation criteria	<p>Based on the implementation report prepared by the Food Agricultural Organisation of the United Nation which has identified three poorest provinces to be included in the pilot programme</p> <p>Total allocations of R10 million are made to: Eastern Cape—R2 million Limpopo—R6 million Kwazulu-Natal— R2 million</p>
Reasons not incorporated to equitable share	The funding is from the special poverty allocation made by the national government
Monitoring mechanisms	Province to report monthly on implementation progress
Past performance	The preparatory phase completed
Projected life	12 Months
Payment schedule	Not applicable (indirect transfer) – Accounting responsibility rests with the accounting officer of the transferring national department

EDUCATION GRANTS

Financial Management and Quality Enhancement	
Transferring department	Education (Vote 15)
Purpose	To improve financial management in the education system and improve the quality of education in schools
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Training of school management teams governing bodies and district officials in leadership, management, financial planning, asset management and school development planning • Training of educators on curriculum and classroom management, and teaching of scarce subjects such as mathematics and science • Training of education officials on systemic evaluation and whole school evaluation • Increase in the number of girl learners from disadvantaged communities, focusing on the nodal areas that study gateway subjects such as Maths, Science, Technology and Art • Schools that obtained 0-30 per cent in 2002 matriculation to improve the pass rate by 45 per cent • Improved school safety, targeting crime such as drugs, vandalism, and racism through advocacy campaigns • Development and distribution of handbooks on financial management including, systems on finances, education management information and learner support management systems • Establishment of food gardens in schools in the nodal areas to supplement the Integrated Nutrition Programme and to improve the physical environment • Rationalisation of 152 Technical colleges into 50 further education and training institutions • Schools in the nodal areas participate in music competitions and learners to take part in extra curricula activities including art, sport, culture and indigenous games • Schools in the nodal areas are supplied with Science, Technology, and Art kits and educators would be trained in the use of the kits • Conversion of some schools in nodal areas into full-service schools that can deal with all types of learners, and training of district support teams on strategies to deal with learners with disabilities • Audits of leave records in all provincial education departments completed by 31 March 2004
Conditions	<ul style="list-style-type: none"> • Provincial business plans with the focus on the above outputs must be approved by the Accounting Officer of the national department before the flow of the first instalment • The outputs as outlined in the approved business plans must be achieved • The conditional grant should not be used to cover recurrent costs such as rates and taxes, salaries and construction of buildings and procuring equipment such as computers • The Director-General must approve deviation from the approved business plans
Allocation criteria	Education component of the provincial equitable share formula
Reasons for funding through conditional grants	Enables the national Department of Education to play an oversight role over the implementation of national education priorities for improvement in management and outputs of the education system and ensures that the priority areas are given prominence in the provinces
Monitoring mechanisms	<ul style="list-style-type: none"> • The Department of Education has scheduled inter-provincial meetings to be held once every three months to discuss progress on projects under this programme • Financial reports to be submitted to the national Department of Education by the 15th of every month; and narrative reports to be submitted a week before the inter-provincial meeting • On-site visits by the national department to ensure compliance with the approved business plans are conducted twice a year • The national department will conduct performance monitoring and evaluation
Performance	<p>2001/02</p> <ul style="list-style-type: none"> • All funds were transferred to provinces. Although there was an under-expenditure of about 14 per cent, this was an improvement compared to previous years of the existence of this conditional grant • A number of workshops, training and advocacy activities were undertaken targeting school governing bodies, school management, regional and district education management and educators. These are expected to contribute to improved school effectiveness through improved school management and governance, improved assessment of learners, reduced crime, and improved learner enrolment for mathematics and science <p>Projections for 2002/03</p> <p>The planning for this year has significantly improved compared to the past years. By April 2002 business plans of all the provinces were approved and the first transfer was affected in April 2002. Expenditure as of December 2002 amounts to R69 million or 52.6 per cent of total allocation</p>
Projected life	The allocation of this grant is envisaged to continue for at least the current MTEF years [2003/04 until 2005/06]
Payment schedule	Four instalments (15 April 2003, 15 July 2003, 15 October 2003 and 15 January 2004)
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> • The overall co-ordination of the programme is the responsibility of the Development Support Directorate in the Department of Education. The Budget Review and Advisory Committee of the Department of Education, chaired by the Chief Financial Officer is overseeing the management of the grant. The Deputy Director-General responsible for Planning and Monitoring chairs the inter-provincial meetings • Coordination with the provincial education departments is realised through the inter-provincial meetings that happen every eight weeks. The individual project managers at national have also developed their own system of coordinating with the provinces

Table 2 Financial Management and Quality Enhancement Grant

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	42 240	43 367	45 969	48 727
Free State	14 384	14 768	15 654	16 593
Gauteng	28 083	28 833	30 563	32 397
KwaZulu-Natal	50 459	51 805	54 913	58 209
Limpopo	35 846	36 803	39 011	41 352
Mpumalanga	16 667	17 112	18 139	19 227
Northern Cape	4 338	4 454	4 722	5 004
North West	18 266	18 753	19 878	21 071
Western Cape	18 037	18 519	19 630	20 808
Total	228 320	234 414	248 479	263 388

Early Childhood Development Grant (ECD)	
Transferring department	Education (Vote 15)
Purpose	To provide children eligible for the Reception Year (Grade R) with access to a quality education and care programme, particularly in poor communities.
Measurable objectives/outputs	<ul style="list-style-type: none"> • 4 500 Licensed Grade R practitioners • 4 500 Registered community based ECD sites • 135 000 learners able to continue their learning in the Foundation Phase • Accreditation of 25 training providers • 4 500 basic educational kit of learning materials for each learning site
Conditions	<ul style="list-style-type: none"> • Provincial business plans with the focus on the above outputs must be approved by the Accounting Officer of the national Department before the flow of the first instalment • The outcomes as outlined in the approved business plans must be achieved
Allocation criteria	Education component of the equitable share formula is used to allocate amongst provinces.
Reason not incorporated in equitable share	Enables the Department of Education to provide overall direction to ensure congruency, coherence, and alignment with the agreed upon National ECD Strategy and the National Framework Plan for ECD. It also enables the Department of Education to play an oversight role over the implementation of the pilot ECD programme in primary schools and selected community based sites in the provinces
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly review <ul style="list-style-type: none"> — The Department of Education in collaboration with the responsible provincial officials will conduct these reviews. The reviews will be targeted at projects in which expenditure levels are lower or significantly higher than the projected figures in the business plans following an analysis of monthly cash flow statements on the projects. This exercise is intended to deal with difficulties in the implementation of projects by providing the necessary support in good time • Mid-year review <ul style="list-style-type: none"> — This is a substantive review exercise intended for all national and provincial projects under this programme. It will focus on the financial and programmatic issues on all projects with the view to assess the impact and identify key systemic problems that need to be confronted in the education system. There will be broad consultations between the national and provincial officials to finalise details on this matter
Performance	<p>2001/02</p> <ul style="list-style-type: none"> • All provinces participated in development of business plans and activated delivery • Achievements to date include the following: <ul style="list-style-type: none"> — Financial and administrative systems are in place in the provinces to administer the programme — National and provincial co-ordinators contracted to support implementation of the project — 2 668 selected sites are receiving subsidies as planned — Tenders have been awarded for the procurement and delivery of basic educational kit to 3 000 sites <p>Projected for 2002/03</p> <ul style="list-style-type: none"> • 2668 practitioners to be trained during 2002/3 to acquire accredited Level 4 qualifications • Basic educational kits delivered to 3 000 sites • 150 management structures to be trained to offer support to the selected sites • Promotion of the programme through the advocacy and information campaign
Projected life	The pilot programme is planned to run until 2003/04, thereafter the programme will be funded from provincial budgets
Payment schedule	Quarterly instalments (April, July, October and January)
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education

Table 3 Early Childhood Development

	2002/03	2003/04	2004/05
R thousand	Revised Allocations	Medium Term Estimates	
Eastern Cape	9 805	16 280	
Free State	3 339	5 544	
Gauteng	6 519	10 824	
KwaZulu-Natal	11 713	19 448	
Limpopo	8 321	13 816	
Mpumalanga	3 869	6 424	
Northern Cape	1 007	1 672	
North West	4 240	7 040	
Western Cape	4 187	6 952	
Total	53 000	88 000	

HIV/Aids Grant—Education	
Transferring Department	Education (Vote 15)
Purpose	<ul style="list-style-type: none"> To deliver life skills and HIV/Aids education in primary and secondary schools
Measurable/objectives outputs	<ul style="list-style-type: none"> An additional 200 trained master trainers An additional 15 000 trained primary and secondary school teachers Verified implementation of the life skills programmes in an additional 35 per cent primary and secondary schools Peer education framework conceptualised and piloted in 6 secondary schools per province Course for life skills programme for teachers designed and related support material developed Ongoing training of life orientation educators, and other educators in sexuality education and care, support of infected and affected learners and educators, which they have to teach to learners as part of a compulsory curriculum in schools Training of all educators in the system in life skills to deal with their own sexuality and risks to HIV/Aids infection
Conditions	<ul style="list-style-type: none"> Provincial business plans with the focus on the above outputs must be approved by the Accounting Officer of the national department before the flow of the first instalment The outcomes as outlined in the approved business plans must be achieved
Allocation criteria	Education component of the equitable share formula is used to allocate amongst provinces
Reason not incorporated in equitable share	Enables the Department of Education to provide overall direction to ensure congruency, coherence, and alignment with the National Strategy for HIV/Aids and the National Integrated Plan for Children Infected and Affected by HIV/Aids is ensured. It also enables the Department of Education to play an oversight role over the implementation of life skills programmes in primary and secondary schools
Monitoring mechanisms	<ul style="list-style-type: none"> Departments of Education, Health and Social Development will schedule inter-departmental and inter-provincial meetings Monitoring and evaluation will be conducted by the national Department of Education
Performance	<p>2001/02 An HIV/Aids provincial co-ordinator was appointed for each province, and booklets on HIV/Aids were printed and distributed in all provinces</p> <p>Projections for 2002/03</p> <ul style="list-style-type: none"> 46.5 per cent of the allocation was spent up to the end of December 2002 HIV/Aids provincial co-ordinators have been re-appointed and vacancies filled as they arise. National co-ordinator has been appointed and this has enhanced project management capacity, effectiveness and efficiency
Projected life	It is envisaged that, given the nature of the epidemic, the need for such a grant will persist for another 6 to 9 years at least
Payment schedule	Four instalments (15 April 2003, 15 July 2003, 15 October 2003 and 15 January 2004)
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education. The Budget Review and Advisory Committee of the Department of Education, chaired by the Chief Financial Officer is overseeing the management of the grant

Table 4 Education—HIV/Aids Grant

R thousand	2002/03	2003/04	2004/05	2005/06
	Revised Allocations	Medium Term Estimates		
Eastern Cape	27 238	22 288	23 787	25 215
Free State	9 072	7 590	8 100	8 586
Gauteng	17 712	14 818	15 816	16 765
KwaZulu-Natal	31 824	26 624	28 416	30 120
Limpopo	22 613	18 915	20 187	21 398
Mpumalanga	10 512	8 794	9 386	9 949
Northern Cape	2 738	2 289	2 443	2 589
North West	11 520	9 638	10 286	10 904
Western Cape	11 376	9 518	10 158	10 767
Total	144 605	120 474	128 579	136 293

Thuba-Makote: Schools as Centres for Community Development (Indirect transfer)	
Transferring department	Education (Vote: 15)
Purpose	To develop and pilot a cost effective approach to the design, construction and management of school facilities which will also meet the developmental needs of rural communities
Measurable outputs	<ul style="list-style-type: none"> • Construction of 20 multi-functional schools facilities • 9 projects (schools) to be completed in 2002/03 financial year • Construction of 11 schools to be started in 2003/04 financial year
Conditions	<ul style="list-style-type: none"> • Construction and utilisation of facilities must adhere to the requirements of Poverty Relief, Infrastructure Investment and Job Summit Fund for creation of job opportunities for local people, focusing on women, youth, and disabled • Skills training and transfer to the local people must be a major focus in the conceptualisation of the programme • Capacity building in the school community for the effective maintenance and management of the facilities must also be included in the programme
Allocation criteria	For 2001/02 the amount was divided equally amongst the provinces and for 2002/03 and 2003/04 the backlog in infrastructure in provinces was taken into account
Reason not incorporated in equitable share	The programme aims to develop and pilot models, which will provide a new approach to the design, construction and management of school facilities. The programme provides innovations in these areas and needs to be managed from a national level
Monitoring mechanisms	<ul style="list-style-type: none"> • The implementation of the projects will be monitored and supported through a steering committee comprising representatives from provincial education departments and other appropriate organizations • Each pilot project site will be visited regularly to monitor progress • Monthly progress reports for approved pilot projects • Quarterly progress reports in line with the reporting requirements set by National Treasury for the special allocations for poverty relief, infrastructure and job summit projects
Past performance	<p>2001/02 The allocation for the financial year 2001/2 totalled R48 million: <ul style="list-style-type: none"> • Expenditure amounted to R35 million, resulting in roll over of R13 million • 9 projects were started </p> <p>Projection for 2002/03 The rollovers and the R47 million allocated this year are used to honour contractual obligations for 9 projects (<i>schools</i>) started in the 2001/02 financial year, which will be completed by the end of this year.</p>
Projected life	This grant phases out in 2003/04
Payment schedule	Not applicable (indirect transfer) — Accounting responsibility rests with the accounting officer of the transferring national department
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> • An implementing agency has been appointed • The Department of Education has established a Directorate: Physical Planning and has appointed the Director: Physical Planning as the Programme Manager of the project

Table 5 Education — Thuba-Makote: Schools as Centres for Community Development

	2002/03	2003/04
R thousand	Allocation	Budget
Eastern Cape	5 232	17 455
Free State	5 232	5 818
Gauteng	5 232	
KwaZulu-Natal	5 232	17 455
Limpopo	5 232	11 636
Mpumalanga	5 232	5 818
Northern Cape	5 232	
North West	5 232	5 818
Western Cape	5 232	
Total	47 086	64 000

Poverty Relief Allocation for National Ikhwelo Project (Indirect Transfer — grant in kind)	
Transferring department	Education (Vote 15)
Purpose	The overall goal of the project is to provide access to skills development in General Education and Training for adult learners to enhance their social and economic capacity
Measurable objectives outputs	<ul style="list-style-type: none"> • 450 Educators trained and employed to deliver agriculture and SMME learning programmes • 16 000 Adults engaged in lifelong learning • 480 Governing bodies and center managers capacitated to govern and manage
Conditions	<ul style="list-style-type: none"> • The programme must adhere to the requirements of Poverty Relief, Infrastructure Investment and Job Summit Fund for creation of job opportunities for local people, focusing on women, youth, and disabled
Allocation criteria	The illiteracy rates in provinces as well as the socio-economic conditions of the provinces were taken into account
Reasons not incorporated in equitable share	Special allocation from the national Poverty Relief Fund
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly progress reports in line with the reporting requirements set by National Treasury for the special allocations for poverty relief, infrastructure and job summit projects • National Committee of provincial Adult Basic Education and Training (ABET) heads together with the Directorate Adult Education and Training monitor and provide progress reports to the Director-General
Past performance	<ul style="list-style-type: none"> • Learner Support Materials in agriculture have been procured through SMMEs and sent to provinces • 240 educators have been appointed to work in the 60 centers • Placement tests are being conducted in the centers • 10 co-coordinators have been appointed to coordinate the project • Information sessions about conditions of service are taking place in provinces
Projected life	The allocation of this grant is envisaged to continue until 2003/04
Payment schedule	Not applicable (indirect transfers to provinces) — accounting responsibility rests with the accounting officer of the transferring national department
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education

Table 6 Education — Poverty Relief Allocation for National Ikhwelo projects

R thousand	2002/03	2003/04
	Revised Allocation	Budget
Eastern Cape	2 434	9 250
Free State	829	3 150
Gauteng	1 618	6 150
KwaZulu-Natal	2 908	11 050
Limpopo	2 066	7 850
Mpumalanga	961	3 650
Northern Cape	250	950
North West	1 053	4 000
Western Cape	1 039	3 950
Total	13 158	50 000

HEALTH GRANTS

National Tertiary Service Grant (NTSG)	
Transferring department	Health (Vote 16)
Purpose	<ul style="list-style-type: none"> To fund national tertiary services, as identified and costed by the Department of Health (DOH) To ensure equitable access by all South Africans to basic tertiary health level care To ensure collective planning for tertiary services
Measurable objectives/outputs	<ul style="list-style-type: none"> Improvement in management information in the benefiting hospitals Number of admissions, outpatients and day cases per specialised service unit Number of treated patients managed from outside each province
Conditions	<ul style="list-style-type: none"> Maintenance of a separate cost and management centre in each benefiting hospital Appointment of a chief executive officer by 30 April 2003 for each benefiting hospital identified Delegation of management, accounting officer, procurement, hiring, disciplining and dismissal powers to chief executive officer by 30 May 2003 Provision of designated national tertiary services Provision of services at activity levels as agreed between the province and the national DOH Provinces to include appropriate information in their strategic plans to be tabled by 31 March 2004 Departments that receive this grant must communicate in writing to each benefiting hospital the allocations made, conditions and expected service level outputs. For monitoring purposes, this information should be supplied to the national DOH
Allocation Criteria	<ul style="list-style-type: none"> Cost of designated national tertiary services standardised between provinces to ensure "like for like" funding Non-personnel costs based on service delivery levels
Reason not incorporated in equitable share	<ul style="list-style-type: none"> National tertiary services have spill-over benefits and need to be planned nationally and collectively These services benefit other provinces and the spill-over costs cannot be covered by the equitable share formula
Monitoring mechanisms	Quarterly submission of NTSG monitoring data via District Hospital Information System (DHIS)
Past performance	<ul style="list-style-type: none"> Funds have been flowing to provinces according to payment schedules as these funds form part of general recurrent funding within the health budget Transition from former Central Hospitals Grant has been successfully achieved, including establishment of routine monitoring system for NTSG via DHIS
Projected life	The need to support the provision of tertiary services in provinces will continue into the foreseeable future. The planning of the service configuration and the basis for the calculation of the grant will be regularly reviewed
Payment schedule	Equal monthly instalments — normally on the 10th day of the month.
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> The grant funds existing services and ongoing activities so the capacity to spend is in place. The national DOH has a designated unit to monitor compliance with the conditions of the grant. There is a constant need to improve information on actual service delivery and costs to facilitate monitoring and planning
Further work by national department	<p>2003/04</p> <ul style="list-style-type: none"> Adoption of a restructuring plan for gaining provinces by 30 April 2003 Agreements to be completed and signed by 30 April 2003 Finalise long term plan for modernisation of tertiary services <p>2004/05-2005/06</p> <ul style="list-style-type: none"> Develop grant framework to support modernisation process

Table 7 National Tertiary Services Grant

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	125 779	195 504	272 036	353 022
Free State	292 145	336 501	384 165	432 116
Gauteng	1 629 313	1 679 760	1 727 736	1 760 465
KwaZulu-Natal	488 575	551 831	619 462	686 637
Limpopo	45 575	46 297	46 878	46 973
Mpumalanga	39 044	40 265	41 427	42 224
Northern Cape	24 458	32 892	42 105	51 747
North West	34 750	35 000	35 109	34 822
Western Cape	1 047 438	1 076 724	1 104 087	1 121 380
Total	3 727 077	3 994 774	4 273 005	4 529 386

Health Professions Training and Development Grant	
Transferring department	Health (Vote 16)
Purpose	<ul style="list-style-type: none"> • Support provinces to fund service costs associated with training of health professionals • Development and recruitment of medical specialists in under-served provinces • Enable shifting of teaching activities from central hospitals to regional and district facilities
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Increase number and improve composition of health sciences students by province and institution • Shift in the location of practical training placements by discipline to regional and district facilities • Expanded specialist and teaching infrastructure in target provinces
Conditions	<ul style="list-style-type: none"> • Each province to publish, in its strategic plan for 2004, information as required by the national DOH, on the training of all medical personnel by institution, including any subsidies and other associated costs, deployment of additional registrars and specialists by gaining provinces and institutions showing current and proposed posts and related infrastructure • Provinces to create and budget for additional posts related to registrars and specialists as agreed with national DOH and the deans of medical faculties in universities • Timely submission of monitoring information as agreed with national DOH. The annual reports should also indicate additional numbers of registrars and specialists in gaining provinces
Allocation criteria	<ul style="list-style-type: none"> • A specific increment has been allocated to provinces without medical schools to develop specialist and teaching capacity • The remaining funds are divided between the five provinces with medical schools on the basis of proportion of medical undergraduates; 10 per cent of the remainder is divided equally between the four provinces with no medical school • Target allocations per province to be phased in over a 5 year period, subject to annual review to accelerate the phase in period
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Grant primarily targets certain provinces, which currently provide the bulk of health professionals training nationally • Expansion and shifting of location of teaching activities requires national coordination
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly and annual reporting by provinces on number of students enrolled by discipline, level and training institution (frequency to be significantly decreased once national DOH has adequate database) • Quarterly and annual reporting by provinces on the number and duration of practical placements by health science students by type/level of health facility (frequency to be significantly decreased once national DOH has adequate data-base) • Quarterly and annual reporting by targeted provinces on achievement of planned expansion of specialist and teaching infrastructure • National department reports monthly on transfers
Past performance	Funds have been flowing to provinces according to payment schedules as these funds form part of general recurrent funding within the health budget
Projected life	The need to compensate provinces undertaking the bulk of training is likely to continue for the foreseeable future, but ongoing review of this grant continues to improve its alignment with national human resource development policy
Payment schedule	Equal monthly instalments — normally on the 10th working day.
Capacity and preparedness of the transferring department	The department has designated an official to administer and monitor the grant. Increased emphasis is being placed on ensuring compliance with monitoring requirements
Further work by national department	<p>2003/04</p> <ul style="list-style-type: none"> • Submission by 30 April 2003 by provinces to national DOH of plan for deployment of additional registrars and specialists by gaining provinces and institutions showing current and proposed posts and related infrastructure. • Ensure co-ordination of medical personnel with deans of medical faculties at university, and with provincial health departments • Continue research to improve and reconfigure this grant • Table new proposals to progressively improve this grant alongside modernisation of tertiary services proposals <p>2004/05-2005/06</p> <ul style="list-style-type: none"> • Progressive improvement of grant

Table 8 Health Professions Training and Development Grant per province

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	72 049	79 873	97 464	127 566
Free State	90 552	90 061	93 643	92 517
Gauteng	528 137	539 330	560 778	554 039
KwaZulu-Natal	164 755	167 553	180 629	192 373
Limpopo	35 033	40 414	51 805	72 411
Mpumalanga	31 147	34 421	41 808	54 363
Northern Cape	28 313	30 007	34 444	41 069
North West	32 898	37 144	46 351	62 564
Western Cape	316 364	314 696	327 210	323 278
Total	1 299 248	1 333 499	1 434 132	1 520 180

HIV/Aids Grant — Health Department	
Transferring department	Health (Vote 16)
Purpose	To enable the health sector to develop an effective response to HIV/Aids epidemic including to support approved interventions including voluntary counselling and testing (VCT), mother to child transmission prevention (PMTCT) programmes, strengthening of provincial management, post exposure prophylaxis (PEP), home based care and step-down care
Measurable objectives/ outputs	<ul style="list-style-type: none"> Increased access to voluntary counselling and testing by 12.5 per cent of adult population aged between 15-49 years within three years, with specific targets for the youth and rural communities Number of health districts which have voluntary counselling and testing facilities Number of mothers receiving VCT and number of mother/baby pairs receiving PMTCT prophylaxis Number of home based care teams in operation, caseload and number of patient contacts Number of step-down facilities in operation, number of admissions and bed days Number of adults and children receiving PEP after sexual assault Number of projects targeting commercial sex workers and number of sex workers reached
Conditions	<ul style="list-style-type: none"> The flow of first instalments is subject to approval of business plans Quarterly monitoring returns to be submitted Provinces should budget for long-term recurrent funding of home based care and step down care (i.e. once projects have matured)
Allocation criteria	<ul style="list-style-type: none"> 2001 Antenatal HIV Prevalence Survey, estimated share of HIV+ births, share of reported rapes, estimated share of Aids cases
Reason not incorporated in equitable share	<ul style="list-style-type: none"> National priority Distribution of epidemic differs from equitable share distribution
Monitoring mechanisms	<ul style="list-style-type: none"> Quarterly reporting of output in terms of the monitoring framework established by national DOH Provincial liaison and technical support visits by members of the national DOH Regular meetings by the National Steering Committee
Past performance	2001/02 Underspending was a problem in some provinces, procedures were simplified for 2002/03
	Projections for 2002/03 <ul style="list-style-type: none"> 43.1 per cent of allocated funds spent by end of December 2002 Four provinces remain significantly underspent; additional funds have been targeted towards provinces with stronger spending performance
Projected life	For duration of the allocation
Payment schedule	Equal quarterly instalments
Capacity and preparedness of the transferring department	The structures for planning, co-ordinating and monitoring the implementation of the programme are in place. The department is in the process of appointing additional staff, mainly co-ordinators at provincial and national level
Further work by national department	2003/04 Budget <ul style="list-style-type: none"> Output monitoring framework finalised by 30 April 2003 Interventions to address under-spending to be implemented
	2004/05 — 2005/06 <ul style="list-style-type: none"> Joint Treasury / Health Technical Task Team on HIV Financing will review appropriate long-term mechanisms for HIV/Aids funding

Table 9 Health HIV/Aids Allocation

R thousand	2002/03	2003/04	2004/05	2005/06
	Revised Allocation	Medium Term Estimates		
Eastern Cape	28 253	38 934	58 193	77 451
Free State	18 657	30 144	40 843	42 621
Gauteng	31 093	55 275	87 629	91 844
KwaZulu-Natal	52 496	85 591	122 270	123 313
Limpopo	20 554	28 962	42 479	55 996
Mpumalanga	20 867	26 287	36 364	46 441
Northern Cape	7 657	11 268	17 318	18 924
North West	18 919	32 891	41 855	42 669
Western Cape	11 713	24 204	34 661	35 849
Total	210 209	333 556	481 612	535 108

Construction Grants — Pretoria Academic	
Transferring department	Health (Vote 16)
Purpose	To contribute toward the funding of construction for Pretoria Academic Hospital in Gauteng
Measurable objectives/ outputs	Completion of construction of hospitals
Conditions	The departments of health of the provinces in which the hospitals are located will accept full responsibility to fund future operational costs of the hospitals, and to reflect this in their budgets
Allocation criteria	Grant targeted to Pretoria Academic Hospital in Gauteng and it phases out in 2003/04 with the allocation R92.4 million
Reason not incorporated in equitable share	This is funding designated for central and academic hospital, which will deliver mostly tertiary and quaternary services to benefit all provinces
Monitoring mechanisms	<ul style="list-style-type: none"> • Status reports are received regularly and the construction site is visited every 2-3 months for progress assessment • When the commissioning stage has started the frequency of reports and site visits will increase to once a month
Past performance	Conditional grants have been allocated for the construction of the Nkosi Albert Luthuli Academic hospital in KZN (Durban Academic) and Nelson Mandela Academic (Umtata) hospital in the Eastern Cape in the past
Projected life	Funding for Pretoria Academic phases out in 2003/04
Payment schedule	Four instalments — 18 April, 18 July, and 17 October, 2003, 16 January 2004
Capacity and preparedness of the transferring department	The department is adequately prepared to monitor the implementation of this programme by the province

Hospital Revitalisation Grant	
Transferring department	Health (vote 16)
Purpose	To transform and modernise hospitals in line with national policy and to achieve a sustainable infrastructure from which modern, equitable and sustainable services can be delivered
Measurable objectives / outputs	Number of hospitals revitalised
Conditions	<ul style="list-style-type: none"> • Compliance with Integrated Health Planning Framework (IHPF) and monitoring and reporting requirements • Compliance with provincial priorities for sustainable service delivery as identified in the provinces' Strategic Position Statements (SPS) • Allocations after 2003/2004 will depend on progressive increases in spending on maintenance up to targets set in IHPF • All projects must involve comprehensive revitalisation, including at least management, health technology, infrastructure and quality improvement programmes • Business cases in a standard format must be submitted to national Department of Health by 30th May 2003 for any additional projects to be funded in following years allocation
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on projects comprised of at least one hospital per province • The number of projects per province will be agreed between national DOH and National Treasury each year subject to the availability of resources and progress with current projects • Allocations take into consideration performance in achieving planned and national targets
Reasons not incorporated in the equitable share	To provide the additional investment to provincial health departments to enable them to transform and modernise the hospital sector in line with nationally agreed goals and timeframes
Monitoring mechanisms	<ul style="list-style-type: none"> • Prescribed format and indicators in hospital and provincial monitoring modules • Monthly reporting on project implementation progress and expenditure to the national department
Past performance	<p>2001/2002</p> <ul style="list-style-type: none"> • All allocated funds were transferred to provinces and all roll overs from 2000/01 were spent • Under expenditure of R60 million, because of poor provincial cash flow projections and transition to revitalisation project <p>2002/2003</p> <ul style="list-style-type: none"> • Spending amounts to 71.4 per cent of total available funds by the end of December 2002/03 • Cash flows of currently committed projects indicate that all allocated funds will be spent • This is the last year that rehabilitation projects will be funded from this grant, which will in future be covered through the provincial infrastructure grant and/or equitable share allocations
Projected life	Will largely depend on the rate of funding and pace of revitalisation of hospitals and infrastructure priorities of the health sector
Payment Schedule	Four installments
Capacity and preparedness of transferring department	The department has increased its capacity, including a project management unit for the revitalisation programme and has implemented a project implementation structure including national and provincial management teams and steering groups

