

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of
Bill published in Government Gazette No. 40610 of 10 February 2017)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

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BILL

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2017/18 financial year, the determination of each province's equitable share and allocations to provinces, local government and municipalities from national government's equitable share and the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution of the Republic of South Africa, 1996, 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;

AND WHEREAS section 7(3) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the introduction of the Division of Revenue Bill at the same time as the Appropriation Bill is introduced,

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

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CHAPTER 1

INTERPRETATION AND OBJECTS OF ACT

Interpretation

1. (1) In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act or the Municipal Finance Management Act has the meaning assigned to it in the Act in question, and—

“**accreditation**” means accreditation of a municipality, in terms of section 10(2) of the Housing Act, 1997 (Act No. 107 of 1997), to administer national housing programmes, read with Part 3 of the National Housing Code, 2009 (Financial Interventions: Accreditation of Municipalities);

“**allocation**” means the equitable share allocation to the national sphere of government in Schedule 1, a province in Schedule 2 or a municipality in Schedule 3, or a conditional allocation;

“**category A, B or C municipality**” means a category A, B or C municipality envisaged in section 155(1) of the Constitution;

“**conditional allocation**” means an allocation to a province or municipality from the national government’s share of revenue raised nationally, envisaged in section 214(1)(c) of the Constitution, as set out in Schedule 4, 5, 6 or 7;

“**Constitution**” means the Constitution of the Republic of South Africa, 1996;

“**corporation for public deposits account**” means a bank account of the Provincial Revenue Fund held with the Corporation for Public Deposits, established by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);

“**disaster**” means a national, provincial or local state of disaster declared in terms of section 27, 41 or 55 of the Disaster Management Act, 2002 (Act No. 57 of 2002);

“**Education Infrastructure Grant**” means the Education Infrastructure Grant referred to in Part A of Schedule 4;

“**financial year**” means, in relation to—

(a) a national or provincial department, the year ending 31 March; or

(b) a municipality, the year ending 30 June;

“**framework**” means the conditions and other information in respect of a conditional allocation published in terms of section 16 or 26;

“**Health Facility Revitalisation Grant**” means the Health Facility Revitalisation Grant referred to in Part A of Schedule 5;

“**Human Settlements Development Grant**” means the Human Settlements Development Grant referred to in Part A of Schedule 5;

“**Integrated City Development Grant**” means the Integrated City Development Grant referred to in Part B of Schedule 4;

“**Integrated National Electrification Programme Grant**” means the Integrated National Electrification Programme Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;

“**integration zone**” means the integration zone as defined in the Built Environment Performance Plan Guideline issued by the National Treasury;

“**legislation**” means national legislation or provincial legislation as defined in section 239 of the Constitution;

“**level one accreditation**” means accreditation to render beneficiary management, subsidy budget planning and allocation, and priority programme management and administration, of national housing programmes;

“**level two accreditation**” means accreditation to render full programme management and administration of all housing instruments and national housing programmes in addition to the responsibilities under a level one accreditation;

“**Maths, Science and Technology Grant**” means the Maths, Science and Technology Grant referred to in Part A of Schedule 5;

“**medium term expenditure framework**” means a budgeting framework applied by the National Treasury which—

(a) translates government policies and plans into a multi-year spending plan; and

(b) promotes transparency, accountability and effective public financial management;

“**metropolitan municipality**” means a metropolitan municipality as defined in section 1 of the Municipal Structures Act;

- “Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- “Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- “Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); 5
- “Neighbourhood Development Partnership Grant”** means the Neighbourhood Development Partnership Grant referred to in Part B of Schedule 5 or Part B of Schedule 6;
- “organ of state”** means an organ of state as defined in section 239 of the Constitution; 10
- “overpayment”** means the transfer of more than the allocated amount of an allocation or the transfer of an allocation in excess of the applicable amount in a payment schedule;
- “payment schedule”** means a schedule which sets out— 15
- (a) the amount of each transfer of a provincial equitable share or a conditional allocation for a province or municipality to be transferred in terms of this Act;
- (b) the date on which each transfer must be paid; and
- (c) to whom, and to which bank account, each transfer must be paid;
- “prescribe”** means prescribe by regulation in terms of section 37; 20
- “primary bank account”**, in relation to—
- (a) a province, means a bank account of the Provincial Revenue Fund envisaged in section 21(2) of the Public Finance Management Act and which the accounting officer of the provincial treasury has certified to the National Treasury; or 25
- (b) a municipality, means the bank account of the municipality as determined in terms of section 8 of the Municipal Finance Management Act;
- “Provincial Roads Maintenance Grant”** means the Provincial Roads Maintenance Grant referred to in Part A of Schedule 4;
- “Public Finance Management Act”** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); 30
- “Public Transport Network Grant”** means the Public Transport Network Grant referred to in Part B of Schedule 5;
- “Public Transport Operations Grant”** means the Public Transport Operations Grant referred to in Part A of Schedule 4; 35
- “quarter”** means, in relation to—
- (a) a national or provincial department, the period from— 40
- (i) 1 April to 30 June;
- (ii) 1 July to 30 September;
- (iii) 1 October to 31 December; or
- (iv) 1 January to 31 March; or
- (b) a municipality— 45
- (i) 1 July to 30 September;
- (ii) 1 October to 31 December;
- (iii) 1 January to 31 March; or
- (iv) 1 April to 30 June;
- “receiving officer”** means, in relation to—
- (a) a Schedule 4, 5 or 7 allocation transferred to a province, the accounting officer of the provincial department which receives that allocation or a portion thereof for expenditure through an appropriation from its Provincial Revenue Fund; or 50
- (b) a Schedule 4, 5 or 7 allocation transferred or provided in kind to a municipality, the accounting officer of the municipality;
- “receiving provincial department”**, in relation to a Schedule 4, 5 or 7 allocation transferred to a province, means the provincial department which receives that allocation or a portion thereof for expenditure through an appropriation from its Provincial Revenue Fund; 55
- “School Infrastructure Backlogs Grant”** means the School Infrastructure Backlogs Grant referred to in Part A of Schedule 6;
- “this Act”** includes any framework or allocation published, or any regulation made, in terms of this Act; 60

“transferring officer” means the accounting officer of a national department that transfers a Schedule 4, 5 or 7 allocation to a province or municipality or spends a Schedule 6 allocation on behalf of a province or municipality;

“Urban Settlements Development Grant” means the Urban Settlements Development Grant referred to in Part B of Schedule 4; and

“working day” means any day except a Saturday, a Sunday or a public holiday as defined in the Public Holidays Act, 1994 (Act No. 36 of 1994).

(2) Any approval, certification, decision, determination, instruction, notification, notice or request in terms of this Act must be in writing.

Objects of Act

2. The objects of this Act are—

(a) as required by section 214(1) of the Constitution, to provide for—

(i) the equitable division of revenue raised nationally among the three spheres of government;

(ii) the determination of each province’s equitable share of the provincial share of that revenue; and

(iii) other allocations to provinces, local government or municipalities from the national government’s share of that revenue and conditions on which those allocations are made;

(b) to promote predictability and certainty in respect of all allocations to provinces and municipalities, in order that provinces and municipalities may plan their budgets over a multi-year period and thereby promote better coordination between policy, planning and budgeting; and

(c) promote transparency and accountability in the resource allocation process, by ensuring that all allocations, except Schedule 6 allocations, are reflected on the budgets of provinces and municipalities and the expenditure of conditional allocations is reported on by the receiving provincial departments and municipalities.

CHAPTER 2

EQUITABLE SHARE ALLOCATIONS

Equitable division of revenue raised nationally among spheres of government

3. (1) Revenue raised nationally in respect of the 2017/18 financial year must be divided among the national, provincial and local spheres of government as set out in Column A of Schedule 1.

(2) The envisaged division among the national, provincial and local spheres of government of revenue anticipated to be raised nationally in respect of the 2018/19 financial year and the 2019/20 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 1.

Equitable division of provincial share among provinces

4. (1) Each province’s equitable share of the provincial share of revenue raised nationally in respect of the 2017/18 financial year is set out in Column A of Schedule 2.

(2) The envisaged equitable share for each province of the revenue anticipated to be raised nationally in respect of the 2018/19 financial year and the 2019/20 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 2.

(3) The National Treasury must transfer each province’s equitable share referred to in subsection (1) to the corporation for public deposits account of the province in accordance with the payment schedule determined in terms of section 23.

Equitable division of local government share among municipalities

5. (1) Each municipality’s equitable share of local government’s share of revenue raised nationally in respect of the 2017/18 financial year is set out in Column A of Schedule 3.

(2) The envisaged equitable share for each municipality of revenue anticipated to be raised nationally in respect of the 2018/19 financial year and the 2019/20 financial year, and which is subject to the Division of Revenue Acts for those financial years, is set out in Column B of Schedule 3.

(3) The national department responsible for local government must transfer the municipality's equitable share referred to in subsection (1) to the primary bank account of the municipality in three transfers on 7 July 2017, 1 December 2017 and 19 March 2018, in the amounts determined in terms of section 23(2). 5

Shortfalls and excess revenue

6. (1) If the actual revenue raised nationally in respect of the 2017/18 financial year falls short of the anticipated revenue set out in Column A of Schedule 1, the national government bears the shortfall. 10

(2) If the actual revenue raised nationally in respect of the 2017/18 financial year exceeds the anticipated revenue set out in Column A of Schedule 1, the excess accrues to the national government, and may be used to reduce borrowing or pay debt as part of its share of revenue raised nationally. 15

(3) A portion of national government's equitable share or excess revenue envisaged in subsection (2) may be appropriated through the applicable legislation envisaged in section 12 of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), to make further allocations to— 20

- (a) national departments; or
- (b) provinces or municipalities.

CHAPTER 3

CONDITIONAL ALLOCATIONS TO PROVINCES AND MUNICIPALITIES

Part 1 25

Conditional allocations

Conditional allocations to provinces

7. (1) Conditional allocations to provinces for the 2017/18 financial year from the national government's share of revenue raised nationally are set out in—

- (a) Part A of Schedule 4, specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets; 30
- (b) Part A of Schedule 5, specifying specific-purpose allocations to provinces;
- (c) Part A of Schedule 6, specifying allocations-in-kind to provinces for designated special programmes; and
- (d) Part A of Schedule 7, specifying funds that are not allocated to specific provinces, that may be released to provinces to fund an immediate response to a disaster. 35

(2) An envisaged division of conditional allocations to provinces from the national government's share of revenue anticipated to be raised nationally for the 2018/19 financial year and the 2019/20 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 40

Conditional allocations to municipalities

8. (1) Conditional allocations to municipalities in respect of the 2017/18 financial year from the national government's share of revenue raised nationally are set out in— 45

- (a) Part B of Schedule 4, specifying allocations to municipalities to supplement the funding of functions funded from municipal budgets;
- (b) Part B of Schedule 5, specifying specific-purpose allocations to municipalities;
- (c) Part B of Schedule 6, specifying allocations-in-kind to municipalities for designated special programmes; and 50

- (d) Part B of Schedule 7, specifying funds that are not allocated to specific municipalities that may be released to municipalities to fund an immediate response to a disaster.
- (2) An envisaged division of conditional allocations to municipalities from the national government's share of revenue anticipated to be raised nationally for the 2018/19 financial year and the 2019/20 financial year, which is subject to the annual Division of Revenue Acts for those years, is set out in Column B of the Schedules referred to in subsection (1). 5
- (3) If approved by the National Treasury after consultation with the national Department of Transport, allocations for specific transport contracts for capital projects from the envisaged conditional allocations for the Public Transport Network Grant listed in Column B of Part B of Schedule 5, may not be altered downwards in the Division of Revenue Acts for the 2018/19 financial year and 2019/20 financial year. 10
- (4) (a) A municipality may only with the approval of the National Treasury pledge, offer as security or commit to a person or institution any envisaged conditional allocation to the municipality for the 2018/19 financial year and the 2019/20 financial year, for the purpose of securing a loan or any other form of financial or other support from that person or institution. 15
- (b) Before making a decision, the National Treasury must—
- (i) notify the relevant transferring officer of the approval sought by a municipality and the transferring officer may submit comment to the National Treasury regarding the approval sought, within five working days after notification or such longer period as the National Treasury may approve; and 20
- (ii) consider any comment so submitted by the transferring officer.
- (c) A municipality must report on any project pledged to be partially or fully funded in terms of paragraph (a) in the format and on the dates determined by the National Treasury. 25

Part 2

Duties of accounting officers in respect of Schedule 4 to 7 allocations

- Duties of transferring officer in respect of Schedule 4 allocations** 30
- 9.** (1) The transferring officer of a Schedule 4 allocation must—
- (a) ensure that transfers to all provinces and municipalities are—
- (i) deposited only into the primary bank account of the relevant province or municipality; and
- (ii) made in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; 35
- (b) monitor information on financial and non-financial performance of programmes partially or fully funded by an allocation in Part A of Schedule 4, in accordance with subsection (2) and the applicable framework; 40
- (c) monitor information on financial and non-financial performance of the Urban Settlements Development Grant and Integrated City Development Grant against the capital budget and the service delivery and budget implementation plan;
- (d) comply with the applicable framework; 45
- (e) submit a quarterly financial and non-financial performance report within 45 days after the end of each quarter to the National Treasury in terms of the applicable framework; and
- (f) evaluate the performance of programmes funded or partially funded by the allocation and submit such evaluations to the National Treasury within four months after the end of the 2017/18 financial year applicable to a provincial department or a municipality, as the case may be. 50
- (2) Any monitoring programme or system that is used to monitor information on financial and non-financial performance of a programme partially or fully funded by a Schedule 4 allocation must— 55
- (a) be approved by the National Treasury;
- (b) not impose any excessive administrative responsibility on receiving officers beyond the provision of standard management and budget information;

- (c) be compatible and integrated with and not unnecessarily duplicate other relevant national, provincial and local systems; and
- (d) support compliance with section 11(2).

(3) A transferring officer may only transfer the Urban Settlements Development Grant to a recipient metropolitan municipality, if the municipality has submitted a built environment performance plan in terms of section 14(1). 5

Duties of transferring officer in respect of Schedule 5 or 6 allocations

10. (1) The transferring officer of a Schedule 5 or 6 allocation must—

- (a) not later than 14 days after this Act takes effect, certify to the National Treasury that— 10
 - (i) any monitoring or system that is used, is compatible and integrated with and does not duplicate other relevant national, provincial and local systems; and
 - (ii) any plans required in terms of the framework of a Schedule 5 allocation regarding the use of the allocation by— 15
 - (aa) a province, have been approved before the start of the financial year; or
 - (bb) a municipality, shall be approved before the start of the financial year;
- (b) in respect of Schedule 5 allocations— 20
 - (i) transfer funds only after receipt of all information required to be submitted by the receiving officer in terms of this Act and submission of all relevant information to the National Treasury;
 - (ii) transfer funds in accordance with the payment schedule determined in terms of section 23, unless allocations are withheld or stopped in terms of section 18 or 19; and 25
 - (iii) deposit funds only into the primary bank account of the relevant province or municipality; and
- (c) ensure that all other provisions of this Act and the relevant framework for the transfer of the allocation are complied with. 30

(2) The transferring officer must submit all relevant information and documentation referred to in subsection (1)(a) to the National Treasury within 14 days after this Act takes effect.

(3) A transferring officer, who has not complied with subsection (1), must transfer the allocation in the manner instructed by the National Treasury, including transferring the allocation as an unconditional allocation. 35

(4) Before making the first transfer of any allocation in terms of subsection (1)(b), the transferring officer must take note of any notice in terms of section 31(1) containing the details of the relevant primary bank accounts.

(5) The transferring officer of a Schedule 5 allocation to a municipality is responsible for monitoring financial and non-financial performance information on programmes funded by the allocation. 40

(6) The transferring officer of a Schedule 5 or 6 allocation must, as part of the reporting envisaged in section 40(4)(c) of the Public Finance Management Act, submit information, in the format determined by the National Treasury, for the month in question, and for the 2017/18 financial year up to the end of that month, on— 45

- (a) the amount of funds transferred to a province or municipality;
- (b) the amount of funds for any province or municipality withheld or stopped in terms of section 18 or 19, the reasons for the withholding or stopping and the steps taken by the transferring officer and the receiving officer to deal with the matters or causes that necessitated the withholding or stopping of the payment; 50
- (c) the actual expenditure incurred by the province or municipality in respect of a Schedule 5 allocation;
- (d) the actual expenditure incurred by the transferring officer in respect of a Schedule 6 allocation; 55
- (e) any matter or information that may be required by the relevant framework for the particular allocation; and
- (f) such other matters as the National Treasury may determine.

- (7) A transferring officer must submit to the National Treasury—
- (a) a monthly provincial report on infrastructure expenditure partially or fully funded by the Health Facility Revitalisation Grant, National Health Grant, School Infrastructure Backlogs Grant or Maths, Science and Technology Grant within 22 days after the end of each month, in the format determined by the National Treasury; and 5
 - (b) a quarterly performance report of all programmes partially or fully funded by a Schedule 5 or 6 allocation within 45 days after the end of each quarter, in accordance with the relevant framework.
- (8) The transferring officer must evaluate the performance of all programmes partially or fully funded by a Schedule 5 or 6 allocation and submit such evaluations to the National Treasury within four months after the end of the 2017/18 financial year applicable to a provincial department or a municipality, as the case may be. 10
- (9) The transferring officer for the Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant to a metropolitan municipality— 15
- (a) may only transfer the grant if the municipality has submitted a built environment performance plan in terms of section 14(1); and
 - (b) must take into account that built environment performance plan when monitoring and evaluating the performance of the municipality and assessing envisaged plans and allocations for the municipality. 20
- (10) The transferring officer of the Human Settlements Development Grant may only transfer the grant to a province after the relevant receiving officer has complied with section 12(6)(a) and (b).

Duties of receiving officer in respect of Schedule 4 allocations 25

11. (1) The receiving officer of a Schedule 4 allocation is responsible for—
- (a) complying with the relevant framework for the Schedule 4 allocation; and
 - (b) the manner in which the Schedule 4 allocation received from a transferring officer is allocated and spent.
- (2) The receiving officer of a municipality must— 30
- (a) ensure and certify to the National Treasury that the municipality—
 - (i) indicates each programme partially or fully funded by a Schedule 4 allocation in its annual budget and that the Schedule 4 allocation is specifically and exclusively appropriated in that budget for utilisation only according to the purpose of the allocation; and 35
 - (ii) makes public, in terms of section 21A of the Municipal Systems Act, the conditions and other information in respect of the allocation, to facilitate performance measurement and the use of required inputs and outputs;
 - (b) when submitting the municipality's statements in terms of section 71 of the Municipal Finance Management Act for September 2017, December 2017, 40
March 2018 and June 2018, report to the transferring officer, the relevant provincial treasury and the National Treasury—
 - (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on financial performance against its capital budget and the measures defined in its service delivery and budget implementation plan; and 45
 - (ii) in respect of any other Schedule 4 allocation, on financial performance of programmes partially or fully funded by the allocation; and
 - (c) within 30 days after the end of each quarter, report to the transferring officer and the National Treasury— 50
 - (i) in respect of the Urban Settlements Development Grant and the Integrated City Development Grant, on non-financial performance for that quarter against the measures defined in its service delivery and budget implementation plan; and
 - (ii) in respect of any other Schedule 4 allocation, on non-financial performance of programmes partially or fully funded by the allocation. 55
- (3) The National Treasury must make the report submitted to it in terms of subsection (2)(b) or (c) available to the transferring officer of the Urban Settlements Development Grant, Public Transport Network Grant and Integrated National Electrification Programme Grant and the accounting officer of any other national department having 60
responsibilities relating to the applicable allocation.

- (4) The receiving officer of a provincial department must submit to the relevant provincial treasury and the transferring officer—
- (a) as part of the report required in section 40(4)(c) of the Public Finance Management Act, reports on financial and non-financial performance of programmes partially or fully funded by a Schedule 4 allocation; 5
 - (b) a quarterly non-financial performance report of programmes partially or fully funded by a Schedule 4 allocation within 30 days after the end of each quarter; and
 - (c) a monthly provincial report on infrastructure programmes partially or fully funded by a Schedule 4 allocation within 15 days after the end of each month, in the format determined by the National Treasury. 10
- (5) The receiving officer must report on programmes partially or fully funded by a Schedule 4 allocation against the relevant framework in its annual financial statements and annual report.
- (6) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 4 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months—
- (a) in respect of a provincial department, after the end of the 2017/18 financial year of the provincial department; and 20
 - (b) in respect of a municipality, after the end of the 2017/18 financial year of the municipality.

Duties of receiving officer in respect of Schedule 5 or 7 allocations

- 12.** (1) The receiving officer of a Schedule 5 or 7 allocation must ensure compliance with the relevant framework. 25
- (2) The relevant receiving officer must, in respect of a Schedule 5 or 7 allocation transferred to—
- (a) a province, as part of the report required in section 40(4)(c) of the Public Finance Management Act, report on the matters referred to in subsection (3) and submit a copy of that report to the relevant provincial treasury and the transferring officer; 30
 - (b) a municipality, as part of the report required in terms of section 71 of the Municipal Finance Management Act, report on the matters referred to in subsection (4) and submit a copy of that report to the relevant provincial treasury, the National Treasury and the relevant transferring officer; and 35
 - (c) a province or municipality, submit a quarterly non-financial performance report within 30 days after the end of each quarter to the transferring officer and the relevant provincial treasury.
- (3) A report for a province in terms of subsection (2)(a) must set out for the month in question and for the 2017/18 financial year up to the end of the month— 40
- (a) the amount received by the province;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding;
 - (c) the actual expenditure by the province in respect of Schedule 5 and 7 allocations; 45
 - (d) the amount transferred to any national or provincial public entity to implement a programme funded by a Schedule 5 allocation on behalf of a province or to assist the province in implementing the programme;
 - (e) the available figures regarding the expenditure by a public entity referred to in paragraph (d); 50
 - (f) the extent of compliance with this Act and with the conditions of the allocation provided for in its framework, based on the available information at the time of reporting;
 - (g) an explanation of any material difficulties experienced by the province regarding an allocation which has been received and a summary of the steps taken to deal with such difficulties; 55
 - (h) any matter or information that may be determined in the framework for the allocation; and
 - (i) such other matters and information as the National Treasury may determine.

- (4) A report for a municipality in terms of subsection (2)(b) must set out for the month in question and for the 2017/18 financial year up to the end of the month—
- (a) the amount received by the municipality;
 - (b) the amount of funds stopped or withheld in terms of section 18 or 19 and the reason for the stopping or withholding; 5
 - (c) the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework;
 - (d) an explanation of any material difficulties experienced by the municipality regarding an allocation which has been received and a summary of the steps taken to deal with such problems; 10
 - (e) any matter or information that may be determined in the framework for the allocation; and
 - (f) such other matters and information as the National Treasury may determine.
- (5) The receiving officer must evaluate the financial and non-financial performance of the provincial department or municipality, as the case may be, in respect of programmes partially or fully funded by a Schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2017/18 financial year applicable to a provincial department or a municipality, as the case may be. 15
- (6) (a) The receiving officer of the Human Settlements Development Grant must, in consultation with the transferring officer, publish in the *Gazette* within 14 days after this Act takes effect, the planned expenditure from the Human Settlements Development Grant, for the 2017/18 financial year, the 2018/19 financial year and the 2019/20 financial year per municipality with level one or level two accreditation. 20
- (b) The planned expenditure must indicate the expenditure to be undertaken directly by the province and transfers to each municipality. 25
- (c) The receiving officer of the Human Settlements Development Grant may, by notice in the *Gazette*, after taking into account the performance of the municipality and after consultation with the affected municipality and in consultation with the transferring officer, amend the planned expenditure for that municipality published in terms of paragraph (a). 30

Duties of receiving officer in respect of infrastructure conditional allocations to provinces

- 13.** (1) The receiving officer of the Education Infrastructure Grant, Health Facility Revitalisation Grant, Human Settlements Development Grant or Provincial Roads Maintenance Grant must— 35
- (a) submit to the relevant provincial treasury a list of all infrastructure projects partially or fully funded by the relevant grant over the medium term expenditure framework for tabling as part of the estimates of provincial expenditure in the provincial legislature in the format determined by the National Treasury; 40
 - (b) within seven days after the tabling in the legislature, submit the list to the transferring officer and the National Treasury;
 - (c) after consultation with the provincial treasury and the transferring officer, submit any amendments to the list, together with reasons for the amendments, to the provincial treasury for tabling with the adjusted estimates of provincial expenditure; 45
 - (d) within seven days after the tabling in the legislature, submit the amended list to the transferring officer and the National Treasury;
 - (e) report on all infrastructure expenditure partially or fully funded by the relevant grant to the transferring officer, relevant provincial treasury and the National Treasury in the format and on the date determined by the National Treasury; 50
 - (f) within 15 days after the end of each month, submit to the relevant provincial treasury and transferring officer, a draft report on infrastructure programmes partially or fully funded from those grants in the format determined by the National Treasury; 55
 - (g) within 22 days after the end of each month, submit to the National Treasury, a final draft report on infrastructure programmes partially or fully funded from those grants; and 60

- (h) within two months after the end of the 2017/18 financial year—
 - (i) evaluate the financial and non-financial performance of the province in respect of programmes partially or fully funded by the grant based on the infrastructure budget of the province; and
 - (ii) submit the evaluation to the transferring officer, the relevant provincial treasury and the National Treasury. 5
- (2) The receiving officer of the Education Infrastructure Grant or Health Facility Revitalisation Grant must—
 - (a) within 22 days after the end of each quarter, submit to the transferring officer, the relevant provincial treasury and the National Treasury, a final report on the filling of posts on the approved establishment for the infrastructure unit of the affected provincial department; and 10
 - (b) ensure that projects comply with infrastructure delivery management best practice standards and guidelines, as identified and approved by the National Treasury. 15

Infrastructure conditional allocations to metropolitan municipalities

- 14.** (1) The receiving officer of a metropolitan municipality must, by 31 May 2017, submit to the National Treasury a built environment performance plan that includes all projects partially or fully funded by—
- (a) the Integrated City Development Grant, Urban Settlements Development Grant, Public Transport Network Grant, Neighbourhood Development Partnership Grant or Integrated National Electrification Programme Grant referred to in Part B of Schedule 5; and 20
 - (b) money allocated for the Human Settlements Development Grant received from a province. 25
- (2) The built environment performance plan, referred to in subsection (1), must—
- (a) be in the format determined by the National Treasury, including information on the project pipeline for catalytic urban development projects;
 - (b) demonstrate that the planned expenditure in the municipality's integration zones from all the grants referred to in subsection (1)(a) collectively, increases annually; and 30
 - (c) be approved by its municipal council.
- (3) The National Treasury must, within seven days after the submission in terms of subsection (1), make available each built environment performance plan to all affected transferring officers and provincial departments. 35
- (4) (a) The receiving officer must report in its annual financial statements on the expenditure from each of the grants mentioned in subsection (1)(a) in each integration zone of the municipality against its built environment performance plan.
- (b) The transferring officer of the Integrated National Electrification Programme Grant referred to in Part B of Schedule 6 must report in its annual financial statements on the expenditure in each integration zone of every municipality against the built environment performance plan of the municipality. 40

Duties in respect of annual financial statements and annual reports for 2017/18

- 15.** (1) The 2017/18 financial statements of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 45
- (a) indicate the total amount of that allocation transferred to a province or municipality;
 - (b) indicate any transfer withheld or stopped in terms of section 18 or 19 in respect of each province or municipality and the reason for the withholding or stopping; 50
 - (c) indicate any transfer not made in accordance with the payment schedule or amended payment schedule, unless withheld or stopped in terms of section 18 or 19, and the reason for the non-compliance;
 - (d) indicate any reallocations by the National Treasury in terms of section 20; 55
 - (e) certify that all transfers to a province or municipality were deposited into the primary bank account of a province or municipality; and
 - (f) indicate the funds, if any, used for the administration of the allocation by the receiving officer.