Table 10 Hospital Revitalisation Grant

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	84 000	90 751	116 354	121 008
Free State	29 000	50 356	52 370	54 466
Gauteng	135 000	87 939	155 126	232 870
KwaZulu-Natal	111 000	129 860	178 054	190 292
Limpopo	119 000	96 239	106 463	110 722
Mpumalanga	48 000	65 666	68 292	71 025
Northern Cape	25 000	54 939	57 135	59 421
North West	53 000	59 939	92 845	98 998
Western Cape	45 000	81 939	85 217	88 625
Total	649 000	717 628	911 856	1 027 427

Integrated Nutrition Programme Grant	
Transferring department	Health (Vote 16)
Purpose	<ul style="list-style-type: none"> • Improve the nutrition status of South African children: specifically to enhance active learning capacity and improve school attendance in schools • Improve nutritional knowledge, perceptions, attitudes and behavior amongst school learners, their parents and teachers
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Improve coverage of targeted primary school feeding from 86 per cent to 100 per cent • Improve coverage of planned feeding days from 85 per cent to 100 per cent • Improve compliance with nutritional criteria for school feeding from 0 per cent to 100 per cent • Decrease underweight, stunting and wasting in children from 10.3 per cent to 10 per cent, 21.6 per cent to 20 per cent and 3.7 per cent to 2 per cent respectively • Increase provision of Road to Health Chart from 74.6 per cent to 85 per cent • Eliminate micronutrient deficiencies • Increase exclusive breastfeeding from 5 per cent to 10 per cent and breastfeeding from 67.9 per cent to 70 per cent • Increase baby-friendly health facilities from 40 to 72 out of 480
Conditions	<ul style="list-style-type: none"> • Access of funding through business plans • Use of funds only for approved purposes • Grant must be kept on separate responsibility and objective codes • Feeding in poor primary schools should be a priority of the grant • Compliance with minimum norms and standards as determined by policy and implementation guidelines
Allocation criteria	<ul style="list-style-type: none"> • The INP conditional grant is distributed in total to the provincial departments of health according to an Index comprised of three indicators: • Indicator 1: 1996 poverty gap (65 per cent of Index) • Indicator 2: 1996 population 0 to 15 years living under the poverty line (30 per cent of Index) • Indicator 3: 2000 anthropometric indicators (5 per cent of Index)
Reason not incorporated in equitable share	School feeding started as a Presidential Lead Project under the Reconstruction and Development Programme (RDP). The Conditional Grant replaced the RDP allocation to ensure continued funding for nutrition and specifically for school feeding which is seen as one of Government's key responses to poverty
Monitoring mechanisms	<ul style="list-style-type: none"> • Provinces must report quarterly in terms of progress indicators • Provinces must report monthly in terms of financial indicators • Monitoring visits • Formal assessments
Past performance	<p>2001/02</p> <ul style="list-style-type: none"> • Although funds have been flowing as scheduled, under-spending has occurred at provincial level <p>Projected for 2002/03</p> <ul style="list-style-type: none"> • Expenditure to up to the end of December 2002 amounts to 73.9 per cent • 100 per cent expenditure is projected by the end of the year
Projected life	The portion of the grant that fund school feeding will be transferred to the Department of Education in 2004/05
Payment schedule	Four instalments
Capacity and preparedness of transferring department	The Department has a dedicated directorate for the management of the INP

Table 11 Integrated Nutrition Programme Grant

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised Allocations	Medium Term Estimates		
Eastern Cape	131 838	172 465	202 698	222 133
Free State	40 543	47 817	56 200	61 588
Gauteng	56 269	74 273	87 293	95 662
KwaZulu-Natal	136 337	176 646	207 612	227 518
Limpopo	109 127	146 433	172 102	188 603
Mpumalanga	39 728	62 789	73 796	80 872
Northern Cape	10 390	21 617	25 407	27 842
North West	39 390	71 967	84 583	92 693
Western Cape	28 789	34 653	40 727	44 632
Total	592 411	808 660	950 418	1 041 543

Hospital Management and Quality Improvement Grant	
Transferring department	Health (Vote 16)
Purpose	<p>To strengthen management in hospitals including the development of management systems and structures, especially in the following areas:</p> <ul style="list-style-type: none"> • Financial management including cost centre accounting • Hospital management information systems and patient administration systems • Support improvement of monitoring and evaluation capacity of hospital services at provincial level • Support quality of care interventions to substantially improve quality of hospital services
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Demonstrable progress with the delegation of personnel, financial and procurement functions to identified hospitals inclusive of the associated capacity development • Demonstrable progress with the implementation of standardised service delivery packages in identified hospitals • Mechanisms for quality improvements in all hospitals receiving funding in place – including complaints procedures, patient satisfaction surveys, medical audit, morbidity and mortality reviews and other structured systems of quality assessment • Implementation of standardised diagnostic and treatment protocols • Demonstrable progress towards the establishment of key management structures in terms of suitability and functionality in identified hospitals • Demonstrable progress with the implementation of strong financial systems including Cost Centre Accounting in hospitals • Demonstrable progress towards functional hospital management information systems • Systems for monitoring and evaluation of hospital services developed at provincial level
Conditions	<ul style="list-style-type: none"> • Business plans approved by HOD's to be submitted before the first payment. These business plans will outline the projects/programmes in support of the purpose of the grant • Significant progress must be reported on spending and measurable outputs before the second and third payments are transferred • This grant is mainly to support revitalisation projects, it may also, to a certain extent, be used for other hospitals
Allocation Criteria	<ul style="list-style-type: none"> • The grant will need to accommodate funding, on a limited scale, of the existing activities/projects started in the 2001/2 financial year • Allocations are based on the number of revitalisation projects and the costs of these projects per province
Reason not incorporated in equitable share	The main aim of the grant is to fund organisational development and quality improvement component of the Revitalisation Programme
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly and quarterly financial reports to be submitted in the prescribed Treasury format. • Quarterly reports on progress against approved business plans
Past performance	This programme was funded as part of the financial management grant administered by National Treasury (2000/01). It has since been redefined to support the organisational development and quality components of the Hospital Revitalisation Programme and is now managed by the National Department of Health. The redefinition of focus is designed to strengthen internal efficiencies in the operational management of hospitals
Projected life	The grant is linked to the projected lifespan of the Revitalisation Programme, and will be revised after 4 years
Payment schedule	Three instalments — 30 April, 15 August and 16 January
Capacity and preparedness of the transferring department	The National Department of Health already has monitoring systems in place to manage the hospital Revitalisation Programme and the hospital management development program

Table 12 Hospital Management and Quality Improvement

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	9 333	14 553	19 529	24 530
Free State	11 333	12 730	13 055	13 393
Gauteng	34 000	23 060	20 776	18 510
KwaZulu-Natal	19 000	16 375	20 065	23 778
Limpopo	9 333	13 337	15 388	17 457
Mpumalanga	8 333	13 337	12 833	12 340
Northern Cape	7 334	10 906	10 490	10 083
North West	8 334	12 730	12 713	12 642
Western Cape	19 000	16 376	16 983	17 608
Total	126 000	133 404	141 832	150 342

HOUSING GRANTS

Housing Subsidy Grant	
Transferring department	Housing (Vote 29)
Purpose	To finance subsidies under the national housing programme
Measurable objectives/outputs	<ul style="list-style-type: none"> • Number of subsidies financed per annum averages 190 000 houses • Number of housing units completed per province • Number of households benefiting • Number of jobs (direct and indirect) created/maintained per annum through construction • Improvement in quality of life for beneficiaries (change from shack to proper houses impacting on health etc.)
Conditions	<ul style="list-style-type: none"> • Provincial spending plans must be approved by national Department of Housing before the flow of the first instalment • Provincial housing departments, to ensure that all subsidies for 2003/04 are allocated by 30 April 2003, through consultation with municipalities. Provincial departments must ensure a coordinated developmental approach with other line function departments, which will provide funds for infrastructure including social facilities and services • Provincial housing departments to ensure that all subsidy allocations for 2004/05 are allocated by 31 October 2003, in consultation with every municipalities, and in line with the Integrated Development Plans • Provinces must utilise the transversal system for budgeting, subsidy administration, financial administration and reporting purposes • Comprehensive reporting on expenditure on any transfers to municipalities or public entities • Provincial Governments have to set aside 0.5 to 0.75 per cent per year to finance emergency housing needs. This will provide for the people who have been affected by disasters; and need to be assisted as a matter of urgency access • Housing allocations must be in terms of national housing programmes and priorities • Provinces to modernise and reform accounting and classification systems in line with a framework approved by the national Department of Housing and the National Treasury
Allocation criteria	<p>Two formulae are used to allocate the funds for the 2003 MTEF. This is intended to phase out the old allocation formula by the end of the 2003/04 financial year as follows:</p> <ul style="list-style-type: none"> • The baseline allocations for 2003/04 remain unchanged, and they are allocated using an old formula that is based on the number of households earning less than R3500 per month • A new formula which introduces an urban bias is used to determine allocations for 2004/05 and 2005/06. This formula is based on the following: <ul style="list-style-type: none"> — The needs of each province as measured by the housing backlog. Backlog is a function of people who are homeless, staying in inadequate housing or conditions, and is assigned a weight of 50 per cent; — A poverty indicator as measured by the number of households earning less than R3500 in each province and is weighted 30 per cent; and — A population indicator as measured by each province's share of total population using statistics from 1996 census and is weighted 20 per cent
Reason not incorporated in equitable share	The provision of housing to the poor is a national priority. The conditional grant enables the national government to provide for the implementation of housing delivery in provincial budgets, and the monitoring of provinces accordingly
Monitoring mechanisms	The national Department of Housing has installed a transversal computerised subsidy management system (HSS) in all provincial housing departments for the administration of the subsidy scheme and to allow the national department to monitor progress and expenditure continuously through monthly reporting, quarterly visits to provinces, interaction by the housing sector Chief Financial Officers and Heads of Housing and MINMec meetings
Past performance	<p>2001/02</p> <ul style="list-style-type: none"> • The number of subsidies approved in the last three years averaged 168 519 subsidies per annum, while the number of houses built during the same period averaged 197 520 per annum, benefiting 2.3 million people. • Currently funds that remained unspent at provinces and in the Housing Fund collectively amounted to R604 million or 15 per cent of funds available for spending. These amounts include R240 million (R80 million in Gauteng, Mpumalanga and KwaZulu-Natal) earmarked for the implementation of the Presidential Job Summit projects for new rental housing subsidies. Implementation has been delayed due to delays in the finalisation of the funding model and institutional arrangements for channeling of the funds for the rental housing projects <p>Projections for 2002/03</p> <ul style="list-style-type: none"> • Expenditure up to the end of December 2002 amounts to 47 per cent of total allocation • All allocated funds will be transferred, of which approximately 80 per cent is expected to be spent by the end of the financial year
Projected life	Unless government directs otherwise and taking into account the level of backlogs in housing, it is anticipated that the need for funding will exist until these backlogs are eradicated
Payment schedule	Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections
Capacity and preparedness of the transferring department	The national department has the capacity to manage and administer the transfer of housing funds to Provincial Governments and to monitor their performance in this regard continuously

Housing Subsidy Grant	
Commitment of the national department	2003/04 <ul style="list-style-type: none"> Adjusted national planning framework taking into account medium-density housing to be presented in the strategic plan of the department as part of the 2004 Budget The department to ensure that all provincial housing departments deal with all the housing related audit queries raised in the 2003 annual reports of provincial housing departments

Table 13 Housing Subsidy Grant

R thousand	2002/03 Revised Allocations	2003/04 Medium Term Estimates	2004/05	2005/06
Eastern Cape	580 806	641 757	598 900	635 288
Free State	287 715	325 403	385 641	409 072
Gauteng	815 018	923 892	1 117 463	1 185 357
KwaZulu-Natal	720 318	796 390	748 463	793 936
Limpopo	387 995	426 160	369 818	392 287
Mpumalanga	245 942	275 408	296 457	314 470
Northern Cape	77 090	85 973	89 442	94 877
North West	306 930	347 974	421 378	446 981
Western Cape	378 860	423 282	446 035	473 136
Total	3 800 674	4 246 239	4 473 597	4 745 404

Human Resettlement Grant	
Transferring department	Housing (Vote 29)
Purpose	To fund projects that aim to improve the quality of the environment by identifying dysfunctionalities in human settlements
Measurable outputs	The improvement of the quality of human settlements by funding projects, which will address dysfunctionalities in such settlements. The outputs of the programme depend largely on the unique content of each project funded in terms of the pilot programme. This will include: <ul style="list-style-type: none"> • Upgraded infrastructure in depressed areas • The number of existing depressed areas re-planned and redeveloped, such as inner city redevelopment, urban renewal and informal settlement upgrading; and • Completed plans of areas which could promote integration (new developments)
Conditions	To form part of the contract between the provincial government and the national Department of Housing on specific projects based on approved business plans.
Allocation criteria	Division between provinces is made on the basis of the housing subsidy grant formula
Reason not incorporated in equitable share	As a pilot programme, the Department of Housing needs to be involved in approving, monitoring and evaluating the projects in line with expected outputs. The outputs of the pilot programme will inform the formulation of a more comprehensive permanent programme
Monitoring mechanisms	The Directorate: Special Programmes Support monitors projects on a monthly basis through financial and implementation progress reports, as well as site visits in order to ensure compliance and correct reporting on Key Performance Indicators, in accordance with an approved monitoring framework
Past performance	<p>2001/02</p> <p>R96 million was transferred to provinces, to finance 49 approved projects:</p> <ul style="list-style-type: none"> • Twenty-one of 49 business plans are for planning and/ or replanning exercises. Furthermore, 11 of the 21 business plans are located within the urban renewal nodes and a further 6 are located within the rural development nodes. The planning initiatives funded vary from the formulation of strategic urban renewal plans to the compilation of rural strategic development plans • The remaining 28 business plans will upon completion provide upgraded infrastructure in depressed areas, of which 9 will lead to upgraded infrastructure in urban renewal nodes, and an additional 2 will provide infrastructure in rural development nodes. The infrastructure upgrading projects vary from the installation of sewer and water connections to the repair of damaged roads <p>Projections for 2002/03</p> <ul style="list-style-type: none"> • Expenditure up to the end of December 2002 amounts to 25 per cent of total allocation • It is expected that all funds will be transferred to provinces by the end of the financial year, and that all funds will have been committed to projects through approved business plans
Projected life	The programme is an important tool in achieving functional human settlements. It is expected to continue until all settlement areas that need improvements are covered
Payment schedule	Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections
Capacity and preparedness of the transferring department	The Directorate: Special Programme Support is dedicated to manage this Programme and the necessary capacity and expertise exists to undertake this task

Table 14 Human Resettlement Grant

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised Allocations	Medium Term Estimates		
Eastern Cape	10 198	11 000	11 660	16 396
Free State	7 614	8 500	9 010	10 558
Gauteng	23 448	21 000	22 260	30 592
KwaZulu-Natal	25 486	26 000	27 560	20 490
Limpopo	11 217	11 000	11 660	10 124
Mpumalanga	6 120	7 000	7 420	8 116
Northern Cape	2 547	3 000	3 180	2 449
North West	6 120	8 000	8 480	11 536
Western Cape	13 250	13 500	14 310	12 211
Total	106 000	109 000	115 540	122 472

**DEPARTMENT OF PROVINCIAL AND
LOCAL GOVERNMENT GRANTS**

Local Government Capacity Building Grant (Provincial Component)	
Transferring department	Provincial and Local Government (Vote 5)
Purpose	To support municipalities' institutional capacity and ensure sustainable service delivery through supporting the finalisation of amalgamation processes, strengthening financial management and reporting systems, and building technical capabilities around service delivery
Measurable objectives/ outputs	Although outputs will vary between municipalities, the following issues, inter alia, should be addressed: <ul style="list-style-type: none"> • Finalisation of amalgamation processes • Mechanisms and processes for sustainable service delivery, including service delivery agreements, outsourcing and partnerships in place • Improved financial management and reporting processes • Provision of training, technical support and equipment for infrastructure development • Technical skills located at municipalities
Conditions	Provincial business plans submitted to the national transferring officer and approved by 11 April 2003
Allocation criteria	Allocations are made to provinces according to prioritised municipal needs
Reason not incorporated in Equitable Share	According to section 154 (1) of the Constitution, the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions
Monitoring mechanisms	The Department will require quarterly reports on the progress made with the restructuring of municipalities, and monthly reports as required by the Division of Revenue Act, 2003
Past performance	2001/02 <ul style="list-style-type: none"> • Over one hundred municipalities have been assisted to stabilise their financial situation through financial restructuring exercises • Over 1 600 infrastructure projects have been implemented since the inception of the CMIP grant. • Municipalities in need have been assisted with technical expertise, equipment and training to ensure the sustainability of the developments 2002/03 Provincial expenditure by the end of December 2002 amounts to 41 per cent of total allocation
Projected life	This grant will be incorporated into a single grant in terms of the National Capacity Building Framework, for transfer directly to municipalities, by 2004/05
Payment schedule	Monthly instalments
Capacity and preparedness of transferring department	The Department has an established grant and project management framework and the Department has introduced extra capacity

Table 15 Local Government Capacity Building Grant

	2002/03	2003/04	2004/05
R thousand	Revised	Medium Term Estimates	
	Allocations		
Eastern Cape	31 200	46 338	44 308
Free State	26 450	30 409	28 204
Gauteng	9 450	20 399	20 266
KwaZulu-Natal	26 450	38 880	37 181
Limpopo	15 100	21 633	20 751
Mpumalanga	12 750	16 121	15 291
Northern Cape	17 050	17 473	16 044
North West	18 050	20 372	19 112
Western Cape	16 500	20 714	19 302
Total	173 000	232 339	220 459

Consolidated Municipal Infrastructure Programme (CMIP) (Provincial Management)	
Transferring Department	Provincial and Local Government (Vote 5)
Purpose	To provide support to provinces to manage CMIP effectively and efficiently in their respective provinces on behalf of the Department to ensure sustainability of CMIP projects.
Measurable objectives/ outputs	The key outputs of the programme are: <ul style="list-style-type: none"> • Proper co-ordination between all municipal infrastructure programmes in their respective provinces • To ensure that CMIP projects are aligned to provincial development plans and integrated development plans of municipalities. • To encourage and promote municipal service partnerships through the CMIP programme.
Conditions	<ul style="list-style-type: none"> • Business plan setting out clear objectives and outputs in respect of programme management for CMIP in their respective provinces must be submitted to the national transferring officer and approved by 11 April 2003 • The submission of monthly and quarterly reports in respect of targets, key performance indicators and measurable outputs as required by the Department.
Allocation criteria	Programme management costs ranging between 1,5 per cent and 2,2 per cent depending on the size of the provincial allocation
Reasons for funding through conditional grants	According to Section 154(1) of the Constitution, the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions. Provinces monitor and report to the Department on a monthly basis on progress made with the implementation of CMIP projects on the ground
Monitoring mechanisms	Through monthly and quarterly reports and monthly meetings in the provinces
Past Performance	Provinces assisted the Department successfully in managing the programme through improved monitoring and expenditure and putting capacity in place in municipalities
Projected life	The management of the Municipal Infrastructure Grant Programme will be done by programme management units established at district level
Payment schedule	Monthly payments to provinces
Capacity and Preparedness of Transferring Department	The Department has dedicated capacity

Table 16 Consolidated Municipal Infrastructure Programme — Provincial Management

	2002/03	2003/04	2004/05	2005/06
R thousand	Revised	Medium Term Estimates		
	Allocations			
Eastern Cape	27 266	8 643	9 169	9 770
Free State	8 609	3 132	3 321	3 539
Gauteng	19 294	5 339	5 664	6 035
KwaZulu-Natal	28 489	7 874	8 353	8 900
Limpopo	10 901	3 957	4 198	4 472
Mpumalanga	5 999	2 110	2 238	2 599
Northern Cape	3 509	1 737	1 843	1 963
North West	7 221	2 309	2 439	2 542
Western Cape	8 843	3 307	3 508	3 738
Total	120 131	38 408	40 733	43 558

SOCIAL DEVELOPMENT GRANTS

HIV/Aids for Community-Based Care Grant	
Transferring Department	Department of Social Development (Vote 19)
Purpose	The Department of Social Development is responsible for the provision of social welfare services to orphans and vulnerable children who are infected and affected by HIV/Aids
Measurable objectives/outputs	<ul style="list-style-type: none"> • An increase in the number of orphans receiving appropriate care • Increase in the number of identified children infected and affected by HIV/Aids • Provision of essential material assistance to identified children and families • Provision of alternative care to vulnerable children • 50 per cent of care givers identified from communities, NGOs, CBOs, faith based organizations, families and volunteers to be capacitated through training and support • Provision of counseling and support services to children and families • Increase in the number of coordinating structures and partnerships for management and maintenance of social welfare services to children infected and affected by HIV/Aids
Conditions	<ul style="list-style-type: none"> • Approved business plans with measurable outputs must exist for each province in line with the framework for the grant • Legal contracts signed between provincial departments of social development and the implementing agencies.
Allocation criteria	<p>In developing the National Integrated Plan for HIV/Aids, the following were guiding principles:</p> <ul style="list-style-type: none"> • HIV/Aids prevalence • Resources available in the provinces and linkages with the following programmes and strategies: <ul style="list-style-type: none"> — Urban renewal and rural development strategy — Poverty alleviation programme — Integrated nutrition programme
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • The National Integrated Plan for Children Infected and Affected by HIV/Aids is a programme involving three social service departments (Education, Health and Social Development) • The conditional grant provides the opportunity to establish a coordinated approach across the provinces in terms of planning and implementation, and also enables more effective monitoring by the national departments
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly and quarterly reporting by provinces and evaluation by national/provincial coordinators. • Provincial visits to evaluate implementation of the programmes. • Structured site visits twice a year by a team consisting of both Social Development and Health officials on the national and provincial levels.
Performance	<p>2001/02</p> <p>90 per cent of the allocated amount of R12,5 million was spent by provinces</p> <ul style="list-style-type: none"> • 49 sites were established, bringing the total number of sites to 55. The total number of sites including those funded through the Poverty Relief Programme is 185 • Approximately 50 000 children have been reached through the programme • The Rapid Appraisal of home/community based care identified 466 projects of which 136 were receiving government funding • Practice guidelines were developed and made available to NGO's, CBO's and government officials to assist them in providing services to children within the basic parameters of children's rights and childcare legislation. <p>2002/03</p> <p>It is envisage that more than 95 per cent of the allocated amount (R47,5 million) will be spent</p>
Projected life	For the duration of the allocation
Payment schedule	Three installments
Capacity and preparedness of the transferring department.	The Department is in the process of upgrading the capacity for the management of the HIV/Aids programme, and the Provincial Departments of Social Development have appointed dedicated programme coordinators at provincial and district levels.

Table 17 Social Development — HIV/Aids for Community Based Care Grant

R thousand	2002/03	2003/04	2004/05	2005/06
	Revised Allocations	Medium Term Estimates		
Eastern Cape	4 798	6 658	7 089	7 514
Free State	6 650	9 228	9 825	10 415
Gauteng	6 983	9 690	10 315	10 934
KwaZulu-Natal	8 644	11 996	12 773	13 540
Limpopo	3 135	4 353	4 634	4 912
Mpumalanga	7 077	9 821	10 456	11 084
Northern Cape	2 660	3 691	3 930	4 165
North West	5 463	7 580	8 070	8 554
Western Cape	2 090	2 900	3 088	3 273
Total	47 500	65 917	70 180	74 391

Child Support Extension Grant	
Transferring department	Social Development (Vote 19)
Purpose	To fund extension of child support grant to eligible children up to the date when they turn 14 years old. This grant will be phased in over three years, and will also cover associated administrative and payment costs
Measurable objectives/ outputs	<p>Number of children who access the grant according to the proposed annual phasing in as follows:</p> <ul style="list-style-type: none"> • 7 and 8 year old in 2003/04 • 9 and 10 year old in 2004/05 • 11, 12 and 13 year old in 2005/06
Conditions	<ol style="list-style-type: none"> 1. The funds may only be utilised for the payment of child support grants to eligible children as determined in the Social Assistance Act, 1992 and regulations, and to cover reasonable administrative and payment cost associated with this 2. Provincial implementation plans must be submitted to the DG: national Social Development (DoSD) and approved by 15 April 2003. Provincial plans must consider capacity to implement and reasonable processes to build capacity. 3. A consolidated implementation plan as per (2) above to be submitted to the DG of National Treasury by 22 April 2003 4. Provinces must submit to the DG: national DoSD, within 15 days after the end of each month, a report detailing: <ul style="list-style-type: none"> <i>Beneficiary Numbers</i> <ul style="list-style-type: none"> • The total number of CSG beneficiaries (children) registered and eligible • Age distribution (by year-group) of registered beneficiaries • Number of new beneficiaries registered for payment in the relevant month and the age distribution of these beneficiaries • Number of beneficiaries deregistered during the relevant month and reason and age (by year-group) • Number of applications still being processed and projected beneficiaries numbers for the year <i>Expenditure</i> <ul style="list-style-type: none"> • Final (reconciled) grant expenditure for the month and composition of expenditure by grant type • Final administrative and payment expenditure related to the child support extension grant • Reconciliation of expenditure on the child support grant with Socpen data from the National Department • Progress with extension of the child support grant relative to the provincial implementation plan • Projected expenditure based on trends in beneficiary numbers 5. A consolidated monthly report as per (4) above to be submitted to the DG: National Treasury by the DG: Social Development within 20 days after the end of each month 6. Bi-annual audits (September and March) of grant application and approval processes to ensure compliance with legislative requirements and norms and standards for grant payment.
Allocation criteria	Based on number of eligible beneficiaries (as per application of the means-test) by province, determined through the most reliable demographic and socio-economic data available and in line with the purpose of the Child Support Extension Grant
Reason not incorporated in equitable share	<p>A conditional grant is used for the following reasons:</p> <ul style="list-style-type: none"> • Distribution between provinces may need to be different from proportions in the equitable share formula • To ensure that undue pressure is not placed on provincial budgets. A need to have transparent and adequate budgeting for the extension. Provinces must be fully funded for this national mandate • There is uncertainty around population numbers, numbers of children that would qualify, their provincial distribution and the likely rates of uptake. A conditional grant will ensure that there is more flexibility to make adjustments in line with changing information and data • A function shift to national is contemplated regarding the administration of social grants. Transparent funding through a conditional grant will allow for greater ease in eventually transferring the function
Monitoring mechanisms	Monthly reports as set out under conditions
Past performance	New Grant
Projected life	Maximum of three years while establishment of a national public entity for grant administration is investigated
Payment schedule	Quarterly transfers in advance to provinces in line with cash flow projections agreed to between the national and provincial DoSD
Capacity and preparedness of the transferring department	<p>A National Implementation Team chaired by the Director-General of the national DoSD and with representation from the National Treasury and provinces will be convened to:</p> <ul style="list-style-type: none"> • Identify detailed options for phasing in of the extension over the three year period of Child Support Extension Grant • Assess provincial readiness for further implementing the extension • Advise the Heads of Social Development on areas and locations where capacity has to be strengthened • Ensure the establishment of a teams within the national and each provincial DoSD to monitor and evaluate progress made with the implementation of provincial business plans and advise on actions to be taken to achieve set outputs

Table 18 Child Support Extension Grant

	2003/04	2004/05	2005/06
R thousand	Medium Term Estimates		
Eastern Cape	272 130	866 885	1 669 903
Free State	72 497	233 242	457 870
Gauteng	66 449	193 815	359 609
KwaZulu-Natal	235 143	723 700	1 367 785
Limpopo	172 969	536 542	1 000 815
Mpumalanga	78 360	239 836	442 010
Northern Cape	19 671	63 540	121 421
North West	125 426	367 979	652 257
Western Cape	57 355	174 461	328 330
Total	1 100 000	3 400 000	6 400 000

Food Relief Grant	
Transferring department	Social Development (Vote 19)
Purpose	To provide food relief to vulnerable individuals and households
Measurable objectives/outputs	Number of beneficiaries (households and individuals) receiving food relief
Conditions	<ol style="list-style-type: none"> 1. The funds may only be utilised to provide food relief to vulnerable individuals and households 2. Provincial implementation plans must be submitted to the DG: Social Development and approved by 30 April 2003. Provincial plans must consider capacity to implement and necessary processes to build capacity 3. Provinces to submit to the DG: National Department of Social Development (DoSD), within 15 days of the end of each quarter, a report detailing: <ul style="list-style-type: none"> <i>Services</i> <ul style="list-style-type: none"> • Number of beneficiaries reached per month by location (municipality) and composition (gender and age) • Nature of food relief interventions • Implementing agents (whether departmental offices, NGOs, etc.) and nature of association • Number of beneficiaries who have exited the programme and whether alternative support has been arranged <i>Expenditure</i> <ul style="list-style-type: none"> • Expenditure on food relief for the month and the composition of expenditure • Projections regarding new beneficiaries for the remainder of the financial year and the spending implications of these trends relative to budget allocations 4. The DG: National DoSD to submit to a consolidated monthly report as per (3) above to the DG: National Treasury, 20 days after the end of each quarter 5. A national and 9 provincial annual evaluation reports
Allocation criteria	The allocation per province is based on the proportional shares of poverty and income adjustment distribution per province
Reason not incorporated in equitable share	This is a high priority, national Government intervention for which capacity in provinces is limited. A conditional grant is therefore required to ensure adequate monitoring and national support and to ensure that the capacity is established without impacting on other provincial functions
Monitoring mechanisms	Monthly reports as set out under conditions
Past performance	New Grant
Projected life	Maximum of three years as approaches and mechanisms for food relief are developed
Payment schedule	Quarterly transfers to provinces in line with cash flow projections and based on monthly/quarterly reports capturing expenditure and beneficiary
Capacity and preparedness of the transferring department	<p>The national DoSD will strengthen the management and administration of poverty relief programme in order to ensure effective monitoring of this grant, and would:</p> <ul style="list-style-type: none"> • Identify more detailed options for expanding the social relief programme interventions and programmes • Assess the possibility of integrating rapid emergency food relief with social welfare services