- (2) The 2017/18 annual report of a national department responsible for transferring an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation indicate—
- (a) the reasons for the withholding or stopping of all transfers to a province or municipality in terms of section 18 or 19; 5
 - (b) the extent that compliance with this Act by provinces or municipalities was monitored;
 - (c) the extent that the allocation achieved its objectives and outputs; and
 - (d) any non-compliance with this Act, and the steps taken to address the non-compliance. 10
- (3) The 2017/18 financial statements of a provincial department responsible for receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation—
- (a) indicate the total amount of all allocations received;
 - (b) indicate the total amount of actual expenditure on each Schedule 5 or 7 allocation; and 15
 - (c) certify that all transfers of allocations in Schedules 4, 5 and 7 to the province were deposited into the primary bank account of the province.
- (4) The 2017/18 annual report of a provincial department receiving an allocation in Schedule 4, 5 or 7 must, in addition to any requirement of any other legislation— 20
- (a) indicate the extent that the provincial department complied with this Act;
 - (b) indicate the steps taken to address non-compliance with this Act;
 - (c) indicate the extent that the allocation achieved its objectives and outputs;
 - (d) contain any other information that may be specified in the framework for the allocation; and 25
 - (e) contain such other information as the National Treasury may determine.
- (5) The 2017/18 financial statements and annual report of a municipality receiving an allocation in Schedule 4, 5 or 7 must be prepared in accordance with the Municipal Finance Management Act.
- (6) The National Treasury may determine how transferring officers and receiving officers must report on conditional allocations to municipalities within 30 days after the end of each quarter to facilitate the audit of the allocations for the 2017/18 financial year. 30

Part 3

Matters relating to Schedule 4 to 7 allocations

- Publication of allocations and frameworks** 35
- 16.** (1) The National Treasury must, within 14 days after this Act takes effect, publish by notice in the *Gazette*—
- (a) the conditional allocations per municipality for Part B of Schedule 5 allocations;
 - (b) the indicative conditional allocations per province for Part A of Schedule 6 allocations and per municipality for Part B of Schedule 6 allocations; and 40
 - (c) the framework for each conditional allocation in Schedules 4 to 7.
- (2) For purposes of correcting an error or omission in an allocation or framework published in terms of subsection (1)(a) or (c), the National Treasury must—
- (a) on its initiative and after consultation with the relevant transferring officer; or 45
 - (b) at the written request of the relevant transferring officer,
- by notice in the *Gazette* amend the affected allocation or framework.
- (3) The National Treasury may, after consultation with the relevant transferring officer and by notice in the *Gazette*, amend an indicative conditional allocation in Schedule 6 published in terms of subsection (1)(b). 50
- (4) Before amending a framework in terms of subsection (2), the National Treasury must submit the proposed amendment to Parliament for comment for a period of 14 days when Parliament is in session.
- (5) An amendment in terms of subsection (2) or (3) takes effect on the date of publication of the notice in the *Gazette*. 55

Expenditure in terms of purpose and subject to conditions

17. (1) Despite a provision of other legislation to the contrary, an allocation referred to in Schedules 4 to 7 may only be used for the purpose stipulated in the Schedule concerned and in accordance with the applicable framework.
- (2) A receiving officer may not transfer any portion of a Schedule 5 allocation to any other organ of state for the performance of a function to be funded by the allocation, unless before the transfer is made, the receiving officer and the organ of state agree to a payment schedule, the receiving officer has notified the transferring officer and the National Treasury approves the agreed payment schedule and—
- (a) the transfer—
- (i) is approved in the budget for the receiving provincial department or municipality; or
- (ii) if not so approved—
- (aa) the receiving officer notifies the National Treasury that the purpose of the transfer is not to artificially inflate the expenditure estimates of the relevant provincial department or municipality and indicates the reasons for the transfer; and
- (bb) the National Treasury approves the transfer; or
- (b) the transfer is for the payment for services or goods procured in accordance with the supply chain management policy or procurement policy of the relevant province or municipality and, if it is an advance payment, paragraph (a)(ii) applies with the necessary changes.
- (3) For purposes of the implementation of a Schedule 6 allocation to a municipality—
- (a) Eskom Holdings Limited may receive funds directly from the transferring officer of the Department of Energy; or
- (b) a water board, as defined in section 1 of the Water Services Act, 1997 (Act No. 108 of 1997), may receive funds directly from the transferring officer of the Department of Water and Sanitation.
- (4) (a) For purposes of the Human Settlements Development Grant, a receiving officer and a municipality with level one or two accreditation or functions assigned in terms of section 126 of the Constitution to administer all aspects, including financial administration of national housing programme (herein called “assigned functions”) as at 1 April 2017, must, by the date determined by the National Treasury, comply with subsection (2) by—
- (i) entering into a payment schedule; and
- (ii) submitting the payment schedule to the National Treasury.
- (b) If a municipality receives accreditation after 1 April 2017, the National Treasury may approve that paragraph (a) applies.
- (c) If the transfer of the Human Settlements Development Grant to a municipality with assigned functions is withheld or stopped in terms of section 18 or 19, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 24.
- (5) If a function which is partially or fully funded by a conditional allocation to a province is assigned to a municipality, as envisaged in section 10 of the Municipal Systems Act—
- (a) the funds from the conditional allocation for the province for the function must be stopped in terms of section 19 and reallocated in terms of section 20 to the municipality which has been assigned the function;
- (b) if possible, the province must finalise any project or fulfil any contract regarding the function before the date the function is assigned and, if not finalised, the province must notify the relevant municipality and the National Treasury;
- (c) any project or contract regarding the function not finalised or fulfilled at the date at which the function is assigned, must be subjected to an external audit and the province and the municipality must enter into an agreement to complete the project or fulfil the contract through ceding it to the municipality;
- (d) money that is retained by the province for any contract related to the function that is not ceded to the municipality must be spent by 31 March 2018 and shall not be available in terms of section 30 of the Public Finance Management Act or section 22(2);

- (e) the receiving officer of the province must submit to the transferring officer and the National Treasury a list of liabilities attached to the function, that were not transferred to the municipality, within seven days after the function is assigned to provide for the adjustment of the applicable allocations; and
- (f) the receiving officer of the municipality must, within one month from the date of the stopping of funds in paragraph (a), submit to the transferring officer a revised plan for its planned expenditure. 5

Withholding of allocations

18. (1) Subject to subsections (2) and (3), a transferring officer may withhold the transfer of a Schedule 4 or 5 allocation, or any portion thereof, for a period not exceeding 30 days, if— 10

- (a) the province or municipality does not comply with any provision of this Act;
- (b) roll-overs of conditional allocations approved by the National Treasury in terms of section 22 have not been spent; or
- (c) a satisfactory explanation is not given for significant under-expenditure on previous transfers during the 2017/18 financial year. 15

(2) If an allocation is withheld in terms of subsection (1), it suspends the applicable payment schedule approved in terms of section 23(3) until it is amended in terms of section 24.

(3) The amount withheld in terms of this section in the case of the Health Professions Training and Development Grant or the National Tertiary Services Grant listed in Part A of Schedule 4 may not exceed five per cent of the next transfer as contained in the relevant payment schedule. 20

(4) A transferring officer must, at least seven working days before withholding an allocation in terms of subsection (1)— 25

- (a) give the relevant receiving officer—
 - (i) notice of the intention to withhold the allocation; and
 - (ii) an opportunity to submit written representations as to why the allocation should not be withheld; and
- (b) inform the relevant provincial treasury and the National Treasury, and in respect of any conditional allocation to a municipality, also the provincial department responsible for local government. 30

(5) A notice envisaged in subsection (4) must include the reasons for withholding the allocation and the intended duration of the withholding to inform the amendment of the payment schedule in terms of section 24. 35

(6) (a) The National Treasury may instruct, or approve a request from, the transferring officer to withhold an allocation in terms of subsection (1) for a period longer than 30 days, but not exceeding 120 days, if the withholding shall—

- (i) facilitate compliance with this Act; or
- (ii) minimise the risk of under-spending by the relevant provincial department or municipality. 40

(b) When requesting the withholding of an allocation in terms of this subsection, a transferring officer must submit to the National Treasury proof of compliance with subsection (4) and any representations received from the receiving officer.

(c) The transferring officer must again comply with subsection (4) when the National Treasury instructs or approves a request by the transferring officer in terms of paragraph (a). 45

Stopping of allocations

19. (1) Despite section 18, the National Treasury may, in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a Schedule 4 or 5 allocation, or a portion thereof, to a province or municipality— 50

- (a) in the case of—
 - (i) a province, if a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, occurs; or
 - (ii) a municipality, if— 55
 - (aa) a serious or persistent material breach of this Act, as envisaged in section 216(2) of the Constitution, read with section 38(1)(b)(i) of the Municipal Finance Management Act, occurs; or

- (bb) a breach or failure to comply, as envisaged in section 38(1)(b)(ii) of the Municipal Finance Management Act occurs;
- (b) if the National Treasury anticipates that a province or municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2017/18 financial year; or
- (c) for purposes of the assignment of a function from a province to a municipality, as envisaged in section 10 of the Municipal Systems Act.
- (2) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(i) or (b)—
- (a) comply with the procedures in section 18(4)(a); and
- (b) inform the relevant provincial treasury of its intention to stop the allocation.
- (3) The National Treasury must, before stopping an allocation in terms of subsection (1)(a)(ii), comply with the applicable provisions of section 38 of the Municipal Finance Management Act.
- (4) The National Treasury must give notice in the *Gazette* of the stopping of an allocation in terms of this section and include in the notice the effective date of, and reason for, the stopping.
- (5) (a) If—
- (i) an allocation, or any portion thereof, is stopped in terms of subsection (1)(a) or (b); and
- (ii) the relevant transferring officer certifies in writing to the National Treasury that the payment of an amount in terms of a statutory or contractual obligation is overdue and the allocation, or a portion thereof, was intended for payment of the amount,
- the National Treasury may, by notice in the *Gazette*, approve that the allocation, or any portion thereof, be used to pay that amount partially or fully.
- (b) The utilisation of funds envisaged in this subsection is a direct charge against the National Revenue Fund.

Reallocation of funds

20. (1) When a Schedule 4 or 5 allocation or a portion thereof is stopped in terms of section 19(1)(a) or (b), the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2017/18 financial year.
- (2) (a) When a Schedule 4 or 5 allocation, or a portion thereof, is stopped in terms of section 19(1)(c), the National Treasury must, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to the affected municipalities, on condition that the allocation must be spent by the end of the 2017/18 financial year.
- (b) The portion of the allocation reallocated in terms of paragraph (a) is, with effect from the notice in the *Gazette* in terms of subsection (3)(a), regarded as having been converted to an allocation in Part B of the same Schedule it appears before the reallocation.
- (3) (a) If the transferring officer of a Schedule 6 allocation indicates in writing to the National Treasury that a portion of the allocation is likely to be underspent, or needs to be reprioritised to meet a priority, the National Treasury may, at the request of the transferring officer, determine that the portion be reallocated, as the same type of allocation as it was allocated originally, to a provincial department of another province or to another municipality.
- (b) Before requesting a reallocation, the transferring officer must notify the affected provincial department or municipality of the proposed reallocation and give the provincial department or municipality at least 14 days to provide comments and propose changes.
- (c) When making a request in terms of paragraph (a), the transferring officer must submit to the National Treasury comments and proposed changes provided by the affected provincial department or municipality in terms of paragraph (b).

- (d) The reallocated portion must be spent by the end of the 2017/18 financial year.
- (e) The reallocated portion is regarded as having been converted to an allocation to the relevant provincial department or municipality with effect from the date of the notice in the *Gazette* in terms of subsection (4)(a).
- (4) (a) The National Treasury must— 5
- (i) give notice in the *Gazette* of a reallocation in terms of subsection (1), (2) or (3); and
 - (ii) provide a copy of the notice to the transferring officer and each affected receiving officer.
- (b) The reallocation of a portion of an allocation not spent by the end of the 2017/18 financial year is eligible for a roll-over in terms of section 22(2). 10
- (5) (a) When an intervention in terms of section 100 or 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act takes place, the National Treasury may, despite subsection (1) and on such conditions as it may determine, authorise in relation to— 15
- (i) section 100 of the Constitution, the transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant province;
 - (ii) section 139 of the Constitution or section 137 or 139 of the Municipal Finance Management Act, the intervening province to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality; or 20
 - (iii) section 150 of the Municipal Finance Management Act, the relevant transferring officer to spend an allocation stopped in terms of section 19 on behalf of the relevant municipality.
- (b) An allocation that is spent by the transferring officer or intervening province referred to in paragraph (a) must, for the purposes of this Act, be regarded as a Schedule 6 allocation from the date on which the authorisation is given. 25
- (6) (a) On a joint request by the transferring officer and the National Disaster Management Centre, established by section 8 of the Disaster Management Act, 2002 (Act No. 57 of 2002), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a disaster or the reconstruction or rehabilitation of infrastructure damage caused by a disaster. 30
- (b) Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation. 35
- (c) The reallocated funds must be used in the 2017/18 financial year in the same sphere the allocation was originally made and for the same functional area that the original allocation relates to.
- (d) The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the National Disaster Management Centre and with the approval of the National Treasury. 40
- (e) Subsection (4) applies with the necessary changes to a reallocation in terms of this subsection to another province or municipality.

Conversion of allocations 45

- 21.** (1) If satisfied that the relevant provincial department or municipality has demonstrated the capacity to implement projects, the National Treasury may, at the request of the transferring officer and after consultation with the receiving officer, convert any portion of—
- (a) an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5; 50
 - (b) the School Infrastructure Backlogs Grant to the Education Infrastructure Grant; or
 - (c) the National Health Grant listed in Part A of Schedule 6 to the Health Facility Revitalisation Grant or the National Health Insurance Grant listed in Part A of Schedule 5. 55
- (2) The National Treasury may, after consultation with the relevant transferring officer, receiving officer and provincial treasury, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that—
- (a) the conversion shall prevent under-expenditure or improve the level of service delivery in respect of the allocation in question; 60

- (b) the affected national or provincial department or municipality has demonstrated the capacity to implement projects;
 - (c) the transferring officer has made a demonstrable effort to strengthen the capacity of the receiving officer to implement the allocation, but the receiving officer is still not capable of fully meeting the requirements of the allocation; 5
and
 - (d) there is a history of poor performance in the previous two financial years for allocations of the relevant grant to this receiving officer, including withholding and stopping of allocations.
- (3) If satisfied that a municipality has failed to follow the procurement procedures prescribed in terms of the Municipal Finance Management Act, the National Treasury may, at the request of the transferring officer or in its discretion, after consultation with the relevant transferring officer and receiving officer, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6. 10
- (4) (a) Any portion of an allocation, except the School Infrastructure Backlogs Grant, 15
converted in terms of subsections (1), (2) or (3) must—
- (i) be used for the same province or municipality to which the allocation was originally made; and
 - (ii) if—
 - (aa) possible, be used to implement the same project or projects that were 20
planned if the allocation had not been converted; or
 - (bb) not possible, the receiving officer must sign an agreement that defines any new project to be funded, before it is implemented.
- (b) The School Infrastructure Backlogs Grant must be used—
- (i) for the same province to which the allocation was originally made; and 25
 - (ii) to implement the same project or projects that were planned if the allocation had not been converted.
- (5) The National Treasury must—
- (a) give notice in the *Gazette* of a conversion in terms of subsection (1), (2) or (3); 30
and
 - (b) provide a copy of the notice to the transferring officer and each affected receiving officer.
- (6) A conversion in terms of subsection (1), (2) or (3) takes effect on the date of publication of the notice in terms of subsection (5)(a).
- (7) If an allocation listed in Part B of Schedule 7 is insufficient for a disaster referred 35
to in section 26(3)(a), the National Treasury may, after consultation with or on the request of the relevant transferring officer, convert any portion of an allocation listed in—
- (a) Part A of Schedule 7 to one listed in Part B of Schedule 7; or
 - (b) Part B of Schedule 7 to one listed in Part A of Schedule 7. 40
- (8) The National Treasury must—
- (a) in the notice published in terms of section 26(3)(c), include notification of the conversion in terms of subsection (7) and the effective date referred to in subsection (9); or
 - (b) provide a copy of the notice to the transferring officer. 45
- (9) A conversion in terms of subsection (7) takes effect on the date that the National Treasury approves it.

Unspent conditional allocations

22. (1) Despite a provision to the contrary in the Public Finance Management Act or the Municipal Finance Management Act, any conditional allocation, or a portion 50
thereof, that is not spent at the end of the 2017/18 financial year reverts to the National Revenue Fund, unless the roll-over of the allocation is approved in terms of subsection (2).
- (2) The National Treasury may, at the request of a transferring officer, receiving officer or provincial treasury, approve a roll-over of a conditional allocation to the 55
2018/19 financial year if the unspent funds are committed to identifiable projects.
- (3) (a) The receiving officer must ensure that any funds that must revert to the National Revenue Fund in terms of subsection (1), are paid into that Fund by the date determined by the National Treasury.
- (b) The receiving officer must— 60

- (i) in the case of a provincial department, request the roll-over of unspent funds through its provincial treasury; and
- (ii) inform the transferring officer of all processes regarding the request.
- (4) (a) The National Treasury may, subject to paragraphs (b) and (c), offset any funds that must revert to the National Revenue Fund in terms of subsection (1), but not paid into that Fund by the date determined in terms of subsection (3)(a)— 5
 - (i) in respect of a province, against future transfers of conditional allocations to that province; or
 - (ii) in respect of a municipality, against future transfers of the equitable share or conditional allocations to that municipality. 10
- (b) Before any funds are offset in terms of paragraph (a), the National Treasury must give the relevant transferring officer, province or municipality—
 - (i) notice of the intention to offset amounts against future allocations, the intended amount to be offset against allocations, the intended date for the offsetting and the reasons for the offsetting; and 15
 - (ii) an opportunity, within 14 days of receipt of the notice, to—
 - (aa) propose an alternative date for offsetting;
 - (bb) make written submissions why the full or a part of the amount should not be offset; or
 - (cc) propose an alternative date by which the amount shall be paid into the National Revenue Fund. 20
- (c) The National Treasury must—
 - (i) accept the date proposed in terms of paragraph (b)(ii)(aa) or (cc) or determine another date; or
 - (ii) accept or reject the submissions made in terms of paragraph (b)(ii)(bb). 25
- (5) (a) The National Treasury may amend the amount of the equitable share or a conditional allocation offset in terms of subsection (4).
- (b) If the amendment contemplated in paragraph (a) results in an underpayment to a municipality—
 - (i) in respect of the equitable share of the municipality, the department responsible for local government must, despite section 5(3), transfer the difference to the municipality within 10 days; or 30
 - (ii) in respect of a conditional allocation of the municipality, the transferring officer must, despite the payment schedule contemplated in section 23(3), transfer the difference to the municipality within 10 days. 35
- (c) If the amendment in terms of paragraph (a) results in an overpayment to a municipality, section 25 applies.

CHAPTER 4

MATTERS RELATING TO ALL ALLOCATIONS

- Payment requirements** 40
- 23.** (1) (a) The National Treasury must, after consultation with the provincial treasury, determine the payment schedule for the transfer of a province's equitable share allocation.
- (b) In determining the payment schedule, the National Treasury must take into account the monthly expenditure commitments of provinces and seek to minimise risk and debt servicing costs for national and provincial government. 45
- (c) Despite paragraph (a), the National Treasury may advance funds to a province in respect of its equitable share or a portion of it which has not yet fallen due for transfer in terms of the payment schedule—
- (i) for cash management purposes relating to the corporation for public deposits account or when an intervention in terms of section 100 of the Constitution takes place; and
 - (ii) on such conditions as it may determine.
- (d) Any advances in terms of paragraph (c) must be offset against transfers to the province which would otherwise become due in terms of the payment schedule. 55
- (2) (a) The National Treasury must, after consultation with the national department responsible for local government, determine the amount of a municipality's equitable share allocation to be transferred on each date referred to in section 5(3).

(b) If an amount less than the amount approved in terms of paragraph (a) is paid to a municipality, the difference must, despite section 5(3), be paid within 10 days after it comes to the attention of the national department responsible for local government.

(c) Despite paragraph (a), the National Treasury may approve a request or direct that the equitable share or a portion of the equitable share which has not yet fallen due for transfer in terms of section 5(3), be advanced to a municipality— 5

(i) after consultation with the national department responsible for local government;

(ii) for purposes of cash management in the municipality or an intervention in terms of section 139 of the Constitution or section 137, 139 or 150 of the Municipal Finance Management Act; and 10

(iii) on such conditions as it may determine.

(d) Any advance in terms of paragraph (c) must be offset against transfers to the municipality which would otherwise become due in terms of section 5(3).

(3) (a) Subject to section 28(1), the National Treasury must, within 14 days after this Act takes effect, approve the payment schedule for the transfer of an allocation listed in Schedule 4 or 5 to a province or municipality. 15

(b) The transferring officer of a Schedule 4 or 5 allocation must submit a payment schedule to the National Treasury for approval before the first transfer is made.

(c) Before the submission of a payment schedule in terms of paragraph (b), the transferring officer must, in relation to a Schedule 4 or 5 allocation, consult the relevant receiving officer. 20

(4) The transferring officer of a Schedule 4 or 5 allocation must provide the receiving officer and the relevant provincial treasury with a copy of the approved payment schedule before making the first transfer in terms thereof. 25

(5) The transfer of a Schedule 4 or 5 allocation to a municipality must accord with the financial year of the municipality.

(6) Each transfer of an equitable share or a conditional allocation to a municipality in terms of this Act must be made through a payment system provided by the National Treasury. 30

Amendment of payment schedule

24. (1) (a) Subject to subsection (2), a transferring officer of a Schedule 4 or 5 allocation must, within seven days of the withholding or stopping of an allocation in terms of section 18 or 19, submit an amended payment schedule to the National Treasury for approval. 35

(b) No transfers may be made until the National Treasury has approved the amended payment schedule.

(2) For purposes of better management of debt and cash-flow or addressing financial mismanagement or financial misconduct or slow or accelerated expenditure, the National Treasury may amend any payment schedule for an allocation listed in Schedule 2, 4 or 5, after notifying, in the case of— 40

(a) an allocation to a province, the provincial treasury in question;

(b) an allocation to a municipality, the national department responsible for local government;

(c) a Schedule 4 or 5 allocation, the relevant transferring officer. 45

(3) The amendment of a payment schedule in terms of subsection (1) or (2) must take into account—

(a) the monthly expenditure commitments of provinces or municipalities;

(b) the revenue at the disposal of provinces or municipalities; and

(c) the minimisation of risk and debt servicing costs for all three spheres of government. 50

(4) The transferring officer must immediately inform the receiving officer of any amendment to a payment schedule in terms of subsection (1) or (2).

Transfers made in error or fraudulently

25. (1) Despite a provision of other legislation to the contrary, the transfer of an allocation that is an overpayment to a province, municipality or public entity, made in error or fraudulently, is regarded as not legally due to that province, municipality or public entity, as the case may be. 55

(2) The responsible transferring officer must, without delay, recover an overpayment referred to in subsection (1), unless an instruction has been issued in terms of subsection (3).

(3) The National Treasury may instruct that the recovery referred to in subsection (2) be effected by set-off against future transfers to the affected province, municipality or public entity in terms of a payment schedule. 5

New allocations during financial year and Schedule 7 allocations

26. (1) If further allocations are made to provinces or municipalities, as envisaged in section 6(3), the National Treasury must, before the transfer of any funds to a province or municipality, by notice in the *Gazette* and as applicable— 10

(a) amend any allocation or framework published in terms of section 16;

(b) publish the allocation per municipality for any new Part B of Schedule 5 allocation or the indicative allocation per municipality for any new Part B of Schedule 6 allocation; or

(c) publish a framework for any new Schedule 4, 5, 6 or 7 allocation. 15

(2) Section 16(2) to (5) applies with the necessary changes to allocations and frameworks published in terms of subsection (1).

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a disaster within 100 days after the date of the declaration of the disaster. 20

(b) The transferring officer must notify the relevant provincial treasury and the National Treasury within 14 days of a transfer of a Schedule 7 allocation to a province or municipality.

(c) The National Treasury must, within 21 days after the end of the 100 day period referred to in paragraph (a), by notice in the *Gazette* publish all transfers of a Schedule 7 allocation made for a disaster. 25

(d) A Schedule 7 allocation transferred to a province or municipality must be appropriated either in the provincial adjustments appropriation legislation, municipal adjustments budgets or other appropriation legislation.

Preparations for 2018/19 financial year and 2019/20 financial year 30

27. (1) (a) A category C municipality that receives a conditional allocation in terms of this Act must, using the indicative conditional allocations to that municipality for the 2018/19 financial year and the 2019/20 financial year as set out in Column B of the Schedules to this Act, by 2 October 2017—

(i) agree on the provisional allocations and the projects to be funded from those allocations in the 2018/19 financial year and the 2019/20 financial year with each category B municipality within the category C municipality's area of jurisdiction; and 35

(ii) submit to the transferring officer—

(aa) the provisional allocations referred to in subparagraph (i); and 40

(bb) the projects referred to in subparagraph (i), listed per municipality.

(b) If a category C municipality and a category B municipality cannot agree on the allocations and projects referred to in paragraph (a), the category C municipality must request the relevant transferring officer to facilitate agreement.

(c) The transferring officer must take all necessary steps to facilitate agreement as soon as possible, but no later than 60 days after receiving a request referred to in paragraph (b). 45

(d) Any proposed amendment or adjustment of the allocations that is intended to be published in terms of section 30(3)(b) must be agreed with the relevant category B municipality, the transferring officer and the National Treasury, before publication and the submission of the allocations referred to in paragraph (a)(ii). 50

(e) If agreement is not reached between the category C municipality and the category B municipality on the provisional allocations and projects referred to in paragraph (a) before 2 October 2017, the National Treasury may determine the provisional allocations and provide those provisional allocations to the affected municipalities and the transferring officer. 55

(f) (i) The transferring officer must submit the final allocations based on the provisional allocations referred to in paragraph (a)(i) and (ii) and (e) to the National Treasury by 1 December 2017.

(ii) If the transferring officer fails to submit the allocations referred to in subparagraph (i) by 1 December 2017, the National Treasury may determine the appropriate allocations, taking into consideration the indicative allocations for the 2018/19 financial year. 5

(2) (a) The transferring officer of a conditional allocation, using the indicative conditional allocations for the 2018/19 financial year and the 2019/20 financial year as set out in Column B of the affected Schedules to this Act, must, by 2 October 2017, 10 submit to the National Treasury—

- (i) the provisional allocations to each province or municipality in respect of new conditional allocations to be made in the 2018/19 financial year;
- (ii) any amendments to the indicative allocations for each province or municipality set out in Column B of the affected Schedules in respect of existing conditional allocations; 15
- (iii) the draft frameworks for the allocations referred to in subparagraphs (i) and (ii); and
- (iv) electronic copies of any guidelines, business plan templates and other documents referred to in the draft frameworks referred to in subparagraph (iii). 20

(b) When a document, referred to in a draft framework, that is submitted in terms of paragraph (a)(iii), is amended, the transferring officer must immediately provide the National Treasury and each receiving officer with electronic copies of the revised document.

(c) The National Treasury must approve any proposed amendment or adjustment for the 2018/19 financial year of the allocation criteria of an existing conditional allocation before the submission of the provisional allocations and draft frameworks. 25

(d) The transferring officer must, under his or her signature, submit the final allocations and frameworks based on the provisional allocations and frameworks to the National Treasury by 1 December 2017. 30

(e) If the transferring officer fails to comply with paragraph (a) or (d), the National Treasury may determine the appropriate draft or final allocations and frameworks taking into consideration the indicative allocations for the 2018/19 financial year.

(f) (i) The National Treasury may amend final allocations and frameworks in order to ensure equitable and stable allocations and fair and consistent grant conditions. 35

(ii) The National Treasury must give notice to the transferring officer of the intention to amend frameworks and allocations and invite the submission of written comment within seven days after the date of the notification.

(g) The draft and final frameworks and allocations must be submitted in the format determined by the National Treasury. 40

(3) The National Treasury may instruct transferring officers, accounting officers of the provincial treasuries and receiving officers to submit to it such plans and information for any conditional allocation as it may determine at specified dates before the start of the 2018/19 financial year.