Table 19 Food Relief Grant

	2003/04	2004/05	2005/06
R thousand	Medium Term Estimates		
Eastern Cape	94 133	94 133	94 133
Free State	37 334	37 334	37 334
Gauteng	27 904	27 904	27 904
KwaZulu-Natal	68 185	68 185	68 185
Limpopo	61 146	61 146	61 146
Mpumalanga	27 651	27 651	27 651
Northern Cape	9 998	9 998	9 998
North West	41 615	41 615	41 615
Western Cape	20 034	20 034	20 034
Total	388 000	388 000	388 000

Poverty Relief (Indirect transfer—Grant in Kind)	
Transferring department	Social Development (vote 19)
Purpose	To increase the self-reliance and improve social cohesion of specific demographic groups such as women, youth, children, disabled and the aged who are particularly vulnerable to the conditions associated with poverty
Measurable outputs	<ul style="list-style-type: none"> • 94 HIV/Aids community based structures will be established • Establishment of 102 Food Production Clusters • Establishment of 12 Urban Regeneration skills projects for youth and employment • 104 income generation initiatives for rural women will be established and existing ones integrated over the next three years • Integration of at least 2 per cent social finance for disabled in all poverty relief projects
Conditions	<ul style="list-style-type: none"> • Legal contracts signed between national programme manager at the National Department of Social Development/Heads of Provincial Departments of Social Development and the implementing agencies • Before any disbursement of funding, projects must submit to the National Department of Social Development via the provincial departments of social development where applicable the Compliance Certificate in terms of section 38 (1) (j) of the PFMA (Act no. 1 of 1999) • Training funded by the allocation should be aimed at increasing the skills base in communities requiring accreditation
Allocation criteria	<ul style="list-style-type: none"> • Focuses on specific target groups and spatial pockets of poverty • Poverty levels per province (based on household expenditure) • About 30 per cent of the total budget was also allocated to the 13 poverty nodal points, identified by the Integrated Sustainable Rural Development Strategy (ISRDS)
Reason not incorporated in equitable share	Special allocation to the Department from the Poverty Relief fund
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly/quarterly reporting to the provincial departments of social development by implementing agencies, and consolidated reports submitted to the National Department of Social Development • Provincial visits to evaluate progress with the implementation of the projects • Structured sited visits twice a year by a team consisting of both national and provincial officials.
Past performance	Poverty Relief Funds for disbursement to projects were transferred since 1999/2000 to the IDT in terms of a legal contract—disbursement agency for the Department
Projected life	The project period covered by the grant is the current MTEF (2001/02-2003/04) period
Payment schedule	Three instalments—21 May 2003, 17 September 2003 and 22 January 2004—Accounting responsibility lies with the accounting officer of the transferring national department
Capacity and preparedness of the transferring department	A national manager for the Poverty Relief Programme of the Department has been appointed at Deputy Director-General level to head the National Project Office. Additional support staff has also been appointed to assist with the management and administration of these funds

Table 20 Social Development—Poverty Relief

	2002/03	2003/04
R thousands	Revised	Budget
	Allocations	
Eastern Cape	16 179	10 449
Free State	8 690	5 774
Gauteng	4 386	3 190
KwaZulu-Natal	17 429	11 274
Limpopo	15 633	10 229
Mpumalanga	10 447	6 874
Northern Cape	4 315	2 887
North West	8 646	5 827
Western Cape	3 811	2 942
Total	89 536	59 446

THE NATIONAL TREASURY

Provincial Infrastructure Grant	
Transferring department	National Treasury (Vote 8)
Purpose	To help accelerate construction, maintenance and rehabilitation of new and existing infrastructure, and to fund the reconstruction and rehabilitation of infrastructure damaged during the 1999/00 floods
Measurable objectives/ outputs	<ul style="list-style-type: none"> • Rehabilitation and maintenance of roads, schools, health facilities, and rural development • Rehabilitation of flood-damaged infrastructure
Conditions	<ul style="list-style-type: none"> • Provinces to submit to the National Treasury by 11 April 2003 a detailed plan on proposed spending for the 2003 MTEF allocation for approval. The plans must disaggregate the information by project or cluster of projects, and should demonstrate how its implementation fits into an overall infrastructure strategy in that province. These plans should form part of the treasury's strategic plan to be tabled 15 days after the Budget, as well as that of each of the line function departments receiving funds • Submission of quarterly reports on physical progress with implementation of infrastructure projects in addition to in year expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation • In addition to the above conditions, the following conditions apply specifically to the Flood Reconstruction and Rehabilitation portion of the grant: Funds allocated must be used exclusively for rehabilitation and reconstruction of flood damaged infrastructure as verified by the national government
Allocation criteria	<ul style="list-style-type: none"> • The Infrastructure Grant component: An average of the percentage equitable shares and backlog component of equitable share formula has been used to allocate among funds provinces. The aim is to introduce a bias in favour of provinces with substantial backlogs while at the same time supporting those that inherited substantial infrastructure. • The flood damage component: The allocations were informed by the recommendations of the Command Centre and took account of: <ul style="list-style-type: none"> — The overall verified infrastructure damage suffered in each province; — Recommendations made by the Command Centre; — Expenditure trends in the current financial year, reflecting the rate of expenditure in the province; and — Available funds • The flood damage component phases out in the 2003/04 financial year
Reason not incorporated in equitable share	This grant ensures that provinces give priority to infrastructure maintenance, rehabilitation and construction in line with Government priorities
Monitoring mechanisms	Provinces are required to submit detailed quarterly reports, which capture the full details of the projects including the allocation for the year, the expenditure for the period in question and on outputs achieved.
Past performance	<p>2001/02 Spending</p> <ul style="list-style-type: none"> • Allocation of this grant amounted to R1 400 million, including R600 million for flood rehabilitation. Provinces increased spending on capex from R7.6 billion in 2000/01 to R10.7 billion in 2001/02, which amounts to 33 per cent. This has increased the share of capital spending from 6 per cent in 1998/99 to about 10 per cent. A large share of growth in capital spending is in social services and roads. • Infrastructure grant constitute less than 10 per cent of total capex. Spending trend reflects that provinces have used all their infrastructure grant allocation, and improved their spending capacity. <p>Projections for 2002/03</p> <ul style="list-style-type: none"> • Provinces have spent R8.3 billion or 51 per cent capital budget by end of December 2002. This amounts to about 50 per cent more than expenditure level in December 2001. • Notable improvements are in Eastern Cape, Free State, KZN and North West. This indicates that provinces are set to spend a substantial proportion of the R14.7 billion allocated to capex, of which infrastructure grant amounts to R1.6 billion
Projected life	To be reviewed after 3 years.
Payment schedule	Quarterly instalments
Capacity and preparedness of the transferring department	The National Treasury has a dedicated chief directorate responsible for administering the grant.

Table 21 Provincial Infrastructure: Infrastructure Grant

	2002/03	2003/04	2004/05	2005/06
R thousands	Allocations	Medium Term Estimates		
Eastern Cape	286 107	433 673	535 646	569 409
Free State	93 913	141 950	175 327	186 379
Gauteng	157 084	235 802	291 248	309 606
KwaZulu-Natal	331 123	500 302	617 944	656 892
Limpopo	278 519	420 632	519 538	552 286
Mpumalanga	118 961	180 066	222 407	236 426
Northern Cape	52 997	72 394	82 362	85 663
North West	135 086	204 479	252 560	268 479
Western Cape	96 210	145 190	179 330	190 633
Total	1 550 000	2 334 488	2 876 362	3 055 773

Table 22 Provincial Infrastructure: Flood Damage

	2002/03	2003/04
R thousands	Allocations	Budget
Eastern Cape	70 000	23 000
Free State	58 000	21 000
Gauteng	—	—
KwaZulu-Natal	—	—
Limpopo	182 000	120 000
Mpumalanga	90 000	36 000
Northern Cape	—	—
North West	—	—
Western Cape	—	—
Total	400 000	200 000

Table 23 Provincial Infrastructure Grant: Total

	2002/03	2003/04	2004/05	2005/06
R thousands	Allocations	Medium Term Estimates		
Eastern Cape	356 107	456 673	535 646	569 409
Free State	151 913	162 950	175 327	186 379
Gauteng	157 084	235 802	291 248	309 606
KwaZulu-Natal	331 123	500 302	617 944	656 893
Limpopo	460 519	540 632	519 538	552 286
Mpumalanga	208 961	216 066	222 407	236 426
Northern Cape	52 997	72 394	82 362	85 663
North West	135 086	204 479	252 560	268 479
Western Cape	96 210	145 190	179 330	190 633
Total	1 950 000	2 534 488	2 876 362	3 055 773

APPENDIX E2
FRAMEWORKS FOR
CONDITIONAL GRANTS
TO LOCAL GOVERNMENT

Appendix E2: Frameworks for Conditional Grants to Local Government

Detailed Frameworks on Schedules 6, 6A and 7A Grants to Local Government

Introduction

This appendix provides a brief description of the framework for each grant in Schedules 6, 6A and 7A of the Division of Revenue Bill. The following are key areas considered for each grant:

- Purpose and measurable outputs of the grant
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces or municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- The payment schedule
- Capacity and preparedness of the transferring department

Building for Sport and Recreation Programme	
Transferring department	Sport and Recreation SA (Vote 20)
Purpose	Promotion of sport and recreation in disadvantaged communities through upgrading or new facilities. Employment of community during construction and promotion of long term jobs associated with the facilities.
Conditions	<ul style="list-style-type: none"> • Programme Management System/policy to be complied with. • Employment targets to be met. • Municipalities are required to place the Building for Sport and Recreation Programme allocation on their budget. • Municipalities are required to operate and maintain the facilities. • Sustainability planning for all projects is required.
Measurable outputs	<ul style="list-style-type: none"> • Jobs created within the short and long term (maximum local community employment); • Number of existing facilities upgraded and new facilities constructed; • Value assessment of facilities constructed; and • 30 per cent of projects located within the Nodes.
Past performance	<ul style="list-style-type: none"> • Objectives achieved in the 2001/02 year and programme is on track within the 2002/03 financial year programme; • 112 communities empowered to promote sport and manage facilities; and • 64 municipalities empowered to build appropriate sport facilities and promote sport within disadvantaged communities.
Allocation criteria	<p>The allocations are made within provinces in accordance with a Poverty Targeting Formula based upon the 1996 census and 1997 Household survey data.</p> <ul style="list-style-type: none"> • Allocations between District and Local municipalities are made on the basis of the intended regional scope of the facility and in line with powers and function and the constitution. • At least 30 per cent of projects are to be situated in Nodes. The allocations are to provide a balance between rural and urban/peri-urban disadvantaged communities. Municipalities identify their proposed projects in terms of their IDP's, which are then prioritised by the provincial departments of sport and recreation in line with provincial development priorities.
Monitoring system	The Department of Sports and Recreation has introduced a Management Monitoring Information System in terms of which monthly performance monitoring is carried out by the provinces, on the basis of monthly inspections and reporting provided by the municipalities, and then consolidated at National Level and then reported.
Budget on which transfer is shown	The grant must be reflected on the receiving municipality's budget.
Projected life	The grant will be consolidated into the new Municipal Infrastructure Grant from 2004/05 onwards, subject to a Cabinet decision following the review of the special poverty relief allocations.
Reason not incorporated in equitable share	<p>A conditional grant is necessary in order to ensure that:</p> <ul style="list-style-type: none"> • appropriate facilities are created within target communities • proper sustainability planning takes place; • municipalities and communities are empowered to promote sport • employment targets are met
Capacity and preparedness of transferring department	A directorate has been dedicated to manage the programme with out-sourced programme management support.
2003/04 allocation	R 123.095 million
Payment schedule	The first payment will be made once the implementing agent agreement has been signed between provincial SRSA and the municipality. Thereafter, payments will occur monthly on the basis of actual expenditure.
Further work by national department	Commitments will be reviewed in September 2003 by the Municipal Infrastructure Task Team (MITT) and uncommitted funds for MTEF outer years will be transferred to Municipal Infrastructure Grant, subject to a Cabinet decision following the review of the special poverty relief allocation.

Community Based Public Works Programme	
Transferring department	Department of Public Works (Vote 06)
Purpose	Creation of community assets in disadvantaged rural communities and empowerment of the communities to manage the facilities in co-operation with the local municipality. Employment of community during construction and promotion of long term jobs associated with the facilities
Conditions	<ul style="list-style-type: none"> • Programme Management System/policy to be complied with • Employment targets to be met • Municipalities are required to place the CBPWP allocation on their budget • Municipalities are required to operate and maintain the facilities and • Sustainability planning for all projects is required
Measurable outputs	<ul style="list-style-type: none"> • Amount spent on community labour • Number of local labourers employed • Number of women employed • Number of youth employed • Number of disabled people employed • Number and type of assets created • Environmental target achieved and • Number of programmes and assets transferred and implemented by municipalities
Past performance	<ul style="list-style-type: none"> • In 1998/99 No of projects = 338; Asset value = R267 million; People employed = 29 360. • In 1999/00 No of projects = 291; Asset value = R320 million; People employed = 18 027. • In 2000/01 No of projects = 950; Asset value = R244 million; People employed = 31 472. • In 2001/02 No of projects = 680; Asset value = R228 Million; • Amount spent on community labour: R62,6 million • Number of local labourers employed: 34 021 • Number of women employed: 15 605 • Number of youth employed: 15 414 • Number of disabled people employed: 751 • Environmental target achieved: Trees planted after completion of every project • Number of projects and assets transferred and implemented by municipalities 680
Allocation criteria	The allocations are made within provinces in accordance with a Poverty Targeting Formula based upon the 1996 census and 1997 Household survey data. At least 30 per cent of projects are to be situated within the Nodes. Municipalities identify their proposed projects in terms of their IDP's, which are then prioritised and submitted to the Provincial Coordination Committee for approval to enter the planning phase.
Monitoring system	A Management Monitoring Information System has been introduced in terms of which monthly performance monitoring is carried out by the provinces, on the basis of monthly inspections and reporting provided by the municipalities.
Budget on which transfer is shown	The grant must be reflected on the receiving municipality's budget as reflected on Schedule 6A and indirect (Schedule 7A) transfers must be noted as asset transfers in the asset registers of the municipalities
Projected life	The grant will be consolidated into the new Municipal Infrastructure Grant from 2004/05 onwards, subject to a Cabinet decision following the review of the special poverty relief allocation
Reason not incorporated in equitable share	A conditional grant is necessary in order to ensure that appropriate facilities are created within target communities, that proper sustainability planning takes place and that employment targets are met.
Capacity and preparedness of transferring department	A chief directorate, with policy/implementation/monitoring and evaluation components, has been dedicated to manage the programme. A technical support agreement with the European Union supplements the chief directorate
2003/04 allocation	R 259,820 million of which: <ul style="list-style-type: none"> • R 249,820 million is cash transfers directly to municipalities as per Schedule 6 to be submitted later. • R 10 million is asset transfers to municipalities by IDT as per Schedule 7
Payment schedule	<ul style="list-style-type: none"> • Payments to municipalities are made on monthly basis • First payment made once implementing agent agreement signed between CBPWP and municipality, thereafter, monthly on the basis of actual or anticipated expenditure. • In some instances allocations are made as indirect transfers, via the Independent Development Trust and assets are transferred to municipalities once they are completed. These transfers are made as Schedule 7 transfers
Further work by national department	Commitments will be reviewed in September 2003 by the Municipal Infrastructure Task Team (MITT) and uncommitted funds for MTEF outer years will be transferred to Municipal Infrastructure Grant, subject to a cabinet decision following the review of the special poverty relief allocation

Consolidated Municipal Infrastructure Programme (CMIP)	
Transferring department	Provincial and Local Government (Vote 5)
Purpose	To fund municipalities to provide internal bulk, connector infrastructure and community facilities to poor households
Conditions	<ul style="list-style-type: none"> Funds may only be used for the specific municipal infrastructure investment intended A labour-based approach to construction must be prioritised The municipality must submit an operational plan for the infrastructure provided Submission to the province of a business plan and municipal council resolution approving each project through the IDP process The investment must become an asset of the municipality and be maintained by that municipality
Funding windows	The programme will provide for new, rehabilitation and upgrading of existing infrastructure.
Measurable outputs	<ul style="list-style-type: none"> Number of households serviced per annum; Priority given to project implementation in ISRDP and URP (20 per cent of allocation) Employment opportunities created and accredited training provided, number of woman and youth employed and trained (target 30 per cent of each category) A minimum of 20 per cent of total allocation must be spent on labour intensive projects and Number of SMMEs per annum utilised — target 400 SMMEs
Past performance	<p>A total of 2.5 million households have benefited from municipal services provided since inception of the programme.</p> <p>During the 2001/02 financial year the following were achieved:</p> <ul style="list-style-type: none"> 395 projects were completed 647 000 households have been serviced 7 152 042 person days employment were created 548 460 training days were provided; and 448 SMME's were utilised
Allocation criteria	Allocated on a poverty-weighted formula including the number of poor households, unemployed and the number of households without access to basic services based upon the 1996 Census and the latest October Household Survey data. Priority given to project implementation in Integrated Sustainable Rural Development Programme and Urban Renewal Programme (20 per cent of allocation). The allocations to the districts are further distributed between the local municipalities within the districts, aligned to policy and new powers and functions that takes effect from 1 July 2003.
Monitoring system	Monthly and quarterly monitoring and reporting on specific key performance indicators and targets
Budget on which transfer is shown	The grant must be shown as a conditional grant on municipal budgets
Projected life	The CMIP programme will be phased into the Municipal Infrastructure Grant as from 2004/05
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific capital transfer focussed on the national policy of ensuring that all South Africans have access to at least a basic level of municipal services. Through CMIP, Government directly supports the Integrated and Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Programme (URP) as well as the Housing Programme
Capacity and preparedness of transferring department	The department has dedicated capacity
2003/04 allocation	R 2,246,253 million
Payment schedule	Monthly payments to municipalities according to progress with project implementation.
Further work by national department	Commitments will be reviewed in September 2003 by the Municipal Infrastructure Task Team (MITT) and uncommitted funds for 2004/05 will be transferred to the Municipal Infrastructure Grant.

Local Economic Development (LED) and Social Plan Grant	
Transferring department	Provincial and Local Government (Vote 5)
Purpose	To provide funding to support planning and implementation of job creation and poverty alleviation projects within municipalities
Conditions	<ul style="list-style-type: none"> The projects/ business opportunity studies identified by municipalities must meet the criteria of the LED and Social Plan Measures Grant and the Poverty Alleviation Fund LED funds may only be committed to new projects once a formal agreement has been reached between the department and the municipality regarding the ownership of the asset and ongoing financial responsibilities for operating and maintaining the project
Measurable outputs	<ul style="list-style-type: none"> Estimated number of temporary jobs Estimated number of long term jobs Number of business infrastructure developed e.g. business hives, arts and crafts centres, agro-processing centres Number of economic regeneration studies in selected municipalities Number and quantum of financial and other support measures implemented and directly impacting on SMMEs, youth, women and disabled
Past performance	<ul style="list-style-type: none"> 200 projects have been funded since 1999 4 000 permanent jobs 9 000 temporary jobs (based on reports)
Allocation criteria	<p>Allocations are made on the basis of approved business plans that meet the following criteria:</p> <ul style="list-style-type: none"> Contribute to poverty alleviation Alignment with the Integrated Sustainable Rural Development and the Urban Renewal Programmes Contribute to and be part of the economic development framework of municipal Integrated Development Plans (IDP's) Meet the General LEDF objective criteria Social Plan funds are allocated to municipalities in the ISRDP rural nodes
Monitoring system	Monthly reports and quarterly meetings with provinces and municipalities
Budget on which transfer is shown	The grant will be shown as a conditional grant on municipal budgets
Projected life	The grant will be consolidated into the new Municipal Infrastructure Grant from 2004/05 onwards, subject to a Cabinet decision following the review of the special poverty relief allocations
Reason not incorporated in equitable share	The grant is a policy instrument in re-directing local government towards social and economic developmental outcomes. It is a special poverty relief allocation
Capacity and preparedness of transferring department	The department has an established grant and project management framework (the LEDF Project Management Guide) and a LED programme (<i>team</i>) that is responsible for the management of the grant
2003/4 allocation	R117,000 million
Payment schedule	Payments will be made in two tranches. The first tranche will be made up-front. The second payment will be made midway through the year and will be based on progress
Further work by national department	Commitments will be reviewed in September 2003 by the Municipal Infrastructure Task Team (MITT) and uncommitted funds for MTEF outer years will be transferred to Municipal Infrastructure Grant, subject to a Cabinet decision following the review of the special poverty relief allocation

Implementation of Water and Sanitation Service Projects (Capital)	
Transferring department	Water Affairs and Forestry (Vote 34)
Purpose	To fund bulk, connector and internal infrastructure for water services at a basic level of service, and implement such projects where municipalities lack the required capacity to do so. As water and sanitation services provision is a functional competence for local government, the department will be transferring completed RDP projects, with no staff or operating budgets, to receiving municipalities
Measurable outputs	A comprehensive reporting system has been developed for the capital works programme and the measurable outputs for 2003/04 provisionally include: <ul style="list-style-type: none"> • Number of people served — 1 140 000 (<i>targeted</i>) • Number of RDP projects completed and transferred 75 • Number of jobs created: 34 000 for all categories • Detailed monthly expenditure: R78 million/month on average • Number of business plans approved: 166 of all types • Number of people impacted through health and hygiene programme: 670 000 • Number of toilets constructed: 105 000
Conditions	Before any conditional grants are made, the local government arm concerned must: <ul style="list-style-type: none"> • Have undertaken the necessary service planning (e.g. WSDP) and provided budgets for the ongoing operation and maintenance • Be in a position to undertake the implementation, operation and maintenance of the relevant water services • Have demonstrated acceptable level of expertise in managing water services projects • Have established the mechanisms and structures for reporting to DWAF as required • All receiving local governments will be required to enter formal service provision agreements (including provision for payment of services rendered by the department) with the department
Allocation criteria	The contractual commitments for ongoing projects as well as operate, train and transfer of existing completed projects not yet transferred will receive preference in the project selection process. <ul style="list-style-type: none"> • New projects are then selected via the relevant planning forums per region on the basis of the regional allocation, which is based on a poverty-weighted formula with a strong rural focus. • The DWAF Minister approves all projects earmarked for implementation, before the funding is formally delegated to the regions. All departmentally owned completed RDP projects will be subject to transfer to municipalities
Monitoring system	Projects are managed and monitored internally by DWAF, some through contract driven Build, Operate, Train and Transfer arrangements, unless the municipality has a demonstrable capacity to do so itself. This will be done in accordance of the above conditions and to allow DWAF to fulfil its role in terms of the relevant acts
Budget on which transfer is shown	The allocation is shown on the Water Affairs and Forestry vote. Once funds transfer agreement is in place, the financial transfer will be shown as a conditional grant on municipality budgets in recognition of the functional responsibility of Local Government with regard to the provision of Water and Sanitation Services. Asset transfer (grant —in—kind) should be recorded in the municipal asset register on transfer with a remark in the budget document that the infrastructure will be built on behalf of the municipality
Past performance	<ul style="list-style-type: none"> • Approximately 8,5 million people have been provided with access to basic water services to date, and 75 projects have been transferred to municipalities. • Approximately 105 000 toilets have been constructed in the past five years and 670 000 people have been impacted by health and hygiene programme
Projected life	On the basis of the above conditions, the department has proposed the following programme: 2003/2004 <ul style="list-style-type: none"> • Continue implementation of contractually committed projects • Initiate detailed planning and design for projects prioritised through local government planning process and local government management arrangements • Continue to initiate and implement planned and designed projects through existing DWAF management arrangements where there is an explicit agreement with local government, including acceptance of operating responsibilities • Support local government to start the process of consolidating and completing water service development plans as an input to their Infrastructure Investment Programmes • Indicate reporting of allocation of funds to municipal area down to Category B and C level as applicable • Develop with DPLG the system to ensure that funds allocated are used for the purposes intended in the respective line function areas. • Where agreed, and subject to the approval of DWAF Director-General, make conditional grant to municipalities for implementation of projects • DWAF to continue service provision and/ or hand over to other service providers where local authorities are unwilling or unable to take over services responsibilities of already completed projects yet not transferred

Implementation of Water and Sanitation Service Projects (Capital)	
	<p>2004/2005</p> <ul style="list-style-type: none"> • Finalise implementation of contractual committed projects • Continue to implement (but not to initiate and design) already planned projects through existing DWAF management arrangements where there is explicit agreement with local government, including acceptance of operation responsibilities • Support local government to undertake detailed planning and design for projects prioritised through local government planning process • Definitive allocation of funds to municipal area down to Category B and C level as applicable. • Implement and manage with DPLG systems to ensure that funds allocated are used for the purpose intended in the respective ministries. • DWAF to continue service provision and/ or hand over to other service provider where local authorities are unwilling or unable to take over services responsibilities of already completed projects not yet transferred <p>2005/2006</p> <ul style="list-style-type: none"> • DWAF role in project implementation terminated (ongoing projects handed over to local management) • Ongoing DWAF support to focus on planning and technical assistance • All funds allocated to local government level, except where retained by DWAF for indicated purpose • DWAF's ongoing role in oversight of capital spending programmes to be agreed by the respective ministries. • DWAF to continue service provision and/ or hand over to other service provider where local authorities are unwilling or unable to take over services responsibilities of already completed projects not yet transferred <p>2006/2007</p> <ul style="list-style-type: none"> • DWAF roles as service provider terminated. Projects not accepted by local government to be handed over and managed by services providers contracted by DWAF but funded and supervised by other appropriate institutions
Reason not incorporated in equitable share	This is a specific capital transfer focused on the national policy priority of ensuring all South Africans have access to safe water sources and acceptable sanitation systems
Capacity and preparedness of receiving department	Varies significantly. Assessment will be carried out to rank all recipients as to their preparedness to accept transfer. The transfer to those local governments ready, willing and able will be given priority. This will be done in co-operation with DPLG and SALGA
Payment schedule	The payment will be made on quarterly basis, in April, June, October and January of the amounts as agreed in the funds transfer agreement for each specific project/local authority
2003/04 allocation	R1,101.812 million

Integrated National Electrification Programme	
Transferring department	Minerals and Energy (Vote 31)
Purpose	To implement the Integrated National Electrification Programme (INEP) through providing capital subsidies to municipalities to address the electrification backlog in permanently occupied residential dwellings
Conditions	Distributors who receive funding must contractually undertake to: <ul style="list-style-type: none"> • Account for the allocated funds separately from their normal business • Pass all benefits derived from the scheme on to end-customers • Not utilise the fund for any purpose other than electrification • Adhere to the approved electrification programme and agreed cash flow budgets; • Ring-fence their electricity accounts (initially supply accounts) • Adhere to the accounting and reporting requirements of the PFMA and Division of Revenue Act
Measurable outputs	The number of connections made to: <ul style="list-style-type: none"> • Households • Schools • Clinics
Past performance	Statistics are for the period 1 April to 30 November 2002, as this is the first year that municipalities received this grant: <ul style="list-style-type: none"> • Household connections energised: 34 101 • Capital expended: R122 313 million
Allocation criteria	Allocations are made on the basis of project applications from licensed municipal distributors who: <ul style="list-style-type: none"> • Meet the requirements, for example in terms of documentation, approved tariffs, ring-fenced accounts • Have the financial, technical and staff capabilities to distribute electricity and to expand and maintain the network • Regularly pay their bulk supply account and are up-to-date with payments agreed to with the bulk supplier • Apply credit control effectively • Have consulted their communities in terms of the prescribed Integrated Development Planning (IDP) process
Monitoring system	Monthly reports in accordance with PFMA and Division of Revenue Act together with a technical audit process
Budget on which transfer is shown	The grant will be shown as a conditional grant on budgets of licensed municipalities
Projected life	The Integrated National Electrification Programme (INEP) is ongoing and planned on a three-year rolling basis. It aims at providing universal access to basic electricity services. Its projected life is 10 years subject to current backlog and historic funding levels. The INEP will be incorporated into the Municipal Infrastructure Grant (MIG) once the framework for restructuring the Electricity Distribution Industry has been finalised
Reason not incorporated in equitable share	This is a specific capital transfer in support of the Integrated National Electrification Programme
Capacity and preparedness of transferring department	The DMEA takes full responsibility for the administration and control of the INEP
2003/4 allocation	R240,000 million
Payment schedule	Transfers are made monthly based on pre-agreed plans and cash flows
Further work by national department	Allocations to municipalities finalised and submitted to National Treasury. Disbursement of transfers is subject to benefiting municipalities entering into standard implementation agreements with DMEA