(4) (a) For purposes of the Education Infrastructure Grant or Health Facility Revitalisation Grant in the 2018/19 financial year, the receiving officer of the relevant provincial department must, in the format and on the date determined by the National Treasury, submit to the transferring officer, the relevant provincial treasury and the National Treasury— 45

- (i) a user asset management plan for all infrastructure programmes for a period of at least 10 years; 50
- (ii) an infrastructure programme management plan including at least a construction procurement strategy for infrastructure programmes and projects envisaged to commence within the period for the medium term expenditure framework;
- (iii) project proposals and concept reports for all projects in the planning stage envisaged to commence construction within the medium term expenditure framework period; and 55
- (iv) a document that outlines how the infrastructure delivery management system shall be implemented in the province and that is approved by the Executive Council of the province before or after the commencement of this Act. 60

(b) If any substantive change is made to the document, referred to in paragraph (a)(iv) during the 2017/18 financial year, the amended document must be approved by the

Executive Council of the province before submission to the National Treasury within 14 days after such approval.

(c) The National Treasury must notify the transferring officer and the affected provincial departments of the infrastructure programmes and projects it shall propose for full or partial funding through the grant before 1 December 2017. 5

Transfers before commencement of Division of Revenue Act for 2018/19 financial year

28. (1) Despite sections 3(2), 7(2) and 8(2), if the Division of Revenue Act for the 2018/19 financial year has not commenced before or on 1 April 2018, the National Treasury may determine that an amount not exceeding 45 per cent of the total amount of each allocation made in terms of section 3(1), 7(1) or 8(1) be transferred to the relevant province or municipality as a direct charge against the National Revenue Fund. 10

(2) If an amount of an allocation, made in terms of section 7(1) or 8(1), is transferred in terms of subsection (1), the amount is, with the necessary changes, subject to the applicable framework for the 2017/18 financial year and the other requirements of this Act as if it is an amount of an allocation for the 2017/18 financial year. 15

CHAPTER 5

DUTIES AND POWERS OF MUNICIPALITIES, PROVINCIAL TREASURIES AND NATIONAL TREASURY

Duties of municipalities 20

29. (1) (a) In addition to the requirements of the Municipal Finance Management Act, the accounting officer of a category C municipality must, within 10 days after this Act takes effect, submit to the National Treasury and all category B municipalities within that municipality's area of jurisdiction, the budget, as tabled in accordance with section 16 of the Municipal Finance Management Act, for the 2017/18 financial year, the 2018/19 financial year and the 2019/20 financial year, except if submitted in terms of any other legislation before the end of the 10 day period. 25

(b) The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to each category B municipality within the category C municipality's area of jurisdiction and disclose the criteria for allocating funds between the category B municipalities. 30

(2) A category C municipality that is providing a municipal service must, before implementing any capital project for water, electricity, roads or any other municipal service, consult the category B municipalities within whose area of jurisdiction the project shall be implemented, and agree in writing which municipality is responsible for the operational costs and the collection of user fees. 35

(3) A category C municipality must ensure that it does not duplicate a function currently performed by a category B municipality and must transfer funds for the provision of services, including basic services, to the relevant category B municipality that is providing municipal services, despite the fact that— 40

(a) the category C municipality retains the function in terms of the Municipal Structures Act; and

(b) a service delivery agreement for the provision of services by the category B municipality on behalf of the category C municipality has not been concluded.

(4) A category B municipality which is not authorised to perform a function in terms of the Municipal Structures Act may not extend the scope or type of services that it currently provides, without— 45

(a) entering into a service delivery agreement with the category C municipality which is authorised to perform the function in terms of the Municipal Structures Act; or 50

(b) obtaining authorisation to perform the function in terms of the Municipal Structures Act.

(5) (a) A category C municipality and a category B municipality must, before the commencement of a financial year, agree to a payment schedule in respect of the allocations referred to in subsection (1)(b) to be transferred to the category B municipality in that financial year, and the category C municipality must submit that 55

payment schedule to the National Treasury before the commencement of the financial year.

(b) A category C municipality must make transfers in accordance with the payment schedule submitted in terms of paragraph (a).

(6) (a) The National Treasury may withhold or stop any allocation to the category C municipality and reallocate the allocation to the relevant category B municipalities if a category C municipality fails to— 5

- (i) make allocations referred to in subsection (1)(b);
- (ii) reach an agreement envisaged in subsection (2); or
- (iii) submit a payment schedule in accordance with subsection (5)(a). 10

(b) The following provisions apply to the withholding or stopping of an allocation in accordance with paragraph (a):

- (i) Section 216 of the Constitution;
- (ii) in the case of withholding an allocation, section 18(4)(a), with the necessary changes; and 15
- (iii) in the case of stopping an allocation, section 19(2)(a), (3), (4) and (5), with the necessary changes.

(c) If an allocation is stopped in terms of this subsection, the National Treasury may, after consultation with the transferring officer, determine that a portion of the allocation that shall not be spent, be reallocated to one or more municipalities, on condition that the allocation shall be spent by the end of the 2017/18 financial year or the 2018/19 financial year. 20

(7) A municipality must ensure that any allocation made to it in terms of this Act, or by a province or another municipality, that is not reflected in its budget as tabled in accordance with section 16 of the Municipal Finance Management Act, is reflected in its budget to be considered for approval in accordance with section 24 of the Municipal Finance Management Act. 25

Duties and powers of provincial treasuries

30. (1) A provincial treasury must reflect allocations listed in Part A of Schedule 5 to the province separately in the appropriation Bill of the province. 30

(2) (a) A provincial treasury must, on the same day that its budget is tabled in the provincial legislature, or a date not later than 14 days after this Act takes effect, approved by the National Treasury, publish by notice in the *Gazette*—

- (i) the indicative allocation per municipality for every allocation to be made by the province to municipalities from the province's own funds; 35
- (ii) the indicative allocation to be made per school and per hospital in the province in a format determined by the National Treasury;
- (iii) the indicative allocation to any national or provincial public entity for the implementation of a programme funded by an allocation in Part A of Schedule 5 on behalf of a province or for assistance provided to the province in implementing such a programme; 40
- (iv) the envisaged division of the allocation envisaged in subparagraphs (i) and (ii), in respect of each municipality, school and hospital, for the 2018/19 financial year and the 2019/20 financial year; and
- (v) the conditions and other information in respect of the allocations referred to in subparagraphs (i), (ii) and (iii) to facilitate performance measurement and the use of required inputs and outputs. 45

(b) The allocations referred to in paragraph (a) must be regarded as final when the provincial appropriation Act takes effect.

(c) If the provincial legislature amends its appropriation Bill, the provincial treasury must publish amended allocations and budgets by notice in the *Gazette* within 14 days after the appropriation Act takes effect, and those allocations and budget must be regarded as final. 50

(3) (a) Despite subsection (2) or any other legislation, a provincial treasury may, in accordance with a framework determined by the National Treasury, amend the allocations referred to in subsection (2) or make additional allocations to municipalities that were not published in terms of subsection (2). 55

(b) Any amendments to the allocations published in terms of subsection (2)(a) or (c) must be published by notice in the *Gazette* not later than 9 February 2018 and takes effect on the date of the publication. 60

- (4) A provincial treasury must, as part of its report in terms of section 40(4)(b) and (c) of the Public Finance Management Act, in the format determined by the National Treasury, report on—
- (a) actual transfers received by the province from national departments;
 - (b) actual expenditure on such allocations, excluding Schedule 4 allocations, up to the end of that month; and
 - (c) actual transfers made by the province to municipalities and public entities, and actual expenditure by municipalities and public entities on such allocations, based on the latest information available from municipalities and public entities at the time of reporting.
- (5) (a) A provincial treasury must—
- (i) ensure that a payment schedule is agreed between each provincial department and receiving institution envisaged in subsection (2)(a);
 - (ii) ensure that transfers are made promptly to the relevant receiving officer in terms of the agreed payment schedule; and
 - (iii) submit the payment schedules to the National Treasury within 14 days after this Act takes effect.
- (b) If a provincial department and receiving institution do not agree to a payment schedule in time for submission to the National Treasury, the provincial treasury must, after consultation with the transferring officer, determine the payment schedule.
- (6) If a provincial treasury fails to make a transfer in terms of subsection (5)(a), the relevant receiving officer may request the provincial treasury to immediately make the transfer or to provide written reasons within three working days as to why the transfer has not been made.
- (7) If a provincial treasury fails to make the transfer requested by the receiving officer or provide reasons in terms of subsection (6), or the receiving officer disputes the reasons provided by the provincial treasury as to why the transfer has not been made, the receiving officer may request the National Treasury to investigate the matter.
- (8) On receipt of a request in terms of subsection (7), the National Treasury must—
- (a) consult the transferring officer on the matter;
 - (b) investigate the matter, assess any reasons given by the provincial treasury as to why the transfer was not made;
 - (c) direct the provincial treasury to immediately effect the transfer or provide reasons to the receiving officer confirming why the provincial treasury was correct in not making the transfer; and
 - (d) advise the provincial treasury and the receiving officer as to what steps must be taken to ensure the transfer.

Duties and powers of National Treasury

- 31.** (1) The National Treasury must, within 14 days after this Act takes effect, submit a notice to all transferring officers containing the details of the primary bank accounts of each province and municipality.
- (2) The National Treasury must, together with the statement envisaged in section 32(2) of the Public Finance Management Act, publish a report on actual transfers of all allocations listed in Schedules 4, 5, 6 and 7 or made in terms of section 26.
- (3) The National Treasury may include in a report on the equitable share and conditional allocations in terms of this Act in any report it publishes—
- (a) that aggregates statements published by provincial treasuries envisaged in section 71(7) of the Municipal Finance Management Act; and
 - (b) in respect of municipal finances.

CHAPTER 6

GENERAL

Liability for costs incurred in violation of principles of cooperative governance and intergovernmental relations

- 32.** (1) An organ of state involved in an intergovernmental dispute regarding any provision of this Act or any division of revenue matter or allocation must, before approaching a court to resolve such dispute, make every effort to settle the dispute with

the other organ of state concerned, including exhausting all mechanisms provided for the settlement of disputes in relevant legislation.

(2) If 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 of state in approaching the court must be regarded as fruitless and wasteful. 5

(3) The amount of any such fruitless and wasteful expenditure must, in terms of the applicable procedures in the Public Finance Management Act or the Municipal Finance Management Act, be recovered without delay from every person who caused the organ of state not to comply with subsection (1). 10

Irregular expenditure

33. The following transfers must be regarded as irregular expenditure in terms of the Public Finance Management Act or the Municipal Finance Management Act, as the case may be:

- (a) A transfer prohibited in terms of section 17(2); 15
- (b) a transfer by a transferring officer to a bank account of a province or municipality that is not the primary bank account;
- (c) a transfer envisaged in section 25(1); or
- (d) a transfer made or expenditure of an allocation in contravention of this Act.

Financial misconduct 20

34. (1) Despite a provision of other legislation to the contrary, any wilful or negligent non-compliance with a provision of this Act constitutes financial misconduct.

(2) Section 84 of the Public Finance Management Act or section 171 of the Municipal Finance Management Act, as the case may be, applies in respect of financial misconduct envisaged in subsection (1). 25

Delegations and assignments

35. (1) The Minister may, in writing, delegate any of the powers entrusted to, and assign any of the duties imposed on, the National Treasury in terms of this Act, to an official of the National Treasury.

(2) A delegation or assignment in terms of subsection (1) to an official of the National Treasury— 30

- (a) is subject to any limitations or conditions that the Minister may impose;
- (b) may authorise that official to sub-delegate, in writing, the delegated power or assigned duty to any other official of the National Treasury; and
- (c) does not divest the National Treasury of the responsibility concerning the exercise of the delegated power or the performance of the assigned duty. 35

(3) The Minister may vary or revoke any decision taken by an official as a result of a delegation or assignment, subject to any rights that may have vested as a consequence of the decision.

(4) A Member of the Executive Council responsible for finance in a province may, in writing, delegate any power entrusted to, and assign any duty imposed on, the provincial treasury in terms of this Act, to an official of the provincial treasury. 40

(5) (a) A transferring officer may, in writing, delegate any power entrusted to, and assign any duty imposed on, the transferring officer in terms of this Act, to an official in his or her department. 45

(b) A copy of the written delegation must be submitted to the National Treasury.

(6) Subsections (2) and (3) apply with the necessary changes to a delegation or assignment in terms of subsection (4) or (5).

Exemptions

36. (1) The Minister may, if good grounds exist, approve a departure from a provision of a framework, a regulation made under section 37 or a condition imposed in terms of this Act. 50

(2) For purposes of subsection (1), good grounds include the fact that the provision of the framework, regulation or condition—

- (a) cannot be implemented in practice; 55

- (b) impedes the achievement of any object of this Act;
- (c) impedes an immediate response to a disaster; or
- (d) undermines the financial viability of the affected national or provincial department or municipality.

(3) Any departure approved in terms of subsection (1) must set out the period and conditions of the departure, if any, and must be published by notice in the *Gazette*. 5

Regulations

37. The Minister may, by notice in the *Gazette*, make regulations regarding—

- (a) anything which must or may be prescribed in terms of this Act; or
- (b) any ancillary or incidental administrative or procedural matter that it is necessary to prescribe for the proper implementation or administration of this Act. 10

Repeal of laws and savings

38. (1) Subject to subsection (2)—

- (a) the Division of Revenue Act, 2016 (Act No. 3 of 2016), except sections 16 and 26, is hereby repealed; 15
- (b) sections 16 and 26 of the Division of Revenue Act, 2016, is hereby repealed with effect from 1 July 2017 or the date that this Act takes effect, whichever is the later date; and
- (c) the Division of Revenue Amendment Act, 2016 (Act No. 11 of 2016), is hereby repealed. 20

(2) Any repeal referred to in subsection (1), does not affect—

- (a) any duty to be performed in terms of any provision of an Act referred to in subsection (1) after the end of the 2017/18 financial year; and
- (b) any obligation in terms of any provision of an Act referred to in subsection (1), the execution of which is outstanding. 25

(3) Any framework published in terms of section 16 of the Division of Revenue Act, 2016, as amended in terms of section 16 or 26 of that Act, applies to funds of a conditional allocation approved for roll-over in terms of section 22(2) of that Act, if that conditional allocation does not continue to exist in terms of this Act. 30

Short title and commencement

39. This Act is called the Division of Revenue Act, 2017, and takes effect on 1 April 2017 or the date of publication in the *Gazette*, whichever is the later date.

SCHEDULE 1

EQUITABLE DIVISION OF REVENUE RAISED NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT

Spheres of Government	Column A	Column B	
	2017/18	Forward Estimates	
		2018/19	2019/20
	R'000	R'000	R'000
National ¹	910 872 117	987 928 992	1 076 814 856
Provincial	441 331 122	471 522 489	506 103 653
Local ²	57 012 141	62 731 845	69 273 465
TOTAL	1 409 215 380	1 522 183 326	1 652 191 974

- National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs and the contingency reserve*
- Local share includes an unallocated amount of R1.8 billion in 2019/20 that is not included in the forward estimates of local allocations in Schedule 3*

SCHEDULE 2

DETERMINATION OF EACH PROVINCE'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	
	2017/18 Allocation	Forward Estimates	
		2018/19	2019/20
	R'000	R'000	R'000
Eastern Cape	61 847 808	66 166 631	70 960 874
Free State	24 521 941	26 284 534	28 165 434
Gauteng	86 642 989	93 030 417	100 227 355
KwaZulu-Natal	93 756 530	99 740 600	106 840 842
Limpopo	51 960 337	55 385 632	59 370 905
Mpumalanga	36 081 680	38 488 633	41 214 353
Northern Cape	11 719 981	12 501 131	13 418 100
North West	30 329 643	32 472 636	34 857 190
Western Cape	44 470 213	47 452 275	51 048 600
TOTAL	441 331 122	471 522 489	506 103 653

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
EASTERN CAPE				
A	BUF Buffalo City	705 277	779 473	841 980
A	NMA Nelson Mandela Bay	844 287	942 772	1 028 922
B	EC11 Dr Beyers Naude	77 494	83 203	88 039
B	EC12 Blue Crane Route	45 700	48 917	51 426
B	EC14 Makana	79 569	85 530	90 751
B	EC15 Ndlambe	82 084	88 192	93 638
B	EC16 Sundays River Valley	65 367	71 933	77 618
B	EC18 Kouga	102 637	113 277	123 252
B	EC19 Kou-Kamma	42 375	45 402	48 090
C	DC1 Cacadu District Municipality	84 825	88 177	91 012
Total: Cacadu Municipalities		580 051	624 631	663 826
B	EC121 Mbhashe	218 025	224 474	227 832
B	EC122 Mnquma	227 129	233 395	236 441
B	EC123 Great Kei	34 997	37 805	39 333
B	EC124 Amahlathi	95 446	96 836	96 852
B	EC126 Ngqushwa	73 615	75 217	75 760
B	EC129 Raymond Mhlaba	149 375	155 353	158 899
C	DC12 Amathole District Municipality	757 132	787 007	839 363
Total: Amathole Municipalities		1 555 719	1 610 087	1 674 480
B	EC131 Inxuba Yethemba	37 704	39 437	40 691
B	EC135 Intsika Yethu	147 333	147 638	145 371
B	EC136 Emalahleni	115 992	115 768	113 113
B	EC137 Engcobo	134 108	135 843	135 622
B	EC138 Sakhisizwe	59 593	61 476	62 498
B	EC139 Enoch Mgijima	160 117	164 355	166 282
C	DC13 Chris Hani District Municipality	507 459	525 397	543 249
Total: Chris Hani Municipalities		1 162 306	1 189 914	1 206 826
B	EC141 Elundini	134 116	137 949	139 913
B	EC142 Senqu	132 828	136 038	137 402
B	EC145 Walter Sisulu	49 030	52 514	55 125
C	DC14 Joe Gqabi District Municipality	239 160	258 757	273 460
Total: Joe Gqabi Municipalities		555 134	585 258	605 900
B	EC153 Ngquza Hill	210 127	225 694	235 124
B	EC154 Port St Johns	125 772	134 678	140 105
B	EC155 Nyandeni	223 248	233 307	239 669
B	EC156 Mhlontlo	159 379	165 019	168 081
B	EC157 King Sabata Dalindyebo	267 710	290 205	304 787
C	DC15 O.R. Tambo District Municipality	728 270	793 525	857 040
Total: O.R.Tambo Municipalities		1 714 506	1 842 428	1 944 806
B	EC441 Matatiele	185 808	205 402	215 237
B	EC442 Umzimvubu	175 236	191 102	199 217
B	EC443 Mbizana	197 681	227 226	238 082
B	EC444 Ntabankulu	99 613	107 864	112 067
C	DC44 Alfred Nzo District Municipality	437 586	511 925	557 420
Total: Alfred Nzo Municipalities		1 095 924	1 243 519	1 322 023
Total: Eastern Cape Municipalities		8 213 204	8 818 082	9 288 763

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
FREE STATE				
A	MAN Mangaung	630 908	685 968	741 097
B	FS161 Letsemeng	49 189	57 899	61 783
B	FS162 Kopanong	67 330	77 579	82 637
B	FS163 Mohokare	56 055	61 606	66 009
C	DC16 Xhariep District Municipality	33 307	40 418	41 856
Total: Xhariep Municipalities		205 881	237 502	252 285
B	FS181 Masilonyana	89 814	106 815	113 792
B	FS182 Tokologo	44 274	49 254	52 554
B	FS183 Tswelopele	59 702	66 780	71 163
B	FS184 Matjhabeng	393 631	459 418	498 537
B	FS185 Nala	100 124	110 692	117 408
C	DC18 Lejweleputswa District Municipality	115 472	120 945	125 096
Total: Lejweleputswa Municipalities		803 017	913 904	978 550
B	FS191 Setsoto	157 656	173 593	185 530
B	FS192 Dihlabeng	129 764	147 888	161 256
B	FS193 Nketoana	79 880	87 430	93 708
B	FS194 Maluti-a-Phofung	493 768	537 563	573 326
B	FS195 Phumelela	61 603	67 933	72 638
B	FS196 Mantsopa	68 314	74 700	79 840
C	DC19 Thabo Mofutsanyana District Municipality	101 909	106 990	110 846
Total: Thabo Mofutsanyana Municipalities		1 092 894	1 196 097	1 277 144
B	FS21 Moqhaka	164 092	185 011	200 251
B	FS23 Ngwathe	160 606	174 200	186 068
B	FS24 Metsimaholo	142 709	163 582	181 267
B	FS25 Mafube	78 462	86 124	92 261
C	DC2 Fezile Dabi District Municipality	144 321	149 130	153 678
Total: Fezile Dabi Municipalities		690 190	758 047	813 525
Total: Free State Municipalities		3 422 890	3 791 518	4 062 601

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
GAUTENG				
A	EKU Ekurhuleni	2 719 861	3 154 062	3 503 013
A	JHB City of Johannesburg	3 666 637	4 241 872	4 722 485
A	TSH City of Tshwane	2 132 788	2 404 666	2 661 272
B	GT421 Emfuleni	633 240	709 076	772 614
B	GT422 Midvaal	86 316	97 438	107 839
B	GT423 Lesedi	104 923	119 389	132 215
C	DC42 Sedibeng District Municipality	254 779	258 764	266 791
Total: Sedibeng Municipalities		1 079 258	1 184 667	1 279 459
B	GT481 Mogale City	323 938	370 843	410 961
B	GT484 Merafong City	163 084	186 186	203 851
B	GT485 Rand West City	239 112	275 335	303 044
C	DC48 West Rand District Municipality	193 187	197 803	204 516
Total: West Rand Municipalities		919 321	1 030 167	1 122 372
Total: Gauteng Municipalities		10 517 865	12 015 434	13 288 601

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
			2018/19	2019/20
		R'000	R'000	
KWAZULU-NATAL				
A	ETH eThekweni	2 582 776	2 902 498	3 183 088
B	KZN212 uMdoni	113 579	118 193	121 233
B	KZN213 uMzombe	119 070	120 221	119 566
B	KZN214 uMuziwabantu	79 670	82 268	83 753
B	KZN216 Ray Nkonyeni	175 566	184 983	191 993
C	DC21 Ugu District Municipality	411 676	436 655	463 376
Total: Ugu Municipalities		899 561	942 320	979 921
B	KZN221 uMshwathi	87 377	91 504	94 392
B	KZN222 uMngeni	54 448	60 089	64 801
B	KZN223 Mpofana	29 225	31 803	33 407
B	KZN224 iMpendle	31 475	32 554	33 192
B	KZN225 Msunduzi	468 430	507 022	544 706
B	KZN226 Mkhambathini	51 173	55 191	57 951
B	KZN227 Richmond	59 253	62 275	64 446
C	DC22 uMgungundlovu District Municipality	457 680	484 563	526 441
Total: uMgungundlovu Municipalities		1 239 061	1 325 001	1 419 336
B	KZN235 Okhahlamba	102 863	110 010	114 395
B	KZN237 iNkosi Langalibalele	143 450	154 726	162 118
B	KZN238 Alfred Duma	190 231	205 367	215 338
C	DC23 uThukela District Municipality	361 568	398 405	433 175
Total: uThukela Municipalities		798 112	868 508	925 026
B	KZN241 eNdumeni	37 228	41 425	44 516
B	KZN242 Nquthu	115 616	121 634	125 529
B	KZN244 uMsinga	136 937	144 789	150 233
B	KZN245 uMvoti	104 498	112 328	118 226
C	DC24 uMzinyathi District Municipality	291 519	325 764	353 929
Total: uMzinyathi Municipalities		685 798	745 940	792 433
B	KZN252 Newcastle	318 176	341 372	362 646
B	KZN253 eMadlangeni	25 391	27 122	28 210
B	KZN254 Dannhauser	78 831	81 935	83 825
C	DC25 Amajuba District Municipality	137 965	148 751	159 832
Total: Amajuba Municipalities		560 363	599 180	634 513

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
			2018/19	2019/20
	R'000	R'000	R'000	
B	KZN261 eDumbe	61 570	65 830	68 538
B	KZN262 uPhongolo	107 146	118 558	125 240
B	KZN263 AbaQulusi	117 393	129 314	137 095
B	KZN265 Nongoma	128 137	135 743	140 597
B	KZN266 Ulundi	132 566	142 381	148 121
C	DC26 Zululand District Municipality	382 571	425 804	465 143
Total: Zululand Municipalities		929 383	1 017 630	1 084 734
B	KZN271 uMhlabuyalingana	133 848	144 660	152 220
B	KZN272 Jozini	146 284	158 617	166 461
B	KZN275 Mtubatuba	132 131	142 546	150 138
B	KZN276 Big Five Hlabisa	84 732	93 374	98 617
C	DC27 uMkhanyakude District Municipality	330 020	375 654	412 729
Total: uMkhanyakude Municipalities		827 015	914 851	980 165
B	KZN281 uMfolozi	107 114	114 299	119 356
B	KZN282 uMhlathuze	292 009	326 318	355 898
B	KZN284 uMlalazi	156 999	164 545	169 641
B	KZN285 Mthonjaneni	67 317	70 509	72 424
B	KZN286 Nkandla	82 435	86 214	88 386
C	DC28 King Cetshwayo District Municipality	453 730	477 540	516 964
Total: King Cetshwayo Municipalities		1 159 604	1 239 425	1 322 669
B	KZN291 Mandeni	134 192	145 837	154 162
B	KZN292 KwaDukuza	131 541	147 634	160 991
B	KZN293 Ndwedwe	118 243	128 677	135 070
B	KZN294 Maphumulo	75 284	80 395	83 175
C	DC29 iLembe District Municipality	419 734	469 828	518 484
Total: iLembe Municipalities		878 994	972 371	1 051 882
B	KZN433 Greater Kokstad	47 250	55 133	58 136
B	KZN434 uBuhlebezwe	95 443	98 915	101 013
B	KZN435 uMzimkhulu	160 817	168 285	173 323
B	KZN436 Dr Nkosazana Dlamini Zuma	101 241	110 135	115 314
C	DC43 Harry Gwala District Municipality	285 028	318 779	345 521
Total: Harry Gwala Municipalities		689 779	751 247	793 307
Total: KwaZulu-Natal Municipalities		11 250 446	12 278 971	13 167 074

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
LIMPOPO				
B	LIM331 Greater Giyani	234 578	251 584	262 868
B	LIM332 Greater Letaba	222 508	242 595	254 930
B	LIM333 Greater Tzaneen	311 977	336 443	353 706
B	LIM334 Ba-Phalaborwa	120 392	131 531	139 114
B	LIM335 Maruleng	99 298	108 493	114 231
C	DC33 Mopani District Municipality	759 547	843 149	923 013
Total: Mopani Municipalities		1 748 300	1 913 795	2 047 862
B	LIM341 LIM341	104 327	122 782	133 307
B	LIM343 LIM343	361 798	388 695	407 408
B	LIM344 Makhado	294 079	314 649	329 245
B	LIM345 LIM 345	304 695	325 128	339 170
C	DC34 Vhembe District Municipality	824 760	913 077	999 217
Total: Vhembe Municipalities		1 889 659	2 064 331	2 208 347
B	LIM351 Blouberg	161 111	167 031	170 559
B	LIM353 Molemole	122 614	127 590	130 623
B	LIM354 Polokwane	752 064	831 889	903 461
B	LIM355 Lepele-Nkumpi	212 142	221 852	228 112
C	DC35 Capricorn District Municipality	522 352	548 624	588 367
Total: Capricorn Municipalities		1 770 283	1 896 986	2 021 122
B	LIM361 Thabazimbi	68 976	86 282	93 908
B	LIM362 Lephalele	109 248	130 420	144 652
B	LIM366 Bela-Bela	74 939	81 992	88 513
B	LIM367 Mogalakwena	369 653	394 585	415 836
B	LIM368 LIM 368	93 384	100 825	107 303
C	DC36 Waterberg District Municipality	117 373	122 646	127 038
Total: Waterberg Municipalities		833 573	916 750	977 250
B	LIM471 Ephraim Mogale	123 766	129 255	132 946
B	LIM472 Elias Motsoaledi	223 019	236 259	245 626
B	LIM473 Makhuduthamaga	233 368	240 823	244 910
B	LIM476 LIM 476	333 002	359 356	378 699
C	DC47 Sekhukhune District Municipality	658 580	713 194	771 374
Total: Sekhukhune Municipalities		1 571 735	1 678 887	1 773 555
Total: Limpopo Municipalities		7 813 550	8 470 749	9 028 136