Municipal Infrastructure Grant	
Transferring department	Provincial and Local Government (Vote 5)
Purpose	To address backlogs in municipal infrastructure and provide basic bulk, connector and internal infrastructure for municipal services primarily to poor households.
Conditions	<ul style="list-style-type: none"> Funds may only be used for eligible municipal infrastructure and as identified by municipalities in their integrated development plans and budget Residential infrastructure to receive 75 per cent of funds, public municipal service infrastructure 15 per cent and allocations for social institutions, SMME's and urban and rural development nodes to receive 10 per cent Residential infrastructure funds to be directed towards water services and sanitation projects (50 per cent), electricity (22 per cent), roads (23 per cent) and other services (5 per cent) Output conditions include achievement of specified basic service coverage targets and maximisation of economic spin-offs principally labour-intensive construction
Measurable outputs	<p>The key outputs of the programme are:</p> <ul style="list-style-type: none"> The quantity and quality of infrastructure developed Sustainable projects across all municipal categories Sustainable pilot projects across all three municipal categories Number of beneficiaries Location of projects Employment opportunities created and training provided
Past performance	The pilot programme will build on the lessons rising from existing municipal infrastructure programmes
Allocation criteria	Allocated on a poverty-weighted formula including the number of households in poverty and the number of households without access to basic services, to be piloted in selected municipalities
Monitoring system	A comprehensive monitoring system will be developed. The Department of Provincial and Local Government (DPLG) will be responsible for financial reporting and the sector departments responsible for policy coordination and performance
Budget on which transfer is shown	The grant must be shown as a conditional grant on municipal budgets
Projected life	10 years
Reason not incorporated in equitable share	This is a specific capital transfer focussed on the national policy priority of ensuring all South Africans have access to at least a basic level of municipal services. This grant will directly support the Integrated and Sustainable Rural Development Programme (ISRDP) and the Urban Renewal Strategy (URS) as well as the Housing Programme
Phasing arrangements	<p>2003/04 is a pilot year for the MIG</p> <p>The following grants will be phased into the Municipal Infrastructure Grant over a the next three years, subject to review of the poverty alleviation programme:</p> <ul style="list-style-type: none"> Consolidated Municipal Infrastructure Programme (CMIP), Implementation of Water Service Projects (Capital), Urban Transport Fund, Community Based Public Works Programmes, Local Economic Development Fund and Building for Sports and Recreation Programme Electrification funding will be incorporated once the framework for restructuring of the electricity distribution industry has been finalised
Capacity and preparedness of transferring department	A MIG unit will be set up within DPLG. R3 million on the vote of DPLG has been set aside for this purpose
2002/04 allocation	R47,000 million
Payment schedule	Transfers will be made in terms of the requirements of Division of Revenue Act.
Further work by national department	<p>All affected national departments consulted.</p> <p>National Government is finalising arrangements for its establishment, consolidation and phasing-in</p>

Urban Transport Fund	
Transferring department	Transport (Vote 33)
Purpose	To promote the planning of intermodal land transport infrastructure and operations, the facilitation of integrated land use and land transport planning, the development of guidelines in this regard and to initiate demonstration projects in line with the Urban Transport Act, 1977
Measurable outputs	<ul style="list-style-type: none"> The planning requirements for the Operating Licence Strategy, Rationalisation Plan, Public Transport Plan and the Integrated Transport Plans required by the National Land Transport Transition Act (NLTTA) is developed and will be finalised by the 31 March 2003, and be brought into effect on 1 April 2003. In 2003/2004 assistance in the planning rollout and synchronisation with the IDP process will be addressed with the integrated transport plans in Unicity being an integral part of the IDPs. The second phase of the transport planning guidelines to be are to be reviewed by March 2004 by the Department of Transport Restructuring of the Durban Municipal Bus Service will be completed by July 2003 (DURBAN R500 000) Infrastructure improvements <ul style="list-style-type: none"> Upgrading of local streets as included in the Business Plan for Langa in Cape Town which is due to be completed by February 2004 (CAPE TOWN R5 000 000) At the Baragwanath node in Soweto Phase 2 and 3 which are the construction of bus facility and upgrading of transport taxi facility will completed by June 2004 The design and construction of an inter-modal transport facility in Alexandra will be completed by January 2004 (JOHANNESBURG R3 600 000)
Conditions	<ul style="list-style-type: none"> Submission of a business plan in line with the Urban Transport Act, 1977 and national priorities: The priorities are planning, research, demonstration national strategic projects on issues like transport authorities, and infrastructure and urban renewal Successful implementation of previously funded projects: Preferably partly funded by provincial and local governments. Priorities in terms of Government and Department's Strategies
Allocation criteria	The grant is allocated to metropolitan and larger Category B municipalities, on the basis of priorities determined in terms of the National Land Transport Transition Act, 2000 and the Urban Transport Act, 1977.
Budget on which transfer is shown	The transfer must be shown as a conditional grant on municipal budgets.
Past performance	<p>Transport Planning Guidelines and Requirements</p> <p>The phase 1 of the planning guidelines were completed in 2001 and the planning requirements for the Current Public Transport Records and Provincial Land Transport Framework were completed in July 2002. The majority of these plans will be completed by 31 March 2003.</p> <p>Durban Municipal Bus Service Restructuring</p> <p>The Business Plans have been approved and a transaction advisor has been appointed</p> <p>Demonstration Projects</p> <ol style="list-style-type: none"> TRANSPORT AUTHORITIES <ul style="list-style-type: none"> Durban: the Ethekwini Metropolitan Municipality has approved The Founding Agreement. Bloemfontein: Due to the duplication in the preparation of a feasibility study, it was agreed that the Free State Province will finalise the said study and the implementation will be funded from the Urban Transport Fund. The Business Plan has been prepared. DIAL-A-RIDE (Cape Town) <ul style="list-style-type: none"> New fully accessible vehicles have been procured and the routes that were operated during the pilot phase of the project have been extended. New operating standards have been developed and are being implemented. MODALINK <ul style="list-style-type: none"> A guideline for the management of Public Transport Interchanges in the Cape Town area has been developed and is being implemented in 25 Public Transport Interchanges in and around Cape Town. They are also running a demonstration project on low floor buses in Cape Town. Modalink are also managing a public transport call centre in Cape Town INFRASTRUCTURE IMPROVEMENTS <ul style="list-style-type: none"> The design for Baragwanath has been completed The Business Plan for Alexandra Inter-modal facility has been finalised The Business Plan for the upgrading of taxi facilities in the Inanda Ntuzuma KwaMashu node has been prepared
Projected life	No further allocation after 2003/04 financial year
Reason not incorporated in equitable share	National priorities are determined annually based on the National Department Business Plan.
Capacity and Preparedness of Transferring Department	The NDOT has the capacity to manage and monitor the business plans and contracts for the identified projects. However the successful implementation of these projects depends and is influenced by the capacity of the receiving authority.
2003/04 allocation	R 9.1 million
Further work by national department	No further allocation beyond the 2003/04 financial year

Local Government Financial Management Grant	
Transferring department	National Treasury (Vote 8)
Purpose	To promote and support reforms to municipal financial management practices, including the modernisation of budgeting, financial management, accounting, monitoring systems in municipalities and implementation of the Municipal Finance Management Act
Conditions	<ul style="list-style-type: none"> • Submission of a Council resolution committing to budget reforms, to achieve multi-year budgeting, implementation of Generally Accepted Municipal Accounting Practices (GAMAP), and improvement to reporting requirements • The employment of an appropriately skilled chief financial officer • Submission of a checklist identifying critical financial management areas to be addressed • Submission of a plan to implement financial management reforms
Measurable outputs	<ul style="list-style-type: none"> • Preparation and implementation of multi-year budgets meeting national norms and standards • Implementation of (GAMAP) • Improvements in internal and external reporting on budgets and financial information • Preparation of plans and processes to implement the Municipal Finance Management Act
Past performance	Thirty-one municipalities participated in the programme during the last year. Twenty-four of these (77 per cent) have tabled three-year budgets to council for the 2002/03 budget year and submitted to National Treasury. Six new pilot municipalities have been added to the programme in the 2002/03 financial year.
Allocation criteria	The allocation of funds will be targeted at pilot municipalities in all categories to implement the financial reforms
Monitoring system	A management team has been appointed by the Treasury to assist with the technical evaluation of applications and regular reports required in terms of the grant agreements
Budget on which transfer is shown	The grant will be shown as a conditional grant on the National Treasury vote and indicative allocations must be reflected in municipal budgets
Projected life	Programme is linked to government's international contractual obligations and will continue initially five years. A performance review to be conducted by the third year. The grant will be aligned with government's broader Capacity Building Strategy and focused towards the rollout and implementation of the Municipal Finance Management Act
Reason not incorporated in equitable share	Due to the critical need to develop municipal financial capacity as the foundation upon which other reforms can be built
Capacity and preparedness of transferring department	National Treasury is fully prepared
2003/04 allocation	R 211.915 million
Payment schedule	Payments will be made in three tranches
Further work by national department	Funds will continue to be transferred to municipalities as well as leveraging a portion of the grant to secure international expertise through the Municipal Finance Management Technical Assistance Programme. The Development Bank of Southern Africa has been appointed to manage the programme. The programme will encompass implementation of the Municipal Finance Management Act

Local Government Restructuring Grant	
Transferring department	National Treasury (Vote 8)
Purpose	To assist in restructuring and modernisation of the organisations and operations of large municipalities, to make them more effective and efficient service delivery authorities, and function in a fiscally sustainable manner. National government will support municipal plans to the extent that they offer significant benefits to national economic stability and growth
Conditions	<ul style="list-style-type: none"> Funds will be made available on the basis of a municipality's commitment to a locally owned, credible restructuring plan that addresses challenges in a sustainable manner The municipal council must pass a resolution agreeing to the plan Quarterly reports submitted to the National Treasury on agreed benchmarks The continuing flow of grant funds will depend upon the progressive implementation of the agreed Restructuring Plan, measured through an agreed set of locally appropriate financial indicators and institutional milestones
Measurable outputs	Outputs of individual grants are specified by municipalities in their restructuring plans, and subject to negotiation with the National Treasury
Past performance	Satisfactory performance to date includes a grant to the City of Johannesburg for the implementation of iGoli 2002. R130 million allocated to Mangaung. Seed funding disbursed to 15 municipalities during 2002 has served as a mechanism to assist a number of municipalities draft restructuring plans
Allocation criteria	Targeted municipalities with total annual budgets of R300 million or more and special cases based on credible plans. The allocation of funding is demand-driven, with applications being subject to intensive assessments of their credibility, as outlined in the existing grant disbursement framework
Allocation by province and municipality	New allocations to municipalities will be published on the National Treasury website following the signing of grant agreements
Monitoring system	A management team has been appointed by the Treasury to assist with the technical evaluation of applications and regular reports required in terms of the grant agreements.
Budget on which transfer is shown	The grant will be shown as a conditional grant on the National Treasury vote, and must be reflected on the receiving municipality's budget
Projected life	Five years, depending on the outcome of a scheduled review of the grant programme in 2003/04 New applications from municipalities will be considered over the 2003/04 financial year
Reason not incorporated in equitable share	<ul style="list-style-type: none"> The grant supports implementation of municipal restructuring exercises necessary to avoid financial distress and possible risks to the national fiscus
Capacity and preparedness of transferring department	The detailed grant framework is available on the Treasury website: www.treasury.gov.za . The National Treasury will accept credible applications, and a directorate is dedicated for this purpose
2003/04 allocation	R315,000 million
Payment schedule	Transfers will be made in accordance with restructuring agreements with municipalities
Further work by national department	Signing of grant agreements. Four municipalities are being evaluated for possible funding in 2003 calendar year

Municipal Systems Improvement Grant (MSIG)	
Transferring department	Provincial and Local Government (Vote 5)
Purpose	To assist municipalities in building in-house capacity through district and selected local municipalities to ensure that the new developmental system of local government is fully implemented
Conditions	<ul style="list-style-type: none"> • Capacity Development Plans to be submitted by 1 April by each district. • Each district to show the particular allocations for supporting local municipalities. • Council to provide work and sustainability plans for Project Implementation and Management Support (PIMS) centres • Allocations to be included in municipal budgets
Measurable outputs	Implementation of district-specific capacity development plans focused among others on: <ul style="list-style-type: none"> • Stable municipal and governance systems • Establishment and support to PIMS Centres • Reviewing integrated development plans (IDPs) • Aligning institutional systems to IDPs • Implementation of the division of powers and functions • Implementation of the Municipal Systems Act, Municipal Structures Act and related policy
Past performance	PIMS Centres have been established and are fully operational in 33 districts, a further 7 are in the process of being established. IDP's have been completed and are currently being implemented. Pilot programmes on the implementation of the Performance Management System were run in 26 municipalities
Allocation criteria	Allocations are made predominantly to district municipalities with PIMS centres. Allocations to be determined according to assessed need
Monitoring system	Quarterly reports on the support provided to municipalities and the progress made with the implementation of systems in municipalities
Budget on which transfer is shown	The grant must be shown as a conditional grant on municipal budgets
Projected life	The fund will be utilised to assist municipalities to implement systems required by local government legislation. The fund will be incorporated into a single grant in terms of the National Capacity Building Framework, for transfer directly to municipalities, by 2004 budget
Reason not incorporated in equitable share	This is a capacity building grant, and by nature, conditional. The grant gives effect to assist municipalities implement new legislation in the form of Structures and Systems Acts
Capacity and Preparedness of transferring department	The Department has an established grant and project management framework and dedicated capacity
2003/04 allocation	R150.418 million
Payment schedule	Transfers will be made in accordance with the requirements of the Division of Revenue Act. The first transfer will be made on approval of submitted plans. The second transfer will take place on the provision of adequate proof of implementation
Further work by national department	Grant to be consolidated into the Department's capacity building grant in 2004 financial year

Water Services Operating and Transfer Subsidy (via augmentation to the Water Trading Account)	
Transferring department	Water Affairs and Forestry (Vote 34)
Purpose	<p>To augment the Water Trading Account (Sub-Programme 4) of the Department of Water Affairs and Forestry to provide funding for:</p> <ul style="list-style-type: none"> the refurbishment, operation and maintenance, sustainability assessments, transfer, land and regulatory matters, including the subsidy for water schemes that are owned and/or operated by the department or by other agencies on behalf of the department. As water services provision is a functional competence of local government, schemes will be transferred, with appropriate staff and budgets, to receiving institutions
Conditions	<ul style="list-style-type: none"> All receiving Water Services Authorities/Providers will be required to conclude formal transfer agreements where the latest effective date of transfer is 30 June 2005 The operating and transfer subsidy will be treated as 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) and will facilitate the transfer of schemes thereafter it will be converted into a conditional grant in terms of the following programme: 2003/04 — Where transfer agreements are in place by 30 June 2003, schemes transferred during the year will be transferred with the remaining 3 year O component and 3 year HR Component of the budget 2004/05 — Where transfer agreements are in place by 30 June 2004, schemes transferred during the year will be transferred with the remaining 2 year O component and 3 year HR Component of the budget 2005/06 — All transfer agreements concluded, receiving institutions continue to receive conditional grant for 1 year O component and 3 year HR Component of the budget 1 July 2006 — Commence with the incremental consolidation of the Department of Water Affairs and Forestry operating conditional grants for water schemes transferred to municipalities into the equitable share allocation administered by the Department of Provincial and Local Government The transfer subsidy (grant in kind) will be structured to cover the costs of refurbishment of water services schemes, processes to facilitate transfers, sustainability assessments, land and legal costs and will be used to facilitate the transfer of schemes and will be converted into a conditional grant in terms of the negotiated transfer agreements
Measurable outputs	<p>Operating outputs:</p> <ul style="list-style-type: none"> Operation of water services schemes Improved revenue collection Support to local government to complete their WSDP's as an input to their operating plans, budgets and IDP's All transfer agreements signed which includes formalising Department of Water Affairs and Forestry's status as interim water services provider and where the latest effective date of transfer is 30 June 2005 Water service provider arrangements in place by the effective date of transfer Successful transfer of all appropriate staff, budgets and schemes to municipalities by 30 June 2005 <p>Transfer outputs:</p> <ul style="list-style-type: none"> Schemes refurbished to standards outlined in the Joint Water Services Transfer Policy Sustainability (functional, financial and human resource) assessments completed per scheme or group of schemes to be transferred Water Service Authority funding requirements legal requirements and/ or impediments relating to securing rights in property to effectively utilise schemes are identified and related support provided Water Services Authority/Provider has developed sufficient capacity to effectively fulfil the provision function Cost recovery plan in place to support the sustainability of schemes
Past Performance	Limited progress in terms of actual transfers completed to date due to delays in the authorisation of powers and functions and time taken to develop the joint DWAF, DPLG, National Treasury and SALGA transfer policy. The refurbishment programme commenced in earnest during 2002/03. No data are yet available on effectiveness of the refurbishment programme
Allocation criteria	Targeted at the Department of Water Affairs and Forestry and Water Services Authorities/Providers in terms of facilitating the transfer of all water schemes that are owned and/or operated by the Department or by other agencies on behalf of the Department, including certain RDP/CWSS projects. Basic allocation per Water Services Authority will be according to the operational budget for each scheme and the funding requirements identified and agreed in the transfer agreements
Allocation by province and municipality	Allocations will be published on Budget Day, 2003. Funds will be spent by the Department of Water Affairs and Forestry or transferred to the Water Services Authority/Provider in terms of the transfer agreements. Allocations published in the gazette are indicative as the process of transferring schemes is in its initial stage
Monitoring system	The monitoring and evaluation system for transfers, which is being developed as part of the National Information System for Water Service will be used
Budget on which transfer is shown	The subsidy allocation is shown on the Department of Water Affairs and Forestry vote. Once water services transfer agreements are in place, the transfer will be shown as a conditional grant on municipal budgets, in recognition of the functional responsibility of local government with regard to the provision of water services. From 1 July 2006, the operating subsidy portion will be phased into the local government equitable share and administered by the Department of Provincial and Local Government. The current allocations are indicative amounts and dependant on the transfer process
Projected life	<p>The basic programme is as follows:</p> <ul style="list-style-type: none"> 2002/03 to 2004/05 — Implement the transfer programme and actual budgetary transfers where all preconditions have been met. The Department to support local government to undertake detailed planning for water services operations 2005/06 — The department's role as service provider terminated

Water Services Operating and Transfer Subsidy (via augmentation to the Water Trading Account)	
Reason not incorporated in equitable share	The grant will facilitate the transfer of water services schemes to Water Service Authorities/Providers, following which it will be incorporated into the equitable share. The transfer subsidy portion of the grant represents once-off costs that will be incurred by the Department of Water Affairs and Forestry and Water Services Authorities/Providers associated with giving effect to transfer and will fall away following the completion of the transfer programme
Capacity and preparedness of transferring dept	Implement the agreed policy and process for transfer. The Department of Water Affairs and Forestry has established a National Transfer Task Team, supported by regional task teams to drive the process
Payment schedule	The payments will be made on a quarterly basis, in April, June, October and January to the amounts as agreed in the transfer agreement for each specific scheme/local authority. The operating subsidy will be transferred from the effective date of transfer to receiving municipalities, where after it will be phased into the local government equitable share
2003/2004 allocation	R836.436 million
Further work by national department	Ongoing support to receiving institutions to the conclusion of the programme. Assessments will be completed by 30 June 2004 to rank all recipients as to their preparedness to accept transfer. The transfer to those municipalities ready, willing and able will be prioritised. This will be done in co-operation with the DPLG, National Treasury and the SALGA.

APPENDIX E3:
SCHEDULE 6 ALLOCATIONS
(RECURRENT GRANTS) TO
MUNICIPALITIES BY
NATIONAL AND MUNICIPAL
FINANCIAL YEAR

Appendix E3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant					Local Government Restructuring Grant					Municipal Systems Improvement Programme					SUB-TOTAL: RECURRENT								
Category	Number	Municipality	National Financial Year					National Financial Year					National Financial Year					National Financial Year					
			2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	
WESTERN CAPE																							
A		Cape Town	1 500	4 100	4 000	5 500	4 000												1 500	4 000	4 000	3 500	4 000
B		WC011 Matikama		250			250																250
B		WC012 Cederberg		250			250																250
B		WC013 Bergvliet		250			250																250
B		WC014 Saldanha Bay		500		500	500																500
B		WC015 Swartland		1 000	500	500	1 000	500															1 000
DMA		WC016 West Coast DMA																					500
C		WC017 West Coast District Municipality	1 000	1 000	1 000	1 000	1 000	1 000															1 000
		DC 1	2 500	2 500	2 500	2 500	2 500	2 500															2 500
Total: West Coast Municipalities																							
B		WC022 Witsand	250				250																250
B		WC023 Bakelien	2 000	2 000	2 000	2 000	2 000	2 000															2 000
B		WC024 Sederburg	1 500	1 000	1 000	1 500	1 000	1 000															1 000
B		WC025 Brakke Valley	500			500	500																500
B		WC026 Brede River/Waaihoek	500			500	500																500
DMA		WC027 Brede River DMA																					500
C		WC028 Brede River District Municipality	2 000	2 000	2 000	2 000	2 000	2 000															2 000
		DC 2	6 750	5 000	5 000	6 750	5 000	5 000															5 000
Total: Brede River Municipalities																							
B		WC031 Theresiahof	250				250																250
B		WC032 Overstrand	1 500	1 500	1 500	1 500	1 500	1 500															1 500
B		WC033 Cape Agulhas	250				250																250
B		WC034 Swellendam	250				250																250
DMA		WC035 Overberg DMA																					250
C		WC036 Overberg District Municipality	1 500	1 500	1 500	1 500	1 500	1 500															1 500
		DC 3	3 750	3 750	3 750	3 750	3 750	3 750															3 750
Total: Overberg Municipalities																							
B		WC041 Kamaland		250			250																250
B		WC042 Langeberg		250			250																250
B		WC043 Mossel Bay		500			500																500
B		WC044 George		1 000			1 000																1 000
B		WC045 Oudshoorn		250			250																250
B		WC046 Plettenberg Bay		250			250																250
B		WC048 Knysna		1 000			1 000																1 000
DMA		WC049 South Coast DMA																					1 000
C		WC050 South Coast District Municipality	1 500	1 500	1 500	1 500	1 500	1 500															1 500
		DC 4	3 750	3 750	3 750	3 750	3 750	3 750															3 750
Total: Garden Route / Klein Karoo Municipalities																							
B		WC051 Langeberg		250			250																250
B		WC052 Prince Albert		250			250																250
B		WC053 Beaufort West		250			250																250
DMA		WC054 Central Karoo DMA																					250
C		WC055 Central Karoo District Municipality																					250
		DC 5	250	250	250	250	250	250															250
Total: Central Karoo Municipalities																							
Total: Western Cape Municipalities			21 250	19 000	18 000	21 250	19 000	18 000					10 720	13 900	18 000	18 000	18 000	31 970	31 970	31 970	31 970	31 970	31 970

[illegible]

[illegible]

Appendix E3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant				Local Government Restructuring Grant				Municipal Systems Improvement Programme				SUB-TOTAL: RECURRENT					
Category	Number	Municipality	National Financial Year	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	National Financial Year	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	National Financial Year	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
FREE STATE																	
B	FS161	Leribe	250		1 000	1 000							250	1 000	1 000	250	1 000
B	FS162	Kopanong	1 500	1 000	250	250							1 500	1 000	250	250	250
B	FS163	Mokhotlong															
C	FS164	Thabamela District Municipality	1 500	1 250	250	250							1 500	1 250	250	250	250
Total: Xharhe Municipalities																	
B	FS171	Nelson Mandela Bay	250		250	250							250				
B	FS172	Matatiele	2 000	2 000	2 000	2 000							2 000	2 000	2 000	2 000	2 000
B	FS173	Matatiele	250		250	250							250				
C	FS174	Matatiele District Municipality	2 250	2 250	2 250	2 250							2 250	2 250	2 250	2 250	2 250
Total: Matatiele Municipalities																	
B	FS181	Matatiele	250		250	250							250				
B	FS182	Tekong			250	250											
B	FS183	Tsoelike	2 000	2 000	2 000	2 000							2 000	2 000	2 000	2 000	2 000
B	FS184	Matatiele	250		250	250							250				
B	FS185	Nela															
C	FS186	Ngqeleni District Municipality	1 500	1 000	1 000	1 000							1 500	1 000	1 000	1 000	1 000
C	FS187	Ngqeleni District Municipality	3 500	4 000	4 000	4 000							3 500	4 000	4 000	4 000	4 000
Total: Ngqeleni District Municipality																	
B	FS191	Sekake	250			250							250				
B	FS192	Dikgatlong	500		500	250							500				
B	FS193	Nkomo															
B	FS194	Matatiele	2 000	2 000	2 000	2 000							2 000	2 000	2 000	2 000	2 000
B	FS195	Phuthi	250			250							250				
C	FS196	Phuthi District Municipality	250		250	250							250				
Total: Phuthi District Municipality																	
B	FS201	Sekake	2 250	2 250	2 250	2 250							2 250	2 250	2 250	2 250	2 250
B	FS202	Dikgatlong	2 750		2 750	2 750							2 750				
B	FS203	Nkomo	500		500	500							500				
B	FS204	Matatiele	2 000	2 000	2 000	2 000							2 000	2 000	2 000	2 000	2 000
B	FS205	Phuthi	250		250	250							250				
C	FS206	Phuthi District Municipality	3 000	2 250	2 250	2 250							3 000	2 250	2 250	2 250	2 250
Total: Northern Free State Municipalities																	
Total: Free State Municipalities																	

[illegible]

Appendix E.3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant				Local Government Restructuring Grant				Municipal Systems Improvement Programme				SUB-TOTAL: RECURRENT			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
Category	Number	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)	2003/04 (R 000)	2004/05 (R 000)
Total: Local Government Financial Management Grant															
a	KZ/201	250	250	250	250	250	250	250	250	250	250	250	250	250	250
b	KZ/202	250	250	250	250	250	250	250	250	250	250	250	250	250	250
c	KZ/203	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Total: Local Government Restructuring Grant															
a	KZ/201	250	250	250	250	250	250	250	250	250	250	250	250	250	250
b	KZ/202	250	250	250	250	250	250	250	250	250	250	250	250	250	250
c	KZ/203	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Total: Municipal Systems Improvement Programme															
a	KZ/201	250	250	250	250	250	250	250	250	250	250	250	250	250	250
b	KZ/202	250	250	250	250	250	250	250	250	250	250	250	250	250	250
c	KZ/203	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Total: Sub-TOTAL: RECURRENT															
a	KZ/201	250	250	250	250	250	250	250	250	250	250	250	250	250	250
b	KZ/202	250	250	250	250	250	250	250	250	250	250	250	250	250	250
c	KZ/203	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Total: Sub-TOTAL: RECURRENT															

Appendix E3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant				Local Government Restructuring Grant				Municipal Systems Improvement Programme				SUB-TOTAL: RECURRENT						
Category	Number	Municipality	2003/04 (R'000)	2003/05 (R'000)	2003/06 (R'000)	2003/07 (R'000)	2003/08 (R'000)	2003/09 (R'000)	2003/10 (R'000)	2003/11 (R'000)	2003/12 (R'000)	2004/01 (R'000)	2004/02 (R'000)	2004/03 (R'000)	2004/04 (R'000)	2004/05 (R'000)	2004/06 (R'000)	2004/07 (R'000)
MPUMALANGA																		
B	MP001	Albert Luthuli		250			250								250		250	
B	MP002	Mokhotlong						250								250		250
B	MP003	Mabopane							250								250	
B	MP004	Senne		250														
B	MP005	Lekwa																
B	MP006	Tsoelike																
B	MP007	Highveld East																
C	DC 01	East Rand District Municipality																
Total: East Rand Municipality																		
B	MP011	Delmas		250				250							250		250	
B	MP012	Emalaheni		250					250							250		250
B	MP013	Mokhotlong								250							250	
B	MP014	Highveld									250							
B	MP015	Thulamela										250						
B	MP016	Dr N Mankwa											250					
B	MP017	MLA's Private Reserve																
C	DC 31	Pengamoteng District Municipality																
Total: Ngwenyane Municipality																		
B	MP021	Dubea Chwen																
B	MP022	Albany																
B	MP023	Umpod																
B	MP024	Nkomati																
B	MP025	Luxwadi																
C	DC 32	Elango District Municipality																
Total: Phuthatane Municipality																		
Total: Mpumalanga Municipality			14 250	11 500	14 250	11 500	14 250	11 500	14 250	11 500	14 250	11 500	14 250	11 500	22 100	22 100	22 100	11 500

Appendix E3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant										Local Government Restructuring Grant					Municipal Systems Improvement Programme					SUB-TOTAL: RECURRENT												
Category	Number	Municipality	National Financial Year					Municipal Financial Year					National Financial Year					Municipal Financial Year					National Financial Year					Municipal Financial Year				
			2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)					
LIMPOPO																																
B	NP15A2	Makhosonke		250				250																		250			250			
B	NP15A3	Ficksburg		250				250																		250			250			
B	CH1C3	Greater Mankie Hill		250				250																		250			250			
B	CH1C4	Graskop		250				250																		250			250			
B	CH1C5	Graskop		250				250																		250			250			
B	CH1A3	Schaberg		250				250																		250			250			
Total: Schaberg Cross Boundary Municipalities																																
C	CH1C3	Schaberg Cross Boundary	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500			
Total: Schaberg Cross Boundary Municipalities																																
B	NP14A1	Mankie		250				250																		250			250			
B	CH1C3	Graskop		250				250																		250			250			
B	CH1A4	Rogier Park		250				250																		250			250			
Total: Eastern Municipalities																																
B	NP131	Graskop		250				250																		250			250			
B	NP132	Graskop		250				250																		250			250			
B	NP133	Graskop		250				250																		250			250			
B	NP134	Graskop		250				250																		250			250			
Total: Graskop Municipalities																																
C	DC 13	Graskop District Municipality	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000			
Total: Graskop District Municipality																																
B	NP141	Mankie		250				250																		250			250			
B	NP142	Mankie		250				250																		250			250			
B	NP143	Thoboyandou Mankie		2 000				2 000																		2 000			2 000			
B	NP144	Mankie		1 000				1 000																		1 000			1 000			
Total: Mankie Municipalities																																
C	DC 14	Thoboyandou District Municipality	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250	4 250			
Total: Thoboyandou District Municipality																																
B	NP151	Bloberg		250				250																		250			250			
B	NP152	Agatang		250				250																		250			250			
B	NP153	Mankie		250				250																		250			250			
B	NP154	Potlakoane		2 500				2 500																		2 500			2 500			
B	NP155	Potlakoane		250				250																		250			250			
Total: Potlakoane Municipalities																																
C	DC 15	Potlakoane District Municipality	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000			
Total: Potlakoane District Municipality																																
B	NP161	Thabazimbi		500				500																		500			500			
B	NP162	Leopold		250				250																		250			250			
B	NP163	Modimolle		250				250																		250			250			
B	NP164	Modimolle		250				250																		250			250			
B	NP165	Modimolle		250				250																		250			250			
B	NP166	Modimolle		250				250																		250			250			
B	NP167	Modimolle		250				250																		250			250			
Total: Modimolle Municipalities																																
C	DC 16	Modimolle District Municipality	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250	2 250			
Total: Modimolle District Municipality																																
Total: Limpopo Municipalities																																
			14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500	14 500			