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
			2018/19	2019/20
	R'000	R'000	R'000	
MPUMALANGA				
B	MP31 Albert Luthuli	254 241	277 989	296 235
B	MP32 Msukaligwa	134 855	154 428	169 675
B	MP33 Mkhondo	186 451	209 114	226 372
B	MP34 Pixley Ka Seme	96 312	107 189	114 486
B	MP35 Lekwa	93 948	107 311	117 044
B	MP36 Dipaleseng	58 388	64 426	69 280
B	MP37 Govan Mbeki	218 181	258 160	286 526
C	DC3 Gert Sibande District Municipality	278 576	282 338	290 911
Total: Gert Sibande Municipalities		1 320 952	1 460 955	1 570 529
B	MP311 Victor Khanye	79 745	87 215	94 208
B	MP312 Emalahleni	288 802	326 821	362 607
B	MP313 Steve Tshwete	156 759	179 975	201 936
B	MP314 Emakhazeni	55 222	58 515	61 560
B	MP315 Thembisile Hani	338 477	363 538	385 423
B	MP316 Dr JS Moroka	328 528	344 913	358 572
C	DC31 Nkangala District Municipality	339 056	343 843	354 394
Total: Nkangala Municipalities		1 586 589	1 704 820	1 818 700
B	MP321 Thaba Chweu	124 393	132 815	140 835
B	MP324 Nkomazi	483 144	515 601	544 585
B	MP325 Bushbuckridge	683 632	719 537	750 699
B	MP326 City of Mbombela	608 678	662 052	712 545
C	DC32 Ehlanzeni District Municipality	229 690	238 711	246 531
Total: Ehlanzeni Municipalities		2 129 537	2 268 716	2 395 195
Total: Mpumalanga Municipalities		5 037 078	5 434 491	5 784 424

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC61 Richtersveld	14 115	15 455	16 574
B	NC62 Nama Khoi	40 403	43 940	47 044
B	NC64 Kamiesberg	19 362	20 714	21 763
B	NC65 Hantam	21 047	22 830	24 360
B	NC66 Karoo Hoogland	18 198	20 222	21 775
B	NC67 Khâi-Ma	16 391	17 411	18 334
C	DC6 Namakwa District Municipality	38 744	47 106	48 603
Total: Namakwa Municipalities		168 260	187 678	198 453
B	NC71 Ubuntu	28 192	31 083	33 249
B	NC72 Umsobomvu	39 760	44 147	47 543
B	NC73 Emthanjeni	37 094	40 758	43 710
B	NC74 Kareeberg	20 397	21 975	23 282
B	NC75 Renosterberg	20 182	22 162	23 589
B	NC76 Thembelihle	20 915	22 925	24 394
B	NC77 Siyathemba	27 526	29 807	31 754
B	NC78 Siyancuma	41 384	45 255	47 871
C	DC7 Pixley Ka Seme District Municipality	39 862	47 696	49 345
Total: Pixley Ka Seme Municipalities		275 312	305 808	324 737
B	NC82 !Kai !Garib	63 164	77 174	83 485
B	NC84 !Kheis	21 454	23 106	24 330
B	NC85 Tsantsabane	32 206	35 403	38 344
B	NC86 Kgatelopele	18 974	20 479	21 904
B	NC87 Dawid Kruiper	70 769	78 081	84 564
C	DC8 Siyanda District Municipality	55 770	65 988	68 213
Total: Siyanda Municipalities		262 337	300 231	320 840
B	NC91 Sol Plaatjie	150 982	172 904	189 209
B	NC92 Dikgatlong	66 982	75 726	81 312
B	NC93 Magareng	37 698	41 562	44 094
B	NC94 Phokwane	85 242	94 174	100 096
C	DC9 Frances Baard District Municipality	112 317	116 144	119 678
Total: Frances Baard Municipalities		453 221	500 510	534 389
B	NC451 Joe Morolong	121 603	128 209	133 609
B	NC452 Ga-Segonyana	129 580	141 621	152 362
B	NC453 Gamagara	28 558	33 116	37 442
C	DC45 John Taolo Gaetsewe District Municipality	71 799	85 203	88 273
Total: John Taolo Gaetsewe Municipalities		351 540	388 149	411 686
Total: Northern Cape Municipalities		1 510 670	1 682 376	1 790 105

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
		2018/19	2019/20	
		R'000	R'000	R'000
NORTH WEST				
B	NW371 Moretele	284 500	305 804	322 408
B	NW372 Madibeng	567 442	625 845	681 745
B	NW373 Rustenburg	526 072	607 549	680 253
B	NW374 Kgetlengrivier	70 879	81 401	88 722
B	NW375 Moses Kotane	357 438	385 729	408 142
C	DC37 Bojanala Platinum District Municipality	313 057	321 870	333 726
Total: Bojanala Platinum Municipalities		2 119 388	2 328 198	2 514 996
B	NW381 Ratlou	102 876	110 675	115 357
B	NW382 Tswaing	92 403	101 649	107 070
B	NW383 Mafikeng	198 796	224 700	238 967
B	NW384 Ditsobotla	98 339	111 601	118 756
B	NW385 Ramotshere Moiloa	137 639	151 772	159 888
C	DC38 Ngaka Modiri Molema District Municipality	616 267	698 707	766 482
Total: Ngaka Modiri Molema Municipalities		1 246 320	1 399 104	1 506 520
B	NW392 Naledi	43 507	47 075	49 602
B	NW393 Mamusa	47 502	50 036	51 877
B	NW394 Greater Taung	170 353	175 330	178 014
B	NW396 Lekwa-Teemane	41 695	44 556	46 677
B	NW397 Kagisano-Molopo	103 799	108 496	111 421
C	DC39 Dr Ruth Segomotsi Mompoti District Municipality	308 448	338 013	361 371
Total: Dr Ruth Segomotsi Mompoti Municipalities		715 304	763 506	798 962
B	NW43 City of Matlosana	354 377	393 806	427 110
B	NW44 Maquassi Hills	102 111	115 250	123 571
b	NW45 Ventersdorp/Tlokwe	209 740	234 327	257 001
C	DC4 Dr Kenneth Kaunda District Municipality	173 676	179 905	185 575
Total: Dr Kenneth Kaunda Municipalities		839 904	923 288	993 257
Total: North West Municipalities		4 920 916	5 414 096	5 813 735

SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL
GOVERNMENT SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number	Municipality	National Financial Year		
		Column A	Column B	
		2017/18	Forward Estimates	
			2018/19	2019/20
		R'000	R'000	
WESTERN CAPE				
A	CPT City of Cape Town	2 292 908	2 582 306	2 835 569
B	WC11 Matzikama	47 561	52 454	56 696
B	WC12 Cederberg	40 873	45 113	48 716
B	WC13 Bergrivier	37 144	41 503	45 359
B	WC14 Saldanha Bay	71 511	80 637	88 800
B	WC15 Swartland	70 560	82 301	92 184
C	DC1 West Coast District Municipality	84 972	88 303	91 217
Total: West Coast Municipalities		352 621	390 311	422 972
B	WC22 Witzenberg	70 412	84 872	93 510
B	WC23 Drakenstein	120 821	137 935	151 671
B	WC24 Stellenbosch	110 631	124 544	137 145
B	WC25 Breede Valley	98 097	109 299	118 836
B	WC26 Langeberg	65 384	73 248	79 403
C	DC2 Cape Winelands District Municipality	222 739	225 200	231 860
Total: Cape Winelands Municipalities		688 084	755 098	812 425
B	WC31 Theewaterskloof	77 911	87 508	95 078
B	WC32 Overstrand	84 223	96 165	105 986
B	WC33 Cape Agulhas	25 190	27 645	29 808
B	WC34 Swellendam	26 201	29 045	31 507
C	DC3 Overberg District Municipality	57 286	67 781	70 043
Total: Overberg Municipalities		270 811	308 144	332 422
B	WC41 Kannaland	24 023	25 909	27 321
B	WC42 Hessequa	37 497	40 959	44 087
B	WC43 Mossel Bay	78 472	85 985	92 943
B	WC44 George	122 613	137 809	151 044
B	WC45 Oudtshoorn	62 683	67 877	72 405
B	WC47 Bitou	74 039	82 976	91 226
B	WC48 Knysna	70 833	78 409	85 140
C	DC4 Eden District Municipality	146 055	151 130	155 816
Total: Eden Municipalities		616 215	671 054	719 982
B	WC51 Laingsburg	13 576	14 971	15 923
B	WC52 Prince Albert	17 652	19 274	20 588
B	WC53 Beaufort West	51 060	56 567	60 766
C	DC5 Central Karoo District Municipality	22 595	28 403	29 379
Total: Central Karoo Municipalities		104 883	119 215	126 656
Total: Western Cape Municipalities		4 325 522	4 826 128	5 250 026
National Total		57 012 141	62 731 845	67 473 465

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2017/18	Forward Estimates	2018/19	2019/20
Basic Education (Vote 14)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to enhance capacity to deliver infrastructure in education; to address damage to infrastructure; to address achievement of the targets set out in the minimum norms and standards for school infrastructure.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	
					1 581 750	1 494 984	1 578 703	
				Free State	661 635	690 455	729 120	
				Gauteng	1 468 146	1 376 435	1 453 515	
				KwaZulu-Natal	1 993 146	1 924 302	2 032 063	
				Limpopo	810 523	845 828	895 026	
				Mpumalanga	750 184	782 861	826 701	
				Northern Cape	612 267	483 272	510 335	
				North West	1 074 331	965 464	1 019 530	
				Western Cape	1 093 580	985 552	1 040 742	
	Unallocated	-			3 840 408	4 055 471		
	TOTAL			10 045 562	13 389 560	14 141 207		
Health (Vote 16)	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform.	Nationally assigned function to provinces	Eastern Cape	226 566	239 707	253 131	
				Free State	165 973	175 599	185 430	
				Gauteng	919 432	972 759	1 027 240	
				KwaZulu-Natal	331 944	351 197	370 863	
				Limpopo	131 726	139 366	147 168	
				Mpumalanga	108 014	114 279	120 678	
				Northern Cape	86 300	91 305	97 132	
				North West	119 194	126 107	132 452	
				Western Cape	542 700	574 177	606 334	
					TOTAL			2 631 849
	(b) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals); to compensate tertiary facilities for the additional costs associated with provision of these services.	Nationally assigned function to provinces	Eastern Cape	890 973	942 650	995 438	
				Free State	1 018 025	1 077 070	1 137 386	
				Gauteng	4 110 484	4 390 192	4 724 843	
				KwaZulu-Natal	1 696 266	1 794 649	1 895 149	
				Limpopo	366 314	387 560	409 263	
				Mpumalanga	110 103	116 489	122 993	
				Northern Cape	340 032	359 754	378 323	
				North West	267 538	283 055	300 482	
				Western Cape	2 876 410	3 043 242	3 213 685	
					TOTAL			11 676 145

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2017/18	Forward Estimates	2018/19	2019/20
Social Development (Vote 17)	Social Worker Employment Grant	To reduce the backlog in the number of social worker graduates that remain unemployed.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	41 649	45 074	48 710	3 803
				Gauteng	3 252	3 519	2 869	2 869
				KwaZulu-Natal	2 453	2 655	57 855	62 522
				Limpopo	53 459	50 631	54 715	17 482
				Mpumalanga	46 784	16 177	619	668
				Northern Cape	14 948	6 732	7 286	7 874
				North West	572	11 981	12 967	14 013
				Western Cape	11 981	11 981	12 967	14 013
				TOTAL	181 830	196 783	212 656	
Transport (Vote 35)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for routine, periodic and special maintenance; to ensure all roads are classified as per Road Infrastructure Strategic Framework for South Africa and the Technical Recommendation for Highways 26 Road Classification and Access Management guidelines; to implement and maintain Road Asset Management Systems as per Technical Methods for Highways 22; to supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	1 435 134	1 491 196	1 511 786	1 511 786
				Free State	1 274 731	1 383 542	1 546 178	1 546 178
				Gauteng	656 183	607 266	650 552	650 552
				KwaZulu-Natal	1 828 970	1 932 999	2 070 783	2 070 783
				Limpopo	1 140 387	1 239 036	1 188 088	1 188 088
				Mpumalanga	1 461 269	893 029	956 684	956 684
				Northern Cape	1 084 016	1 119 986	1 199 819	1 199 819
				North West	932 884	933 646	1 000 196	1 000 196
				Western Cape	940 089	932 785	999 274	999 274
				Unallocated	-	1 002 183	1 058 305	1 058 305
TOTAL	10 753 664	11 535 668	12 181 665					
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	231 252	242 058	255 613	255 613
				Free State	255 669	267 617	282 604	282 604
				Gauteng	2 155 063	2 255 767	2 382 090	2 382 090
				KwaZulu-Natal	1 071 439	1 121 507	1 184 311	1 184 311
				Limpopo	345 610	361 761	382 020	382 020
				Mpumalanga	581 934	609 128	643 239	643 239
				Northern Cape	52 029	54 460	57 510	57 510
				North West	106 954	111 952	118 221	118 221
				Western Cape	922 921	966 048	1 020 147	1 020 147
				TOTAL	5 722 871	5 990 298	6 325 755	

SCHEDULE 4, PART B

ALLOCATIONS TO MUNICIPALITIES TO SUPPLEMENT THE FUNDING OF FUNCTIONS FUNDED FROM MUNICIPAL BUDGETS

Vote	Name of allocation	Purpose	City	Column A		Column B	
				2017/18	2018/19	Forward Estimates	2019/20
Human Settlements (Vote 38)	Urban Settlements Development Grant	Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households.	Buffalo City	R'000	R'000	R'000	R'000
			City of Cape Town	768 128	806 857	852 385	1 570 152
			City of Johannesburg	1 494 786	1 570 152	1 638 751	1 958 751
			City of Tshwane	1 864 731	1 958 751	2 069 277	1 697 914
			Ekurhuleni	1 616 415	1 697 914	1 793 723	2 085 094
			eThekweni	1 985 010	2 085 094	2 202 750	2 079 946
			Mangaung	1 980 109	2 079 946	2 197 311	799 692
			Nelson Mandela Bay	761 307	957 731	844 816	911 761
			TOTAL	11 382 247	11 956 137	12 630 786	
			National Treasury (Vote 7)	Integrated City Development Grant	To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments.	Buffalo City	
City of Cape Town	6 956	11 457				12 099	56 740
City of Johannesburg	61 263	56 740				59 917	67 281
City of Tshwane	82 182	67 281				71 048	44 322
Ekurhuleni	38 429	44 322				46 804	48 221
eThekweni	48 646	48 221				50 921	39 111
Mangaung	39 111	52 224				55 148	8 224
Nelson Mandela Bay	8 224	11 339				11 974	7 308
TOTAL	292 119	309 062				326 369	

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					Forward Estimates		Forward Estimates	
					2017/18	2018/19	2018/19	2019/20
Agriculture, Forestry and Fisheries (Vote 24)	(a) Comprehensive Agricultural Support Programme Grant	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or the export market; to address damages to infrastructure caused by floods.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	
				Free State	248 046	262 161	297 692	
				Gauteng	168 592	179 476	205 339	
				KwaZulu-Natal	87 136	92 333	111 351	
				Limpopo	209 598	223 975	243 118	
				Mpumalanga	238 991	256 521	300 669	
				Northern Cape	155 447	162 907	187 902	
				North West	232 772	252 434	145 685	
				Western Cape	169 167	176 054	201 050	
				TOTAL	1 645 946	1 750 810	1 876 056	
	(b) Ilima/Letsema Projects Grant	To assist vulnerable black South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.	Conditional allocation	Eastern Cape	67 356	71 263	75 254	
				Free State	63 178	66 843	70 586	
				Gauteng	27 673	30 278	31 974	
				KwaZulu-Natal	67 356	71 263	75 253	
				Limpopo	67 356	71 263	75 254	
				Mpumalanga	52 213	58 242	61 504	
				Northern Cape	58 480	60 766	64 169	
				North West	63 178	66 843	70 586	
				Western Cape	55 349	55 662	58 779	
				TOTAL	522 139	552 423	583 359	
	(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape	11 812	12 016	13 018	
				Free State	5 865	7 490	6 809	
				Gauteng	4 123	5 399	5 539	
				KwaZulu-Natal	12 012	12 016	13 403	
				Limpopo	13 672	12 873	13 700	
				Mpumalanga	6 608	6 980	7 578	
				Northern Cape	7 094	7 753	8 188	
				North West	8 038	8 568	8 922	
				Western Cape	4 380	4 778	5 077	
				TOTAL	73 604	77 873	82 234	

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					Forward Estimates		Forward Estimates	
					2017/18	2018/19	2018/19	2019/20
Arts and Culture (Vote 37)	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	R'000	R'000	R'000	R'000
					156 105	164 746	173 713	176 969
					159 017	167 829	182 018	191 952
					172 428	182 018	182 722	192 695
					173 093	121 184	127 805	134 703
					121 184	162 777	171 804	181 167
					163 000	172 041	172 041	156 941
					141 092	148 864	181 418	181 418
					171 264	180 786	190 652	190 652
					1 419 960	1 498 615	1 580 210	1 580 210
Basic Education (Vote 14)	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by providing comprehensive sexuality education and access to sexual and reproductive health services to learners and educators; to mitigate the impact of HIV and Tuberculosis by providing a caring, supportive and enabling environment for learners and educators; to reduce the vulnerability of children to HIV, Tuberculosis and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	41 936	44 367	46 852	46 852
					13 980	14 790	15 618	15 618
					34 436	36 433	38 472	38 472
					56 115	59 369	62 694	62 694
					35 339	37 388	39 482	39 482
					20 102	21 267	22 458	22 458
					5 547	5 874	6 203	6 203
					17 825	18 859	19 915	19 915
					20 028	21 189	22 376	22 376
					245 308	259 536	274 070	274 070
(b) Learners With Profound Intellectual Disabilities Grant	To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	3 537	12 283	14 622	14 622	
				11 368	28 864	34 360	34 360	
				12 632	30 707	36 554	36 554	
				5 558	14 739	17 545	17 545	
				9 853	24 565	29 243	29 243	
				12 883	31 322	37 285	37 285	
				2 021	6 142	7 312	7 312	
				2 274	6 756	8 042	8 042	
				11 874	30 093	35 822	35 822	
				72 000	185 471	220 785	220 785	

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					Forward Estimates		Forward Estimates	
					2017/18	2018/19	2018/19	2019/20
Basic Education (Vote 14)	(c) Maths, Science and Technology Grant	To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements for the improvement of Maths, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	51 323
				Free State	46 685	33 741	36 127	38 166
				Gauteng	51 270	54 840	57 931	57 931
				KwaZulu-Natal	61 660	62 980	66 527	66 527
				Limpopo	42 796	45 141	47 690	47 690
				Mpumalanga	39 756	39 984	42 243	42 243
				Northern Cape	23 636	26 342	27 837	27 837
				North West	35 384	38 125	40 280	40 280
				Western Cape	30 217	34 361	36 305	36 305
				TOTAL	365 145	386 483	408 302	408 302
Health (Vote 16)	(d) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	1 277 387
				Free State	1 149 353	379 369	398 337	398 337
				Gauteng	358 412	762 848	807 454	847 827
				KwaZulu-Natal	762 848	1 450 087	1 534 878	1 611 622
				Limpopo	1 450 087	1 161 389	1 229 299	1 290 763
				Mpumalanga	1 161 389	615 071	651 036	683 588
				Northern Cape	615 071	160 807	170 211	178 722
				North West	160 807	430 976	456 176	478 985
				Western Cape	430 976	337 370	357 097	374 952
				Unallocated	337 370	-	-	43 532
TOTAL	6 426 313	6 802 079	7 185 715	7 185 715				
Health (Vote 16)	(a) Comprehensive HIV, AIDS and TB Grant	To enable the health sector to develop and implement an effective response to HIV and AIDS and Tuberculosis.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	2 523 289
				Free State	2 040 454	1 148 408	1 322 225	1 434 680
				Gauteng	1 148 408	3 744 381	4 239 022	4 667 945
				KwaZulu-Natal	3 744 381	4 852 495	5 485 881	6 111 674
				Limpopo	4 852 495	1 354 308	1 540 098	1 778 883
				Mpumalanga	1 354 308	1 188 073	1 349 924	1 489 344
				Northern Cape	1 188 073	478 242	552 262	610 857
				North West	478 242	1 296 769	1 455 195	1 600 959
				Western Cape	1 296 769	1 454 773	1 645 399	1 821 364
				TOTAL	17 557 903	19 921 697	22 038 995	22 038 995

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B				
					Forward Estimates		Forward Estimates				
					2017/18	2018/19	2018/19	2019/20			
Health (Vote 16)	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance; to enhance capacity to deliver health infrastructure.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000			
					620 757	568 144	599 961	518 638			
				Free State	552 157	491 134	518 638	518 638			
				Gauteng	890 665	845 975	893 350	893 350			
				KwaZulu-Natal	1 149 355	1 128 018	1 191 186	1 191 186			
				Limpopo	508 144	450 991	476 247	476 247			
				Mpumalanga	325 617	339 676	358 696	358 696			
				Northern Cape	443 753	380 829	402 156	402 156			
				North West	558 261	500 821	528 867	528 867			
				Western Cape	605 786	595 363	628 703	628 703			
				Unallocated	-	614 743	649 169	649 169			
	TOTAL			5 654 495	5 915 694	6 246 973	6 246 973				
Human Settlements (Vote 38)	(c) Human Papillomavirus Vaccine Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery.	Conditional allocation	Eastern Cape	-	33 471	35 345	35 345			
				Free State	-	11 608	12 258	12 258			
				Gauteng	-	27 312	28 841	28 841			
				KwaZulu-Natal	-	44 976	47 495	47 495			
				Limpopo	-	27 471	29 009	29 009			
				Mpumalanga	-	17 665	18 654	18 654			
				Northern Cape	-	4 634	4 894	4 894			
				North West	-	13 264	14 007	14 007			
				Western Cape	-	19 599	20 697	20 697			
					TOTAL			200 000	211 200	211 200	211 200
				Human Settlements (Vote 38)	Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	2 239 316	2 258 483	2 405 564
Free State	1 193 038	1 264 697	1 333 008					1 333 008			
Gauteng	5 528 050	5 907 304	6 270 283					6 270 283			
KwaZulu-Natal	3 477 567	3 731 031	3 974 011					3 974 011			
Limpopo	1 319 493	1 400 688	1 478 154					1 478 154			
Mpumalanga	1 395 774	1 464 882	1 539 184					1 539 184			
Northern Cape	402 668	426 635	449 476					449 476			
North West	2 186 679	2 272 399	2 343 861					2 343 861			
Western Cape	2 226 758	2 389 056	2 544 641					2 544 641			
	TOTAL	19 969 343	21 115 175					22 338 182	22 338 182		

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					Forward Estimates		Forward Estimates	
					2017/18	2018/19	2018/19	2019/20
Public Works (Vote 11)	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries; sustainable land based livelihoods; waste management.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	-
				Free State	112 335	-	-	-
				Gauteng	28 566	-	-	-
				KwaZulu-Natal	53 178	-	-	-
				Limpopo	78 211	-	-	-
				Mpumalanga	20 195	-	-	-
				Northern Cape	34 436	-	-	-
				North West	20 143	-	-	-
				Western Cape	14 383	-	-	-
				Unallocated	34 132	-	-	-
	TOTAL			395 579	416 036	451 505		
Social Development (Vote 17)	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2016 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Nationally assigned function to provinces	Eastern Cape	14 503	-	-	-
				Free State	23 167	-	-	-
				Gauteng	24 797	-	-	-
				KwaZulu-Natal	85 016	-	-	-
				Limpopo	41 979	-	-	-
				Mpumalanga	75 180	-	-	-
				Northern Cape	56 594	-	-	-
				North West	32 008	-	-	-
				Western Cape	32 339	-	-	-
				Unallocated	-	407 948	-	-
	TOTAL			385 583	407 948	430 793		
Social Development (Vote 17)	(a) Early Childhood Development Grant	To increase the number of poor children accessing subsidised early childhood development services through partial care facilities; to assist existing conditionally registered partial care facilities providing an early childhood development programme to meet basic requirements in order to attain full registration.	General conditional allocation to provinces	Eastern Cape	56 365	86 968	91 830	91 830
				Free State	18 398	25 903	27 346	27 346
				Gauteng	38 489	61 883	65 344	65 344
				KwaZulu-Natal	71 879	112 347	118 629	118 629
				Limpopo	41 085	62 414	65 901	65 901
				Mpumalanga	25 799	39 989	42 223	42 223
				Northern Cape	13 761	18 127	19 139	19 139
				North West	32 686	51 692	54 581	54 581
				Western Cape	19 150	31 477	33 235	33 235
					TOTAL			317 612

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		Column B	
					2017/18	2018/19	2019/20	Forward Estimates
Social Development (Vote 17)	(b) Substance Abuse Treatment Grant	To provide funding for the operationalisation (including the purchasing of equipment) of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West.	Conditional allocation	Eastern Cape	R'000	R'000	R'000	R'000
				Free State	14 238	17 708	18 700	18 700
				Gauteng	14 237	17 708	18 700	18 700
				KwaZulu-Natal	-	-	-	-
				Limpopo	-	-	-	-
				Mpumalanga	-	-	-	-
				Northern Cape	14 237	17 709	18 700	18 700
				North West	14 238	17 708	18 700	18 700
				Western Cape	-	-	-	-
				TOTAL	56 950	70 833	74 800	74 800
Sport and Recreation South Africa (Vote 40)	Mass Participation and Sport Development Grant	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Eastern Cape	67 183	86 617	91 422	91 422
				Free State	95 755	34 893	36 569	36 569
				Gauteng	84 509	123 116	128 644	128 644
				KwaZulu-Natal	98 427	132 031	138 439	138 439
				Limpopo	67 850	68 352	77 056	77 056
				Mpumalanga	46 352	50 742	53 547	53 547
				Northern Cape	31 283	16 390	16 979	16 979
				North West	41 762	43 370	45 058	45 058
				Western Cape	52 707	62 875	65 302	65 302
				TOTAL	585 828	618 386	653 016	653 016

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18 R'000	Forward Estimates 2018/19 R'000	2019/20 R'000
RECURRENT GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes that took effect at the time of the 2016 local government elections.	111 856	-	-
	(b) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	-	-	-
Energy (Vote 26)	Energy Efficiency and Demand Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	203 236	215 024	227 065
National Treasury (Vote 7)	Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment.	140 774	148 939	157 280
National Treasury Vote (7)	Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	502 006	531 122	560 865
Public Works (Vote 11)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of building; slow traffic volume roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure); other economic and social infrastructure; tourism and cultural industries; waste management; parks and beautification; sustainable land-based livelihoods; social services programmes; community safety programmes.	691 447	729 345	780 965
TOTAL			1 649 319	1 624 430	1 726 175

SCHEDULE 5, PART B
SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18 R'000	Forward Estimates 2018/19 R'000	2019/20 R'000
INFRASTRUCTURE GRANTS					
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities.	15 891 252	16 787 685	17 733 731
Energy (Vote 26)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure.	2 087 048	2 204 477	3 327 928
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	663 390	701 867	741 172
Transport (Vote 35)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	6 159 559	6 582 669	6 962 248
	(b) Rural Roads Asset Management Systems Grant	To assist rural district municipalities to set up rural Roads Asset Management Systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	107 309	113 533	119 891
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes; provide on-site sanitation solutions; support the existing bucket eradication programme intervention in formal residential areas; support drought relief projects in affected municipalities.	3 329 464	3 559 056	3 757 319
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	1 865 000	2 060 000	2 175 360
		TOTAL	30 103 022	32 009 287	34 817 649

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18	Forward Estimates	
			2018/19	2019/20	
			R'000	R'000	R'000
Basic Education (Vote 14)	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	2 594 698	-	-
Health (Vote 16)	National Health Insurance Indirect Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery; to improve spending, performance, monitoring and evaluation on National Health Insurance pilots and infrastructure projects; to fund the introduction of the Human Papillomavirus vaccination programme in schools.	1 663 037	1 764 859	1 863 691
		TOTAL	4 257 735	1 764 859	1 863 691

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18	Forward Estimates	
			R'000	2018/19	2019/20
			R'000	R'000	R'000
Cooperative Governance and Traditional Affairs (Vote 4)	(a) Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes that took effect at the time of the 2016 local government elections.	-	-	-
	(b) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation.	103 249	115 116	121 562
Energy (Vote 26)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas.	3 846 154	3 962 031	4 182 453
National Treasury (Vote 7)	Neighbourhood Development Partnership Grant	To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	27 744	29 353	30 997
Water and Sanitation (Vote 36)	(a) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities; including through spring protection, drilling, testing and equipping of boreholes; provide on-site sanitation solutions; support the existing bucket eradication programme intervention in formal residential areas; support drought relief projects in affected municipalities.	587 122	608 175	642 233
	(b) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	2 773 539	2 880 922	3 037 295
TOTAL			7 337 808	7 595 598	8 014 540

SCHEDULE 7, PART A

UNALLOCATED PROVISIONS FOR PROVINCES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18 R'000	Forward Estimates 2018/19 R'000	Forward Estimates 2019/20 R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Provincial Disaster Grant	To provide for the immediate release of funds for disaster response.	123 432	130 591	137 904
TOTAL			123 432	130 591	137 904

SCHEDULE 7, PART B

UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER RESPONSE

Vote	Name of allocation	Purpose	Column A	Column B	
			2017/18 R'000	Forward Estimates 2018/19 R'000	Forward Estimates 2019/20 R'000
Cooperative Governance and Traditional Affairs (Vote 4)	Municipal Disaster Grant	To provide for the immediate release of funds for disaster response .	300 281	370 597	335 488
TOTAL			300 281	370 597	335 488

MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE BILL, 2017

1. BACKGROUND

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996, (“the Constitution”) requires that an Act of Parliament must 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 for any conditions on which those allocations may be made.
- 1.2 Section 10 of the Intergovernmental Fiscal Relations Act, 1997 (Act No. 97 of 1997), requires that, as part of the process of the enactment of the Act of Parliament referred to in paragraph 1.1, each year when the annual budget is introduced, the Minister of Finance must introduce in the National Assembly a Division of Revenue Bill (“the Bill”) for the financial year to which that budget relates.
- 1.3 The Intergovernmental Fiscal Relations Act, 1997, requires that the Bill be accompanied by a memorandum explaining—
 - (a) how the Bill takes account of each of the matters listed in section 214(2)(a) to (j) of the Constitution;
 - (b) the extent to which account was taken of any recommendations of the Financial and Fiscal Commission (“the FFC”) that were submitted to the Minister of Finance or were raised during consultations with the FFC; and
 - (c) 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.
- 1.4 In terms of section 7(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), when tabling the budget, a report must also be tabled that responds to the recommendations made in the reports by the Parliamentary Committees on Finance on the proposed fiscal framework in the Medium Term Budget Policy Statement and the reports by the Committees on Appropriations regarding the proposed division of revenue and the conditional grant allocations to provinces and local government as contained in the Medium Term Budget Policy Statement. The report must explain how the Bill and the national budget give effect to, or the reasons for not taking into account, the recommendations contained in the Committee reports.
- 1.5 The memorandum referred to in paragraph 1.3 is attached to this Memorandum and will also be attached as “Annexure W1” to the Budget Review, and the report referred to in paragraph 1.4 will be tabled with the budget.
- 1.6 The Bill is introduced in compliance with the Constitution, the Intergovernmental Fiscal Relations Act, 1997, and the Money Bills Amendment Procedure and Related Matters Act, 2009, as set out in paragraphs 1.1 to 1.4.
- 1.7 The purpose of the Bill is to give effect to allocations contemplated in section 214(1) of the Constitution, which are set out in the Schedules to the Bill as follows:
 - *Schedule 1* contains the equitable shares of the three spheres of government;
 - *Schedule 2* sets out provincial equitable share allocations;

- *Schedule 3* sets out local government equitable share allocations per municipality; and
- *Schedules 4 to 7* deal with grant allocations for provinces and municipalities, including allocations to supplement funding of functions funded from provincial and municipal budgets, specific purpose allocations, allocations-in-kind (indirect transfers to provinces and local government) and the release of funds to provinces and municipalities for immediate response to a disaster.

2. SUMMARY OF BILL

2.1 The following is a brief summary of the Bill:

- *Clause 1* contains definitions;
- *Clause 2* sets out the objects of the Bill, which are to provide for the equitable division of revenue raised nationally among the three spheres of government and to promote predictability and certainty in respect of allocations to provinces and municipalities as well as transparency and accountability in the resource allocation process;
- *Clause 3* provides for the equitable division of anticipated revenue raised nationally among the national, provincial and local spheres of government, which is set out in Schedule 1;
- *Clause 4* provides for each province's equitable share, which is set out in Schedule 2, and that it must be transferred in terms of a payment schedule;
- *Clause 5* provides for each municipality's equitable share of revenue, which is set out in Schedule 3 and that it must be transferred on dates specified in clause 5 of the Bill in amounts as determined in terms of clause 23(2) of the Bill;
- *Clause 6* determines what must happen if actual revenue raised falls short or is in excess of anticipated revenue for the financial year, and allows for additional conditional and unconditional allocations to be made from the national government's portion of the equitable share or excess revenue;
- *Clause 7* provides for conditional allocations to provinces as set out in Part A of Schedules 4 to 7;
- *Clause 8* provides for conditional allocations to municipalities as set out in Part B of Schedules 4 to 7;
- *Clauses 9 and 10* set out the duties of a transferring national officer in respect of Schedules 4, 5 and 6 allocations;
- *Clauses 11 and 12* set out the duties of a receiving officer in respect of Schedules 4, 5 and 7 allocations;
- *Clauses 13 and 14* set out the additional duties of a receiving officer in respect of infrastructure conditional allocations to provinces and to metropolitan municipalities;
- *Clause 15* prescribes the duties in respect of annual financial statements and annual reports for the 2017/18 financial year;
- *Clause 16* requires the publication of certain allocations and all conditional grant frameworks in the *Government Gazette*;
- *Clause 17* requires that spending must only be in accordance with the purpose and subject to the conditions set out in the grant frameworks for

Schedule 4 to 7 allocations, and sets out funding related arrangements if a function partially or fully funded by a conditional grant is assigned by a province to a municipality;

- *Clauses 18 and 19* provide for the withholding and stopping of allocations for non-compliance with legislative requirements;
- *Clause 20* provides for the reallocation of funds that were stopped in respect of a province or a municipality to one or more provinces or municipalities;
- *Clause 21* provides for the possible conversion of certain allocations in order to prevent under-spending on the allocation, if the affected national or provincial department has demonstrated the capacity to implement projects;
- *Clause 22* provides for the management of unspent conditional allocations;
- *Clauses 23 and 24* provide for payment schedules and their amendment;
- *Clause 25* provides for the recovery of any allocation transferred in error or fraudulently;
- *Clause 26* provides for allocations not listed in the Schedules;
- *Clause 27* provides for preparations for the 2018/19 and 2019/20 financial years;
- *Clause 28* deals with transfers before the commencement of the Division of Revenue Act for the 2017/18 financial year and the conditions attached to such transfers;
- *Clause 29* sets out the duties of municipalities;
- *Clause 30* sets out the duties and powers of provincial treasuries;
- *Clause 31* sets out the duties and powers of the National Treasury;
- *Clauses 32 to 37* provide for general matters such as liability for costs incurred in violation of principles of co-operative governance and intergovernmental relations, irregular expenditure, financial misconduct, delegations and assignments, exemptions and the power of the Minister of Finance to make regulations;
- *Clause 38* provides for the repeal of laws and savings; and
- *Clauses 39* provides for the short title and commencement.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

3.1 The following institutions were consulted on the Bill—

- Financial and Fiscal Commission;
- South African Local Government Association; and
- National and provincial departments.

4. FINANCIAL IMPLICATIONS TO THE STATE

This memorandum outlines the proposed division of revenue between the three spheres of government, and the financial implications to government are limited to the total transfers to provinces and local government as indicated in the Schedules to the Bill.

5. CONSTITUTIONAL IMPLICATIONS

The Bill gives effect to section 214 of the Constitution.

6. PARLIAMENTARY PROCEDURE

- 6.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure prescribed by section 76(1) of the Constitution, since it provides for legislation envisaged in Chapter 13 of the Constitution, and it includes provisions affecting the financial interests of the provincial sphere of government, as contemplated in section 76(4)(b) of the Constitution.
- 6.2 Chapter 4 of the Constitution provides for the procedures that Bills must follow in Parliament. Section 76 of the Constitution provides for parliamentary procedure for ordinary Bills affecting the provinces. In terms of section 76(3) a Bill must be dealt with in accordance with the procedure established by either subsection 76(1) or subsection 76(2) if it falls within a functional area listed in Schedule 4.
- 6.3 In **Stephen Segopotso Tongoane and Others v Minister for Agriculture and Land Affairs and Others CCT100/9 [2010] ZACC 10** at paragraphs 70 and 72, the Constitutional Court stated that the test for determining how a Bill is to be tagged must be broader than that for determining legislative competence. Whether a Bill is a section 76 Bill is determined in two ways. First by the explicit list of legislative matters in section 76(3), and second by whether the provisions of a Bill, in substantial measure, fall within a concurrent legislative competence.
- 6.4 This test compels us to consider the substance, purpose and effect of the subject matter of the proposed Bill.
- 6.5 As already pointed out, the Bill provides for legislation envisaged in Chapter 13 of the Constitution. Furthermore, the Bill includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section 76(4)(b) of the Constitution. We are therefore of the opinion that the Bill must be dealt with in accordance with the procedure envisaged by section 76(1) of the Constitution.
- 6.6 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or the customs of traditional communities.

DIVISION OF REVENUE ATTACHMENTS

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**EXPLANATORY MEMORANDUM
TO THE DIVISION OF REVENUE**

(Website “Annexure W1” to the 2017 Budget Review)

W1

Explanatory memorandum to the division of revenue

■ Background

Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 257 municipalities. This process takes into account the powers and functions assigned to each sphere of government. The division of revenue process fosters transparency and is at the heart of constitutional cooperative governance.

The Intergovernmental Fiscal Relations Act (1997) prescribes the process for determining the equitable sharing and allocation of nationally raised revenue. Sections 9 and 10(4) of the act set out the consultation process to be followed with the Financial and Fiscal Commission (FFC), including considering recommendations made regarding the division of revenue.

This explanatory memorandum to the 2017 Division of Revenue Bill fulfils the requirement set out in section 10(5) of the Intergovernmental Fiscal Relations Act that the bill be accompanied by an explanatory memorandum detailing how it takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution, government's response to the FFC's recommendations, and any assumptions and formulas used in arriving at the respective divisions among provinces and municipalities. This explanatory memorandum has six sections:

- Part 1 lists the factors that inform the division of resources between national, provincial and local government.
- Part 2 describes the 2017 division of revenue.
- Part 3 sets out how the FFC's recommendations on the 2017 division of revenue have been taken into account.
- Part 4 explains the formula and criteria for the division of the provincial equitable share and conditional grants among provinces.

- Part 5 sets out the formula and criteria for the division of the local government equitable share and conditional grants among municipalities.
- Part 6 summarises issues that will form part of subsequent reviews of provincial and local government fiscal frameworks.

The Division of Revenue Bill and its underlying allocations are the result of extensive consultation between national, provincial and local government. The Budget Council deliberated on the matters discussed in this memorandum at several meetings during the year. The approach to local government allocations was discussed with organised local government at technical meetings with the South African Local Government Association (SALGA), culminating in meetings of the Budget Forum (the Budget Council and SALGA). An extended Cabinet meeting involving ministers, provincial premiers and the SALGA chairperson was held in October 2016. The division of revenue, and the government priorities that underpin it, was agreed for the next three years.

■ Part 1: Constitutional considerations

Section 214 of the Constitution requires that the annual Division of Revenue Act be enacted after factors in sub-sections (2)(a) to (j) of the Constitution are taken into account. These include national interest, debt provision, the needs of national government, flexibility in responding to emergencies, resource allocation for basic services and developmental needs, the fiscal capacity and efficiency of provincial and local government, the reduction of economic disparities, and the promotion of stability and predictability. 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 governance goals that benefit the nation as a whole. The National Development Plan sets out a long-term vision for the country's development. This is complemented by the strategic integrated projects overseen by the Presidential Infrastructure Coordinating Council and the 14 priority outcomes adopted by Cabinet in 2014 for the 2014–2019 medium-term strategic framework. In the 2016 *Medium Term Budget Policy Statement*, the Minister of Finance outlined how the resources available to government over the 2017 medium-term expenditure framework (MTEF) would be allocated to help achieve these goals. Chapter 4 of the 2016 *Medium Term Budget Policy Statement* and Chapters 5 and 6 of the 2017 *Budget Review* discuss how funds have been allocated across the three spheres of government based on these priorities. The frameworks for each conditional grant allocated as part of the division of revenue also note how the grant is linked to the 14 priority outcomes.

Provision for debt costs

The resources shared between national, provincial and local government include proceeds from national government borrowing used to fund public spending. National government provides for the resulting debt costs to protect the country's integrity and credit reputation. A more detailed discussion can be found in Chapter 7 of the 2017 *Budget Review*.

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. National and provincial government have concurrent responsibility for a range of functions. Provincial and local government receive equitable shares and conditional grants to enable them to provide basic services and perform their functions. Functions may shift between spheres of government to better meet the country's needs. The division of revenue responds to this by modifying the funding arrangements. Changes continue to be made to various national transfers to provincial and local government to improve their efficiency, effectiveness and alignment with national strategic objectives.

Provincial and local government basic services

Provinces and municipalities are responsible for providing education, health, social development, housing, roads, electricity and water, and municipal infrastructure services. They have significant autonomy to allocate resources to meet basic needs and respond to provincial and local priorities, while giving effect to national objectives. The division of revenue provides equitable shares to provinces and local government, together with conditional grants for basic service delivery.

Robust growth in allocations to provincial and local government reflects the priority placed on health, education and basic services, as well as the rising costs of these services as a result of higher wages, and bulk electricity and water costs. Transfers to local government have grown significantly in recent years, providing municipalities with greater resources to deliver basic services. This is in addition to local government's substantial own revenue-raising powers.

The 2017 division of revenue prioritises the rollout of water and sanitation infrastructure in municipalities. A new provincial grant for early childhood development, which aims to improve education outcomes, especially among poor children, will come into effect on 1 April 2017.

Fiscal capacity and efficiency

National government has primary revenue-raising powers. Provinces have limited revenue-raising capacity and the resources required to deliver provincial functions do not lend themselves to self-funding or cost recovery. Due to their limited revenue-raising potential, and their responsibility to implement government priorities, provinces receive a larger share of nationally raised revenue than local government. Municipalities finance most of their expenditure through property rates, user charges and fees. However, rural municipalities raise significantly less revenue than large urban and metropolitan municipalities.

Local government's share of nationally raised revenue has increased from 3 per cent in 2000/01 to 9.1 per cent over the 2017 MTEF period. Following a review of the local government equitable share in 2012, a new formula has been phased in from 2013/14 to 2017/18. The formula incorporates a revenue adjustment factor that considers the fiscal capacity of the recipient municipality (full details of the formula are provided in part 5 of this annexure). The mechanisms for allocating funds to provinces and municipalities are continuously reviewed to improve their efficiency. A new approach to the funding of provincial infrastructure is being implemented to promote better planning and implementation, and to improve efficiency in the delivery of health and education infrastructure. To maximise the effect of allocations, many provincial and local government conditional grants use criteria that consider the efficiency with which the recipient has used previous allocations.

Developmental needs

Developmental needs are accounted for at two levels. First, in the determination of the division of revenue, which continues to grow the provincial and local government shares of nationally raised revenue, and second, in the formulas used to divide national transfers among municipalities and provinces. Developmental needs are encapsulated in the equitable share formulas for provincial and local government and in specific conditional grants, such as the *municipal infrastructure grant*, which allocates funds according to the number of households in a municipality without access to basic services. Various infrastructure grants and growing capital budgets aim to boost the economic and social development of provinces and municipalities.

Economic disparities

The equitable share and infrastructure grant formulas are redistributive towards poorer provinces and municipalities. Through the division of revenue, government continues to invest in economic infrastructure (such as roads) and social infrastructure (such as schools, hospitals and clinics) to stimulate economic development, create jobs, and address economic and social disparities.

Obligations in terms of national legislation

The Constitution confers autonomy on provincial governments and municipalities to determine priorities and allocate budgets. National government is responsible for policy development, national mandates, setting national norms and standards for provincial and municipal functions, and monitoring implementation of concurrent functions. It also ensures that baseline reductions do not affect important obligations that are already funded through existing provincial and local government allocations. The 2017 MTEF, through the division of revenue, continues to fund the delivery of provincial, municipal and concurrent functions through a combination of conditional and unconditional grants.

Predictability and stability

Provincial and local government equitable share allocations are based on estimates of nationally raised revenue. If this revenue falls short of the estimates within a given year, the equitable shares of provinces and local government will not be adjusted downwards. Allocations are assured (voted, legislated and guaranteed) for the first year and are transferred according to a payment schedule. To contribute to longer-term predictability and stability, estimates for a further two years are published with the annual proposal for appropriations. Adjusted estimates as a result of changes to data underpinning the equitable share formulas and revisions to the formulas themselves are phased in to ensure minimal disruption.

Flexibility in responding to emergencies

Government has a contingency reserve for emergencies and unforeseeable events. In addition, two conditional grants for disasters allow for the swift allocation and transfer of funds to affected provinces and municipalities in the immediate aftermath of a declared disaster. Sections 16 and 25 of the Public Finance Management Act (1999) make specific provision for the allocation of funds to deal with emergency situations. Section 30(2) deals with adjustment allocations for unforeseeable and unavoidable expenditure. Section 29 of the Municipal Finance Management Act (2003) allows a municipal mayor to authorise unforeseeable and unavoidable expenditure in an emergency.

Part 2: The 2017 division of revenue

The central fiscal objectives over the MTEF period are to stabilise the growth of debt as a share of GDP and to strictly adhere to the planned expenditure ceiling (see Chapters 1, 3 and 5 of the 2017 *Budget Review*). However, the most important public spending programmes that help poor South Africans, contribute to growth and generate employment have been protected from major reductions. The 2017 division of revenue reprioritises existing funds to ensure these objectives are met despite a lower expenditure ceiling. Parts 4 and 5 of this annexure set out in more detail how the baseline reductions have affected provincial and local government transfers.

Excluding debt-service costs and the contingency reserve, allocated expenditure shared between the three spheres amounts to R1.2 trillion, R1.3 trillion and R1.4 trillion over each of the MTEF years. These allocations take into account government's spending priorities, each sphere's revenue-raising capacity and responsibilities, and input from various intergovernmental forums and the FFC. The provincial and local equitable share formulas are designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

Government's policy priorities for the 2017 MTEF period

Following the reductions to the baseline, existing budgets need to be reprioritised to meet government's policy priorities outlined in the medium-term strategic framework. Priorities over the 2017 MTEF period that are funded through reprioritisations in the division of revenue include:

- Strengthening specialised tertiary health services for children through a new paediatric hospital.
- Preserving the school nutrition initiative by countering the effects of rapid food price inflation and increasing the number of children receiving meals.

- Providing free basic services to poor households.
- Promoting access to social housing through increased subsidies.
- Introducing a new grant to promote equitable, countrywide access to social services.
- Introducing a new grant to educate learners with profound intellectual disabilities.

The fiscal framework

Table W1.1 presents the medium-term macroeconomic forecasts for the 2017 Budget. It sets out the growth assumptions and fiscal policy targets on which the fiscal framework is based.

Table W1.1 Medium-term macroeconomic assumptions

R billion/percentage of GDP	2016/17		2017/18		2018/19		2019/20
	2016 Budget	2017 Budget	2016 Budget	2017 Budget	2016 Budget	2017 Budget	2017 Budget
Gross domestic product	4 388.4	4 409.8	4 750.7	4 741.2	5 161.3	5 129.2	5 545.5
<i>Real GDP growth</i>	1.2%	1.0%	1.9%	1.3%	2.5%	2.1%	2.3%
<i>GDP inflation</i>	6.4%	6.9%	6.3%	6.1%	6.0%	6.0%	5.7%
National budget framework							
Revenue	1 162.0	1 136.9	1 264.3	1 242.4	1 388.7	1 351.0	1 471.5
<i>Percentage of GDP</i>	26.5%	25.8%	26.6%	26.2%	26.9%	26.3%	26.5%
Expenditure	1 318.3	1 307.4	1 421.7	1 409.2	1 540.0	1 522.2	1 652.2
<i>Percentage of GDP</i>	30.0%	29.6%	29.9%	29.7%	29.8%	29.7%	29.8%
Main budget balance¹	-156.3	-170.5	-157.4	-166.8	-151.3	-171.2	-180.7
<i>Percentage of GDP</i>	-3.6%	-3.9%	-3.3%	-3.5%	-2.9%	-3.3%	-3.3%

1. A positive number reflects a surplus and a negative number a deficit

Source: National Treasury

Table W1.2 sets out the division of revenue for the 2017 MTEF period after accounting for new policy priorities.

Table W1.2 Division of nationally raised revenue

R million	2013/14	2014/15 Outcome	2015/16	2016/17 Revised estimate	2017/18	2018/19	2019/20
					Medium-term estimates		
Division of available funds							
National departments	453 406	489 987	546 065	557 495	590 178	631 447	681 600
<i>of which:</i>							
<i>Indirect transfers to provinces</i>	2 693	5 808	3 458	3 654	4 258	1 765	1 864
<i>Indirect transfers to local government</i>	5 945	8 250	10 370	7 824	7 338	7 596	8 015
Provinces	410 572	439 544	471 424	500 391	538 160	578 614	620 995
Equitable share	336 495	359 922	386 500	410 699	441 331	471 522	506 104
Conditional grants	74 077	79 623	84 924	89 692	96 829	107 092	114 892
Local government	82 595	87 570	98 338	103 255	112 524	121 470	132 277
Equitable share	38 964	41 592	49 367	51 169	57 012	62 732	69 273
Conditional grants	34 018	35 788	38 313	40 863	43 727	46 270	49 836
General fuel levy sharing with metros	9 613	10 190	10 659	11 224	11 785	12 469	13 167
Non-interest allocations	946 574	1 017 102	1 115 827	1 161 141	1 240 862	1 331 532	1 434 872
<i>Percentage increase</i>	7.9%	7.5%	9.7%	4.1%	6.9%	7.3%	7.8%
Debt-service costs	101 185	114 798	128 796	146 281	162 353	180 652	197 320
Contingency reserves	–	–	–	–	6 000	10 000	20 000
Main budget expenditure	1 047 759	1 131 900	1 244 623	1 307 423	1 409 215	1 522 183	1 652 192
<i>Percentage increase</i>	8.5%	8.0%	10.0%	5.0%	7.8%	8.0%	8.5%
<i>Percentage shares</i>							
<i>National departments</i>	47.9%	48.2%	48.9%	48.0%	47.6%	47.4%	47.5%
<i>Provinces</i>	43.4%	43.2%	42.2%	43.1%	43.4%	43.5%	43.3%
<i>Local government</i>	8.7%	8.6%	8.8%	8.9%	9.1%	9.1%	9.2%

Source: National Treasury

Table W1.3 shows how changes to the baseline are spread across government. The new focus areas and baseline reductions are accommodated by shifting savings towards priorities.

Table W1.3 Changes over baseline

R million	2017/18	2018/19
National departments	-3 372	1 181
Provinces ¹	-4 234	1 502
Local government	-816	159
Allocated expenditure	-8 422	2 842

1. This reduction includes a R2.6 billion conversion from education infrastructure grant to the school infrastructure backlogs grant

Source: National Treasury

Table W1.4 sets out schedule 1 of the Division of Revenue Bill, which reflects the legal division of revenue between national, provincial and local government. In this division, the national share includes all conditional grants to provinces and local government in line with section 214(1) of the Constitution, and the allocations for each sphere reflect equitable shares only.

Table W1.4 Schedule 1 of the Division of Revenue Bill

R million	2017/18	2018/19	2019/20
	Allocation	Forward estimates	
National ¹	910 872	987 929	1 076 815
Provincial	441 331	471 522	506 104
Local	57 012	62 732	69 273
Total	1 409 215	1 522 183	1 652 192

1. National share includes conditional grants to provinces and local government, general fuel levy sharing with metropolitan municipalities, debt-service costs and the contingency reserve

Source: National Treasury

The 2017 *Budget Review* sets out in detail how constitutional issues and government's priorities are taken into account in the 2017 division of revenue. It describes economic and fiscal policy considerations, revenue issues, debt and financing considerations, and expenditure plans. Chapter 6 focuses on provincial and local government financing.

■ Part 3: Response to the FFC's recommendations

Section 9 of the Intergovernmental Fiscal Relations Act requires the FFC to make recommendations regarding:

- a) "An equitable division of revenue raised nationally, among the national, provincial and local spheres of government;
- b) the determination of each province's equitable share in 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 should be made."

The act requires that the FFC table these recommendations at least 10 months before the start of each financial year. The FFC tabled its *Submission for the Division of Revenue 2017/18* to Parliament in May 2016. These recommendations are divided into 11 chapters, with a primary focus on rural development, under four main areas: the macro and fiscal context of rural development, national government and rural development, provincial government and rural development, and municipalities and rural development.

Section 214 of the Constitution requires that the FFC's recommendations be considered before tabling the division of revenue. Section 10 of the Intergovernmental Fiscal Relations Act requires that the Minister of Finance table a Division of Revenue Bill with the annual budget in the National Assembly. The bill must be accompanied by an explanatory memorandum setting out how government has taken into account the FFC's recommendations when determining the division of revenue. This part of the explanatory memorandum complies with this requirement.

The FFC's recommendations can be divided into three categories:

- Recommendations that apply directly to the division of revenue
- Recommendations that indirectly apply to issues related to the division of revenue
- Recommendations that do not relate to the division of revenue.

Government responses to the first and second categories are provided below. The relevant national departments are considering the recommendations that do not relate to the division of revenue, and they will respond directly to the FFC.

Recommendations that apply directly and indirectly to the division of revenue

Chapter 1: Rural development and intergovernmental fiscal relations

Dealing with disparities between and within regions

The FFC recommends that government “deals with disparities between and within regions by harnessing the growth potential of rural areas.

- “Inter-regional and inter-provincial migration is already underway following freedom of movement brought about by democracy. Government should further strengthen the equity focus of intergovernmental transfers, in particular in the health and education sectors targeted at rural areas, as this facilitates efficient reallocations;
- “Policy efforts should complement these reallocation-enhancing processes in order to sustain productivity growth within rural areas. Government should actively and specifically include conditions in rural grants aimed at increasing productivity and employment whenever significant capital investment in rural public infrastructure occurs.”

Government response

Government shares the FFC’s concerns regarding disparities in the quality of public services and the desire to stimulate greater economic growth in rural economies. The Integrated Urban Development Framework highlights the linkages between our urban and rural economies, with people, goods and money flowing between rural and urban areas. Efforts to develop both urban and rural economies will therefore stimulate development across the country as a whole.

Government agrees that transfers need to be equitable. Allocations through the intergovernmental fiscal system provide higher per capita allocations to rural provinces and municipalities. Government is also exploring the possibility of adding rural-focused indicators to the provincial equitable share formula to further strengthen the equity of intergovernmental transfers.