Appendix E3: Schedule 6 Allocations (Recurrent grants) to municipalities by National and Municipal Financial Year

Local Government Financial Management Grant										Restructuring Grant				Local Government				Municipal Systems Improvement Programme				SUB-TOTAL: RECURRENT			
		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
Category	Number	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)	2016/17 (R 000)	2017/18 (R 000)
NORTH WEST																									
B	NW171	Mossel		250																250					250
B	NW172	Marikong	500		500															500					500
B	NW173	Reisenburg	2 000	1 000	1 000	1 000														1 000	1 000	1 000	1 000		1 000
B	NW174	Kyellingsvlei																		250					250
B	NW175	Mossel		250																					
C	DC17	Bokone-Bophutha Municipality	2 500		250																				
Total: Bokone-Bophutha Municipality			2 500	1 250	1 250	2 750	1 250													2 825	2 700	2 825	2 700		
FREETOWN																									
B	NW181	Sella Kgabi																							
B	NW182	Tswaing		250																					
B	NW183	Marikong	2 500	1 500	1 500	1 500														2 500	1 500	2 500	1 500		
B	NW184	Lechenburg	250																	250					
B	NW185	Zerona		250																					
C	DC18	Central District Municipality	2 750	2 750	2 750	2 750														2 825	2 700	2 825	2 700		
Total: Central District Municipality			2 750	2 750	2 750	2 750														2 825	2 700	2 825	2 700		
BOPHUTHA BUTHE BUTHE																									
B	NW191	Kapungu		250																					
B	NW192	Naledi		250																					
B	NW193	Schweizer Roewe		250																					
B	NW194	Greater Tzane		250																					
B	NW195	Mokopu		250																					
B	NW196	Lebasa-Tseane		250																					
C	DC19	Bighluma District Municipality	1 000	250	250	250														3 575	1 950	3 575	1 950		
Total: Bophutha Buthe Municipality			1 000	750	750	1 000														3 575	4 700	3 575	4 700		
FREETOWN																									
B	NW201	Vanderlip		250																					
B	NW202	Pretoriusburg	2 500	1 000	1 000	2 500	1 000													2 500	1 000	2 500	1 000		
B	NW203	Klerksdorp	1 500	1 000	1 000	1 500	1 000													1 500	1 000	1 500	1 000		
B	NW204	Maposod Hills		250																					
C	DC20	Southern District Municipality	1 500	1 500	1 500	1 500														1 800	2 500	1 800	2 500		
Total: Southern District Municipality			3 500	3 500	3 500	5 000	1 500													3 500	3 850	3 500	3 850		
Total: North West Municipalities			11 000	9 500	7 500	11 000	9 500													21 195	20 925	21 195	20 925		

APPENDIX E4
SCHEDULE 6A ALLOCATIONS
(INFRASTRUCTURE GRANTS)
TO
MUNICIPALITIES BY
NATIONAL AND MUNICIPAL
FINANCIAL YEAR

Appendix E-4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme Grant (NEP)				Urban Transport Fund Grant					
Category Number	Municipality	National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
		2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2016/17 (R'000)	2017/18 (R'000)
WESTERN CAPE																	
A	Cape Town	1 250															
B	WC011 Matzikana																
B	WC012 Cederberg																
B	WC013 Bergvliet																
B	WC014 Saldanha Bay																
B	WC015 Swartland																
B	WC016 West Coast DMA																
C	Total: West Coast District Municipality	1 250															
B	WC022 Waterberg																
B	WC023 Dordrecht																
B	WC024 Stellenbosch																
B	WC025 Breede Valley																
B	WC026 Breede River District																
B	WC027 Breede River DMA																
C	Total: Breede River District Municipality	250															
B	WC031 Theewaterskloof																
B	WC032 Overstrand																
B	WC033 Cape Agulhas																
B	WC034 Swartkops																
B	WC035 Overberg DMA																
C	Total: Overberg District Municipality	960															
B	WC041 Kamalgat																
B	WC042 Langeberg																
B	WC043 Mossel Bay																
B	WC044 George																
B	WC045 Oudshoorn																
B	WC047 Plettenberg Bay																
B	WC048 Knysna																
B	WC049 South Coast DMA																
C	Total: Garden Route / Klein Karoo District Municipality	1 000															
B	WC051 Langeberg																
B	WC052 Prince Albert																
B	WC053 Beaufort West																
B	WC054 Central Karoo DMA																
C	Total: Central Karoo District Municipality	500															
C	Total: Western Cape Municipalities	7 410								21 001	29 997	41 801		24 991	20 649	34 300	5 000

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category Number	Municipality	Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme (NEP)				Urban Transport Fund Grant			
		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
		2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	2010/11 (R'000)	2011/12 (R'000)	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
EASTERN CAPE																	
A	Nelson Mandela	4 296			2 060												
B	EC101 Camdeboo																
B	EC102 Blue Crane Route				290												
B	EC103 Ikwezi				230												
B	EC104 Makana				200												
B	EC105 Ndlambe																
B	EC106 Sunday's River Valley				270												
B	EC107 Drakensberg																
B	EC108 Rongqai																
B	EC109 Rani Kamama																
DMA	DMA110 Alexander Plain																
C	EC110 Coastal District Municipality					3 099											
	Total: Coastal District Municipality					3 099											
B	EC121 Mthatha				806												
B	EC122 Mquma																
B	EC123 Gcalek Kei				200												
B	EC124 Amathole				200												
B	EC125 Buffalo City				500												
B	EC126 Ngqweni				255												
B	EC127 Nkomo																
B	EC128 Ntshaba																
C	EC129 Amathole District Municipality				1 155												
	Total: Amathole District Municipality				1 155												
B	EC131 Bhebe Vhembe				670												
B	EC132 Tlokweng				150												
B	EC133 Bhebe																
B	EC134 Tlokweng				1 140												
B	EC135 Tlokweng				150												
B	EC136 Tlokweng																
B	EC137 Tlokweng				250												
B	EC138 Tlokweng																
DMA	DMA139 Tlokweng																
C	EC139 Tlokweng					11 895											
	Total: Tlokweng District Municipality					11 895											
B	EC141 Elandeni				500												
B	EC142 Sengca																
B	EC143 Mafikeng																
B	EC144 Ganyu																
DMA	DMA145 Ganyu																
C	EC146 Ganyu					4 522											
	Total: Ganyu District Municipality					4 522											
B	EC151 Mthatha				500												
B	EC152 Ntshaba																
B	EC153 Ingqoma				500												
B	EC154 Port St Johns																
B	EC155 Nyandeni																
B	EC156 Mthatha				1 043												
B	EC157 King Sabata Dalindyebo																
C	EC158 King Sabata Dalindyebo				1 800												
	Total: King Sabata Dalindyebo Municipality				1 800												
B	EC159 O.R. Tambo District Municipality				2 000												
	Total: O.R. Tambo District Municipality				2 000												
B	EC160 Umtsheni																
B	EC161 Umtsheni																
B	EC162 Umtsheni																
DMA	DMA163 Umtsheni																
C	EC164 Umtsheni					8 902											
	Total: Umtsheni District Municipality					8 902											
B	EC165 Alfred Nzo District Municipality																
	Total: Alfred Nzo District Municipality																
	Total: Eastern Cape Municipalities	18 000			6 904	20 273			56 219	22 740	39 463	40 673	48 179	39 355	41 285		

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category Number	Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme (NEP)				Urban Transport Fund Grant			
	National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2003/04 (R'000)	2004/05 (R'000)
KWAZULU NATAL																
A. eThekweni																
B KZ211 Vukela																
B KZ212 Umhlozi																
B KZ213 KwaMashu																
B KZ214 uMhlozi aMantso			200													
B KZ215 Ingwenyama			600													
B KZ216 Hibiscus Coast																
C DP21 Uyo District Municipality																
Total Uyo Municipalities	1 400		300		9 382	7 426		3 000	781	21 985	16 114	24 198	32 226	500		
B KZ221 uMkhebeni																
B KZ222 uMgeni																
B KZ223 Mvoti Mphelele			400													
B KZ224 Impendle																
B KZ225 Mkhondeni																
B KZ226 Mkhondeni																
B KZ227 Richmond																
DMA DMA22 Highland of KwaZulu Park																
C DP22 uMgungundlovu District Municipality																
Total uMgungundlovu Municipalities	1 850		400		9 852	7 882		3 000	910	21 985	16 114	24 198	32 226	500		
B KZ232 Enamandleni Ladysmith																
B KZ233 Isaka			700													
B KZ234 Utrecht			1 500													
B KZ235 Okavango																
B KZ236 Imbuzane			300													
DMA DMA23 Grants Castle Game Reserve																
C DP23 Umkhelo District Municipality																
Total Umkhelo Municipalities	4 000		2 500		6 579	5 264		3 000	3 000	21 985	16 114	24 198	32 226	500		
B KZ241 Endumeni																
B KZ242 Ngquba			500													
B KZ243 Umtonga			400													
B KZ245 Umtsheni																
C DP24 Umtsheni District Municipality																
Total Umtsheni Municipalities	3 000		900		6 288	5 030		3 000	810	21 985	16 114	24 198	32 226	500		
B KZ252 Newcastle																
B KZ253 Utrecht																
B KZ254 Dordrecht																
C DP25 Amangweni District Municipality																
Total Amangweni Municipalities	2 000				3 920	3 136		3 000	810	21 985	16 114	24 198	32 226	500		

[illegible]

Appendix F.4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme (NEP)				Urban Transport Fund Grant			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)	2013/14 (R'000)	2014/15 (R'000)
LAMPONG															
B	NP01A2 Makushatane	635													
B	NP01A3 Ficksburg	1 012													
B	CH01C1 Greater Mankie Hill	1 500													
B	CH01C3 Groenewald	450													
B	CH01C5 Greater Tloko														
B	CH01A3 Schunshu Farm Reserve														
C	CH01C3 Schunshu Farm Reserve	5 207	1 195	11 311	9 019										
C	CH01C3 Schunshu Farm Reserve			11 311	9 019										
Total: Schunshu Farm Reserve Municipality															
B	NP01A1 Marling	2 463	1 000												
B	CH01C6 Breidbach														
B	CH01A1 Koppie Park														
C	CH01C1 Breidbach	2 463	1 000	7 339	5 871										
C	CH01C1 Breidbach			7 339	5 871										
Total: Eastern Municipalities															
B	NP01C1 Greater Graham														
B	NP01C2 Greater Graham	1 084	488												
B	NP01C3 Greater Graham	1 500													
B	NP01C4 Beldersburg														
C	NP01C1 Greater Graham	1 584	385	10 056	8 014										
C	NP01C1 Greater Graham			10 056	8 014										
Total: Northern Municipalities															
B	NP01A1 Momo	516	218												
B	NP01A2 Momo														
B	NP01A3 Tlokoeng	200													
C	NP01A1 Momo	718	218	11 494	10 795										
C	NP01A1 Momo			11 494	10 795										
Total: Western Municipalities															
B	NP01A1 Breda	1 300	500												
B	NP01A2 Aganang														
B	NP01A3 Breda	1 300	600												
B	NP01A4 Breda	1 612													
C	NP01A1 Breda	1 300	500	18 804	15 175										
C	NP01A1 Breda			18 804	15 175										
Total: Central Municipalities															
B	NP01A1 Breda	200													
B	NP01A2 Breda	500													
B	NP01A3 Breda														
B	NP01A4 Breda	1 612	512												
B	NP01A5 Breda														
B	NP01A6 Breda	1 125													
C	NP01A1 Breda	2 413	512	2 484	1 908										
C	NP01A1 Breda			2 484	1 908										
Total: Waterberg Municipalities															
Total: Limpopo Municipalities															
		18 417	4 505	65 579	50 863			11 314	12 633	11 073	10 229	12 864	14 384		

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme (NEP)				Urban Transport Fund Grant			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2007/08 (R'000)	2008/09 (R'000)
Category Number Municipality															
NORTH WEST															
B	NW 371 Maseru														
B	NW 372 Mafikeng	1 500	700					1 450	2 500	1 000	2 101	2 240	1 624		
B	NW 373 Rosherville							2 900	2 500	3 000	3 551	1 310	6 090		
B	NW 374 Kgetlengrivier														
B	NW 375 Moses Kotane	1 200	500												
OMA	DM337 Pilanesberg National Park														
C	DC 37 Bokone Botshabela District Municipality	2 700	1 000	10 171	8 299	10 171	8 299	1 150	2 000	3 000	5 052	2 206	7 111		
Total: Bokone Botshabela Municipality															
B	NW 381 Seta Kgabo														
B	NW 382 Tswaing	914	314												
B	NW 383 Marikong	602	202												
B	NW 384 Tlokweng	2 000	800												
B	NW 385 Zeesod	1 000	400					870	900		504	660			
C	DC 38 Central District Municipality	1 500	2 316	10 171	8 299	10 171	8 299	1 150	2 000	3 000	5 052	2 206	7 111		
Total: Central Municipality															
B	NW 391 Kgaisano	1 000	400												
B	NW 392 Nkhal	1 500						643	600		385	441			
B	NW 393 Schweizer Kloof														
B	NW 394 Greater Tlokweng														
B	NW 395 Molepo														
B	NW 396 Lekwa Tsemane	2 000	800					643	600		585	441			
C	DC 39 Bophirima District Municipality	4 500	1 200					2 781	3 450	5 150	6 350	4 821	5 401	6 460	
Total: Bophirima Municipality															
B	NW 401 Venetia-slop														
B	NW 402 Potchefstroom							3 450	1 700	2 400	2 060	2 465	2 275	2 030	
B	NW 403 Klerksloep	1 783	583												
B	NW 404 Klerksloep Hills														
C	DC 40 Southern District Municipality	1 783	583					8 001	7 550	8 370	8 043	7 076	8 406		
Total: Southern Municipality															
Total: North West Municipalities															
14 999		4 999		10 171	8 299	13 803	14 190	15 970	14 786	14 384	16 210				

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category Number	Municipality	Local Economic Development Programme Grant				Community Based Public Works Programme Grant				National Electrification Programme (NEP)				Urban Transport Fund Grant			
		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
		2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)
GAUTENG																	
A	Ekurhuleni	1 500			500												
A	Johannesburg	500															
A	Tshwane	1 710			510												
B	GI0261 Nakongiso Tshwane																
B	CH C2 Kengwena																
C	CHX2 Maseru	1 500															
Total: Maseru Municipalities		1 500															
B	GT421 Enloleni	1 495															
B	GT422 Mthabane																
B	GT423 Lesotho																
C	DC 42 Seiberg Downs Municipality	1 495															
Total: Seiberg Downs Municipality		1 495															
B	GT411 Mqale City																
B	GT412 Randfontein	515															
B	GT414 Westonaria																
B	CH C8 Mafeking	1 400			400												
DMA	DMA11 Nkomo																
C	CHX2 West Rand	1 835			655												
Total: West Rand Municipality		1 835			1 145												
Total: Gauteng Municipalities		9 218			2 158												
Unallocated National Reserves						6 010											
National Total		117 000			33 470					249 820				241 325		245 702	5 000

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category Number Municipality	Building for Sports and Recreation Programme Grant						Municipal Infrastructure Grant (MIG)						Consolidated Municipal Infrastructure Programme Grant						SUB-TOTAL: INFRASTRUCTURE					
	National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year		
	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)
WESTERN CAPE																								
A Cape Town	1 215				2 572														131 898	150 867	167 782	132 573	152 472	168 586
B WC011 Marikana																								
B WC012 Cederberg																								
B WC013 Bergvlei																								
B WC014 Saldanha Bay																								
B WC015 Swartland																								
B DMA DMA01 West Coast DMA																								
C DC1 West Coast District Municipality	400			320															9 326	10 326	11 956	8 367	10 428	12 000
Total: West Coast Municipalities	400			320															11 742	11 779	13 408	10 244	11 863	13 272
B WC022 Witzenberg																								
B WC023 Drakenstein																								
B WC024 Stellenbosch																								
B WC025 Breede Valley																								
B WC026 Breede River/Windlands																								
B DMA DMA02 Breede River DMA																								
C DC2 Boland District Municipality																								
Total: Boland Municipalities	350																		8 276	10 512	12 194	8 178	10 615	12 339
B WC031 Theewaterskloof																								
B WC032 Overstrand																								
B WC033 Cape Agulhas																								
B WC034 Swellendam																								
B DMA DMA03 Overberg DMA																								
C DC3 Overberg District Municipality																								
Total: Overberg Municipalities	1 000																		5 951	7 722	8 912	6 059	7 795	8 945
B WC041 Kammanland																								
B WC042 Langeberg																								
B WC043 Mossel Bay																								
B WC044 George																								
B WC045 Oudshoorn																								
B WC047 Plettenberg Bay																								
B WC048 Knysna																								
B DMA DMA04 South Cape DMA																								
C DC4 Garden Route / Klein Karoo District Municipality																								
Total: Garden Route / Klein Karoo Municipalities	2 000																		10 945	12 944	14 968	10 128	13 067	15 023
B WC051 Langeberg																								
B WC052 Prince Albert																								
B WC053 Beaufort West																								
B DMA DMA05 Central Karoo DMA																								
C DC5 Central Karoo District Municipality																								
Total: Central Karoo Municipalities	2 750																		24 023	25 677	26 098	24 051	25 703	26 194
Total: Western Cape Municipalities	8 715																		229 695	251 401	277 923	223 026	253 533	279 321

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category/Number Municipality	Building for Sports and Recreation Programme Grant				Municipal Infrastructure Grant (MIG)				Consolidated Municipal Infrastructure Programme Grant				SIB-TOTAL: INFRASTRUCTURE			
	National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)
EASTERN CAPE																
A Nelson Mandela	1 000			800					3 642	3 642	3 642		64 216	65 520	74 966	75 535
B EC101 Camdeboo													957	1 000	1 000	982
B EC102 Blue Crane Route													1 756	1 500	1 500	990
B EC103 Ilwazi													626		939	1 484
B EC104 Makana													500	80	90	220
B EC105 Ndlambe																221
B EC106 Sunday's River Valley													776			82
B EC107 Baviaans													517	2 083	3 083	276
B EC108 Koppa													2 240	2 000	2 000	985
B EC109 Kosi Kamma																2 312
B EC110 Abiodun Plain																1 246
DMA DMA10 Abiodun Plain																1 246
DMA DMA10 Abiodun Plain																1 246
Total: Amathole District Municipality	7 087			5 669					15 940	20 509	23 565	23 711	19 039	20 509	23 565	23 711
Total: Amathole District Municipality	7 087			5 669					15 940	20 509	23 565	23 711	26 405	27 172	31 238	31 500
B EC121 Mbashe													500			200
B EC122 Mqoma													200			200
B EC123 Great Kei													500			200
B EC124 Amathole													500			200
B EC125 Buffalo City									42 644	51 152	56 173	56 522	50 244	51 152	56 173	51 672
B EC126 Ngqushwa													555	1 400	2 000	255
B EC127 Nkomo													1 534	2 000	2 000	1 919
B EC128 Ntuba													2 726	2 000	2 000	2 647
Total: Amathole District Municipality	7 087			5 669					79 518	98 724	111 794	111 966	105 695	98 774	111 794	102 455
Total: Amathole District Municipality	7 087			5 669					122 162	149 926	167 467	157 743	162 054	153 326	171 467	158 081
B EC131 Tshepo													2 120	1 300	1 942	961
B EC132 Tshepo														3 000	781	2 219
B EC133 Inkomo																800
B EC134 Lankani																800
B EC135 Inkomo																800
B EC136 Enkomo																800
B EC137 Enkomo																800
B EC138 Enkomo																800
DMA DMA13 Mount Zebra NP																800
Total: Chris Hani District Municipality	5 500			4 400					83 704	100 024	109 565	101 012	101 099	100 024	109 565	99 311
Total: Chris Hani District Municipality	5 500			4 400					83 704	100 024	109 565	101 012	107 209	106 824	116 565	104 935
B EC141 Enkomo																941
B EC142 Enkomo																941
B EC143 Makhwazi																700
B EC144 Gansp																700
DMA DMA14 Ovison Nature Reserve																700
Total: Ukwahlamba District Municipality	1 000			800					50 095	58 288	62 523	50 944	55 617	58 208	62 523	55 361
Total: Ukwahlamba District Municipality	1 000			800					50 095	58 288	62 523	50 944	56 961	61 788	69 523	57 023

Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category Number: Municipality	Building for Sports and Recreation Programme Grant						Municipal Infrastructure Grant (MIG)						Consolidated Municipal Infrastructure Programme Grant						SUB-TOTAL: INFRASTRUCTURE					
	National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year		
	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)
B EC151 Mhizana																								
B EC152 Ntshankulu																								
B EC153 Ngqizwa																								
B EC154 Port St Johns																								
B EC155 Nyandeni																								
B EC156 Mthunzi																								
B EC157 King Sabata Dalindyebo																								
C EC15 O.R. Tambo District Municipality	6 000			4 800			7 940	7 940	7 940	7 940	7 940	7 940	175 002	211 483	217 982									
Total O.R. Tambo Municipalities	6 000			4 800			7 940	7 940	7 940	7 940	7 940	7 940	175 002	211 483	217 982									
B EC1581 Umzimkulu																								
B EC1582 Umzimvuba																								
DMA DMA44 O'Connell's Camp																								
C EC159 Alfred Nzo District Municipality	1 500			1 200			5 281	5 281	5 281	5 281	5 281	5 281	78 999	94 085	102 738									
Total Alfred Nzo Municipalities	1 500			1 200			5 281	5 281	5 281	5 281	5 281	5 281	78 999	94 085	102 738									
Total Eastern Cape Municipalities	22 087			17 660			16 863	16 863	16 863	16 863	16 863	16 863	568 716	687 623	759 962	581 053	605 076	617 008	738 705	743 949	817 008	726 287	751 294	822 430

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Building for Sports and Recreation Programme Grant				Municipal Infrastructure Grant (MIG)						Consolidated Municipal Infrastructure Programme Grant						SUB-TOTAL INFRASTRUCTURE					
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year			
Category Number	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
B															725	1 000	500	985	805	508	
B															2 320	1 000	1 500	260	740	1 523	
B															1 000	2 000	1 500	2 841	1 854		
B															3 683	2 000	3 000	500			
B															65 108	62 768	2 874	2 229	3 045		
C	DC26 Zululand District Municipality	1 517	1 213												72 836	68 766	72 647	64 101	63 451	68 215	
Total: Zululand Municipalities																		71 532	69 138	71 260	
B															800						
B	KZ271 Umhlathayalingana																				
B	KZ272 Isizi																				
B	KZ273 Umsincane																				
B	KZ274 Hlabisa																				
B	KZ275 Isiyala / Mchahaba																				
DMA	DMA27 Si Lucia Park																				
C	DC27 Umkhanyakade District Municipality	1 800	1 440																		
Total: Umkhanyakade Municipalities																					
B	KZ281 Nkononjwe																				
B	KZ282 uMshatuzi																				
B	KZ283 Ntumbanana																				
B	KZ284 Umhalazi																				
B	KZ285 Mthonjaneni																				
B	KZ286 Mandla																				
C	DC28 uThungulu District Municipality	2 000	1 600																		
Total: uThungulu Municipalities																					
B	KZ291 Mandleni																				
B	KZ292 KwaDabeka																				
B	KZ293 Ndawene																				
B	KZ294 Mapumulo																				
C	DC29 King Shaka District Municipality	1 800	1 440																		
Total: King Shaka Municipalities																					
B	KZ301 Ingwe																				
B	KZ302 Kwa-Sani																				
B	KZ303 Matricide																				
B	KZ304 Greater Kosiad																				
B	KZ305 KZ305																				
DMA	DMA33 Mkhosazi Wilderness Area																				
C	DC33 Siyosha District Municipality	2 500	2 000																		
Total: Siyosha Municipalities																					
Total: Kwa-Zulu-Natal Municipalities	21 017		18 413				8 675	8 675	8 675	8 675	8 675	8 675	8 675	8 675	665 516	657 978	718 473	647 335	665 841	791 801	

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Appendix E4: Schedule 6A Allocations (Infrastructure grants) to municipalities by National and Municipal Financial Year

Category/Number Municipality	Building for Sports and Recreation Programme Grant						Municipal Infrastructure Grant (MIG)						Consolidated Municipal Infrastructure Programme Grant						SUB-TOTAL: INFRASTRUCTURE					
	National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year			National Financial Year			Municipal Financial Year		
	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)
NORTH WEST																								
B NW371 Maricela	800			640																				
B NW372 Mafeking	1 000			800																				
B NW373 Roshenburg	1 000			800																				
B NW374 Kgalega/psw																								
B NW375 Mosses Kraai	1 000			800																				
DMA DMA337 Phasheberg National Park																								
C DC37 Bokone Botshaba District Municipality	1 300			1 040																				
Total: Bokone Botshaba Municipalities																								
B NW381 Seta Kgabi	1 000			800																				
B NW382 Tswaing																								
B NW383 Mafeking	1 000			800																				
B NW384 Tschudiweg	1 000			800																				
B NW385 Zeemst	1 000			800																				
C DC38 Central District Municipality																								
Total: Central Municipalities	4 000			3 200																				
B NW391 Kapisaano																								
B NW392 Naledi																								
B NW393 Swartzen Renske																								
B NW394 Greater Tzang																								
B NW395 Malopo																								
B NW396 Lekwa Tsemane	1 300			1 040																				
C DC39 Bophirima District Municipality																								
Total: Bophirima Municipalities	1 300			1 040																				
B NW401 Venersdorp																								
B NW402 Pochedimom	1 154			924																				
B NW403 Kerkdorp																								
B NW404 Mapassu Hills																								
C DC40 Southern District Municipality																								
Total: Southern Municipalities	1 154			924																				
Total: North West Municipalities	10 254			8 204																				
							117 932		115 526		103 648		130 876		127 464		104 696		167 424		159 578		157 164	180 905

Building for Sports and Recreation Programme Grant				Municipal Infrastructure Grant (MIGs)				Consolidated Municipal Infrastructure Programme Grant				SUB-TOTAL INFRASTRUCTURE			
Category/Number	National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		
	2001/04 (R'000)	2002/05 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2005/08 (R'000)	2006/09 (R'000)	2007/10 (R'000)	2008/11 (R'000)	2009/12 (R'000)	2010/13 (R'000)	2011/14 (R'000)	2012/15 (R'000)	2013/16 (R'000)	2014/17 (R'000)	
GAUTENG															
A	1 300		1 040												
A															
A	2 250		1 800												
B															
B	2 200		1 760												
C	2 200		1 760												
Total: Metroswind Municipalities															
B	1 257		1 005												
B	1 750		1 400												
B															
C	3 007		2 405												
Total: Sediberg District Municipality															
B	1 500		1 200												
B	600		480												
B															
B															
DMA															
C	2 000		1 600												
Total: West Rand Municipalities															
Total: Gauteng Municipalities															
Unallocated National Reserves															
National Total															

APPENDIX E5:
SCHEDULE 7A ALLOCATIONS
(INDIRECT GRANTS) TO
MUNICIPALITIES BY
NATIONAL AND MUNICIPAL
FINANCIAL YEAR

Appendix E5: Schedule 7A Allocations (In-direct grants) to municipalities by National and Municipal Financial Year

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Community Based Public Works Programme Grant										Local Government Financial Management Grant						Water Services Operating Subsidy (via augmentation to the Water Trading Account)						Implementation of Water Services Projects (Capital)						SUB-TOTAL: INDIRECT GRANTS					
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year							
2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)	2016/17 (R'000)						
SOUTHERN CAPE																																	
B	NC0181	Gannagata																															
B	NC0182	Nama-Kho																															
B	NC0183	Ngomana																															
B	NC0184	Komana-Mokhele																															
B	NC0185	Kalahari-CHOC																															
B	NC0186	Kalahari-CHOC																															
B	NC0187	Kalahari-CHOC																															
B	NC0188	Kalahari-CHOC																															
B	NC0189	Kalahari-CHOC																															
B	NC0190	Kalahari-CHOC																															
B	NC0191	Kalahari-CHOC																															
B	NC0192	Kalahari-CHOC																															
B	NC0193	Kalahari-CHOC																															
B	NC0194	Kalahari-CHOC																															
B	NC0195	Kalahari-CHOC																															
B	NC0196	Kalahari-CHOC																															
B	NC0197	Kalahari-CHOC																															
B	NC0198	Kalahari-CHOC																															
B	NC0199	Kalahari-CHOC																															
B	NC0200	Kalahari-CHOC																															
Total: Southern Cape Municipalities																																	
Total: Southern Cape Municipalities																																	

[illegible]

Appendix E5: Schedule 7A Allocations (Indirect grants) to municipalities by National and Municipal Financial Year