Government agrees that provinces and municipalities need to structure their infrastructure investments in ways that promote economic growth where possible. However, it should be noted that most of the conditional grant transfers to provinces and municipalities are to fund infrastructure that provides access to basic human rights such as water, sanitation, schooling and healthcare. It may not be appropriate to make these social investments conditional on economic outputs. Where grants have a clear economic link, government agrees that conditional grants should require that the economic impact of the spending is maximised. In the roads sector, for example, grant funding for provinces and municipalities is conditional on the use of data on road conditions and road traffic patterns to ensure that maintenance funds are invested in the roads that have the greatest economic impact. All major infrastructure grants include requirements to adhere to the Expanded Public Works Programme’s guidelines for maximising labour intensiveness. The Expanded Public Works Programme also awards incentive grants to provinces and municipalities for labour-intensive projects. As a result, infrastructure projects, including those in rural areas, are designed to maximise their employment-creating impact.

Chapter 3: The role of targeted intergovernmental transfers in rural poverty reduction

Evaluating and monitoring key agricultural grants

The FFC recommends that, “The Department of Agriculture, Forestry and Fisheries enhances agricultural productivity by establishing a framework for implementing, evaluating and monitoring key agricultural grants targeted at subsistence and small-scale farmers.”

Government response

Government agrees with this recommendation. The Department of Agriculture, Forestry and Fisheries is engaging with the recommendations from the Department of Planning, Monitoring and Evaluation’s

expenditure reviews on its key grants. Given that agriculture is a concurrent function with a range of agricultural stakeholders, a task team consisting of the Department of Rural Development and Land Reform, the Department of Agriculture, Forestry and Fisheries and the National Treasury is looking at ways to enhance existing processes for agricultural productivity, particularly for subsistence and small-scale farmers. The Department of Agriculture, Forestry and Fisheries also recognises that monitoring and evaluation can enhance the sector's productivity. It is working to increase its in-house capacity for monitoring and evaluation and to improve its coordination with its provincial counterparts and national stakeholders in the agricultural sector.

Promote equity in transfers

The FFC recommends that, "Agriculture-related intergovernmental transfers are distributed across recipient provinces in a manner that promotes equity and ensures access for targeted groups, especially emerging and subsistence farmers located within rural provinces and municipalities. This can be achieved through expanding the current disbursement criteria to incorporate weights for a province's share of national rural population, the proportion of a province's rural population with incomes below official poverty levels/measures, and the extent to which the rural population in a province participates in subsistence and smallholder farming."

Government response

Government agrees with this recommendation. The current allocation criteria are meant to achieve equity across provinces. These criteria need continuous monitoring to ensure they uphold the principle of equity. Given that there is little consensus on the definition of "rural", it is not possible to implement the FFC's recommendation to use indicators of a rural population. It remains unclear who within government is ultimately responsible for a South Africa definition of this concept. Moreover, the concept of rural will affect services in various sectors differently. The FFC, through its efforts to guide dialogue on defining the concept, may recommend a starting point for government to consider. However, the process will require government-wide stakeholder engagement, including with the Department of Agriculture, Forestry and Fisheries, the National Treasury, the Department of Planning, Monitoring and Evaluation, the Department of Cooperative Governance, Statistics South Africa, and the Department of Rural Development and Land Reform.

Chapter 4: National land reform programme and rural development

Consolidating programmes

The FFC recommends that, "The Comprehensive Agricultural Support Programme and the Recapitalisation and Development Programme are consolidated into one funding programme for post-settlement support to emerging and land reform farmers under the Department of Agriculture, Forestry and Fisheries, which has more expertise in the area of agriculture. The consolidated fund should provide timely support to land reform beneficiaries and be complemented by affordable loan funding. Development finance institutions should explore possible funding models, so that the funding framework can reach more land reform beneficiaries. For individual farm transfers, the Land Redistribution for Agriculture and Development model should be emulated, as it provides the necessary incentives to access credit, own an asset and enter into productive activity on the land. For group-owned projects, models should be explored in partnership with commodity organisations and land reform specialists."

Government response

Government agrees that post-settlement support that ensures arable land remains in production is important. Moreover, government acknowledges the need to improve coordination in the agricultural sector given its multifaceted nature and its intersecting mandates across several departments, including the Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform. However, given the overlapping roles between the Department of Agriculture, Forestry and Fisheries and the Department of Rural Development and Land Reform, the first task is to clarify the roles of these two departments, which both include aspects of post-settlement support. This first step was

recently completed. Given the ongoing nature of this process, it would be premature to start shifting programme funding or conditional grants between departments, in isolation of an assessment of the funding flows to the entire agriculture sector. As such, the next step is to assess the current funding model, for realignment to the delineated roles and to promote better outcomes. The funding model should support increased land-reform outputs and ensure that both departments are able to deliver on their responsibilities. While conditional grants make up part of the funding of these functions, the funding landscape should be assessed in its entirety to ensure it supports productivity and land reform across the country. Government agrees that improved post-settlement support can be provided within existing resources as a result of this process.

Chapter 6: Fiscal transfers and own revenue in funding provincial rural development mandates

Criteria for allocating infrastructure conditional grants

The FFC recommends that, “The National Treasury, in collaboration with the departments of basic education, health and those responsible for provincial roads, ensures that the criteria for allocating infrastructure conditional grants take into account spending efficiency, delivery targets and performance, as well as the applicable national norms and standards. This should assist with monitoring of provinces in meeting their developmental goals and facilitate targeted intervention where a province consistently fails to meet delivery targets.”

Government response

Government agrees with this recommendation. To some extent, this is current government practice. The criteria proposed in the recommendation are – to varying degrees in different sectors – already incorporated in the allocation criteria of the conditional grants.

In the education and health sectors, the major infrastructure conditional grants include an incentive component that rewards both planning and performance. When these incentive components were first introduced they were based only on assessments of planning, but, since 2016/17, they now also explicitly include performance measures as part of their allocation criteria – in line with this recommendation. In addition, the Department of Basic Education has issued its norms and standards, and is ensuring that grants are spent in line with these standards.

In the roads sector, a range of indicators to improve road conditions are included in a performance component, which is introduced into the *provincial roads maintenance grant* in the 2017 MTEF period.

If a provincial department encounters problems during implementation, the Division of Revenue Act allows funds to be reallocated to another province during the year if it will prevent under-expenditure. This provides an additional measure through which the amounts transferred to a province can be affected by performance, although funds are usually only reallocated as a last resort.

While government agrees with the recommendation that it should take account of performance when allocating funds, it is also cognisant of the need to balance this with ensuring equity in allocations. The inclusion of delivery targets, although good in principle, can unduly penalise some provinces if the reasons for delays are outside of the control of implementing agents (for example, strikes and litigation). Government tries to maintain this balance by including performance as one of the factors in determining allocations, but not determining allocations solely on this criterion.

Review the framework for allocating agriculture conditional grants

The FFC recommends that, “The Department of Agriculture, Forestry and Fisheries and the National Treasury review the framework for allocating agriculture conditional grants to reduce the weighting of agriculture land size and poverty relief and to incorporate factors that are closely aligned to the objectives of the grant, in particular the promotion of emerging farmers or agriculture production in the rural areas, as stipulated in the Agriculture Policy Action Plan.”

Government response

Government agrees with this recommendation. The frameworks that guide conditional grants are assessed every year to make improvements and ensure they continue to deliver on the policies they are meant to be supporting. These assessments generally culminate in individual conditional grant framework meetings for all conditional grants in the system. In the case of the agricultural sector, the most recent conditional grants have been adjusted to give expression to the Agriculture Policy Action Plan, albeit in an incremental manner to prevent the sector's destabilisation. For example, 55 per cent of grant allocations under the *comprehensive agriculture support programme* is earmarked for projects that give effect to the Agriculture Policy Action Plan, of which 35 per cent is specifically for projects that work to achieve the commercialisation of smallholder farmers. Previously, 70 per cent of allocations were for the Fetsa Tlala programme, which is now a focus of the *Ilima/Letsema projects grant*.

Efficacy in infrastructure conditional grant spending

The FFC recommends that, "The Department of Planning, Monitoring and Evaluation conducts a comprehensive review of expenditure outcomes associated with infrastructure conditional grants targeted at the rural provinces, to ascertain the extent to which infrastructure backlogs have been reduced and the efficacy of the spend. The outcome of the review should be used to form the basis of any adjustments to infrastructure grants earmarked for rural development."

Government response

Government appreciates the recommendation and agrees on the importance of eradicating rural infrastructure backlogs. The Department of Planning, Monitoring and Evaluation considered the inclusion of the proposed review in its programme of reviews to be conducted in 2017/18. The reviews are always co-funded by the department itself and the department whose programme is being reviewed. This ensures the review is done as a partnership, increasing the likelihood that any recommendations will be implemented. In this case it was not possible to secure a co-funder for this review. As a result, this review will not be undertaken in 2017/18, but may be considered in future if co-funding can be secured.

Chapter 7: Assessing government's fiscal instrument to fund public programmes employment in rural areas

Training for Expanded Public Works Programme beneficiaries

The FFC recommends that, "The Department of Public Works and the National Treasury ensure that Expanded Public Works Programme grant frameworks in the Division of Revenue Act include an explicit condition that appropriate training of recipients (especially in skills that promote self-employment) is mandatory, given that only a small portion of programme beneficiaries transition into formal sector jobs. An assessment of microenterprises in rural areas that are viable self-employment options should be conducted and inform the roll-out of training programmes to Expanded Public Works Programme beneficiaries."

Government response

Government recognises the importance of equipping Expanded Public Works Programme participants with the skills to achieve sustainable livelihoods. However, it does not agree that imposing a condition for mandatory training for every programme participant is an appropriate or practical way to achieve this objective. The first phase of the Expanded Public Works Programme aimed to train every participant, but it lacked the funding. In addition, many participants who were trained did not gain meaningful skills because training was done mainly for compliance reasons. Training remains important in the third phase of the programme, but it is now more focused on accredited training and meaningful skills development that makes a difference to the work being done through the programme's projects or significantly improves the participants' opportunities to achieve sustainable livelihoods.

Government agrees that self-employment provides a viable potential exit strategy for many Expanded Public Works Programme participants, which is why the programme provides entrepreneurship courses.

The third phase of the programme promotes the principle of sustainable livelihoods, providing training to participants to enable them to run their own small businesses. Training and enterprise development is carried out at sub-programme level across all sectors of the Expanded Public Works Programme.

Chapter 8: Financing rural local municipalities for rural development

Consolidation of grants

The FFC recommends that, “The National Treasury continues to consolidate grants (as previously recommended by the Commission) because viewing grants in isolation gives the impression that some services are underfunded, whereas services may be fully or overfunded when viewing the grants holistically.”

Government response

Government agrees on the importance of consolidating conditional grants. This is one of the main recommendations of the review of local government infrastructure grants. The review has already led to the consolidation of several conditional grants, including the merger of the *public transport network operations grant* and the *public transport infrastructure grant* in 2015/16 to form the *public transport network grant*. Three separate water and sanitation grants with overlapping objectives and activities were merged to form the *water services infrastructure grant* in 2016/17. Further grant consolidation is expected in future, especially in urban areas. The National Treasury is engaging with other stakeholders on the possible incorporation of *integrated national electrification programme (municipal) grant* allocations for metropolitan municipalities into the *urban settlements development grant* in 2018/19. This would reduce the number of separate grants transferred to metropolitan municipalities.

Objective cost estimates to inform local government allocations

The FFC recommends that, “The National Treasury ensures that the local government equitable share and conditional grants are informed by objectively derived cost estimates, without which the viability of rural municipalities will always be under threat.”

Government response

Government recognises the importance of using realistic cost estimates to inform allocations to municipalities and analyse their performance. Government welcomes the study on the costing of municipal services that the FFC and SALGA have recently released as a valuable addition to the data available to inform policy discussions in this area. The study found that the cost of building and operating infrastructure for basic services was higher in urban areas than rural areas as a result of the different assumptions made regarding the levels of service provided in urban and rural areas. Findings such as these need to be carefully interrogated before they are considered for use in informing allocations. The current local government equitable share formula allocates higher allocations to rural municipalities in recognition of their limited ability to raise their own revenue to fund administration and community services costs.

Chapter 9: Effectiveness of transfers to local and district municipalities for rural development

Evaluate the effectiveness of existing grant supervision methods

The FFC recommends that, “The National Treasury includes, as part of the principles underlying grants to rural municipalities, more stringent expenditure supervision, in order to minimise wastage and improve efficiency. The national and provincial governments should evaluate the effectiveness of existing supervision methods with a view to strengthening them.”

Government response

Government agrees on the importance of monitoring the financial and non-financial performance of conditional grants to minimise wastage and improve efficiency. The review of local government

infrastructure grants includes improving the management of the grant system as one of its key areas of reform, which involves ongoing work to improve performance monitoring.

Chapter 10: Farm evictions and increasing rural local municipalities' responsibilities

Municipal disaster grant is allowed to cater for eviction-related emergencies

The FFC recommends that, “The current *municipal disaster grant* be allowed to cater for eviction-related emergencies. The same approach of accessing the portion of the disaster grant should be applicable to farm eviction incidences. This approach is aligned with the findings from previous research by the Commission that provinces and municipalities, rather than national government, appear better at ensuring grant funding is spent.”

Government response

Government appreciates and agrees with the concerns raised regarding evictions. Government does not, however, agree that evictions meet the definition of disasters prescribed in the Disaster Management Act (2002), which means that the *municipal disaster grant* is not the appropriate instrument for alleviating the effect of evictions.

The National Housing Programme for Housing Assistance in Emergency Circumstances specifically provides funding for housing assistance for evicted households. Provinces are required to set aside funds from the *human settlements development grant* for this programme. It should also be noted that eviction orders from farms are only granted by the courts if alternative accommodation has been identified.

Chapter 11: Reviewing effectiveness of sanitation fiscal instruments and governance in enhancing rural development

Evaluation of the impact of sanitation grants

The FFC recommends that, “The Department of Planning, Monitoring and Evaluation, the National Treasury and the Department of Water and Sanitation undertake a comprehensive evaluation of the impact of sanitation grants on rural municipalities before discontinuing the grants.”

Government response

Government agrees on the need to review the performance of conditional grants before they are phased out. When a grant ends, a report on the reasons for its discontinuation is submitted to Parliament. This report sets out the grant’s objectives, the extent to which these have been achieved and how these objectives will be achieved in future. It is important to note that there are relatively few cases where the end of a particular grant means that government stops implementing a programme or performing a function entirely. In most cases, the work continues to be funded through other programmes and grants. Some grants are merged, or shifted between direct and indirect allocations, in which case the grant is not truly ending and so there is no need for a closeout report. In line with the FFC’s other recommendations on the desirability of reducing the number of grants through the consolidation of existing grants, it is important that grants that are introduced to achieve a particular set of outcomes in a defined period of time do not remain in the system indefinitely.

Submission of compliant business plans

The FFC recommends that, “The district and rural municipalities that are water services authorities submit compliant business plans timeously to the national Department of Water and Sanitation. Should they fail, executives should be held accountable. In cases where water services authorities lack capacity, the national and provincial departments of water and sanitation should intervene and provide requisite capacity.”

Government response

Government agrees with the recommendation. The Division of Revenue Act and its conditional grant frameworks require that business plans be signed off and submitted to the transferring officer. This is an

important mechanism to ensure that proper planning has taken place before funds are transferred, and municipalities can be held accountable for adhering to their approved business plans. Where appropriate, municipalities could include the completion and submission of business plans that meet grant requirements in the performance agreements of senior managers. This would provide a mechanism through which municipal executives can be held accountable for the preparation and submission of business plans.

Where municipalities do not have the capacity to draw up their own business plans for grant spending, funds would usually be allocated through an indirect grant instead. This allows the Department of Water and Sanitation to plan and implement the projects on behalf of the municipality. At the same time, government provides extensive support to improve the capacity of municipalities over the medium to long term, so that in future they will be able to implement these projects themselves.

■ Part 4: Provincial allocations

Sections 214 and 227 of the Constitution require that an equitable share of nationally raised revenue be allocated to provincial government to enable it to provide basic services and perform its allocated functions.

National transfers to provinces increase from R500.4 billion in 2016/17 to R538.2 billion in 2017/18. Over the MTEF period, provincial transfers will grow at an average annual rate of 7.5 per cent to R621 billion in 2019/20. Table W1.5 sets out the total transfers to provinces for 2017/18. A total of R441.3 billion is allocated to the provincial equitable share and R96.8 billion to conditional grants, which includes an unallocated R123.4 million for the provincial disaster grant.

Table W1.5 Total transfers to provinces, 2017/18

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	61 848	11 297	73 145
Free State	24 522	7 267	31 789
Gauteng	86 643	20 828	107 471
KwaZulu-Natal	93 757	18 824	112 580
Limpopo	51 960	7 885	59 845
Mpumalanga	36 082	7 183	43 264
Northern Cape	11 720	4 289	16 009
North West	30 330	7 552	37 882
Western Cape	44 470	11 580	56 050
Unallocated	–	123	123
Total	441 331	96 829	538 160

Source: National Treasury

Changes to provincial allocations

The baseline reductions discussed in Chapter 5 of the *Budget Review* were shared across the three spheres of government in proportion to the division of revenue. A weaker than expected economic and fiscal environment has meant that the budget had to be reprioritised to fund new and changing government priorities. In 2017/18, provincial baselines remain unchanged since the figures published in the 2016 *Medium Term Budget Policy Statement*. Of the R6.8 billion reduction to the provincial fiscal framework published in 2016, only 23.5 per cent (R1.6 billion) was applied to the equitable share, despite its accounting for more than 80 per cent of transfers to provinces. This ensures that the basic services funded by the provincial equitable share, such as health and education, are protected. The remaining R5.2 billion of the reduction comes from provincial conditional grants. Notwithstanding the need for fiscal consolidation announced in the 2016 *Medium Term Budget Policy Statement*, several grants funding essential services such as the *national school nutrition programme grant*, the *early childhood development grant* and the *public transport operations grant* were not reduced. The provincial equitable share grows at an average annual rate of 7.2 per cent over the MTEF period, while conditional grant allocations grow by

8.4 per cent per year. Where possible, the baseline reductions announced in 2016 have been weighted towards grants with a history of underspending or infrastructure grants that can defer implementation.

Three new grants come into effect over the MTEF period. The first, the *social worker employment grant*, is to improve social welfare through increased deployment of social workers, and the second, the *learners with profound intellectual disabilities grant*, improves educational access for learners with intellectual disabilities. The *early childhood development grant* becomes active in 2017/18 to expand access to early childhood services across the country. Both the provinces and the national Department of Social Development have carried out extensive preparatory work to ensure a successful first year of spending under this grant. A total of R1.3 billion is allocated to the grant over the 2017 MTEF period. The *school infrastructure backlogs grant*, which was meant to conclude in 2016/17, is extended for an additional year to ensure that projects under this government priority are completed. The grant is allocated R2.6 billion for 2017/18.

Over the 2017 MTEF period, the provincial equitable share increases by R64.8 billion. The *national school nutrition programme grant* increases by R390 million which is added specifically to feed more children and alleviate the negative effects of food price inflation as a result of persistent drought. After accounting for all reprioritisations, fiscal consolidation and additions, the net revisions to the provincial direct and indirect allocations amount to a reduction of R1.4 billion per year in 2017/18 and 2018/19.

The provincial equitable share

The equitable share is the main source of revenue for meeting provincial expenditure responsibilities. To ensure that allocations are fair, the equitable share is allocated through a formula using objective data on the context and demand for services in each of the nine provinces. For each year of the 2017 MTEF, the following amounts are allocated to the provincial equitable share respectively: R441.3 billion, R471.5 billion and R506.1 billion. These revisions result in the provincial equitable share increasing by 23.2 per cent between 2016/17 and 2019/20, and growing at an average annual rate of 7.2 per cent over the medium term.

Allocations calculated outside the equitable share formula

The equitable share includes an amount of R2 billion in 2017/18, which previously funded adult basic education and training. This function shifted from national to provincial government from the start of the 2015 MTEF period, and is still allocated to provinces in the same proportions prior to the function shift. However, from 2018/19 onwards, funds will be allocated using the provincial equitable share formula.

The equitable share formula

The provincial equitable share formula is reviewed and updated with new data annually. For the 2017 MTEF, the formula has been updated with data from the 2016 mid-year population estimates published by Statistics South Africa, the 2016 preliminary data published by the Department of Basic Education on school enrolment, data from the 2015 General Household Survey for medical aid coverage, and data from the health sector and the Risk Equalisation Fund for the risk-adjusted capitation index. Allocation changes tend to mirror shifts in population across provinces, which results in changes in the relative demand for public services across these areas. The effect of these updates on the provincial equitable share is phased in over three years (2017/18 to 2019/20).

Full impact of data updates on the provincial equitable share

Table W1.6 shows the full impact of the data updates on the provincial equitable share per province. It compares the target shares for the 2016 and 2017 MTEF periods. The details of how the data updates affect each component of the formula are described in detail in the sub-sections below.

Table W1.6 Full impact of data updates on the equitable share

	2016 MTEF weighted average	2017 MTEF weighted average	Difference
Eastern Cape	14.0%	14.0%	-0.02%
Free State	5.6%	5.6%	-0.01%
Gauteng	19.7%	19.8%	0.15%
KwaZulu-Natal	21.2%	21.1%	-0.09%
Limpopo	11.8%	11.7%	-0.03%
Mpumalanga	8.2%	8.1%	-0.07%
Northern Cape	2.6%	2.7%	0.00%
North West	6.9%	6.9%	-0.00%
Western Cape	10.0%	10.1%	0.06%
Total	100.0%	100.0%	0.00%

Source: National Treasury

Phasing in the formula

Official data used annually to update the provincial equitable share formula invariably affects each province's share of the available funds. However, it is important that provinces have some stability in their revenue stream to allow for sound planning. As such, calculated new shares, informed by recent data, are phased in over the three-year MTEF period.

The equitable share formula data is updated every year and a new target share for each province is calculated, as shown in Table W1.7. The phase-in mechanism provides a smooth path to achieving these new weighted shares by the third year of the MTEF period. It takes the difference between the target weighted share for each province at the end of the MTEF period and the indicative allocation for 2017/18 published in the 2016 MTEF, and closes the gap between these shares by a third in each year of the 2017 MTEF period. As a result, one-third of the impact of the data updates is implemented in 2017/18, two-thirds in the indicative allocations for 2018/19, and the updates are fully implemented in the indicative allocations for 2019/20.

Table W1.7 Implementation of the equitable share weights

Percentage	2017/18 Indicative weighted shares from 2016 MTEF	2017 MTEF weighted shares 3-year phasing		
		2017/18	2018/19	2019/20
Eastern Cape	14.1%	14.0%	14.0%	14.0%
Free State	5.6%	5.6%	5.6%	5.6%
Gauteng	19.6%	19.6%	19.7%	19.8%
KwaZulu-Natal	21.2%	21.2%	21.2%	21.1%
Limpopo	11.8%	11.8%	11.7%	11.7%
Mpumalanga	8.2%	8.2%	8.2%	8.1%
Northern Cape	2.7%	2.7%	2.7%	2.7%
North West	6.9%	6.9%	6.9%	6.9%
Western Cape	10.0%	10.1%	10.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Provincial equitable share allocations

The final equitable share allocations per province for the 2017 MTEF are detailed in Table W1.8. These allocations include the full impact of the data updates, phased in over three years.

Table W1.8 Provincial equitable share

	2017/18	2018/19	2019/20
R million			
Eastern Cape	61 848	66 167	70 961
Free State	24 522	26 285	28 165
Gauteng	86 643	93 030	100 227
KwaZulu-Natal	93 757	99 741	106 841
Limpopo	51 960	55 386	59 371
Mpumalanga	36 082	38 489	41 214
Northern Cape	11 720	12 501	13 418
North West	30 330	32 473	34 857
Western Cape	44 470	47 452	51 049
Total	441 331	471 522	506 104

Source: National Treasury

Summary of the formula's structure

The formula, shown in Table W1.9, consists of six components that capture the relative demand for services between provinces and take into account specific provincial circumstances. The formula's components are neither indicative budgets nor guidelines as to how much should be spent on functions in each province or by provinces collectively. Rather, the education and health components are weighted broadly in line with historical expenditure patterns to indicate relative need. Provincial executive councils have discretion regarding the determination of departmental allocations for each function, taking into account the priorities that underpin the division of revenue.

For the 2017 Budget, the formula components are set out as follows:

- An *education component* (48 per cent), based on the size of the school-age population (ages 5 to 17) and the number of learners (Grades R to 12) enrolled in public ordinary schools.
- A *health component* (27 per cent), based on each province's risk profile and health system caseload.
- A *basic component* (16 per cent), derived from each province's share of the national population.
- An *institutional component* (5 per cent), divided equally between the provinces.
- A *poverty component* (3 per cent), based on income data. This component reinforces the redistributive bias of the formula.
- An *economic output component* (1 per cent), based on regional gross domestic product (GDP-R, measured by Statistics South Africa).

Table W1.9 Distributing the equitable shares by province, 2017 MTEF

	Education	Health	Basic share	Poverty	Economic activity	Institutional	Weighted average
	48.0%	27.0%	16.0%	3.0%	1.0%	5.0%	100.0%
Eastern Cape	15.1%	13.5%	12.6%	16.3%	7.6%	11.1%	14.0%
Free State	5.3%	5.3%	5.1%	5.2%	5.0%	11.1%	5.6%
Gauteng	18.0%	21.8%	24.1%	17.3%	34.3%	11.1%	19.8%
KwaZulu-Natal	22.3%	21.7%	19.8%	22.2%	16.1%	11.1%	21.1%
Limpopo	13.0%	10.3%	10.4%	13.6%	7.1%	11.1%	11.7%
Mpumalanga	8.4%	7.3%	7.7%	9.1%	7.5%	11.1%	8.1%
Northern Cape	2.3%	2.1%	2.1%	2.2%	2.1%	11.1%	2.7%
North West	6.5%	6.7%	6.8%	8.0%	6.5%	11.1%	6.9%
Western Cape	9.1%	11.3%	11.3%	6.1%	13.6%	11.1%	10.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Education component (48 per cent)

The education component uses the school-age population (5 to 17 years), based on the 2011 Census, and enrolment data drawn from the Department of Basic Education's 2016 School Realities Survey. Each of these elements is assigned a weight of 50 per cent.

Table W1.10 shows the effect of updating the education component with new enrolment data on the education component shares.

Table W1.10 Impact of changes in school enrolment on the education component share

	Age cohort 5 – 17	School enrolment		Changes in enrolment	Weighted average		Difference in weighted average
		2015	2016		2016 MTEF	2017 MTEF	
Eastern Cape	1 856 317	1 948 855	1 957 187	8 332	15.1%	15.1%	-0.04%
Free State	657 489	681 310	687 072	5 762	5.3%	5.3%	-0.00%
Gauteng	2 231 793	2 247 389	2 310 810	63 421	17.8%	18.0%	0.17%
KwaZulu-Natal	2 758 594	2 875 074	2 873 339	-1 735	22.4%	22.3%	-0.11%
Limpopo	1 536 294	1 752 451	1 764 551	12 100	13.1%	13.0%	-0.03%
Mpumalanga	1 053 846	1 077 372	1 072 151	-5 221	8.5%	8.4%	-0.06%
Northern Cape	288 839	289 233	291 650	2 417	2.3%	2.3%	-0.00%
North West	824 724	813 161	828 674	15 513	6.5%	6.5%	0.03%
Western Cape	1 174 625	1 094 752	1 113 563	18 811	9.0%	9.1%	0.04%
Total	12 382 521	12 779 597	12 898 997	119 400	100.0%	100.0%	-

Source: National Treasury

Health component (27 per cent)

The health component uses a risk-adjusted capitation index and output data from public hospitals to estimate each province's share of the health component. These methods work together to balance needs (risk-adjusted capitation) and demands (output component).

The health component is presented in three parts below. Table W1.11 shows the shares of the risk-adjusted component, which accounts for 75 per cent of the health component.

Table W1.11 Risk-adjusted sub-component shares

R million	Mid-year population estimates	Insured population	Risk- adjusted index	Weighted population	Risk-adjusted shares		Change
	2016	2015			2016	2017	
Eastern Cape	7 062	10.7%	96.9%	6 108	13.5%	13.2%	-0.27%
Free State	2 862	16.2%	103.3%	2 476	5.3%	5.4%	0.06%
Gauteng	13 498	27.7%	105.4%	10 288	21.7%	22.3%	0.60%
KwaZulu-Natal	11 080	11.9%	98.9%	9 654	21.8%	20.9%	-0.90%
Limpopo	5 804	8.5%	91.6%	4 867	10.3%	10.5%	0.21%
Mpumalanga	4 328	15.5%	95.7%	3 500	7.4%	7.6%	0.21%
Northern Cape	1 192	17.6%	100.7%	989	2.1%	2.1%	0.07%
North West	3 791	15.0%	102.2%	3 294	6.7%	7.1%	0.40%
Western Cape	6 293	24.2%	104.0%	4 963	11.1%	10.8%	-0.37%
Total	55 909			46 138	100.0%	100.0%	-

Source: National Treasury

The risk-adjusted sub-component estimates a weighted population in each province using the risk-adjusted capitation index, which is calculated using data from the Council for Medical Schemes' Risk Equalisation Fund. The percentage of the population with medical insurance, based on the 2015 General Household Survey, is deducted from the 2016 mid-year population estimates to estimate the uninsured population per province. The risk-adjusted index, which is an index of each province's health risk profile, is applied to the uninsured population to estimate the weighted population. Each province's share of this weighted

population is used to estimate their share of the risk-adjusted sub-component. Table W1.11 shows the change in this sub-component between 2016 and 2017.

The output sub-component is shown in Table W1.12 below.

Table W1.12 Output sub-component shares¹

R thousand	Primary healthcare visits				Hospital workload patient-day equivalents			
	2014/15	2015/16	Average	Share	2014/15	2015/16	Average	Share
Eastern Cape	17 904	18 208	18 056	14.1%	4 637	4 567	4 602	14.3%
Free State	6 779	6 537	6 658	5.2%	1 706	1 571	1 639	5.1%
Gauteng	23 831	22 099	22 965	17.9%	6 714	6 934	6 824	21.1%
KwaZulu-Natal	31 235	30 872	31 053	24.2%	7 912	7 613	7 762	24.0%
Limpopo	14 343	14 356	14 350	11.2%	2 882	2 949	2 915	9.0%
Mpumalanga	9 485	9 309	9 397	7.3%	1 963	1 979	1 971	6.1%
Northern Cape	3 305	2 992	3 148	2.5%	592	599	595	1.8%
North West	8 363	8 154	8 258	6.4%	1 553	1 642	1 597	4.9%
Western Cape	14 257	14 151	14 204	11.1%	4 341	4 409	4 375	13.6%
Total	129 501	126 676	128 089	100.0%	32 300	32 263	32 282	100.0%

1. Some provincial numbers for patient-days and healthcare visits for 2014/15 have been restated, resulting in small variances from numbers published in 2016

Source: National Treasury

The output sub-component uses patient load data from the District Health Information Services. The average number of visits at primary healthcare clinics in 2014/15 and 2015/16 is calculated to estimate each province's share of this part of the output component, which makes up 5 per cent of the health component. For hospitals, each province's share of the total patient-day equivalents from public hospitals in 2014/15 and 2015/16 is used to estimate their share of this part of the output sub-component, making up 20 per cent of the health component. In total, the output component is 25 per cent of the health component.

Table W1.13 shows the updated health component shares for the 2017 MTEF period.

Table W1.13 Health component weighted shares

Weight	Risk-adjusted	Primary healthcare	Hospital component	Weighted shares		Change
	75.0%	5.0%	20.0%	2016	2017	
Eastern Cape	13.2%	14.1%	14.3%	13.5%	13.5%	-0.02%
Free State	5.4%	5.2%	5.1%	5.3%	5.3%	-0.01%
Gauteng	22.3%	17.9%	21.1%	21.7%	21.8%	0.14%
KwaZulu-Natal	20.9%	24.2%	24.0%	21.8%	21.7%	-0.11%
Limpopo	10.5%	11.2%	9.0%	10.3%	10.3%	-0.06%
Mpumalanga	7.6%	7.3%	6.1%	7.4%	7.3%	-0.09%
Northern Cape	2.1%	2.5%	1.8%	2.1%	2.1%	0.03%
North West	7.1%	6.4%	4.9%	6.7%	6.7%	-0.08%
Western Cape	10.8%	11.1%	13.6%	11.1%	11.3%	0.20%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	-

Source: National Treasury

Basic component (16 per cent)

The basic component is derived from the proportion of each province's share of the national population. This component constitutes 16 per cent of the total equitable share. For the 2017 MTEF, population data is drawn from the 2016 mid-year population estimates produced by Statistics South Africa. Table W1.14 shows the impact on the basic component's revised weighted shares.

Table W1.14 Impact of the changes in population on the basic component shares

R million	Mid-year population estimates	Mid-year population estimates	Population change	% population change	Basic component shares		Change
	2015	2016			2016 MTEF	2017 MTEF	
Eastern Cape	6 916	7 062	146	2.1%	12.6%	12.6%	0.05%
Free State	2 818	2 862	44	1.6%	5.1%	5.1%	-0.01%
Gauteng	13 200	13 498	298	2.3%	24.0%	24.1%	0.12%
KwaZulu-Natal	10 919	11 080	161	1.5%	19.9%	19.8%	-0.05%
Limpopo	5 727	5 804	77	1.3%	10.4%	10.4%	-0.04%
Mpumalanga	4 284	4 328	44	1.0%	7.8%	7.7%	-0.05%
Northern Cape	1 186	1 192	6	0.5%	2.2%	2.1%	-0.03%
North West	3 707	3 791	84	2.3%	6.7%	6.8%	0.03%
Western Cape	6 200	6 293	93	1.5%	11.3%	11.3%	-0.03%
Total	54 957	55 909	952	1.7%	100.0%	100.0%	-

Source: National Treasury

Institutional component (5 per cent)

The institutional component recognises that some costs associated with running a provincial government and providing services are not directly related to the size of a province's population or the other factors included in other components. It is therefore distributed equally between provinces, constituting 5 per cent of the total equitable share, of which each province receives 11.1 per cent. This component benefits provinces with smaller populations, especially the Northern Cape, the Free State and the North West, because the allocation per person for these provinces is much higher in this component.

Poverty component (3 per cent)

The poverty component introduces a redistributive element to the formula and is assigned a weight of 3 per cent. The poor population includes people who fall in the lowest 40 per cent of household incomes in the 2010/11 Income and Expenditure Survey. The estimated size of the poor population in each province is calculated by multiplying the proportion of people in that province that fall into the poorest 40 per cent of South African households by the province's population figure from the 2016 mid-year population estimates. Table W1.15 shows the proportion of the poor in each province from the Income and Expenditure Survey, the 2016 mid-year population estimates and the weighted share of the poverty component per province.

Table W1.15 Comparison of current and new poverty component weighted shares

R million	Income and Expenditure Survey 2010/11	Current (2016 MTEF)			New (2017 MTEF)			Difference in weighted shares
		Mid-year population estimates 2015	Poor population	Weighted shares	Mid-year population estimates 2016	Poor population	Weighted shares	
Eastern Cape	52.0%	6 916	3 599	16.2%	7 062	3 674	16.3%	0.1%
Free State	41.4%	2 818	1 167	5.3%	2 862	1 185	5.2%	-0.0%
Gauteng	28.9%	13 200	3 811	17.2%	13 498	3 897	17.3%	0.1%
KwaZulu-Natal	45.3%	10 919	4 947	22.3%	11 080	5 020	22.2%	-0.1%
Limpopo	52.9%	5 727	3 027	13.6%	5 804	3 068	13.6%	-0.0%
Mpumalanga	47.3%	4 284	2 024	9.1%	4 328	2 045	9.1%	-0.1%
Northern Cape	40.8%	1 186	483	2.2%	1 192	486	2.2%	-0.0%
North West	47.9%	3 707	1 775	8.0%	3 791	1 815	8.0%	0.0%
Western Cape	21.9%	6 200	1 356	6.1%	6 293	1 376	6.1%	-0.0%
Total		54 957	22 189	100%	55 909	22 566	100.0%	-

Source: National Treasury

Economic activity component (1 per cent)

The economic activity component is a proxy for provincial tax capacity and expenditure assignments. Given that these assignments are a relatively small proportion of provincial budgets, the component is assigned a weight of 1 per cent. For the 2017 MTEF, 2015 GDP-R data is used. Table W1.16 shows the weighted shares of the economic activity component.

Table W1.16 Current and new economic activity component weighted shares

	Current (2016 MTEF)		New (2017 MTEF)		Difference in weighted shares
	GDP-R, 2014 (R million)	Weighted shares	GDP-R, 2015 (R million)	Weighted shares	
Eastern Cape	272 714	7.7%	290 581	7.6%	-0.09%
Free State	179 776	5.1%	189 183	5.0%	-0.12%
Gauteng	1 194 144	33.8%	1 309 552	34.3%	0.56%
KwaZulu-Natal	565 226	16.0%	615 607	16.1%	0.15%
Limpopo	256 896	7.3%	271 725	7.1%	-0.14%
Mpumalanga	269 863	7.6%	286 295	7.5%	-0.13%
Northern Cape	71 142	2.0%	80 149	2.1%	0.09%
North West	239 020	6.8%	249 724	6.5%	-0.21%
Western Cape	485 545	13.7%	519 790	13.6%	-0.10%
Total	3 534 326	100.0%	3 812 607	100.0%	–

Source: National Treasury

Conditional grants to provinces

There are four types of provincial conditional grants:

- Schedule 4A grants supplement various programmes partly funded by provinces.
- Schedule 5A grants fund specific responsibilities and programmes implemented by provinces.
- Schedule 6A grants provide in-kind allocations through which a national department implements projects in provinces.
- Schedule 7A grants provide for the swift allocation and transfer of funds to a province to help it deal with a disaster.

Changes to conditional grants

The overall growth in direct conditional transfers to provinces is buoyant, averaging 8.4 per cent over the MTEF period. Direct conditional grant baselines total R96.8 billion in 2017/18, R107.1 billion in 2018/19 and R114.3 billion in 2019/20. Indirect conditional grants amount to R4.3 billion, R1.8 billion and R1.9 billion respectively for each year of the same period.

Table W1.17 provides a summary of conditional grants by sector for the 2017 MTEF period. More detailed information, including the framework and allocation criteria for each grant, is provided in the 2017 Division of Revenue Bill. The frameworks provide the conditions for each grant, the outputs expected, the allocation criteria used for dividing each grant between provinces, and a summary of the grants' audited outcomes for 2015/16.

Table W1.17 Conditional grants to provinces

R million	2016/17	2017/18	2018/19	2019/20	MTEF total
Agriculture, Forestry and Fisheries	2 202	2 242	2 381	2 542	7 164
Comprehensive agricultural support programme	1 642	1 646	1 751	1 876	5 273
Ilima/Letsema projects	491	522	552	583	1 658
Land care programme: poverty relief and infrastructure development	69	74	78	82	234
Arts and Culture	1 357	1 420	1 499	1 580	4 499
Community library services	1 357	1 420	1 499	1 580	4 499
Basic Education	16 586	17 154	21 023	22 230	60 408
Education infrastructure	9 933	10 046	13 390	14 141	37 576
HIV and Aids (life skills education)	231	245	260	274	779
Learners with profound intellectual disabilities	–	72	185	221	478
Maths, science and technology	362	365	386	408	1 160
National school nutrition programme	6 060	6 426	6 802	7 186	20 414
Cooperative Governance and Traditional Affairs	–	123	131	138	392
Provincial disaster	–	123	131	138	392
Health	33 981	37 520	41 217	44 615	123 352
Comprehensive HIV, Aids and TB	15 291	17 558	19 922	22 039	59 519
Health facility revitalisation	5 273	5 654	5 916	6 247	17 817
Health professions training and development	2 477	2 632	2 784	2 940	8 357
Human papillomavirus vaccine	–	–	200	211	411
National tertiary services	10 847	11 676	12 395	13 178	37 248
National health insurance	94	–	–	–	–
Human Settlements	18 284	19 969	21 115	22 338	63 423
Human settlements development	18 284	19 969	21 115	22 338	63 423
Public Works	762	781	824	882	2 487
Expanded public works programme integrated grant for provinces	402	396	416	452	1 263
Social sector expanded public works programme incentive for provinces	360	386	408	431	1 224
Social Development	86	556	758	806	2 120
Substance abuse treatment	86	57	71	75	203
Early childhood development	–	318	491	518	1 327
Social worker employment grant	–	182	197	213	591
Sport and Recreation South Africa	556	586	618	653	1 857
Mass participation and sport development	556	586	618	653	1 857
Transport	15 878	16 477	17 526	18 507	52 510
Provincial roads maintenance	10 478	10 754	11 536	12 182	34 471
Public transport operations	5 400	5 723	5 990	6 326	18 039
Total direct conditional allocations¹	89 692	96 829	107 092	114 292	318 213
Indirect transfers	3 654	4 258	1 765	1 864	7 886
Agriculture, Forestry and Fisheries	212	–	–	–	–
Comprehensive agricultural support programme indirect	212	–	–	–	–
Basic Education	2 181	2 595	–	–	2 595
School infrastructure backlogs	2 181	2 595	–	–	2 595
Health	1 261	1 663	1 765	1 864	5 292
National health insurance indirect	1 261	1 663	1 765	1 864	5 292

1. Excludes provisional allocations

Source: National Treasury

Agriculture grants

The *comprehensive agricultural support programme* aims to support newly established and emerging farmers, particularly subsistence, smallholder and previously disadvantaged farmers. The grant is reduced

by R235.9 million over the 2017 MTEF period, of which R135.5 million is kept within the sector as an allocation to the national Department of Agriculture, Forestry and Fisheries for an agricultural census to assess the farming landscape in South Africa. The allocations for 2017/18 include R131.8 million for the repair of flood damage to agricultural infrastructure. The grant is allocated R5.3 billion over the medium term.

The *land care programme grant: poverty relief and infrastructure development* aims to improve productivity and the sustainable use of natural resources. Provinces are also encouraged to use this grant to create jobs through the Expanded Public Works Programme. Over the medium term, R233.7 million is allocated to this grant.

The *Ilima/Letsema projects grant* aims to boost food production by helping previously disadvantaged farming communities. The grant's baseline is protected, with R522.1 million allocated for 2017/18, and a total of R1.7 billion over the MTEF period.

Arts and culture grant

The *community library services grant*, administered by the Department of Arts and Culture, aims to help South Africans access information to improve their socioeconomic situation. The grant is allocated to the relevant provincial department and administered by that department or through a service-level agreement with municipalities. In collaboration with provincial departments of basic education, the grant also funds libraries that serve both schools and the general public. Funds from this grant may also be used to shift the libraries function between provinces and municipalities. The baseline reduction on this grant in 2017/18 is R20.8 million. The grant is allocated R4.5 billion over the next three years.

Basic education grants

Provinces use the *education infrastructure grant* to construct, maintain and refurbish education infrastructure and schools. The *school infrastructure backlogs grant* is an indirect grant to provinces that was introduced in 2011 as a temporary, high-impact grant. The national Department of Basic Education uses this grant to build and upgrade schools on behalf of provinces to address inappropriate structures and access to basic services. The *school infrastructure backlogs grant* was to merge with the *education infrastructure grant* in 2017/18, but it has been extended for another year to allow time for projects to be completed and for the thorough assessment of the grant transition process.

The *education infrastructure grant's* baseline has been protected over the medium term and the total allocation for this period is R37.6 billion. This includes the *school infrastructure backlogs grant* component, which will remain unallocated in 2018/19 and 2019/20. As such, the baseline of the *education infrastructure grant* is R9.6 billion in 2017/18, R12.8 billion in 2018/19 and R13.5 billion in 2019/20. This leaves unallocated funds of R3.8 billion in 2018/19 and R4.1 billion in 2019/20.

Infrastructure grant reforms to improve planning were introduced in 2013 after a decade of provincial capacity building through the Infrastructure Delivery Improvement Programme. Under the requirements introduced in the 2013 Division of Revenue Act, provincial education departments had to go through a two-year planning process to be eligible to receive incentive allocations from 2016/17 onwards. To receive the 2017/18 incentive, the departments had to meet certain prerequisites in 2015/16 and have their infrastructure plans approved in 2016/17. The national Department of Basic Education and the National Treasury assessed the provinces' infrastructure plans. A moderation process was undertaken between the national departments, provincial treasuries and provincial departments of basic education to agree on the final scores. Provinces needed to obtain a minimum score of 60 per cent to qualify for the incentive. Table W1.18 shows the final score and incentive allocation for each province.

Table W1.18 Education infrastructure grant allocations

R thousand	Planning assessment results from 2016	2017/18			Final allocation for 2017/18
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	81%	1 413 416	168 334	–	1 581 750
Free State	53%	661 635	–	–	661 635
Gauteng	71%	1 299 812	168 334	–	1 468 146
KwaZulu-Natal	76%	1 824 812	168 334	–	1 993 146
Limpopo	56%	810 523	–	–	810 523
Mpumalanga	58%	750 184	–	–	750 184
Northern Cape	76%	443 933	168 334	–	612 267
North West	61%	905 997	168 334	–	1 074 331
Western Cape	89%	925 246	168 334	–	1 093 580
Total		9 035 560	1 010 002	–	10 045 562

Source: National Treasury

The *national school nutrition programme grant* seeks to improve the nutrition of poor school children, enhance active learning capacity and increase school attendance. It provides a free daily meal to pupils in the poorest 60 per cent of schools (quintile 1 to 3). To account for the rapid inflation in food prices over the past year, the baseline for this grant is increased by R390 million over the MTEF period to preserve the quality of the food provided and to expand access to deserving learners.

The *maths, science and technology grant* resulted from the merging of the *Dinaledi schools grant* and the *technical secondary schools recapitalisation grant*. This grant, in its second year, appears to be gaining some traction, but is still underspending. As a result, R63 million is cut from the grant's baseline over the 2017 MTEF period, allowing these funds to be reprioritised to other priority areas. The grant's total allocation is R1.2 billion over the medium term.

The *HIV and Aids (life skills education) programme grant* provides for life skills training and sexuality and HIV/AIDS education in primary and secondary schools. It is fully integrated into the school system, with learner and teacher support materials provided for Grades 1 to 9. The grant's baseline is preserved over the MTEF period, with allocations of R245.3 million in 2017/18, R259.5 million in 2018/19 and R274.1 million in 2019/20.

The new *learners with profound intellectual disabilities grant* will be introduced over the 2017 MTEF period. The grant aims to expand access to education for learners with profound intellectual disabilities. The grant is allocated R72 million in 2017/18, R185.5 million in 2018/19 and R220.8 million in 2019/20.

Cooperative governance grant

The *provincial disaster grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance. It is unallocated at the start of the financial year. The grant allows for an immediate (in-year) release of funds to be disbursed by the National Disaster Management Centre after a disaster is declared, without the need for the transfers to be gazetted first. The reconstruction of infrastructure damaged by disasters is funded separately through ring-fenced allocations in sector grants. Mitigation strategies against the ongoing drought have, in part, been funded by this grant.

To ensure that sufficient funds are available in the event of a disaster, section 26 of the 2017 Division of Revenue Bill allows for funds allocated to the *municipal disaster grant* to be transferred to provinces if funds in the *provincial disaster grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters so that an initial payment for emergency aid can be made before a full assessment of damages and costs has been completed. Over the 2017 MTEF period, a total of R391.9 million has been allocated to the *provincial disaster grant*.

Health grants

The *national tertiary services grant* provides strategic funding to enable provinces to plan, modernise and transform tertiary hospital service delivery in line with national policy objectives. The grant operates in 33 hospitals across the nine provinces. The urban areas of Gauteng and the Western Cape receive the largest shares of the grant because they provide the largest proportion of high-level, sophisticated services for the benefit of the country's health sector. In light of previous baseline reductions, coupled with the pressures that tertiary services face, this grant's baseline is preserved over the 2017 MTEF period. The grant is allocated R37.2 billion over the medium term.

The *health facility revitalisation grant* funds the construction and maintenance of health infrastructure. It was created in 2013/14 through the merger of three previous grants. The grant funds a wide range of health infrastructure projects, including large projects to modernise hospital infrastructure and equipment, general maintenance and infrastructure projects at smaller hospitals, and the refurbishment and upgrading of nursing colleges and schools. This grant's baseline is reduced by R115.4 million in 2017/18 and by R248.2 million over the remainder of the 2017 MTEF period. In spite of the reduction, R17.8 billion is allocated to this grant over the medium term, with ring-fenced funds for disasters.

Similar to the reforms to the *education infrastructure grant* discussed previously, a two-year planning process is now required for provinces to access this grant. The national Department of Health and the National Treasury conducted an assessment of the provinces' infrastructure plans, followed by a moderation process between the national departments, provincial treasuries and provincial departments of health to agree on the final scores. Provinces had to obtain a minimum score of 60 per cent to qualify for the incentive. Funds for the incentive component in the outer years are shown as unallocated. Table W1.19 sets out the final score and the incentive allocation per province.

Table W1.19 Health facility revitalisation grant allocations

R thousand	Planning assessment results from 2016	2017/18			Final allocation for 2017/18
		Basic component	Incentive component	Disaster recovery funds	
Eastern Cape	77%	542 939	77 818	-	620 757
Free State	66%	474 339	77 818	-	552 157
Gauteng	69%	812 847	77 818	-	890 665
KwaZulu-Natal	73%	1 071 537	77 818	-	1 149 355
Limpopo	66%	430 326	77 818	-	508 144
Mpumalanga	55%	325 617	-	-	325 617
Northern Cape	64%	365 935	77 818	-	443 753
North West	72%	480 443	77 818	-	558 261
Western Cape	78%	569 471	36 315	-	605 786
Total		5 073 452	581 043	-	5 654 495

Source: National Treasury

The *health professions training and development grant* funds the training of health professionals, and the development and recruitment of medical specialists. It enables the shifting of teaching activities from central to regional and district hospitals. The baseline for this grant is protected over the 2017 MTEF period, with an allocation of R8.4 billion over the medium term.

The *comprehensive HIV, Aids and TB grant* supports HIV/AIDS prevention programmes and specific interventions, including voluntary counselling and testing, prevention of mother-to-child transmission, post-exposure prophylaxis, antiretroviral treatment and home-based care. In the 2016 MTEF, the grant's scope was extended to include Tuberculosis. To support fiscal consolidation efforts, the grant's baseline is reduced by R327.3 million over the 2017 MTEF period, but still grows at an average of 12.9 per cent over the medium term. To make provision for the continued expansion of antiretroviral treatment in response to the universal test-and-treat policy, R1 billion has been added to the grant in 2019/20.

The *national health insurance grant* was introduced in 2013/14 to fund the national health insurance pilot sites. Ten pilot districts were selected to test interventions that aim to strengthen the health system in preparation for national health insurance, including primary healthcare reengineering. However, this grant has performed poorly, with little evidence of improved outcomes and impact. The grant is now closed – 2016/17 was its final year – and the Department of Health has compiled a close-out report. The grant highlighted several challenges that will need to be addressed as the country transitions to universal health coverage, including poor supply chain management systems, weak human resource capacity and lack of delegation powers at district level. In future, the national Department of Health will fund all preparatory work under the *national health insurance indirect grant*, which has five targeted components:

- Support infrastructure projects
- Support the national health insurance scheme pilot sites
- Support the rollout of the human papillomavirus vaccine
- Implement the ideal clinic initiative
- Roll out the patient information system, which starts in 2017/18.

The infrastructure component will be used to accelerate construction, maintenance, upgrades and rehabilitation for new and existing health infrastructure. The second component will be used to contract general practitioners from the private sector for national health insurance sites. The last component will support 10 central hospitals to strengthen their patient information systems, and develop and pilot alternative hospital reimbursement tools, which will allow for appropriate reimbursement of hospitals when the health sector transitions to universal health coverage.

From 2018/19, the human papillomavirus vaccine component will become a direct grant to provinces. The national Department of Health will ensure that provincial departments are ready to take over the provision of this service and preserve the coverage ratio.

Human settlements grant

The *human settlements development grant* seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. This grant is allocated using a formula with three components:

- The first component shares 70 per cent of the total allocation between provinces in proportion to their share of the total number of households living in inadequate housing. Data from the 2011 Census is used for the number of households in each province living in informal settlements, shacks in backyards and traditional dwellings. Not all traditional dwellings are inadequate, which is why information on the proportion of traditional dwellings per province with damaged roofs and walls from the 2010 General Household Survey is used to adjust these totals so that only traditional dwellings that provide inadequate shelter are counted in the formula.
- The second component determines 20 per cent of the total allocation based on the share of poor households in each province. The number of households with an income of less than R1 500 per month is used to determine 80 per cent of the component and the share of households with an income of between R1 500 and R3 500 per month is used to determine the remaining 20 per cent. Data used in this component comes from the 2011 Census.
- The third component, which determines 10 per cent of the total allocation, is shared in proportion to the number of people in each province, as measured in the 2011 Census.

In addition to the allocations determined through the formula, a total of R3.6 billion is ring-fenced over the 2017 MTEF period to upgrade human settlements in mining towns in six provinces. These allocations respond to areas with significant informal settlement challenges, with a high proportion of economic activity based on the natural resources sector. A total of R134.3 million is also ring-fenced over the medium term to repair infrastructure damaged by natural disasters.

The baseline reduction on this grant in 2017/18 is R871 million. The grant's allocation totals R63.4 billion over the medium term, with a yearly growth rate of 6.9 per cent, outpacing projected inflation.

Public works grants

The *expanded public works programme integrated grant for provinces* incentivises provincial departments to use labour-intensive methods in infrastructure, environmental and other projects. Grant allocations are determined upfront based on the performance of provincial departments in meeting job targets in the preceding financial year. The grant is allocated R1.3 billion over the MTEF period.

The *social sector expanded public works programme incentive grant for provinces* rewards provinces for creating jobs in the preceding financial year in the areas of home-based care, early childhood development, adult literacy and numeracy, community safety and security, and sports programmes. The grant's allocation model incentivises provincial departments to participate in the Expanded Public Works Programme and measures the performance of each province relative to its peers, providing additional incentives to those that perform well. The grant is allocated R1.2 billion over the MTEF period.

Social development grants

The *substance abuse treatment grant* aims to build public substance abuse treatment facilities in the four provinces that did not already have such facilities: the Eastern Cape, the Free State, the Northern Cape and the North West. Starting in 2017/18, the purpose of this grant, which was exclusively for the construction of treatment centres, has changed to one that supplements the operationalisation of the newly constructed treatments centres. No baseline reduction has been effected on this grant. It has been allocated R202.5 million over the 2017 MTEF period.

The *early childhood development grant* was introduced last year, with disbursements starting in 2017/18. The grant plays a part in government's prioritisation of early childhood development, as envisioned in the National Development Plan. The grant has two distinct objectives: improve poor children's access to early childhood programmes, and ensure that the early childhood centres have adequate infrastructure. Over the MTEF period, the grant baseline totals R1.3 billion.

The new *social worker employment grant*, which also comes into effect this year, aims to reduce the backlog in the number of social worker graduates that remain unemployed while the need for social work across the country continues to increase. The grant uses reprioritised funds that the Department of Social Development previously used to subsidise the education of social workers. A total of R591.3 million is reprioritised and allocated towards this new grant over the 2017 MTEF period.

Sport and recreation grant

The *mass participation and sport development grant* aims to increase and sustain mass participation in sport and recreational activities in the provinces, with greater emphasis on provincial and district academies. The baseline of this grant is preserved, with an allocation of R1.9 billion over the MTEF period.

Transport grants

The *public transport operations grant* subsidises commuter bus services. It supports provinces to ensure that contractual obligations are met and services are efficiently provided. The public transport contracting and regulatory functions may be assigned to certain metropolitan municipalities during 2017/18. If this takes place, funds for this grant will be transferred directly to the assigned municipality. Given the pressure this sector faces, R700 million was added to the grant's baseline over the 2016 MTEF period. For the 2017 period, this baseline has been preserved. The grant is allocated R5.7 billion in 2017/18, R6 billion in 2018/19 and R6.3 billion in 2019/20.