Community Based Public Works Programme Grant										Local Government Financial Management Grant										Water Services Operating Subsidy (as augmentation to the Water Trading Account)										Implementation of Water Services Projects (Capital)										SUB-TOTAL: INDIRECT GRANTS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
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2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2015/16 (R'000)	2016/17 (R'000)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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Community Based Public Works Programme Grant				Local Government Financial Management Grant				Water Services (Operating Subsidy) via augmentation to the Water Trading Account				Implementation of Water Services Projects (Capital)				SUB-TOTAL: INDIRECT GRANTS			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
Category	Number	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09	2007/08	2008/09
		(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)	(R 000)
KWAZULU-NATAL																			
A	1	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	1	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
C	1	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
Total: Ugu District Municipality																			
B	K/221	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/222	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/223	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/224	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/225	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/226	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/227	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/228	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/229	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/230	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/231	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/232	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/233	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/234	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/235	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/236	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/237	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/238	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/239	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/240	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/241	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/242	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/243	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/244	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/245	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/246	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/247	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/248	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/249	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/250	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/251	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/252	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/253	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/254	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/255	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/256	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/257	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/258	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/259	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/260	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/261	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/262	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/263	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/264	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/265	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/266	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/267	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/268	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/269	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/270	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/271	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/272	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/273	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/274	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/275	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/276	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/277	150	150	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100	2 000	2 100
B	K/278	150	150	2 000	2 100	2 000	2 100	2 000</											

Community Based Public Works Programme Grant				Local Government Financial Management Grant				Water Services Operating Subsidy (via augmentation to the Water Trading Account)				Implementation of Water Services Projects (Capitals)				SUB-TOTAL: INDIRECT GRANTS			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)	2015/16 (R 000)	2016/17 (R 000)
DC26: Zibuland District Municipality																			
Total Zibuland Municipalities																			
B	K/271	Umlalaba-Ingwenisa																	
B	K/272	Arant																	
B	K/273	Umtweni																	
B	K/274	Hobesa																	
B	K/275	Brayla / Mthabatha																	
B	K/276	Umtsh																	
DC28: Umtshingulu District Municipality																			
Total Umtshingulu Municipalities																			
B	K/281	Mthunzini	2 656																
B	K/282	uMkhathuzi	2 656																
B	K/283	Ntambotana																	
B	K/284	Umtshini																	
B	K/285	Mthunzini																	
B	K/286	Mandla																	
DC28: Umtshingulu District Municipality																			
Total uMthungulu Municipalities																			
B	K/291	Mankeni																	
B	K/292	KwaMkhazazi																	
B	K/293	Nqweni																	
B	K/294	Nqweni																	
DC29: King Shaka District Municipality																			
Total King Shaka Municipalities																			
B	K/295	Ipanga																	
B	K/296	Kwa-Sani																	
B	K/297	Mankeni																	
B	K/298	Greater KwaZulu																	
B	K/299	Kwa-Sani																	
DC31: Stanger District Municipality																			
Total Stanger Municipalities																			
DC31: Stanger District Municipality																			
Total KwaZulu-Natal Municipalities																			

Community Based Public Works Programme Grant			Local Government Financial Management Grant				Water Services (Operating Subsidy (via augmentation to the Water Trading Account))				SUB-TOTAL: INDIRECT GRANTS			
Category	Number	Municipality	National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
			2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)	2015/16 (R 000)
J.MPOPO														
B	NP162	Makulueng												
B	NP163	Peek-goo												
B	CH1C1	Greater Mafike Hall												
B	CH1C4	Gobekwal												
B	CH1C5	Greater Tlolele												
B	CH1M3	Schmidstad Nature Reserve												
B	CH1C3	Schikahone Cross Boundary												
Total: Sekakebong Cross Boundary Municipality														
B	NP1M1	Moseng												
B	CH1C6	Bushekskridge												
B	CH1M4	Kruger Park												
B	CH1C4	Robbelen												
Total: Eastern Municipality														
B	NP131	Greater Giyani												
B	NP132	Greater Lesiba												
B	NP133	Greater Tzaneen												
B	NP134	Re Polokwane												
B	NP135	Maple District Municipality												
Total: Maple District Municipality														
B	NP141	Mosina												
B	NP142	Mutle												
B	NP143	Thebyodana Malamulele												
B	NP144	Mphahlele												
B	NP145	Vukile District Municipality												
Total: Vukile District Municipality														
B	NP151	Bisberg												
B	NP152	Ayamung												
B	NP153	Mokolele												
B	NP154	Polokwane												
B	NP155	Lepelle-Nkomo												
B	NP156	Cape Town District Municipality												
Total: Cape Town District Municipality														
B	NP161	Thabazimbi												
B	NP162	Lephalale												
B	NP164	Mogale City												
B	NP165	Mokone												
B	NP166	Bot Bot												
B	NP167	Mogale City												
B	NP168	Wentworth District Municipality												
Total: Wentworth District Municipality														
Unlocated														
Total: Jampopo Municipalities														

Appendix E5: Schedule 7A Allocations (In-direct grants) to municipalities by National and Municipal Financial Year

Community Based Public Works Programme Grant				Local Government Financial Management Grant				Water Services Operating Subsidy (via augmentation to the Water Trading Account)				Implementation of Water Services Projects (Capital)				SUB-TOTAL: INDIRECT GRANTS			
National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
2003/04 (R'000)	2004/05 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)	2003/06 (R'000)	2004/07 (R'000)
NORTH WEST																			
B	NW371	Merende														13 500	12 000	13 300	13 125
B	NW372	Maikong														4 010	6 800	9 000	4 708
B	NW373	Rosengrub														2 300	3 300	3 400	2 550
B	NW374	Kgetlengrivier																	3 125
B	NW375	Moses Krane														5 400	10 800	9 800	6 750
C	DMA37	Plainsberg National Park																	10 500
C	DC37	Bakone Botshaba District Municipality														25 710	32 900	35 500	27 133
Total: Bakone Botshaba Municipality																			
B	NW381	Sella Kgabi																	
B	NW382	Tswaing																	
B	NW383	Maikong																	
B	NW384	Lothengburg																	
B	NW385	Zeeuws																	
C	DC38	Central District Municipality														25 710	32 900	35 500	27 133
Total: Central District Municipality																			
B	NW391	Kagiso																	
B	NW392	Naledi																	
B	NW393	Schweizer Ronde																	
B	NW394	Greater Tzane																	
B	NW395	Molopo																	
B	NW396	Lesha-Tsemane																	
C	DC39	Bojale District Municipality														16 900	19 800	22 010	17 272
Total: Bojale District Municipality																			
B	NW401	Venterdorp																	
B	NW402	Pochefstroom																	
B	NW403	Kerkdorp																	
B	NW404	Magatso Hills																	
C	DC40	Southern District Municipality														370	500	300	401
Total: Southern District Municipality																			
B		Unallocated																	
Total: North West Municipalities																			

Community Based Public Works Programme Grant				Local Government Financial Management Grant				Water Services Operating Subsidy (via augmentation to the Water Trading Account)				Implementation of Water Services Projects (Capital)				SUB-TOTAL: INDIRECT GRANTS			
Category	Number	Municipality	National Financial Year (R'000)	Municipal Financial Year (R'000)	National Financial Year (R'000)	Municipal Financial Year (R'000)	National Financial Year (R'000)	Municipal Financial Year (R'000)	National Financial Year (R'000)	Municipal Financial Year (R'000)	National Financial Year (R'000)		Municipal Financial Year (R'000)		National Financial Year (R'000)		Municipal Financial Year (R'000)		
											2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	
GAUTENG																			
A		Kororua																	
A		Johnsburg																	
A		Tshane			15 596	15 410	16 200	15 940	15 530	16 490									
B		GTCH1									2906	2527	2913	2907	2905				
B		CBLC2									5 100	4 650	5 087	5 296	4 715	5 007			
C		CBLC2									3 819	4 534	4 994	4 803	5 454				
Total: West Rand Municipalities																			
B		GT421									20	17	18	19	17	18			
B		GT422									20	17	18	19	17	18			
B		GT423																	
Total: Sediberg Municipalities																			
B		GT411									245	271	231	280	216	231			
B		GT412									245	271	231	280	216	231			
B		GT414																	
B		CBLC8																	
B		DMAX1																	
B		ST410																	
C		CBLC8									2600	224	245	235	227	235			
Total: West Rand Municipalities																			
Total: Gauteng Municipalities																			
Allocation to DBSA - Inter-Regional Technical Assistance Programme																			
Allocated National Reserves																			
National Total																			

APPENDIX E6:
TOTAL ALLOCATIONS BY
NATIONAL AND MUNICIPAL
FINANCIAL YEAR:
EQUITABLE SHARE (SCHEDULE 3) +
RECURRENT (SCHEDULE 6) +
INFRASTRUCTURE (SCHEDULE 6A) +
INDIRECT GRANTS (SCHEDULE 7A)

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable Share (Schedule 3) + Recurrent (Schedule 3) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

GRAND TOTAL: (EQUITABLE SHARE AND CONDITIONAL GRANTS)									
(Schedules 3, 6, 6A and 7A)									
Category	Number	Municipality	Equitable Share (Schedule 3)			National Financial Year			
			2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)
WESTERN CAPE									
A		Cape Town	159 992	167 008	169 338	151 553	156 425	162 429	
B	WC011	MatrKana	5 417	6 130	6 586	5 181	5 766	6 128	
B	WC012	Cederberg	4 310	4 918	5 201	4 185	4 638	5 083	
B	WC013	Bergvlei	5 313	3 892	4 253	3 253	1 618	4 080	
B	WC014	Saldanha Bay	2 464	2 650	2 711	2 374	2 485	2 600	
B	WC015	Swartland	5 972	6 555	7 188	5 777	6 367	6 903	
DMA	DMA01	West Coast DMA							
C	DC 1	West Coast District Municipality	1 485	1 083	1 034	1 062	1 005	989	
Total: West Coast Municipalities			28 861	25 486	27 064	21 832	23 917	25 922	
B	WC022	Witzkeberg	7 313	8 634	9 396	7 269	8 130	8 594	
B	WC023	Draakstein	11 856	12 879	13 363	11 439	12 099	12 821	
B	WC024	Stellenbosch	6 954	7 885	8 399	7 435	8 066	8 606	
B	WC025	Breda Valley	11 288	12 732	13 461	10 982	12 066	12 913	
B	WC026	Breda River/Windlands	7 169	7 982	8 464	6 875	7 518	8 127	
DMA	DMA02	Breda River DMA							
C	DC 2	Boland District Municipality	2 083	1 785	1 875	1 605	1 671	1 800	
Total: Boland Municipalities			46 864	51 893	54 910	44 709	48 871	52 730	
B	WC031	Theewaterskloof	7 642	9 016	9 847	7 493	8 526	9 468	
B	WC032	Overstrand	3 414	3 683	3 781	3 294	3 455	3 626	
B	WC033	Cape Agulhas	1 982	2 279	2 422	1 963	2 147	2 326	
B	WC034	Swartland	3 449	3 912	4 207	3 364	3 707	4 041	
DMA	DMA03	Overberg DMA							
C	DC 3	Overberg District Municipality	811	412	290	537	385	272	
Total: Overberg Municipalities			17 297	19 344	20 516	16 662	18 229	19 730	
B	WC041	Kamaland	3 608	4 080	4 365	3 496	3 845	4 192	
B	WC042	Langeberg	3 378	3 769	4 042	3 236	3 553	3 883	
B	WC043	Mossel Bay	3 522	3 814	3 935	3 389	3 581	3 774	
B	WC044	George	6 288	6 640	6 752	6 001	6 236	6 473	
B	WC045	Chalkdown	4 390	4 676	4 798	4 187	4 385	4 602	
B	WC047	Plettenberg Bay	2 981	3 278	3 419	2 882	3 080	3 281	
B	WC048	Krysta	3 972	4 160	4 216	3 769	3 895	4 043	
DMA	DMA04	South Cape DMA							
C	DC 4	Garden Route / Klein Karoo District Municipality	2 669	2 430	2 498	2 182	2 267	2 306	
Total: Garden Route / Klein Karoo Municipalities			30 864	32 836	34 025	29 122	30 827	32 643	
B	WC051	Langeberg	2 343	2 442	2 509	2 174	2 292	2 406	
B	WC052	Prince Albert	2 792	2 966	3 075	2 621	2 780	2 930	
B	WC053	Beaufort West	3 226	3 518	3 641	3 116	3 304	3 493	
DMA	DMA05	Central Karoo DMA							
C	DC 5	Central Karoo District Municipality	2 639	2 654	2 682	2 602	2 618	2 646	
Total: Central Karoo Municipalities			13 290	14 581	15 052	12 957	13 680	14 439	
Total: Western Cape Municipalities			291 862	311 072	320 586	278 660	293 969	307 883	

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable share (Schedule 3) + Recurrent (Schedule 3) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

GRAND TOTAL: (EQUITABLE SHARE AND CONDITIONAL GRANTS)									
(Schedules 3, 6, 6A and 7A)									
Category	Number	Municipalities	National Financial Year			Municipal Financial Year			Municipal Financial Year
			2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	
NORTHERN CAPE									
B	NC011	Gannagana	4 517	5 118	5 313	1 417	4 816	5 126	5 126
B	NC012	Seyouana	15 129	17 665	19 975	11 321	16 712	23 667	26 776
B	NC013	Kommun Modibesadi	11 226	13 636	15 017	11 320	12 980	16 770	18 170
DMA	NC014	Kalahari CHD						18 607	6 201
C	NC015	Kalahari CHD	14 811	16 503	17 294	14 107	15 538	17 097	18 138
Total: Kalahari-Kgalagadi Cross Border Municipalities			16 511	52 932	58 151	11 298	50 016	81 511	137 411
B	NC061	Pekwase	3 073	3 275	3 135	2 856	3 081	3 101	3 517
B	NC062	Nama Khoi	6 405	7 520	8 213	6 281	7 107	7 935	7 935
B	NC063	Kameberg	3 879	4 082	4 553	3 905	3 876	4 081	4 081
B	NC064	Hantam	6 000	6 535	6 810	5 710	6 115	6 533	6 533
B	NC065	Karoo Hoofstad	4 607	4 998	5 235	4 361	4 701	5 021	5 021
B	NC066	Karoo Ma	3 698	3 772	3 515	2 920	3 175	3 403	3 403
DMA	NC067	Karoo DMA							
C	NC068	Namaqualand District Municipality	2 375	2 466	2 666	2 082	2 328	2 565	2 565
Total: Namaqualand District Municipality			20 427	22 349	24 190	17 811	20 361	22 830	24 887
B	NC071	Uitenhage	5 867	6 711	7 037	5 611	6 176	7 106	7 106
B	NC072	Uitenhage	7 115	8 099	8 416	7 087	7 615	8 099	8 099
B	NC073	Franschoek	8 571	9 119	9 569	8 151	8 553	8 955	8 955
B	NC074	Karoo	4 279	4 602	4 799	4 036	4 376	4 605	4 605
B	NC075	Rensselaersburg	4 200	4 486	4 643	3 963	4 211	4 451	4 451
B	NC076	Thembuland	4 221	4 471	4 606	3 969	4 197	4 418	4 418
B	NC077	Priensmeyer	5 703	6 176	6 417	5 412	5 806	6 157	6 157
B	NC078	Siyanda	8 091	10 138	10 866	8 569	9 569	10 517	10 517
DMA	NC079	Karoo DMA							
C	NC080	Karoo District Municipality	3 928	3 613	3 078	3 156	3 398	3 826	3 826
Total: Karoo District Municipality			51 158	57 449	60 609	49 956	54 055	58 187	58 187
B	NC081	Mier	3 202	3 340	3 422	2 991	3 132	3 282	3 282
B	NC082	Nama Khoi	10 161	11 711	12 816	9 791	11 088	12 349	12 349
B	NC083	Gauteng	8 810	9 739	10 217	8 508	9 159	9 807	9 807
B	NC084	Karoo	4 262	4 683	4 973	4 036	4 411	4 776	4 776
B	NC085	Re A Jopla	6 352	6 938	7 164	6 098	6 510	6 875	6 875
B	NC086	Dan Linn	4 569	4 907	5 041	4 369	4 592	4 839	4 839
DMA	NC087	Siyanda DMA							
C	NC088	Siyanda District Municipality	3 691	3 626	4 073	3 130	3 415	3 920	3 920
Total: Siyanda District Municipality			41 052	44 940	47 742	38 903	42 307	45 847	45 847
B	NC091	Sol Plaatjes	26 882	28 288	29 001	25 395	26 529	27 812	27 812
B	NC092	Digdalong	10 792	11 756	12 287	10 267	11 057	11 792	11 792
B	NC093	Mogareng	7 372	7 939	8 166	7 011	7 457	7 832	7 832
B	NC094	Vaalburg	14 046	16 385	16 921	14 304	15 305	16 235	16 235
DMA	NC095	Diamondfields							
C	NC096	Franschoek District Municipality	1 778	1 652	1 810	1 368	1 562	1 730	1 730
Total: Diamondfields District Municipality			61 771	65 920	68 214	58 345	61 901	65 441	65 441
Total: Northern Cape Municipalities			231 922	251 480	268 909	219 313	238 540	258 317	258 317

GRAND TOTAL: (EQUITABLE SHARE AND CONDITIONAL GRANTS)									
(Schedules 3, 6, 6A and 7A)									
Category	Number	Municipalities	National Financial Year			Municipal Financial Year			Municipal Financial Year
			2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	
NORTHERN CAPE									
B	NC011	Gannagana	4 517	5 118	5 313	1 417	4 816	5 126	5 126
B	NC012	Seyouana	15 129	17 665	19 975	11 321	16 712	23 667	26 776
B	NC013	Kommun Modibesadi	11 226	13 636	15 017	11 320	12 980	16 770	18 170
DMA	NC014	Kalahari CHD						18 607	6 201
C	NC015	Kalahari CHD	14 811	16 503	17 294	14 107	15 538	17 097	18 138
Total: Kalahari-Kgalagadi Cross Border Municipalities			16 511	52 932	58 151	11 298	50 016	81 511	137 411
B	NC061	Pekwase	3 073	3 275	3 135	2 856	3 081	3 101	3 517
B	NC062	Nama Khoi	6 405	7 520	8 213	6 281	7 107	7 935	7 935
B	NC063	Kameberg	3 879	4 082	4 553	3 905	3 876	4 081	4 081
B	NC064	Hantam	6 000	6 535	6 810	5 710	6 115	6 533	6 533
B	NC065	Karoo Hoofstad	4 607	4 998	5 235	4 361	4 701	5 021	5 021
B	NC066	Karoo Ma	3 698	3 772	3 515	2 920	3 175	3 403	3 403
DMA	NC067	Karoo DMA							
C	NC068	Namaqualand District Municipality	2 375	2 466	2 666	2 082	2 328	2 565	2 565
Total: Namaqualand District Municipality			20 427	22 349	24 190	17 811	20 361	22 830	24 887
B	NC071	Uitenhage	5 867	6 711	7 037	5 611	6 176	7 106	7 106
B	NC072	Uitenhage	7 115	8 099	8 416	7 087	7 615	8 099	8 099
B	NC073	Franschoek	8 571	9 119	9 569	8 151	8 553	8 955	8 955
B	NC074	Karoo	4 279	4 602	4 799	4 036	4 376	4 605	4 605
B	NC075	Rensselaersburg	4 200	4 486	4 643	3 963	4 211	4 451	4 451
B	NC076	Thembuland	4 221	4 471	4 606	3 969	4 197	4 418	4 418
B	NC077	Priensmeyer	5 703	6 176	6 417	5 412	5 806	6 157	6 157
B	NC078	Siyanda	8 091	10 138	10 866	8 569	9 569	10 517	10 517
DMA	NC079	Karoo DMA							
C	NC080	Karoo District Municipality	3 928	3 613	3 078	3 156	3 398	3 826	3 826
Total: Karoo District Municipality			51 158	57 449	60 609	49 956	54 055	58 187	58 187
B	NC081	Mier	3 202	3 340	3 422	2 991	3 132	3 282	3 282
B	NC082	Nama Khoi	10 161	11 711	12 816	9 791	11 088	12 349	12 349
B	NC083	Gauteng	8 810	9 739	10 217	8 508	9 159	9 807	9 807
B	NC084	Karoo	4 262	4 683	4 973	4 036	4 411	4 776	4 776
B	NC085	Re A Jopla	6 352	6 938	7 164	6 098	6 510	6 875	6 875
B	NC086	Dan Linn	4 569	4 907	5 041	4 369	4 592	4 839	4 839
DMA	NC087	Siyanda DMA							
C	NC088	Siyanda District Municipality	3 691	3 626	4 073	3 130	3 415	3 920	3 920
Total: Siyanda District Municipality			41 052	44 940	47 742	38 903	42 307	45 847	45 847
B	NC091	Sol Plaatjes	26 882	28 288	29 001	25 395	26 529	27 812	27 812
B	NC092	Digdalong	10 792	11 756	12 287	10 267	11 057	11 792	11 792
B	NC093	Mogareng	7 372	7 939	8 166	7 011	7 457	7 832	7 832
B	NC094	Vaalburg	14 046	16 385	16 921	14 304	15 305	16 235	16 235
DMA	NC095	Diamondfields							
C	NC096	Franschoek District Municipality	1 778	1 652	1 810	1 368	1 562	1 730	1 730
Total: Diamondfields District Municipality			61 771	65 920	68 214	58 345	61 901	65 441	65 441
Total: Northern Cape Municipalities			231 922	251 480	268 909	219 313	238 540	258 317	258 317

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable share (Schedule 3) + Recurrent (Schedule 6) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

Category		Equitable Share (Schedule 3)				National Financial Year				Municipal Financial Year			
		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year		National Financial Year		Municipal Financial Year	
		2001/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2001/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2001/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)
EASTERN CAPE													
A		149 300	155 746	158 233	141 799	145 708	151 702	151 702	141 799	217 016	224 767	236 693	230 337
B		7 571	8 321	8 578	7 383	7 811	8 228	8 228	7 383	8 528	9 571	9 578	9 243
B		9 592	10 393	10 716	9 244	9 754	10 319	10 319	9 244	11 348	12 415	12 276	11 801
B		3 840	4 077	4 192	3 631	3 826	4 021	4 021	3 631	4 460	4 077	4 028	3 826
B		13 843	15 349	15 938	13 461	14 418	15 929	15 929	13 461	14 593	15 259	16 028	15 383
B		10 693	12 065	12 863	11 821	12 319	13 813	13 813	11 821	11 469	12 065	12 742	12 012
B		4 657	4 958	5 116	4 420	4 652	4 907	4 907	4 420	5 174	5 405	5 693	5 287
B		9 577	10 740	11 119	9 371	10 101	10 827	10 827	9 371	12 317	12 740	13 279	12 500
B		6 387	7 415	8 113	6 185	7 049	7 799	7 799	6 185	7 415	8 113	8 363	7 809
DMA		6 012	4 549	3 935	4 882	4 167	3 749	3 749	4 882	51 030	38 625	37 872	37 832
DMA		83 992	90 868	94 310	80 444	85 326	90 486	90 486	80 444	137 125	132 358	136 920	133 588
Total: Eastern Cape Municipalities		420 413	487 226	518 583	396 147	461 801	527 996	527 996	396 147	666 568	712 325	817 965	798 381
B		7 861	8 109	8 388	7 120	7 622	8 046	8 046	7 120	9 981	11 649	11 649	8 843
B		7 872	8 642	8 788	7 169	7 622	8 046	8 046	7 169	7 872	8 642	8 788	8 046
B		5 119	5 371	5 567	4 476	5 053	5 340	5 340	4 476	5 119	5 371	5 567	5 340
B		25 345	24 727	24 846	22 625	23 129	23 810	23 810	22 625	27 785	24 727	24 846	23 810
B		37 313	41 979	48 098	33 451	39 872	46 312	46 312	33 451	37 663	42 229	48 098	46 312
B		22 759	25 044	27 930	20 469	23 724	26 867	26 867	20 469	24 209	27 344	32 353	34 222
B		25 732	28 599	32 540	22 979	27 140	31 324	31 324	22 979	25 982	28 599	32 796	31 574
B		10 270	10 792	11 530	9 235	10 173	11 074	11 074	9 235	10 270	10 792	11 530	11 324
DMA		78 798	113 203	139 926	80 290	108 730	115 057	115 057	80 290	238 414	268 258	302 439	298 261
DMA		221 071	266 466	308 768	208 014	253 616	296 908	296 908	208 014	387 357	428 821	479 041	468 467
Total: Chris Hani Municipalities		26 108	29 131	32 640	23 811	27 596	31 403	31 403	23 811	26 898	31 631	39 890	38 758
B		23 046	26 479	29 827	21 189	25 066	28 704	28 704	21 189	23 046	26 479	29 827	28 704
B		6 183	6 459	6 668	5 701	6 068	6 396	6 396	5 701	6 755	7 709	8 668	8 046
B		6 246	6 655	6 932	5 778	6 263	6 631	6 631	5 778	6 246	6 655	6 932	6 631
DMA		43 562	55 858	65 617	43 072	53 279	63 232	63 232	43 072	148 306	151 808	165 710	163 715
Total: Ukhahlamba Municipalities		105 132	124 513	141 083	99 552	118 222	136 387	136 387	99 552	211 240	221 714	249 027	244 224
B		15 133	39 031	44 718	31 061	31 036	43 027	43 027	31 061	35 133	39 281	44 718	43 077
B		22 086	24 253	27 582	19 517	21 012	26 552	26 552	19 517	22 086	24 253	27 582	26 802
B		37 861	41 749	47 766	33 191	39 638	45 981	45 981	33 191	37 861	41 749	47 766	45 981
B		25 647	28 309	32 228	22 727	26 867	31 024	31 024	22 727	26 647	28 309	32 478	31 274
B		42 972	47 739	54 813	37 963	45 151	52 782	52 782	37 963	42 972	47 739	54 813	52 782
B		33 101	36 625	41 734	29 171	34 763	40 174	40 174	29 171	33 101	36 625	41 734	40 174
B		60 851	66 342	74 325	51 104	62 864	71 309	71 309	51 104	60 851	66 342	74 325	72 509
DMA		147 908	223 644	284 751	105 644	125 442	175 045	175 045	105 644	467 891	529 186	619 144	619 174
Total: O.R. Tambo Municipalities		405 560	507 690	607 921	381 880	483 909	586 203	586 203	381 880	739 353	823 533	943 068	923 822
B		27 357	30 536	34 631	24 650	28 964	33 333	33 333	24 650	27 357	30 536	34 631	33 333
B		6 961	72 899	83 839	57 866	69 266	80 736	80 736	57 866	6 961	72 899	83 839	80 736
DMA		60 285	86 362	108 596	60 931	82 989	104 879	104 879	60 931	182 977	211 528	242 415	239 337
Total: Alfred Nzo Municipalities		151 603	189 797	227 066	143 447	181 219	218 940	218 940	143 447	274 295	315 213	361 135	353 656
Total: Eastern Cape Municipalities		1 517 070	1 822 307	2 066 169	1 451 283	1 740 921	2 008 632	2 008 632	1 451 283	2 652 972	2 881 729	3 224 851	3 152 646

(Schedules 3, 6, 6A and 7A)

GRAND TOTAL: (EQUITABLE SHARE AND (CONDITIONAL GRANTS)																
(Schedules A, 6, 6A and 7A)																
Category		Equitable Share (Schedule 3)					National Financial Year					Municipal Financial Year				
		National Financial Year					National Financial Year					Municipal Financial Year				
		2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)
FREE STATE																
B	ES161	10 713	11 998	12 790	10 784	11 907	12 213	12 720	10 284	11 557	12 213					
B	ES162	14 754	16 301	17 214	14 209	15 428	16 523	18 214	15 709	16 428	17 573					
B	ES163	14 625	17 713	17 713	14 625	15 621	17 013	17 963	14 092	15 621	17 263					
B	ES164	3 560	3 549	3 405	3 093	3 111	3 265	3 706	13 098	14 824	13 593					
19-16. Sharpe District Municipality		41 462	48 300	51 052	41 586	45 197	50 014	62 603	53 183	58 430	60 591					
Total: Xhariep Municipalities		226 299	227 276	223 431	213 552	211 907	213 935	308 852	336 272	291 431	299 633					
Total: Northern Free State Municipalities																
B	ES181	21 004	26 043	27 659	22 309	24 545	26 558	27 658	22 309	24 795	26 558					
B	ES182	10 783	12 013	12 778	10 332	11 317	12 270	13 028	10 783	11 317	12 520					
B	ES183	18 512	20 929	22 335	17 875	19 732	21 585	22 585	17 875	19 732	21 701					
B	ES184	106 034	117 493	123 019	102 708	110 185	118 068	129 822	125 532	137 411	147 917					
B	ES185	26 789	29 464	30 907	25 801	27 701	29 666	30 214	25 931	28 571	30 681					
C	DC18	2 535	1 613	1 071	2 055	1 438	1 007	32 594	31 762	32 669	31 681					
Total: Lepellekwa District Municipality		187 668	207 553	217 767	181 079	195 210	209 029	279 642	234 190	254 495	271 056					
Total: Thabo Mafeseng District Municipality																
B	ES191	32 092	38 385	42 388	31 693	36 322	40 760	42 638	31 694	36 322	41 010					
B	ES192	22 876	25 853	27 410	22 333	24 343	26 358	27 410	22 833	24 343	26 358					
B	ES193	22 291	25 150	27 050	21 732	23 899	25 979	27 050	21 732	24 149	25 979					
B	ES194	112 538	126 812	137 790	108 617	119 533	132 415	142 888	125 532	137 411	147 917					
B	ES195	13 182	14 670	15 589	12 703	13 810	14 971	15 839	12 703	13 810	15 221					
C	DMA19	19 273	13 254	13 487	15 482	11 988	12 950	88 502	89 937	88 065	93 809					
Total: Thabo Mafeseng District Municipality		222 252	244 333	263 752	212 262	229 886	253 453	387 679	353 307	373 886	402 730					
Total: Northern Free State District Municipalities																
B	ES201	37 095	41 265	43 599	35 837	38 833	41 859	44 599	37 480	38 860	42 874					
B	ES202	35 056	37 650	38 979	33 687	35 310	37 367	39 426	35 499	37 017	39 224					
B	ES203	19 410	20 974	21 660	18 611	19 687	20 767	21 660	21 436	23 360	25 223					
B	ES205	16 013	17 490	18 328	15 368	16 438	17 502	18 328	16 460	17 058	17 502					
C	DC20	1 771	1 127	748	1 436	1 005	703	29 470	29 095	33 915	34 336					
Total: Northern Free State District Municipalities		109 341	118 506	123 324	104 950	111 273	118 338	164 059	139 970	151 209	159 249					
Unallocated																
									2 800							
									1 119 162							
									1 129 251							
									1 192 762							

GRAND TOTAL: (EQUITABLE SHARE AND CONDITIONAL GRANTS)									
(Schedules 3, 6, 6A and 7A)									
Category	Number	National Financial Year			Municipal Financial Year			Municipal Financial Year	
		2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2005/06 (R'000)
KWAZULU NATAL									
A	eThekweni	370 464	378 522	379 176	348 748	353 169	363 320	506 195	541 141
B	KZ211 Vukani	11 506	12 965	14 362	10 551	12 066	14 014	10 551	12 306
B	KZ212 Umkomaas	3 970	4 040	4 128	3 788	4 196	4 931	3 788	4 646
B	KZ213 Umkomaas	15 713	18 050	20 427	14 576	17 130	19 660	15 600	20 089
B	KZ214 Umkomaas	9 751	11 024	12 285	9 018	10 187	11 817	9 248	10 438
B	KZ215 Umkomaas	6 408	7 215	7 910	5 946	6 827	7 664	6 016	6 827
B	KZ216 Umkomaas	11 608	13 235	14 920	10 920	12 525	14 400	11 420	12 525
C	DC 21 Ugu District Municipality	35 291	46 203	56 852	33 672	44 267	54 880	138 401	160 843
Total: Ugu Municipalities		91 013	113 349	131 673	88 505	107 850	126 862	194 814	236 900
B	KZ221 uMkhomoti	9 815	10 264	11 051	8 420	10 035	11 302	8 420	10 035
B	KZ222 uMkhomoti	7 285	6 524	6 010	6 530	6 034	5 749	7 416	7 393
B	KZ223 uMkhomoti	3 250	3 476	3 680	2 994	3 274	3 535	3 394	3 524
B	KZ224 uMkhomoti	4 086	4 216	4 497	3 611	3 974	4 319	3 871	4 260
B	KZ225 uMkhomoti	75 090	72 666	68 912	71 000	67 419	65 891	133 991	94 070
B	KZ226 uMkhomoti	4 958	5 223	5 701	4 347	4 938	5 551	4 347	4 938
B	KZ227 uMkhomoti	7 162	8 579	9 441	7 083	8 118	9 071	7 083	8 118
DMA	DMA22 Highway/ Roadside Park		33 300	43 577	21 610	32 240	42 134	134 557	133 767
C	DC 22 uMkhomoti District Municipality	21 625	144 517	153 768	125 594	136 020	147 644	303 109	285 577
Total: uMkhomoti Municipalities		135 232	144 517	153 768	125 594	136 020	147 644	303 109	285 577
B	KZ232 Emantsheni	12 397	11 220	10 824	10 094	10 431	10 354	16 219	13 040
B	KZ233 Indaba	8 729	9 848	10 758	8 251	9 364	10 341	8 954	9 944
B	KZ234 uMkhomoti	7 240	6 508	5 889	6 658	6 001	5 620	12 388	8 720
B	KZ235 uMkhomoti	8 816	9 990	10 916	8 382	9 447	10 315	8 862	9 947
B	KZ236 uMkhomoti	7 895	9 074	10 042	7 478	8 389	9 637	7 778	8 589
DMA	DMA23 Grants Centre Reserve		23 197	26 389	20 337	21 807	25 612	75 221	72 006
C	DC 23 uMkhomoti District Municipality	21 573	69 818	75 035	61 980	65 569	72 097	126 939	121 097
Total: uMkhomoti Municipalities		66 070	69 818	75 035	61 980	65 569	72 097	126 939	121 097
B	KZ241 Endumeni	3 077	3 182	3 290	2 812	2 969	3 136	3 585	4 655
B	KZ242 Ngqulu	13 305	14 219	15 089	12 436	13 371	14 490	13 607	15 023
B	KZ243 uMkhomoti	18 146	20 881	23 619	16 923	19 798	22 732	17 844	21 277
B	KZ245 uMkhomoti	12 754	15 151	17 086	12 128	14 386	16 464	12 428	14 636
C	DC 24 uMkhomoti District Municipality	11 823	38 980	46 176	30 618	41 077	44 509	121 422	126 917
Total: uMkhomoti Municipalities		82 305	92 416	105 275	74 918	87 630	101 530	168 585	182 539
B	KZ252 Newcarde	28 178	26 774	25 124	26 362	24 817	24 011	37 417	38 227
B	KZ253 Urechi	3 240	3 405	3 598	2 946	3 206	3 451	4 138	4 225
B	KZ254 Dambosce	7 657	8 290	9 147	6 869	7 841	8 795	6 869	7 841
C	DC 25 Amajuba District Municipality	5 838	6 825	7 946	5 302	6 487	7 625	27 953	26 030
Total: Amajuba Municipalities		44 913	45 295	45 813	41 579	42 351	42 916	75 377	75 322

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable share (Schedule 3) + Recurrent (Schedule 6) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

Equitable Share (Schedule 3)									
Category	Number	Municipalities	National Financial Year			Municipal Financial Year			
			2001/02 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	
B	KZ261	eDunbe	5 739	6 403	6 956	5 081	6 017	6 670	
B	KZ262	eThekweni	9 875	10 667	11 362	9 174	10 050	10 941	
B	KZ263	Albany	10 651	11 070	11 157	9 012	10 378	10 955	
B	KZ265	Nongoma	11 998	15 947	17 116	13 715	15 009	16 444	
B	KZ266	Phondo	17 167	17 563	18 491	15 037	16 438	17 341	
C	DC26	Zululand District Municipality	35 510	37 963	42 527	33 116	35 702	40 928	
		Total: Zululand Municipalities	93 714	99 603	107 533	87 267	93 330	103 128	
B	KZ271	Umkhanyakude	12 412	13 081	13 870	11 070	13 177	14 070	
B	KZ272	IsiManteni	14 501	16 011	17 367	13 264	15 116	17 088	
B	KZ273	Umgencu	4 001	4 250	4 515	3 665	4 012	4 355	
B	KZ274	Uthukela	11 106	12 231	13 555	10 104	11 571	13 066	
B	KZ275	IsiManteni	5 323	5 011	4 952	4 711	4 303	4 711	
DMA	DMA27	St Lucia Park	32 371	38 430	44 025	31 253	36 415	42 492	
C	DC27	Umkhanyakude District Municipality	79 737	89 904	100 402	74 417	85 052	96 592	
		Total: Umkhanyakude Municipalities	210 883	238 430	268 812	196 337	221 127	249 416	
B	KZ281	Mthunzi	7 473	8 320	9 171	6 907	7 838	8 818	
B	KZ282	uMhlabuyi	22 242	19 051	17 353	19 440	17 535	16 565	
B	KZ283	Ntshongweni	5 830	6 027	6 469	5 142	5 684	6 214	
B	KZ284	Uthukela	16 273	17 741	19 311	15 054	16 730	18 508	
B	KZ285	Ntshongweni	4 443	5 335	5 685	4 611	5 034	5 460	
B	KZ286	Nkandla	12 512	14 670	16 987	11 515	12 908	14 409	
C	DC28	uThungulu District Municipality	21 391	28 487	36 161	21 019	27 262	34 940	
		Total: uThungulu Municipalities	90 155	98 651	109 144	83 085	93 078	104 973	
B	KZ291	Manteni	15 248	15 850	16 679	13 862	14 904	16 011	
B	KZ292	KwaManteni	18 529	19 785	21 047	16 813	18 664	20 206	
B	KZ293	Nkandla	14 804	16 763	18 908	13 522	15 901	18 195	
B	KZ294	Mphumulo	13 213	14 725	16 566	11 977	13 957	15 949	
C	DC29	King Shaka District Municipality	27 135	40 739	52 350	27 484	39 302	50 590	
		Total: King Shaka Municipalities	89 049	107 862	125 541	81 658	102 727	120 942	
B	KZ301	Ingwe	11 311	12 674	13 555	10 300	12 014	13 717	
B	KZ302	Kwa-Seni	3 651	4 019	4 364	3 365	3 798	4 191	
B	KZ303	Manteni	2 879	3 078	3 267	2 609	2 796	2 931	
B	KZ304	Greater Kwa-Seni	6 809	7 063	7 327	6 182	6 641	7 090	
B	KZ305	KZ305	10 333	11 629	13 028	9 435	11 014	12 535	
DMA	DMA31	Mkomazi Wilderness Area	16 161	23 902	29 663	16 962	22 956	28 635	
C	DC31	Sisonke District Municipality	51 134	62 257	71 163	48 893	59 219	69 111	
		Total: Sisonke Municipalities	119 584	140 051	155 146	106 752	126 534	147 869	
		Total: KwaZulu-Natal Municipalities	1 195 384	1 302 243	1 405 141	1 119 159	1 226 924	1 350 173	

Schedules 3, 6, 6A and 7A									
Category	Number	Municipalities	National Financial Year			Municipal Financial Year			
			2001/02 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	
B	KZ306	Ingwe	6 151	7 103	7 700	5 875	6 912	7 437	
B	KZ307	Ingwe	9 875	11 017	11 983	9 174	10 050	10 941	
B	KZ308	Albany	10 651	11 070	11 157	9 012	10 378	10 955	
B	KZ309	Nongoma	11 998	15 947	17 116	13 715	15 009	16 444	
B	KZ310	Phondo	17 167	17 563	18 491	15 037	16 438	17 341	
C	DC30	Zululand District Municipality	35 510	37 963	42 527	33 116	35 702	40 928	
		Total: Zululand Municipalities	93 714	99 603	107 533	87 267	93 330	103 128	
B	KZ311	Umkhanyakude	12 412	13 081	13 870	11 070	13 177	14 070	
B	KZ312	IsiManteni	14 501	16 011	17 367	13 264	15 116	17 088	
B	KZ313	Umgencu	4 001	4 250	4 515	3 665	4 012	4 355	
B	KZ314	Uthukela	11 106	12 231	13 555	10 104	11 571	13 066	
B	KZ315	IsiManteni	5 323	5 011	4 952	4 711	4 303	4 711	
DMA	DMA27	St Lucia Park	32 371	38 430	44 025	31 253	36 415	42 492	
C	DC27	Umkhanyakude District Municipality	79 737	89 904	100 402	74 417	85 052	96 592	
		Total: Umkhanyakude Municipalities	210 883	238 430	268 812	196 337	221 127	249 416	
B	KZ316	Mthunzi	7 473	8 320	9 171	6 907	7 838	8 818	
B	KZ317	uMhlabuyi	22 242	19 051	17 353	19 440	17 535	16 565	
B	KZ318	Ntshongweni	5 830	6 027	6 469	5 142	5 684	6 214	
B	KZ319	Uthukela	16 273	17 741	19 311	15 054	16 730	18 508	
B	KZ320	Ntshongweni	4 443	5 335	5 685	4 611	5 034	5 460	
B	KZ321	Nkandla	12 512	14 670	16 987	11 515	12 908	14 409	
C	DC28	uThungulu District Municipality	21 391	28 487	36 161	21 019	27 262	34 940	
		Total: uThungulu Municipalities	90 155	98 651	109 144	83 085	93 078	104 973	
B	KZ322	Manteni	15 248	15 850	16 679	13 862	14 904	16 011	
B	KZ323	KwaManteni	18 529	19 785	21 047	16 813	18 664	20 206	
B	KZ324	Nkandla	14 804	16 763	18 908	13 522	15 901	18 195	
B	KZ325	Mphumulo	13 213	14 725	16 566	11 977	13 957	15 949	
C	DC29	King Shaka District Municipality	27 135	40 739	52 350	27 484	39 302	50 590	
		Total: King Shaka Municipalities	89 049	107 862	125 541	81 658	102 727	120 942	
B	KZ326	Ingwe	11 311	12 674	13 555	10 300	12 014	13 717	
B	KZ327	Kwa-Seni	3 651	4 019	4 364	3 365	3 798	4 191	
B	KZ328	Manteni	2 879	3 078	3 267	2 609	2 796	2 931	
B	KZ329	Greater Kwa-Seni	6 809	7 063	7 327	6 182	6 641	7 090	
B	KZ330	KZ330	10 333	11 629	13 028	9 435	11 014	12 535	
DMA	DMA31	Mkomazi Wilderness Area	16 161	23 902	29 663	16 962	22 956	28 635	
C	DC31	Sisonke District Municipality	51 134	62 257	71 163	48 893	59 219	69 111	
		Total: Sisonke Municipalities	119 584	140 051	155 146	106 752	126 534	147 869	
		Total: KwaZulu-Natal Municipalities	1 195 384	1 302 243	1 405 141	1 119 159	1 226 924	1 350 173	

SCHEDULES 3, 6, 6A AND 7A									
Category	Municipality	Municipal Financial Year					Total		
		2001/02 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)			
B	KZ331	Ingwe	6 151	7 103	7 700	5 875	6 912	7 437	
B	KZ332	Ingwe	9 875	11 017	11 983	9 174	10 050	10 941	
B	KZ333	Albany	10 651	11 070	11 157	9 012	10 378	10 955	
B	KZ334	Nongoma	11 998	15 947	17 116	13 715	15 009	16 444	
B	KZ335	Phondo	17 167	17 563	18 491	15 037	16 438	17 341	
C	DC30	Zululand District Municipality	35 510	37 963	42 527	33 116	35 702	40 928	
		Total: Zululand Municipalities	93 714	99 603	107 533	87 267	93 330	103 128	
B	KZ336	Umkhanyakude	12 412	13 081	13 870	11 070	13 177	14 070	
B	KZ337	IsiManteni	14 501	16 011	17 367	13 264	15 116	17 088	
B	KZ338	Umgencu	4 001	4 250	4 515	3 665	4 012	4 355	
B	KZ339	Uthukela	11 106	12 231	13 555	10 104	11 571	13 066	
B	KZ340	IsiManteni	5 323	5 011	4 952	4 711	4 303	4 711	
DMA	DMA27	St Lucia Park	32 371	38 430	44 025	31 253	36 415	42 492	
C	DC27	Umkhanyakude District Municipality	79 737	89 904	100 402	74 417	85 052	96 592	
		Total: Umkhanyakude Municipalities	210 883	238 430	268 812	196 337	221 127	249 416	
B	KZ341	Mthunzi	7 473	8 320	9 171	6 907	7 838	8 818	
B	KZ342	uMhlabuyi	22 242	19 051	17 353	19 440	17 535	16 565	
B	KZ343	Ntshongweni	5 830	6 027	6 469	5 142	5 684	6 214	
B	KZ344	Uthukela	16 273	17 741	19 311	15 054	16 730	18 508	
B	KZ345	Ntshongweni	4 443	5 335	5 685	4 611	5 034	5 460	
B	KZ346	Nkandla	12 512	14 670	16 987	11 515	12 908	14 409	
C	DC28	uThungulu District Municipality	21 391	28 487	36 161	21 019	27 262	34 940	
		Total: uThungulu Municipalities	90 155	98 651	109 144	83 085	93 078	104 973	
B	KZ347	Manteni	15 248	15 850	16 679	13 862	14 904	16 011	
B	KZ348	KwaManteni	18 529	19 785	21 047	16 813	18 664	20 206	
B	KZ349	Nkandla	14 804	16 763	18 908	13 522	15 901	18 195	
B	KZ350	Mphumulo	13 213	14 725	16 566	11 977	13 957	15 949	
C	DC29	King Shaka District Municipality	27 135	40 739	52 350	27 484	39 302	50 590	
		Total: King Shaka Municipalities	89 049	107 862	125 541	81 658	102 727	120 942	
B	KZ351	Ingwe	11 311	12 674	13 555	10 300	12 014	13 717	
B	KZ352	Kwa-Seni	3 651	4 019	4 364	3 365	3 798	4 191	
B	KZ353	Manteni	2 879	3 078	3 267	2 609	2 796	2 931	
B	KZ354	Greater Kwa-Seni	6 809	7 063	7 327	6 182	6 641	7 090	
B	KZ355	KZ355	10 333	11 629	13 028	9 435	11 014	12 535	
DMA	DMA31	Mkomazi Wilderness Area	16 161	23 902	29 663	16 962	22 956	28 635	
C	DC31	Sisonke District Municipality	51 134	62 257	73 375	44 419	53 668	64 263	
		Total: Sisonke Municipalities	167 474	182 432	212 042	127 232	148 542	173 893	
B	KZ356	Ingwe	11 300	13 172	15 229	10 300	12 014	13 717	
B	KZ357	Ingwe	13 264	15 306	17 088	11 070	13 177	14 070	
B	KZ358	Ingwe	3 665	4 012	4 355	3 665	4 012	4 355	
B	KZ359	Ingwe	10 301	11 571	13 286	9 012	10 378	11 157	
B	KZ360	Ingwe	8 296	5 073	4 991	6 907	7 838	8 818	
B	KZ361	Ingwe	116 026	118 247	127 232	116 026	118 247	127 232	
B	KZ362	Ingwe	162 919	167 474	182 432	162 919	167 474	182 432	
B	KZ363	Ingwe	6 907	7 878	9 068	6 907	7 878	9 068	
B	KZ364	Ingwe	31 577	31 088	32 068	31 577	31 088	32 068	
B	KZ365	Ingwe	5 142	5 684	6 214	5 142	5 684	6 214	
B	KZ366	Ingwe	15 085	17 546	19 329	15 085	17 546	19 329	
B	KZ367	Ingwe	4 611	5 034	5 460	4 611	5 034	5 460	
B	KZ368	Ingwe	11 515	12 908	14 259	11 515	12 908	14 259	
B	KZ369	Ingwe	96 141	98 945	111 243	96 141	98 945	111 243	
B	KZ370	Ingwe	171 076	179 082	198 542	171 076	179 082	198 542	
B	KZ371	Ingwe	13 862	15 154	16 011	13 862	15 154	16 011	
B	KZ372	Ingwe	21 452	22 211	25 611	21 452	22 211	25 611	
B	KZ373	Ingwe	13 522	15 901	18 445	13 522	15 901	18 445	
B	KZ374	Ingwe	12 237	14 946	17 205	12 237	14 946	17 205	
B	KZ375	Ingwe	88 318	98 611	113 331	88 318	98 611	113 331	
B	KZ376	Ingwe	149 391	166 823	190 604	149 391	166 823	190 604	
B	KZ377	Ingwe	10 300	12 014	13 717	10 300	12 014	13 717	
B	KZ378	Ingwe	3 365	3 798	4 444	3 365	3 798	4 444	
B	KZ379	Ingwe	4 107	3 924	4 600	4 107	3 924	4 600	
B	KZ380	Ingwe	9 777	8 860	7 346	9 777	8 860	7 346	
B	KZ381	Ingwe	9 945	11 014	12 585	9 945	11 014	12 585	
B	KZ382	Ingwe	57 323	61 913	68 937	57 323	61 913	68 937	
B	KZ383	Ingwe	94 816	101 522	112 072	94 816	101 522	112 072	
B	KZ384	Ingwe	2 166 124	2 237 032	2 406 360	2 166 124	2 237 032	2 406 360	

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable share (Schedule 3) + Recurrent (Schedule 3) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

GRAND TOTAL : (EQUITABLE SHARE AND CONDITIONAL GRANTS)									
(Schedules 3, 6, 6A and 7A)									
Category	Number	Municipality	National Financial Year			Municipal Financial Year			2005/06 (R'000)
			2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	
MPUMALANGA									
B	MP001	Albert Luthuli	26 926	30 326	33 098	25 761	28 609	31 816	53 913
B	MP002	Mankgale	15 849	17 265	18 027	15 286	16 212	17 906	20 345
B	MP003	Mkomoti	10 908	12 565	13 727	10 596	11 863	13 196	13 446
B	MP004	Senne	8 385	9 599	10 342	8 180	9 052	9 931	9 937
B	MP005	Lekwa	12 495	13 595	14 191	12 033	12 766	13 619	16 157
B	MP006	Diyale-ene	6 367	7 013	7 459	6 140	6 593	7 068	8 586
B	MP007	Highveld East	31 449	33 559	34 263	30 371	31 411	32 854	46 906
C	DC 30	Eastland District Municipality	5 148	3 276	2 176	4 173	2 921	2 043	64 943
Total: Eastland Municipalities			117 589	127 199	133 183	112 514	119 438	127 831	231 228
B	MP011	Dhlabas	5 957	6 639	7 022	5 718	6 246	6 742	6 742
B	MP012	Emadlakeni	25 566	27 467	28 172	23 581	25 129	27 018	46 988
B	MP013	Makhehung	15 290	16 759	17 451	14 704	15 746	16 740	29 178
B	MP014	Highlands	6 542	7 301	7 741	6 315	6 873	7 436	7 436
B	MP015	Thebushile	17 619	19 520	20 855	16 912	18 370	20 032	42 582
B	MP016	Dr J S Moroka	17 367	17 907	18 353	16 266	16 764	17 602	49 102
C	DMA 31	Alida Ntseke Reserve	2 058	1 254	835	1 119	1 119	783	51 927
Total: Ngwenkulu Municipalities			90 198	96 816	100 433	86 521	90 878	96 362	233 951
B	MP021	Thaba Chasen	15 187	18 030	19 726	15 063	17 039	18 963	20 020
B	MP022	Mbomela	51 965	57 263	60 932	50 121	53 840	58 526	124 553
B	MP023	Umgodini	9 111	10 345	11 064	8 919	9 743	10 626	15 498
B	MP024	Nkomazi	55 609	42 960	48 759	34 926	40 719	46 935	80 935
DMA	DMA 32	Lowveld							
C	DC 32	Ehlanzeni District Municipality	8 519	5 440	3 613	6 929	4 830	3 192	81 114
Total: Ehlanzeni Municipalities			120 484	134 038	144 093	115 058	126 192	138 422	322 120
Total: Mpumalanga Municipalities			328 407	358 083	377 710	314 738	336 518	362 633	790 290

GRAND TOTAL: EQUITABLE SHARE AND CONDITIONAL GRANTS									
(Schedules 3, 6, 6A and 7A)									
Category	Number	Municipality	National Financial Year			Municipal Financial Year			Total
			2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	
LIMPOPO									
B	NP01A	McMabana	18 783	33 310	35 363	17 677	31 097	31 410	21 660
B	NP01A	Letlamo	8 052	10 150	11 130	8 130	9 617	10 889	11 110
B	CH01A	Greater Mafika-Hall	10 955	10 080	11 508	9 504	10 130	11 146	11 336
B	CH01A	Greater Mafika	16 570	16 410	17 056	15 056	16 191	16 790	15 501
B	CH01A	Greater Mafika	19 658	32 272	31 908	18 113	31 052	31 052	33 934
C	CH01A	Greater Mafika	50 121	60 121	71 859	47 110	57 828	69 269	281 113
C	CH01A	Greater Mafika	1 110 118	1 110 118	1 110 118	1 110 118	1 110 118	1 110 118	3 075 514
Total: Sekhukhune Cross-Boundary Municipalities									
B	NP01A	McMabana	9 800	10 628	12 008	8 500	10 086	11 506	11 816
B	CH01A	Greater Mafika	56 570	56 570	56 570	50 912	56 011	56 011	56 011
C	CH01A	Greater Mafika	35 024	47 618	58 423	31 077	45 589	56 381	118 316
C	CH01A	Greater Mafika	101 122	115 101	129 770	91 130	108 691	121 888	263 093
Total: Eastern Municipalities									
B	NP01A	McMabana	35 177	41 206	43 710	33 818	37 701	42 710	32 741
B	NP01A	Letlamo	20 021	22 762	25 000	18 514	21 571	24 710	24 674
B	NP01A	Greater Mafika	31 073	31 630	38 117	28 092	32 782	36 910	37 949
B	NP01A	Greater Mafika	17 540	15 710	14 154	15 757	14 526	13 897	13 897
C	NP01A	Greater Mafika	39 495	61 919	80 917	40 083	59 410	78 214	219 381
C	NP01A	Greater Mafika	115 591	170 198	193 384	116 715	161 520	186 118	313 655
Total: Mopani Municipalities									
B	NP01A	McMabana	6 557	6 924	7 383	5 893	6 530	7 091	8 341
B	NP01A	Letlamo	13 318	12 847	13 318	12 847	13 318	13 318	13 318
B	NP01A	Greater Mafika	51 702	53 379	57 605	45 811	50 296	55 353	57 352
B	NP01A	Greater Mafika	48 388	47 488	49 113	44 083	44 176	47 151	49 888
C	NP01A	Greater Mafika	12 843	22 050	36 058	16 015	20 665	32 801	33 816
C	NP01A	Greater Mafika	162 807	197 507	231 295	153 416	183 081	218 053	260 069
Total: Vhembe Municipalities									
B	NP01A	McMabana	16 773	18 680	20 825	15 389	17 081	20 033	24 483
B	NP01A	Letlamo	9 607	11 017	12 111	8 908	10 169	11 977	12 707
B	NP01A	Greater Mafika	7 669	8 772	9 083	7 088	8 119	9 530	9 780
B	NP01A	Greater Mafika	37 455	42 010	45 057	36 180	39 566	43 284	46 681
B	NP01A	Greater Mafika	13 031	14 505	15 762	12 900	14 686	15 149	15 762
C	NP01A	Greater Mafika	35 743	42 058	49 334	3			
C	NP01A	Greater Mafika	120 161	137 092	153 321	113 201	129 726	147 542	305 614
Total: Central Municipalities									
B	NP01A	McMabana	11 015	13 355	14 729	11 101	12 628	14 163	15 678
B	NP01A	Letlamo	12 437	15 829	18 090	12 552	15 012	17 416	19 066
B	NP01A	Greater Mafika	1 305	4 080	4 661	3 249	4 375	4 661	4 487
B	NP01A	Greater Mafika	7 511	8 880	9 658	7 902	8 982	9 282	10 551
B	NP01A	Greater Mafika	6 773	7 923	8 119	6 818	7 461	8 115	9 130
B	NP01A	Greater Mafika	24 365	29 661	33 417	24 201	29 102	32 108	32 186
C	NP01A	Greater Mafika	8 661	5 514	3 663	7 023	4 916	3 411	50 121
C	NP01A	Greater Mafika	74 071	85 242	92 695	72 120	80 407	80 407	161 220
Total: Waterberg Municipalities									
Unallocated									
Total: Limpopo Municipalities									
			728 890	843 704	953 653	686 192	799 652	917 811	1 960 150

Appendix E6: TOTAL ALLOCATIONS BY NATIONAL AND MUNICIPAL FINANCIAL YEAR: Equitable share (Schedule 3) + Recurrent (Schedule 3) + Infrastructure (Schedule 6A) + Indirect grants (Schedule 7A)

GRAND TOTAL: (EQUITABLE SHARE AND CONDITIONAL GRANTS)														
(Schedules 3, 6, 6A and 7A)														
Category	Number	Municipality	Equitable Share (Schedule 3)			National Financial Year			Municipal Financial Year					
			2001/02 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)			
NORTH WEST														
B	NW371	Moretele	17 024	20 970	24 139	16 586	19 913	23 216	31 324	32 070	37 689	40 351	32 298	36 796
B	NW372	Matlheng	50 929	59 641	66 328	49 483	56 411	63 801	76 496	80 061	100 636	75 827	87 403	98 284
B	NW373	Ressengburg	50 418	56 950	60 957	49 098	53 637	61 683	73 439	81 924	91 183	73 177	79 715	89 599
B	NW374	Krugerburg	7 189	8 230	8 903	6 944	7 773	8 555	7 180	8 239	9 153	6 094	7 773	8 805
B	NW375	Moss, Krasne	36 068	42 267	47 104	35 173	39 962	45 314	43 668	53 317	56 905	43 024	50 762	55 114
DMA	DMA17	Pilansberg National Park												
C	DC37	Bakone-Bethlehem District Municipality	18 357	9 015	3 009	15 953	7 493	2 673	76 943	59 809	56 343	72 688	58 935	56 172
			179 985	197 085	210 439	173 288	185 209	202 422	309 059	326 326	352 407	302 064	316 846	344 670
Total: Bakone-Bethlehem Municipalities														
B	NW381	Serla Kraba	15 145	16 936	19 139	13 712	16 059	18 330	17 059	16 936	19 399	14 826	16 059	18 689
B	NW382	Tswaing	12 190	13 207	14 358	11 123	12 471	13 890	12 792	14 358	14 358	12 721	12 721	13 800
B	NW383	Mafikeng	21 720	24 389	27 866	19 653	23 138	26 529	27 290	28 897	29 066	23 753	24 638	28 029
B	NW384	Lichtenburg	13 171	13 425	14 973	11 854	12 610	13 098	15 294	14 325	13 973	13 408	13 275	13 408
B	NW385	Zwenst	14 825	16 217	17 892	13 521	15 330	17 205	16 875	16 467	17 892	14 721	16 805	17 205
C	DC38	Central District Municipality	45 610	59 921	72 861	46 408	57 076	70 305	137 320	147 912	169 129	136 429	146 532	166 822
			122 743	144 095	165 799	116 270	136 684	159 677	226 559	234 086	263 817	214 461	228 806	257 944
Total: Central Municipalities														
B	NW101	Kagiso	15 653	17 601	20 016	14 112	16 707	19 267	16 653	17 601	20 266	14 512	16 707	19 517
B	NW102	Naledi	6 057	6 418	6 873	5 459	6 054	6 602	8 200	7 018	7 123	6 044	6 498	6 852
B	NW103	Schweizer-Reneke	7 999	7 694	8 031	6 689	7 239	7 709	7 390	7 944	8 034	6 689	7 489	7 709
B	NW104	Greater Taung	26 347	28 616	31 964	23 617	27 080	30 751	26 347	28 866	31 964	23 617	27 300	30 751
B	NW105	Molapo	3 626	3 962	4 343	3 303	3 745	4 175	3 626	3 962	4 593	3 303	3 745	4 425
B	NW106	Lekwa-Trengane	5 433	5 701	5 920	4 971	5 362	5 689	6 733	5 951	5 920	6 011	5 612	5 689
C	DC39	Bophirima District Municipality	31 208	45 998	57 982	32 362	44 212	56 002	100 012	118 172	134 600	100 512	117 483	132 798
			95 723	115 990	135 140	90 513	110 300	130 195	168 969	189 514	212 508	160 668	184 865	207 740
Total: Bophirima Municipalities														
B	NW401	Venterdorp	8 546	9 411	9 996	8 170	8 857	9 599	12 482	9 661	9 996	9 952	9 107	9 599
B	NW402	Pretoriusburg	13 656	14 559	15 423	13 035	13 653	14 311	23 314	27 789	29 341	25 202	27 238	28 879
B	NW403	Klerksdorp	47 483	51 662	53 544	45 858	48 496	51 371	63 039	67 990	71 090	61 095	64 872	69 040
B	NW404	Magwass Hills	11 822	12 982	13 623	11 586	12 207	13 076	20 993	22 072	24 423	13 032	13 032	13 876
C	DC40	Southern District Municipality	1 901	1 210	803	1 541	1 079	755	20 093	20 325	19 353	19 752	20 422	19 340
			83 388	89 825	92 889	79 962	84 292	89 112	132 120	139 499	144 203	127 761	134 671	140 725
Total: Southern Municipalities														
Unallocated														
									1 100			1 100		
Total: North West Municipalities														
			481 839	536 995	604 268	460 034	516 585	581 125	817 807	890 318	972 935	806 072	865 186	951 080

Category		Equitable Share (Schedule 3)										GRAND TOTAL: EQUITABLE SHARE AND CONDITIONAL GRANTS									
		National Financial Year					Municipal Financial Year					National Financial Year					Municipal Financial Year				
		2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	2010/11 (R'000)	2011/12 (R'000)	2002/03 (R'000)	2003/04 (R'000)	2004/05 (R'000)	2005/06 (R'000)	2006/07 (R'000)	2007/08 (R'000)	2008/09 (R'000)	2009/10 (R'000)	2010/11 (R'000)	2011/12 (R'000)
GAUTENG																					
A	Ekuvalweni	192 485	200 540	201 907	182 871	187 657	193 499					28 583	306 938	416 714	275 503	294 432	308 940				
A	Johannesburg	2 98 763	253 440	258 429	227 551	237 592	247 783					983 111	439 041	442 450	963 093	405 850	412 722				
A	Ekurhuleni	1 58 737	162 465	162 465	149 731	151 836	135 265					260 825	266 950	277 169	251 295	257 266	270 819				
B	G10201 Mamelodi East	6 027	7 102	7 603	6 117	6 690	7 303					6 027	7 352	7 643	6 117	6 940	7 303				
B	G10202 Mamelodi West	9 329	10 212	10 441	9 182	9 572	10 012					9 329	10 212	10 441	9 329	9 572	10 012				
C	G10203 Mamelodi North	1 953	2 516	1 671	3 304	2 243	1 570					15 106	14 313	12 367	13 938	14 167	12 319				
Total: Mamelodi Municipalities		19 399	19 830	19 715	18 504	18 505	18 886					50 646	51 877	50 411	50 487	50 679	29 633				
B	G1221 Enloleni	53 410	56 159	56 666	50 874	52 592	54 309					75 832	79 918	83 833	71 974	76 636	81 685				
B	G1222 Midrand	9 885	10 844	11 317	9 454	10 169	10 862					13 994	12 814	12 817	13 031	12 023	12 184				
B	G1223 Lesedi	7 509	8 051	8 434	7 182	7 555	7 995					12 429	10 553	11 833	10 123	10 279	11 347				
C	G1224 Sedibeng District Municipality	1 169	744	494	947	663	463					10 952	13 259	11 474	10 906	13 311	11 498				
Total: Sedibeng Municipalities		72 003	75 770	76 810	68 458	70 980	73 640					115 203	116 544	119 958	106 034	112 249	117 037				
B	G1311 Mogale City	21 433	23 037	23 625	20 500	21 619	22 656					35 473	37 790	41 183	33 680	36 752	40 332				
B	G1312 Randfontein	10 739	11 333	11 524	10 226	10 618	11 048					14 649	12 333	12 524	13 057	11 618	12 048				
B	G1314 Westonaria	20 621	21 525	21 708	19 712	20 132	20 806					20 871	24 825	24 708	20 743	23 100	24 851				
B	G1315 Merafong	23 054	24 135	24 386	21 988	22 587	23 374					28 574	27 635	28 386	27 220	26 176	27 434				
B	G1316 Merafong	1 971	1 593	1 566	1 520	1 482	1 500					21 309	23 389	23 029	19 996	23 510	24 069				
Total: West Rand Municipalities		77 818	81 623	83 809	73 946	76 439	79 381					120 876	135 672	129 830	114 696	121 157	126 734				
Total: Gauteng Municipalities		759 015	791 668	802 039	721 061	743 006	768 740					1 191 475	1 268 023	1 316 430	1 141 009	1 221 533	1 285 877				
Allocation to DBSA - Int Technical Assistance																					
Unallocated National Reserves																					
National Total		6 343 478	7 077 546	7 098 179	6 002 169	6 678 000	7 399 000					12 001 127	12 693 854	14 033 852	11 529 558	12 349 831	13 747 739				

R259 (own personnel) allocations for the 2002/03 and 2003/04 financial years and social equitable share allocations for the 2002/03 to 2004/05 financial years are included in these amounts.

Equitable share allocations to local municipalities will be paid via the respective district equitable share allocations in terms of section 26 of the Act.

District Management Area allocations will be paid to the respective district municipalities.

Allocations in terms of municipal financial year to be included in municipal budgets.

**APPENDIX E7:
UNDERLYING STATISTICAL
DATA FOR THE LOCAL
GOVERNMENT EQUITABLE
SHARE FORMULA**

Category	Municipality	Demographic Data for Local Government Equitable Share					Powers & Functions					R93 personnel town allocations			
		Population	Urban	Non-urban	No. of poor	Monthly/capita Expenditure	Water	Sanitation	Refuse	Electricity	Police	Fire	Health	Other	
NORTHERN CAPE															
B	NC01B1 Gamagara	15 018	13 612	1 406	5 250	1 278	1	1	1	1					
B	NW1a1 Segonyana	95 467	0	95 467	62 668	238	1	1	0	1					
B	CBLC1 Kuruman-Motibostad	61 967	13 188	48 479	28 564	552	1	1	1	1					
DMA	CBDC1 Kalahari CBD	8 181	385	8 096	3 601	694	1	1	1	1					
C	CBDC1 Kalahari-Kgalagadi	118 966	13 997	104 969	100 002	453	0	0	0	0				INC 804	
Total: Kalahari-Kgalagadi Cross Border Municipalities															
B	NC061 Richtersveld	11 757	6 367	5 384	2 953	885	1	1	1	1					
B	NC062 Nama Khoi	11 810	16 098	28 802	11 101	760	1	1	1	1					
B	NC064 Kamiesberg	11 027	6 405	4 621	1 575	608	1	1	1	1					
B	NC065 Hantam	10 991	14 038	5 053	8 012	816	1	1	1	1					
B	NC066 Karoo Hoogland	17 105	7 740	4 376	5 719	865	1	1	1	1					
B	NC067 Khoi-Ma	9 118	4 736	1 633	2 951	711	1	1	1	1					
DMA	DMA06 Namaqualand	1 179	0	1 179	1 040	874	1	1	1	1					
C	DC6 Namaqualand District Municipality	109 603	55 274	54 329	38 550	791	0	0	0	0					
Total: Namaqualand District Municipality															
B	NC071 Uburu	19 705	1 303	15 313	9 634	506	1	1	1	1					
B	NC072 Umsobomvu	25 367	19 515	5 852	11 648	565	1	1	1	1					
B	NC073 Enthanjeni	39 072	35 601	3 471	15 085	752	1	1	1	1					
B	NC074 Karesberg	11 474	2 387	4 087	5 229	673	1	1	1	1					
B	NC075 Remsterberg	9 432	7 074	2 359	4 854	688	1	1	1	1					
B	NC076 Thembechille	13 265	10 218	3 047	5 571	672	1	1	1	1					
B	NC077 Priemantay	19 355	15 098	4 257	7 965	691	1	1	1	1					
B	NC078 Siyancuma	31 009	13 205	20 804	18 044	508	1	1	1	1					
DMA	DMA07 Karoo DMA	16 21	5	4 619	3 147	682	1	1	1	1					
C	DC7 Karoo District Municipality	176 303	112 514	63 789	81 177	637	0	0	0	0					
Total: Karoo District Municipality															
B	NC081 Mier	6 271	4 312	1 959	3 506	420	1	1	1	1					
B	NC082 Nama Khoi	57 807	18 798	39 008	22 621	526	1	1	1	1					
B	NC083 Garies	76 113	60 293	15 820	20 494	803	1	1	1	1					
B	NC084 Kheis	14 115	5 437	8 679	6 264	554	1	1	1	1					
B	NC085 Re A Ipela	40 812	27 033	3 809	10 546	729	1	1	1	1					
B	NC086 Dan-Lime	16 878	13 692	3 186	6 100	803	1	1	1	1					
DMA	DMA08 Siyanda DMA	8 684	0	8 684	5 633	703	1	1	1	1					
C	DC8 Siyanda District Municipality	210 801	129 593	81 207	75 204	683	0	0	0	0					
Total: Siyanda District Municipality															
B	NC091 Sol Phaloes	20 116	199 421	4 764	41 902	946	1	1	1	1					
B	NC092 Dikgatlong	16 917	26 461	10 451	20 419	480	1	1	1	1					
B	NC093 Magareng	22 452	20 727	1 725	10 855	602	1	1	1	1					
B	CBLC7 Vaalharts-Mogobeng	57 289	30 174	18 111	27 104	725	1	1	1	1					
DMA	DMA09 Diamondfields	1 557	0	1 557	3 184	415	1	1	1	1					
C	DC9 Frances Baard District Municipality	325 445	285 286	30 159	103 464	817	0	0	0	0					
Total: Diamondfields District Municipality															
												1 216 296			
												1 216 296			

Categories		Number	Municipality	Demographic Data for Local Government Equitable Share			Powers & Functions			R291 personnel level allocations			
		Population	Urban	Non-urban	No. of post	Monthly/capita Expenditure	Water	Sanitation	R-fee	Electricity	2010/11	2011/12	2012/13
EASTERN CAPE													
A		Nelson Mandela											
B	EC101	45 418	44 649	3 769	1 164	720	1	1	1	1			
B	EC102	34 463	25 410	9 053	1 164	616	1	1	1	1			
B	EC103	10 518	7 963	2 554	4 498	577	1	1	1	1			
B	EC104	76 685	66 646	10 041	28 643	461	1	1	1	1			
B	EC105	47 483	46 411	11 171	21 895	662	1	1	1	1			
B	EC106	41 684	23 453	20 901	21 075	794	1	1	1	1			
B	EC107	15 101	10 683	4 418	6 446	351	1	1	1	1			
B	EC108	62 541	47 910	14 625	19 864	843	1	1	1	1			
B	EC109	27 959	7 917	20 012	11 892	1 686	1	1	1	1			
DMA	DMA10	470 159	268 775	101 384	149 141	698	0	0	0	0			
C	DC10												
Total: Cacadu Municipalities													
B	EC121	244 196	5 257	239 140	201 179	230	0	0	1	1			
B	EC122	291 552	40 159	251 393	210 066	284	0	0	1	1			
B	EC123	40 080	7 835	32 245	28 411	379	0	0	1	1			
B	EC124	1 075 38	23 058	114 460	95 053	321	0	0	1	1			
B	EC125	682 376	503 119	179 257	292 266	761	1	1	1	1			
B	EC126	94 975	4 195	89 780	64 878	291	0	0	1	1			
B	EC127	141 076	17 830	105 246	82 461	342	0	0	1	1			
B	EC128	26 344	26 344	4 492	12 946	491	0	0	1	1			
C	DC12	1 657 791	644 753	1 016 038	986 792	483	0	0	0	0			
Total: Amatole District Municipality													
B	EC131	57 725	46 804	10 921	21 711	681	0	0	1	1			
B	EC132	15 102	8 294	26 808	22 674	390	0	0	1	1			
B	EC133	19 426	15 776	3 650	9 615	523	0	0	1	1			
B	EC134	178 780	123 119	55 661	77 561	531	0	0	1	1			
B	EC135	207 594	3 916	203 677	169 918	234	0	0	1	1			
B	EC136	125 238	20 461	104 778	92 746	270	0	0	1	1			
B	EC137	149 662	4 276	145 326	122 194	265	0	0	1	1			
B	EC138	50 015	20 309	29 726	32 982	315	0	0	1	1			
DMA	DMA13	149	0	149	15	968	1	1	1	1			
C	DC13	82 562	242 975	580 645	549 406	350	0	0	0	0			
Total: Chris Hani Municipalities													
B	EC141	15 050	18 104	116 946	107 645	264	0	0	1	1			
B	EC142	130 720	14 101	116 619	94 489	901	0	0	1	1			
B	EC143	32 242	26 088	6 154	14 842	644	0	0	1	1			
B	EC144	29 610	22 808	6 802	14 114	585	0	0	1	1			
DMA	DMA14						1	1	1	1			
C	DC14	527 623	81 101	246 521	231 089	441	0	0	0	0			
Total: Ukahlamba Municipalities													
B	EC151	235 518	1 845	233 673	183 077	208	0	0	1	1			
B	EC152	124 442	1 756	122 686	104 937	197	0	0	1	1			
B	EC153	245 389	5 350	240 038	195 432	206	0	0	1	1			
B	EC154	146 225	3 646	142 579	122 969	231	0	0	1	1			
B	EC155	267 175	3 113	264 062	217 108	210	0	0	1	1			
B	EC156	194 402	7 884	186 518	150 499	235	0	0	1	1			
B	EC157	396 051	83 131	312 920	268 560	322	0	0	1	1			
C	DC15	1 699 102	106 726	1 592 377	1 241 541	240	0	0	0	0			
Total: O.R. Tambo Municipalities													
B	EC05b1	165 349	8 550	156 799	131 190	218	0	0	1	1			
B	EC05b2	379 290	9 512	369 778	302 703	243	0	0	1	1			
DMA	DMA44						1	1	1	1			
C	DC14	544 640	18 063	526 577	433 902	235	0	0	0	0			
Total: Alfred Nzo Municipalities													

Category	Number	Municipality	Demographic Data for Local Government Entitlable Share				Powers & Functions				R954 personnel town allocations			
			Population	Urban	Non urban	No. of post	Monthly Capita Expenditure	Water	Sewerage	Refuse	Electricity	2003/04	2004/05	2005/06
KWAZULU NATAL														
A	2 753 476	0	2 267 578	485 900	6 985 508	1 047	1	1	1	1	1 661 506	99 091 213	99 091 213	99 091 213
B	KZ211	Vodacom	102 211	0	10 221	51 077	260	0	1	1	1	1	1	1
B	KZ212	Uninon	54 301	2 239	31 362	14 722	894	0	0	1	1	1	1	1
B	KZ213	Klipphukunzi	164 749	0	164 749	78 773	272	0	0	1	1	1	1	1
B	KZ214	uMuzwabantu	82 103	3 453	78 650	40 331	308	0	0	1	1	1	1	1
B	KZ215	Isengolweni	47 029	0	47 029	21 410	328	0	0	1	1	1	1	1
B	KZ216	Hibiscus Coast	192 879	64 301	128 579	43 437	863	0	0	1	1	1	1	1
C	DC 21	Ugu District Municipality	613 121	90 593	552 529	248 790	508	0	0	0	0	1 075 000	107 500	107 500
Total: Ugu Municipalities														
B	KZ221	uMshwathi	114 115	4 837	109 278	51 190	415	0	0	1	1	1	1	1
B	KZ222	uMgeni	69 712	48 575	21 167	13 944	1 087	0	0	1	1	1	1	1
B	KZ223	Mosi Mpolana	24 776	8 400	16 376	6 391	660	0	0	1	1	1	1	1
B	KZ224	Impende	35 344	0	35 344	12 051	337	0	0	0	0	1	1	1
B	KZ225	Mshunduzi	324 937	395 754	129 183	112 250	940	1	1	1	1	1	1	1
B	KZ226	Mshambadini	46 071	1 467	44 704	18 952	415	0	0	1	1	1	1	1
B	KZ227	Richmond	62 499	7 413	55 086	24 185	343	0	0	1	1	1	1	1
B	DMA	DMA22 Hlengweni/ Kaniberg Park	108	0	106	94	865	1	1	1	1	1	1	1
C	DC 22	uMgungundlovu District Municipality	877 188	466 345	410 842	230 000	782	0	0	0	0	59 136	59 136	59 136
Total: uMgungundlovu Municipalities														
B	KZ232	Enuamthi Ladysmith	178 514	91 022	85 492	33 521	665	0	0	1	1	1	1	1
B	KZ233	Indaba	98 478	12 084	86 394	36 921	275	0	0	1	1	1	1	1
B	KZ234	Umshezi	47 213	29 479	17 735	11 206	731	0	0	1	1	1	1	1
B	KZ235	Okhahlamba	118 885	7 134	111 751	36 381	342	0	0	1	1	1	1	1
B	KZ236	Imbuzane	112 291	0	112 291	31 885	293	0	0	1	1	1	1	1
B	DMA	DMA23 Giants Castle Game Reserve	584	0	584	16	639	1	1	1	1	1	1	1
C	DC 23	Uthukela District Municipality	555 986	141 719	414 266	150 021	457	0	0	0	0	6 206 592	6 206 592	6 206 592
Total: Uthukela Municipalities														
B	KZ241	Endumeni	44 402	36 736	7 666	8 671	978	0	0	1	1	1	1	1
B	KZ242	Nquthu	128 793	8 805	120 288	53 035	254	0	0	1	1	1	1	1
B	KZ244	Umsinga	161 341	497	160 847	91 796	257	0	0	1	1	1	1	1
B	KZ245	Unvoti	92 495	12 327	79 988	48 629	477	0	0	1	1	1	1	1
C	DC 24	Umzimnyathi District Municipality	426 934	58 165	368 769	202 130	379	0	0	0	0	1 066 152	1 066 152	1 066 152
Total: Umzimnyathi Municipalities														
B	KZ252	Newcastle	287 659	222 726	64 933	41 870	783	1	1	1	1	9 985 142	9 985 142	9 985 142
B	KZ253	Utrecht	23 915	2 888	21 027	6 361	468	0	0	1	1	1	1	1
B	KZ254	Dannhauser	99 216	6 597	92 619	29 898	153	0	0	1	1	1	1	1
C	DC 25	Amajuba District Municipality	410 790	23 211	178 579	76 095	661	0	0	0	0	0	0	0
Total: Amajuba Municipalities														

Category			Demographic Data for Local Government Equitable Share					Powers & Functions				R293 personnel town allocations		
			Population	Urban	Non urban	No. of post	Monthly/capita Psycholine	Water	Sanitation	Refuse	Electricity	200/02	200/01	200/03
B	KZ261	eDumbe	65,468	7,138	58,230	18,888	380	0	1	1			60,500	
B	KZ262	uPhongolo	98,273	11,958	84,316	43,343	261	0	1	1	40,500		76,500	
B	KZ263	Abaqholosi	167,904	57,892	110,011	43,312	523	0	1	1	2,231,200		2,231,200	
B	KZ265	Nongoma	188,959	66,216	186,744	62,214	1,861	0	1	1	1,861,500		1,861,500	
B	KZ266	Ullens	194,255	16,260	176,994	65,686	295	0	1	1	1,141,900		4,115,710	
C	DC 26	Zululand District Municipality	713,759	97,484	616,275	227,500	345	0	0	0	5,117,500		5,117,500	
Total: Zululand Municipalities														
B	KZ271	Umhlathayalingana	122,402	502	121,800	60,912	230	0	1	1				
B	KZ272	Jozini	151,646	2,715	148,931	72,249	238	0	1	1	475,422		475,422	
B	KZ273	Umtuzeme	28,290	865	25,425	10,111	283	0	1	1				
B	KZ274	Hlabisa	168,485	1,994	166,491	55,088	223	0	1	1				
B	KZ275	Inyaka / Mtubatuba	25,649	10,561	15,088	7,626	653	0	1	1	1,281,500		1,281,500	
DMA	DMA27	St Lucia Park	9,179	0	9,179	4,104	244	1	1	1				
C	DC 27	Umkhanyakude District Municipality	503,751	16,617	487,133	210,031	353	0	0	0				
Total: Umkhanyakude Municipalities														
B	KZ281	Mthonambi	96,243	1,485	94,758	29,999	296	0	1	1			9,831,500	
B	KZ282	uMthathuze	196,123	95,415	100,708	28,302	682	1	1	1	9,475,500		9,475,500	
B	KZ283	Ntambanana	12,005	0	12,005	25,461	242	0	0	0				
B	KZ284	Umlalazi	211,201	11,974	210,227	76,196	351	0	1	1	1,119,800		2,096,111	
B	KZ285	Mthopani	46,827	3,184	43,643	13,100	238	0	1	1	0		76,100	
B	KZ286	Nkandla	129,495	0	129,495	58,121	299	0	1	1	9,111,111		9,111,111	
C	DC 28	uThungulu District Municipality	762,585	115,058	647,527	211,389	403	0	0	0	1,625,100		1,625,100	
Total: uThungulu Municipalities														
B	KZ291	Mandeni	111,881	31,391	80,489	44,446	190	0	1	1			2,553,200	
B	KZ292	KwaDukuza	110,046	77,286	33,760	51,205	823	0	1	1	2,553,200		2,553,200	
B	KZ293	Ndlovwe	167,472	86	167,386	71,510	289	0	1	1	215,800		305,428	
B	KZ294	Mphahlele	121,671	0	121,671	60,532	268	0	1	1				
C	DC 29	King Shaka District Municipality	534,971	108,764	426,207	229,692	449	0	0	0	2,150,300		2,150,300	
Total: King Shaka Municipalities														
B	KZ501	Ingwe	95,115	1,018	94,117	47,707	311	0	1	1				
B	KZ502	Kwa Sanj	14,568	1,694	12,874	6,996	661	0	1	1				
B	KZ503	Maitale	10,140	6,571	3,569	3,798	905	0	1	1	41,500		41,500	
B	KZ504	Greater Koksstad	31,741	21,032	13,699	17,015	682	0	1	1	32,200		32,200	
B	KZ505	KZ505	78,542	3,491	75,149	9,766	343	0	1	1				
DMA	DMA43	Mkhomazi Wilderness Area	1,552	1,352	369	369	576	1	1	1				
C	DC 43	Sisonke District Municipality	231,468	13,708	200,760	115,651	425	0	0	0				
Total: Sisonke Municipalities														

Municipality			Demographic Data for Local Government Equitable Share				Powers & Functions				R201 per centum town allocations			
Province	Number	Municipality	Population	Urban	Non urban	No. of post	Monthly Capita Expenditure	Water	Sanitation	Refuse	Electricity	2000/01	2001/02	2002/03
LEMPHO														
B		NP03A2 Makhothamaga	270,117	9,706	260,411	96,736	375	0	0	1	1			
B		NP03A3 Fetakgomo	97,086	0	97,086	36,858	944	0	0	1	1			
B		CB1 C3 Greater Marble Hall	96,593	11,050	85,543	30,259	433	0	0	1	1			
B		CB1 C4 Groblersdal	218,710	19,139	199,570	44,358	510	0	0	1	1			
B		CB1 C5 Greater Tlhabane	1,640,125	1,649	228,516	92,020	326	0	0	1	1			
B		CB1DMA3 Schunshad Nature Reserve	31	0	31	3	1,693	1	1	1	1			
C		CB1DC3 Schukhane Cross Boundary	912,664	41,705	870,959	300,217	381	0	0	0	0			
Total: Sekhukhune Cross Boundary Municipalities														
B		NP04A1 Maruleng	87,871	457	87,514	17,571	485	0	0	1	1			
B		CB1C6 Boshuaknedge	544,171	22,129	522,042	193,593	396	0	0	1	1			
B		CB1DMA4 Kruger Park	3,267	0	3,267	263	663	1	1	1	1			
C		CB1DC4 Balahele	91,138	457	90,781	231,426	416	0	0	0	0			
Total: Eastern Municipalities														
B		NP331 Greater Gyaani	217,376	21,926	195,450	96,193	401	0	0	1	1			
B		NP332 Greater Letaba	201,123	11,304	189,819	79,786	360	0	0	1	1			
B		NP333 Greater Tzaneen	441,964	34,080	407,884	126,737	494	0	0	1	1			
B		NP334 Ba-Pfhalaborwa	168,708	63,457	46,250	33,242	712	0	0	1	1			
C		DC 33 Mopani District Municipality	872,171	129,767	742,403	335,960	476	0	0	0	0			
Total: Mopani Municipalities														
B		NP341 Mosina	33,060	17,729	15,332	13,697	744	0	0	1	1			
B		NP342 Mutale	69,276	683	68,594	36,453	301	0	0	1	1			
B		NP343 Thoboyandou Malamulele	537,315	49,737	487,578	216,156	378	0	0	1	1			
B		NP344 Makhado	22,982	22,980	435,032	167,764	454	0	0	1	1			
C		DC 34 Vhembe District Municipality	1,097,645	91,496	1,006,146	433,570	412	0	0	0	0			
Total: Vhembe Municipalities														
B		NP351 Boudberg	151,171	0	151,171	73,024	296	0	0	1	1			
B		NP352 Aganong	117,269	1,826	115,743	41,806	356	0	0	1	1			
B		NP353 Modemole	107,635	4,108	103,527	29,327	456	0	0	1	1			
B		NP354 Polokwane	424,835	106,176	318,659	101,513	679	1	1	1	1			
B		NP355 Lepelle Nkomo	234,926	29,442	205,584	54,525	433	0	0	1	1			
C		DC 35 Capricorn District Municipality	1,065,837	141,153	924,685	299,495	503	0	0	0	0			
Total: Central Municipalities														
B		NP361 Thabazimbi	58,523	21,017	37,505	21,668	904	1	1	1	1			</

Category	Number	Municipality	Demographic Data for Local Government Equitable Share					Powers & Functions					R294 personnel from allocations			
			Population	Urban	Non-urban	No. of post	Monthly capita expenditure	Water	Sanitation	Refuse	Electricity	Police	Fire	Road		
GAUTENG																
A		Ekurhuleni	2 026 086	2 016 432	9 724	334 773	1 470	1	1	1	1	1	1	1	1	1
A		Johannesburg	2 638 183	2 591 063	44 123	865 421	1 539	1	1	1	1	1	1	1	1	1
A		Tshwane	1 682 143	1 403 183	278 959	265 230	1 641	1	1	1	1	1	1	1	1	1
B		G70201 Nkengiso Tsemane	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B		CBI C2 Kungwini	41 637	22 896	18 748	11 291	1 183	1	1	1	1	1	1	1	1	1
B		CBI C2 Kungwini	21 075	22 166	18 904	18 188	1 020	1	1	1	1	1	1	1	1	1
C		CHDC2 Metsweding	41 637	22 896	18 748	29 739	1 013	0	0	0	0	0	0	0	0	0
Total: Metsweding Municipalities																
B		GT421 Enfoleni	997 639	581 869	13 789	403 407	1 889	1	1	1	1	1	1	1	1	1
B		GT422 Midvaal	25 902	18 482	15 289	16 099	2 181	1	1	1	1	1	1	1	1	1
B		GT423 Lesedi	65 513	45 683	16 888	16 474	1 736	1	1	1	1	1	1	1	1	1
C		DC 42 Sedibeng District Municipality	717 134	671 006	46 127	135 980	1 261	0	0	0	0	0	0	0	0	0
Total: Sedibeng Municipalities																
B		GT411 Mogale City	234 427	201 577	22 851	37 088	1 581	1	1	1	1	1	1	1	1	1
B		GT412 Randfontein	107 711	91 625	10 086	19 747	1 387	1	1	1	1	1	1	1	1	1
B		GT414 Westonaria	115 218	114 090	11 290	31 623	619	1	1	1	1	1	1	1	1	1
B		CBI C8 Merafong	299 127	201 084	8 642	40 531	792	1	1	1	1	1	1	1	1	1
DMA		DMA41 Sterksfontein	2 585	0	2 565	1 306	963	1	1	1	1	1	1	1	1	1
C		CHDC8 West Rand	659 438	614 376	45 272	190 259	1 126	0	0	0	0	0	0	0	0	0
Total: West Rand Municipalities																
Paid to KZN Development Services Board																
Unallocated National Resources																
												390 764 319	378 271 843			
												358 213 006	338 213 006			
												390 764 319	378 271 843			