The *provincial roads maintenance grant* consists of three components. The largest component enables provinces to expand their maintenance activities. The other components allow provinces to repair roads

damaged by floods and rehabilitate roads that are heavily used in support of electricity production. Grant allocations are determined using a formula based on provincial road networks, road traffic and weather conditions. These factors reflect the different costs of maintaining road networks in each province. The grant requires provinces to follow best practices for planning and to use and regularly update road asset management systems.

The performance indicators for the incentive portion of the grant, based on traffic loads, safety engineering and visual condition indicators, come into effect in 2017/18. The total allocation for the MTEF period is R34.5 billion, including ring-fenced allocations of R480 million for the repair of infrastructure damaged by floods.

■ Part 5: Local government fiscal framework and allocations

The local government fiscal framework responds to the constitutional assignment of powers and functions to this sphere of government. The framework – including all transfers and own revenues – is structured to support the achievement of the National Development Plan’s goals.

The framework refers to all resources available to municipalities to meet their expenditure responsibilities. National transfers account for a relatively small proportion of the local government fiscal framework, with the majority of local government revenues being raised by municipalities themselves through their substantial revenue-raising powers. However, the proportion of revenue from transfers and own revenues varies dramatically across municipalities, with poor rural municipalities receiving most of their revenue from transfers, while urban municipalities raise the majority of their own revenues. This differentiation in the way municipalities are funded will continue in the period ahead.

This section outlines the transfers made to local government and how these funds are distributed between municipalities. Funds raised by national government are transferred to municipalities through conditional and unconditional grants. National transfers to municipalities are published to enable them to plan fully for their 2017/18 budgets, and to promote better accountability and transparency by ensuring that all national allocations are included in municipal budgets.

Transfers to local government

Over the 2017 MTEF period, R366.3 billion will be transferred directly to local government and a further R23 billion has been allocated to indirect grants. Direct transfers to local government over the medium term account for 9.1 per cent of national government’s non-interest expenditure. When indirect transfers are added to this, total spending on local government increases to 9.7 per cent of national non-interest expenditure.

Table W1.20 Transfers to local government

R million	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Outcome			Revised estimate	Medium-term estimates		
Direct transfers	82 595	87 570	98 338	103 255	112 524	121 470	130 477
Equitable share and related¹	38 964	41 592	49 367	51 169	57 012	62 732	67 473
Equitable share formula ²	34 268	36 512	44 211	45 719	51 326	56 723	61 136
RSC levy replacement	3 930	4 146	4 337	4 567	4 795	5 073	5 357
Support for councillor remuneration and ward committees	766	935	819	883	891	936	981
General fuel levy sharing with metros	9 613	10 190	10 659	11 224	11 785	12 469	13 167
Conditional grants	34 018	35 788	38 313	40 863	43 727	46 270	49 836
Infrastructure	32 412	34 167	36 866	39 120	41 777	44 274	47 775
Capacity building and other	1 606	1 621	1 446	1 743	1 950	1 995	2 062
Indirect transfers	5 945	8 250	10 370	7 824	7 338	7 596	8 015
Infrastructure	5 705	7 998	10 119	7 740	7 235	7 480	7 893
Capacity building and other	240	252	251	84	103	115	122
Total	88 541	95 820	108 708	111 079	119 862	129 066	138 491

1. Excludes provisional allocations

2. Outcome and revised estimate figures for the equitable share reflect amounts transferred after funds have been withheld to offset underspending by municipalities on conditional grants. Roll-over funds are reflected in the year in which they were transferred

Source: National Treasury

Changes to local government allocations

Direct transfers to local government grow at an annual average rate of 8 per cent over the 2017 MTEF period. This strong growth in transfers reflects the importance of local government functions, while recognising the rising costs of delivering municipal services to a growing number of households. At the same time, small reductions to some large conditional grants have been made to reprioritise funds to other government priorities. Grant administrators and municipalities will need to maximise efficient spending to minimise the effect of these reductions on service delivery. These changes are summarised in Table W1.21.

Table W1.21 Revisions to direct and indirect transfers to local government

	2017/18	2018/19	2019/20	2017 MTEF Total revisions
R million				
Additions to baselines	–	1 000	3 285	4 285
Direct transfers	–	1 000	3 285	4 285
Local government equitable share	–	1 000	2 285	3 285
Integrated national electrification programme	–	–	1 000	1 000
Reductions to baseline	-878	-925	-951	-2 754
Direct transfers	-816	-841	-857	-2 514
Municipal infrastructure grant	-100	-106	-106	-312
Water services infrastructure	-400	-400	-423	-1 224
Urban settlements development	-90	-96	-96	-282
Public transport network	-200	-211	-211	-622
Expanded public works programme	-25	-29	-19	-73
Indirect transfers	-63	-84	-95	-241
Regional bulk infrastructure	-33	-51	-58	-142
Integrated national electrification programme	-30	-33	-36	-99
Total change to local government allocations				
Change to direct transfers	-816	159	2 428	1 771
Change to indirect transfers	-63	-84	-95	-241
Net change to local government allocations	-878	75	2 333	1 530

Source: National Treasury

A total of R4.3 billion is added to local government allocations over the MTEF period. Of this, R3.3 billion is added to the local government equitable share to assist municipalities with the rising costs of providing free basic services to their residents. A further R1 billion is added to the *integrated national electrification programme (municipal) grant* in 2019/20.

The 2016 *Medium Term Budget Policy Statement* announced significant growth in the local government equitable share allocations between 2018/19 and 2019/20. This is in part due to the indicative allocation of R1.8 billion in 2019/20, which will only be confirmed in the 2018 budget process. These funds are therefore not included in tables W1.20 and W1.21, but they are included in tables W1.2 and W1.4. They are also not included in the allocations per municipality published for the 2017 MTEF period.

Over the MTEF period, transfers are reduced by R2.8 billion in total, including R2.5 billion from direct grants and R189.3 million from indirect grants. To make resources available for other government priorities, small reductions are made to a mix of urban and rural grants, including the *public transport network grant*, the *water services infrastructure grant*, the *municipal infrastructure grant*, and the *urban settlements development grant*. Despite the proposed reductions, all of these grants continue to grow by at least 5 per cent per year over the 2017 MTEF period. In addition, transfers to three grants have been reduced to reprioritise funds for other government priorities. Funds are reprioritised from the *expanded public works programme integrated grant to municipalities* for the expanded mandate of the Commission for Conciliation, Mediation and Arbitration. Funds have been reprioritised from the indirect *integrated national electrification programme (Eskom) grant* to fund the management of nuclear waste. Small amounts from the indirect *regional bulk infrastructure grant* will be reprioritised to augment funding for water catchment management agencies.

After accounting for all reductions and additions, direct transfers to local government increase by R1.5 billion over the MTEF period (not including the preliminary allocations discussed below). This increase is primarily due to the additions to the local government equitable share. Indirect transfers to local government (allocations spent by national departments on behalf of municipalities) decrease by R240.9 million over the medium term. Total allocations to local government (including direct and indirect transfers) decrease by R878.5 million in 2017/18, followed by increases of R75 million in 2018/19 and R2.3 billion in 2019/20.

The local government equitable share

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue that municipalities can raise themselves (including revenue raised through property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these costs from their own revenues.

Over the 2017 MTEF period, the local government equitable share, including the *RSC/JSB levies replacement grant* and *special support for councillor remuneration and ward committees*, amounts to R187.2 billion – R57 billion in 2017/18, R62.7 billion in 2018/19 and R67.5 billion in 2019/20.

To help compensate for the rising costs of providing free basic services in municipalities, R1 billion will be added to the local government equitable share in 2018/19 and R2.3 billion will be added in 2019/20. This is in addition to the R1.5 billion in 2017/18 and R3 billion in 2018/19 that were added in the 2016 division of revenue.

Formula for allocating the local government equitable share

The portion of national revenue allocated to local government through the equitable share is determined in the national budget process and endorsed by Cabinet (the vertical division). Local government's equitable share is divided among the country's 257 municipalities, using a formula (the horizontal division) to ensure objectivity.

Following a review of the previous formula by the National Treasury, the Department of Cooperative Governance and SALGA, in partnership with the FFC and Statistics South Africa, the current formula for the local government equitable share was introduced in 2013/14. The formula's principles and objectives were set out in detail in the Explanatory Memorandum to the 2013 Division of Revenue.

Updating the formula with 2016 Community Survey data

The formula, which is based on data from the 2011 Census, will be updated with data from the 2016 Community Survey over the 2017 MTEF period. To smooth the impact of this update on the allocations to municipalities, the data will be phased in over the three years of the MTEF. In 2017/18, allocations will still be based primarily on 2011 Census data (although the 2016 Community Survey data will begin to be introduced). In 2018/19, allocations will be based on data from the 2016 Community Survey, but the impact will be cushioned through a phase-in mechanism described in more detail below). By 2019/20, the formula will be fully based on 2016 Community Survey data.

Structure of the local government equitable share formula

The formula uses demographic and other data to determine each municipality's portion of the local government equitable share. It has three parts, made up of five components:

- The first part of the formula consists of the *basic services* component, which provides for the cost of free basic services for poor households.
- The second part enables municipalities with limited resources to afford basic administrative and governance capacity, and perform core municipal functions. It does this through three components:
 - The *institutional component* provides a subsidy for basic municipal administrative costs.
 - The *community services component* provides funds for other core municipal services not included under basic services.

- The *revenue adjustment factor* ensures that funds from this part of the formula are only provided to municipalities with limited potential to raise their own revenue. Municipalities that are least able to fund these costs from their own revenues should receive the most funding.
- The third part of the formula provides predictability and stability through the *correction and stabilisation factor*, which ensures that all of the formula's guarantees can be met.

Each of these components is described in detail in the sub-sections that follow. The formula's structure is summarised in the box.

Structure of the local government equitable share formula

$$LGES = BS + (I + CS) \times RA \pm C$$

where

LGES is the local government equitable share

BS is the basic services component

I is the institutional component

CS is the community services component

RA is the revenue adjustment factor

C is the correction and stabilisation factor

The basic services component

This component helps municipalities provide free basic water, sanitation, electricity and refuse removal services to households that fall below an affordability threshold. Following municipal consultation, the formula's affordability measure (used to determine how many households need free basic services) is based on the level of two state old age pensions. When the 2011 Census was conducted, the state old age pension was worth R1 140 per month, which means that two old age pensions were worth R2 280 per month. A monthly household income of R2 300 per month (in 2011) has therefore been used to define the formula's affordability threshold. Statistics South Africa has calculated that 59 per cent of all households in South Africa fall below this income threshold. However, the proportion in each municipality varies widely. The threshold is not an official poverty line or a required level to be used by municipalities in their own indigence policies – if municipalities choose to provide fewer households with free basic services than they are funded for through the local government equitable share, then their budget documentation should clearly set out why they have made this choice and how they have consulted with their community during the budget process.

The number of households per municipality, and the number below the poverty threshold, is updated annually based on the growth experienced between the 2001 and 2011 Censuses. Provincial growth rates are then rebalanced to match the average annual provincial growth reported between 2002 and 2015 in the annual General Household Survey. Statistics South Africa has advised the National Treasury that, in the absence of official municipal household estimates, this is a credible method of estimating the household numbers per municipality needed for the formula. The same methodology will be used to update the number of households used to calculate allocations for 2017/18. In 2018/19, the number of households will be taken from the 2016 Community Survey. From 2019/20 onwards, the annual updates will use the rate of growth in household numbers between the 2001 Census and the 2016 Community Survey. Statistics South Africa is researching methods for producing municipal-level data estimates, which may be used to inform equitable share allocations in future.

The proportion of households below the affordability threshold in each municipality will continue to be based on 2011 Census data. This is because the 2016 Community Survey data on income has not been released. Although the total number of households in each municipality is adjusted every year to account for growth, the share of those households that are subsidised for free basic services through the formula remains constant (but the number of households subsidised increases annually in line with estimated

household growth). In 2017/18, a total of 9.5 million households are funded through the basic services subsidy.

The basic services component provides a subsidy of R359.04 per month in 2017/18 for the cost of providing basic services to each of these households. The subsidy includes funding for the provision of free basic water (six kilolitres per poor household per month), energy (50 kilowatt-hours per month) and sanitation and refuse (based on service levels defined by national policy). The monthly amount provided for each service is detailed in Table W1.22 and includes an allocation of 10 per cent for service maintenance costs.

Table W1.22 Amounts per basic service allocated through the local government equitable share, 2017/18

	Allocation per household below affordability threshold (R per month)			Total allocation per service (R million)
	Operations	Maintenance	Total	
Energy	68.52	7.61	76.13	8 725
Water	104.99	11.67	116.66	13 369
Sanitation	81.39	9.04	90.43	10 364
Refuse	68.23	7.58	75.81	8 688
Total basic services	323.13	35.90	359.04	41 147

Source: National Treasury

The formula uses the fairest estimates of the average costs of providing each service that could be derived from available information. More details of how the costs were estimated can be found in the discussion paper on the proposed structure of the new local government equitable share formula, available on the National Treasury website. The per-household allocation for each of the basic services in Table W1.22 is updated annually based on the following:

- The electricity cost estimate is made up of bulk and other costs. Bulk costs are updated based on the multi-year price determination approved by the National Energy Regulator of South Africa. The approved bulk electricity tariff for the multi-year price determination period from 2014/15 to 2018/19 allows for increases of 8 per cent per year. If any variations to this increase are approved for 2017/18, funding will be considered during the budget adjustments process. Other electricity costs are updated based on the National Treasury's inflation projections in the 2016 *Medium Term Budget Policy Statement*.
- The water cost estimate is also made up of bulk and other costs. Bulk costs are updated based on the average increase in bulk tariffs charged by water boards (although not all municipalities purchase bulk water from water boards, their price increases serve as a proxy for the cost increases for all municipalities). The approved average tariff increase for bulk water from water boards in 2016/17 was 10.8 per cent. Other costs are updated based on the National Treasury's inflation projections in the 2016 *Medium Term Budget Policy Statement*.
- The costs for sanitation and refuse removal are updated based on the National Treasury's inflation projections in the 2016 *Medium Term Budget Policy Statement*.

The basic services component allocation to each municipality is calculated by multiplying the monthly subsidy per household by the updated number of households below the affordability threshold in each municipal area.

The basic services component

$$BS = \text{basic services subsidy} \times \text{number of poor households}$$

Funding for each basic service is allocated to the municipality (metro, district or local) that is authorised to provide that service. If another municipality provides a service on behalf of the authorised municipality, it

must transfer funds to the provider in terms of section 29 of the Division of Revenue Act. The basic services component is worth R41 billion in 2017/18 and accounts for 80.2 per cent of the value of the local government equitable share.

The institutional component

To provide basic services to households, municipalities need to be able to run a basic administration. Most municipalities should be able to fund the majority of their administration costs with their own revenue. But, because poor households are not able to contribute in full, the equitable share includes an institutional support component to help meet some of these costs. To ensure that this component supports municipalities with limited revenue-raising abilities, a revenue adjustment factor is applied so that a larger proportion of the allocation is received by municipalities with less potential to raise their own revenue. The revenue adjustment factor is described in more detail later in this annexure.

This component consists of a base allocation of R6.3 million, which goes to every municipality, and an additional amount that is based on the number of council seats in each municipality. This reflects the relative size of a municipality's administration and is not intended to fund the costs of councillors only (the number of seats recognised for the formula is determined by the Minister of Cooperative Governance and Traditional Affairs). The base component acknowledges that there are some fixed costs that all municipalities face.

The institutional component

$$I = \text{base allocation} + [\text{allocation per councillor} * \text{number of council seats}]$$

The institutional component accounts for 7.9 per cent of the equitable share formula and is worth R4.1 billion in 2017/18. This component is also complemented by special support for councillor remuneration in poor municipalities, which is not part of the equitable share formula.

The community services component

This component funds services that benefit communities rather than individual households (which are provided for in the basic services component). It includes funding for municipal health services, fire services, municipal roads, cemeteries, planning, storm water management, street lighting and parks. To ensure this component assists municipalities with limited revenue-raising abilities, a revenue adjustment factor is applied so that these municipalities receive a larger proportion of the allocation.

The allocation for this component is split between district and local municipalities, which both provide community services. In 2017/18, the allocation to district and metropolitan municipalities for municipal health and related services is R8.79 per household per month. The component's remaining funds are allocated to local and metropolitan municipalities based on the number of households in each municipality.

The community services component

$$CS = [\text{municipal health and related services allocation} * \text{number of households}] + [\text{other services allocation} * \text{number of households}]$$

The community services component accounts for 11.9 per cent of the equitable share formula and is worth R6.1 billion in 2017/18.

The revenue adjustment factor

The Constitution gives local government substantial revenue-raising powers (particularly through property rates and surcharges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. Given the varied levels of poverty across South Africa, the formula does not expect all municipalities to be able to generate similar amounts of own

revenue. A revenue adjustment factor is applied to the institutional and community services components of the formula to ensure that these funds assist municipalities that are least likely to be able to fund these functions from their own revenue.

To account for the varying fiscal capacities of municipalities, this component is based on a per capita index using the following factors from the 2011 Census:

- Total income of all individuals/households in a municipality (as a measure of economic activity and earning)
- Reported property values
- Number of households on traditional land
- Unemployment rate
- Proportion of poor households as a percentage of the total number of households in the municipality.

Based on this index, municipalities were ranked according to their per capita revenue-raising potential. The top 10 per cent of municipalities have a revenue adjustment factor of zero, which means that they do not receive an allocation from the institutional and community services components. The 25 per cent of municipalities with the lowest scores have a revenue adjustment factor of 100 per cent, which means that they receive their full allocation from the institutional and community services components. Municipalities between the bottom 25 per cent and top 10 per cent have a revenue adjustment factor applied on a sliding scale, so that those with higher per capita revenue-raising potential receive a lower revenue adjustment factor and those with less potential receive a larger revenue adjustment factor.

The revenue adjustment factor is not based on the actual revenues municipalities collect, which ensures that this component does not create a perverse incentive for municipalities to under-collect potential own revenues to receive a higher equitable share.

Because district municipalities do not collect own revenues from property rates, the revenue adjustment factor applied to these municipalities is based on the *RSC/JSB levies replacement grant* allocations. This grant replaces a source of own revenue previously collected by district municipalities and it is still treated as an own-revenue source in many respects. Similar to the revenue adjustment factor for local and metropolitan municipalities, the factor applied to district municipalities is based on their per capita *RSC/JSB levies replacement grant* allocations. District municipalities are given revenue adjustment factors on a sliding scale – those with a higher per capita *RSC/JSB levies replacement grant* allocation receive a lower revenue adjustment factor, while those with lower allocations receive a higher revenue adjustment factor.

Correction and stabilisation factor

Providing municipalities with predictable and stable equitable share allocations is one of the principles of the equitable share formula. Indicative allocations are published for the second and third years of the MTEF period to ensure predictability. To provide stability for municipal planning, while giving national government flexibility to account for overall budget constraints and amend the formula, municipalities are guaranteed to receive at least 90 per cent of the indicative allocation for the middle year of the MTEF period.

A new equitable share formula was introduced in 2013/14 using 2011 Census data. As a result, some municipalities experienced large changes in their equitable share allocations. To smooth the impact of these changes and give municipalities time to adjust (both for municipalities with increasing and decreasing allocations), the new allocations were phased in over five years, from 2013/14 to 2017/18. This process is complete. In the 2017 MTEF period, the formula will be updated with data from the 2016 Community Survey and the effect of those updates will be phased in over three years from 2017/18 to 2019/20.

Updating the formula with 2016 Community Survey data results in some significant changes to municipal allocations. This is because the number of households in some municipalities in the survey results differs

from the projected numbers used in the local government equitable share formula (based on 2011 Census numbers, updated annually using past growth rates). Although the projected number of households in the formula for the country as a whole differed from the 2016 Community Survey results by only about 1 000 households, or a difference of only 0.006 per cent, in some individual municipalities the differences were as high as 24 per cent. In 44 per cent of municipalities, the difference between the formula's projections and the 2016 Community Survey results was less than 5 per cent, but to preserve the stability of allocations to those municipalities with larger differences it is necessary to phase in the updates over a three-year period.

The phasing in of the 2016 Community Survey data is structured so that the municipality with the highest percentage decrease as a result of the data update will receive 95 per cent of its indicative allocation for 2017/18, as set out in the 2016 Division of Revenue Act. The rest of the municipalities receive amounts above their 95 per cent guaranteed amount that are proportional to the size of their total allocation, adjusted to account for the percentage increase or decrease they will experience as a result of the data updates. The same methodology is applied in 2018/19, with the municipality with the highest percentage decrease receiving 90 per cent of its indicative allocation. By 2019/20, municipalities will be receiving allocations as determined by the updated formula.

Ensuring the formula balances

The formula is structured so that all of the available funds are allocated. The basic services component is determined by the number of poor households per municipality and the estimated cost of free basic services, so it cannot be manipulated. This means that balancing the formula to the available resources must take place in the second part of the formula, which includes the institutional and community services components. The formula automatically determines the value of the allocation per council seat in the institutional component and the allocation per household for other services in the community services component to ensure that it balances. Increases in the cost of providing basic services can result in lower institutional and community services allocations.

Potential future refinements to the formula

Although the local government equitable share formula has been through extensive consultations and technical work, national government continues to work with stakeholders to improve the formula. Areas of work include:

- Exploring the use of differentiated cost variables to take account of the cost of services in various circumstances, including costs related to the size of the land area served and settlement types in municipalities. SALGA and the FFC have completed a research project that provides some estimates of these different cost factors and demonstrates how complex it would be to incorporate such details into the formula.
- Refining the methodology used to update household growth estimates, taking account of updated data from Statistics South Africa, and possibly using district-level data.
- Improving the responsiveness of the formula to the different functions assigned to district and local municipalities.

Details of new allocations

In addition to the three-year formula allocations published in the Division of Revenue Bill, a copy of the formula, including the data used for each municipality and each component, is published online (http://mfma.treasury.gov.za/Media_Releases/LGESDiscussions/Pages/default.aspx).

Other unconditional allocations

RSC/JSB levies replacement grant

Before 2006, district municipalities raised levies on local businesses through a Regional Services Council (RSC) or Joint Services Board (JSB) levy. This source of revenue was replaced in 2006/07 with the *RSC/JSB levies replacement grant*, which was allocated to all district and metropolitan municipalities based on the amounts they had previously collected through the levies. The *RSC/JSB levies replacement grant* for metropolitan municipalities has since been replaced by the sharing of the general fuel levy. The *RSC/JSB levies replacement grant*'s value increases every year. In 2017/18, adjustments are made to the grant to redistribute funds to the 13 district municipalities currently receiving less than R40 million per year from this grant. To fund increased allocations to these district municipalities, the growth rates of the 10 district municipalities with the largest allocations are reduced so that they receive two-thirds of their original growth rate in 2017/18 and one-third of their original growth rate in 2018/19. In the outer year of the MTEF period, the grant increases by 8.8 per cent a year for district municipalities authorised for water and sanitation and 2.9 per cent for unauthorised district municipalities. The different rates recognise the various service-delivery responsibilities of these district municipalities and the fact that the allocations to unauthorised municipalities have an average growth rate below inflation.

Special support for councillor remuneration and ward committees

Councillors' salaries are subsidised in poor municipalities. The total value of the support provided in 2017/18 is R910 million, calculated separately to the local government equitable share and in addition to the funding for governance costs provided in the institutional component. The level of support for each municipality is allocated based on a system gazetted by the Minister of Cooperative Governance and Traditional Affairs, which classifies municipal councils into six grades based on their total income and population size. Special support is provided to the lowest three grades of municipal councils (the smallest and poorest municipalities).

A subsidy of 90 per cent of the gazetted maximum remuneration for a part-time councillor is provided for every councillor in grade 1 municipalities, 80 per cent for grade 2 municipalities and 70 per cent for grade 3 municipalities. In addition to this support for councillor remuneration, each local municipality in grades 1 to 3 receives an allocation to provide stipends of R500 per month to 10 members of each ward committee in their municipality. Each municipality's allocation for this special support is published in the Division of Revenue Bill appendices.

Conditional grants to local government

National government allocates funds to local government through a variety of conditional grants. These grants fall into two main groups: infrastructure and capacity building. The total value of conditional grants directly transferred to local government increases from R43.7 billion in 2017/18 to R46.3 billion in 2018/19 and R49.8 billion in 2019/20.

There are four types of local government conditional grants:

- Schedule 4B sets out general grants that supplement various programmes partly funded by municipalities.
- Schedule 5B grants fund specific responsibilities and programmes implemented by municipalities.
- Schedule 6B grants provide in-kind allocations through which a national department implements projects in municipalities.
- Schedule 7B grants provide for the swift allocation and transfer of funds to a municipality to help it deal with a disaster.

Infrastructure conditional grants to local government

National transfers for infrastructure, including indirect or in-kind allocations to entities executing specific projects in municipalities, amount to R156.4 billion over the 2017 MTEF period.

Table W1.23 Infrastructure grants to local government

R million	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Outcome			Revised estimate	Medium-term estimates		
Direct transfers	32 412	34 167	36 866	39 120	41 777	44 274	47 775
Municipal infrastructure	14 224	14 745	14 956	14 914	15 891	16 788	17 734
Water services infrastructure	1 129	1 051	2 305	2 845	3 329	3 559	3 757
Urban settlements development	9 077	10 285	10 554	10 839	11 382	11 956	12 631
Integrated national electrification programme	1 635	1 105	1 980	1 946	2 087	2 204	3 328
Public transport network	5 550	5 871	5 953	5 593	6 160	6 583	6 962
Neighbourhood development partnership	586	590	584	624	663	702	741
Integrated city development	40	255	251	267	292	309	326
Regional bulk infrastructure	–	–	–	1 850	1 865	2 060	2 175
Rural roads asset management systems	52	75	97	102	107	114	120
Municipal disaster recovery	118	190	186	140	–	–	–
Indirect transfers	5 705	7 998	10 119	7 740	7 235	7 480	7 893
Integrated national electrification programme	2 141	2 948	3 613	3 526	3 846	3 962	4 182
Neighbourhood development partnership	55	30	13	22	28	29	31
Regional bulk infrastructure	3 261	4 005	4 858	3 479	2 774	2 881	3 037
Water services infrastructure	247	732	659	362	587	608	642
Bucket eradication programme	–	282	975	350	–	–	–
Total	38 117	42 165	46 985	46 859	49 012	51 755	55 668

Source: National Treasury

Municipal infrastructure grant

The largest infrastructure transfer is made through the *municipal infrastructure grant*, which supports government's aim to expand service delivery and alleviate poverty. The grant funds the provision of infrastructure for basic services, roads and social infrastructure for poor households in all non-metropolitan municipalities. Although the grant's baseline is reduced by R100 million in 2017/18, R106 million in 2018/19 and R106 million in 2019/20, total allocations still amount to R50.4 billion over the 2017 MTEF period and grow at an average annual rate of 5.9 per cent.

The *municipal infrastructure grant* is allocated through a formula with a vertical and horizontal division. The vertical division allocates resources between sectors and the horizontal division takes account of poverty, backlogs and municipal powers and functions in allocating funds to municipalities. The five main components of the formula are described in the box below.

Municipal infrastructure grant = C + B + P + E + N

C Constant to ensure increased minimum allocation for small municipalities (this allocation is made to all municipalities)

B Basic residential infrastructure (proportional allocations for water supply and sanitation, roads and other services such as street lighting and solid waste removal)

P Public municipal service infrastructure (including sport infrastructure)

E Allocation for social institutions and micro-enterprise infrastructure

N Allocation to the 27 priority districts identified by government

Allocations for basic services sub-components are based on the proportion of the national backlog for that service in each municipality. Other components are based on the proportion of the country's poor households located in each municipality. Table W1.24 sets out the proportion of the grant accounted for by each component of the formula. The C-component provides a R5 million base to all municipalities receiving *municipal infrastructure grant* allocations.

Table W1.24 Municipal infrastructure grant allocations per sector

Municipal infrastructure grant (formula)	Component weights	Value of component 2017/18 (R millions)	Proportion of municipal infrastructure grant per sector
B-component	75.0%	10 846	68.3%
Water and sanitation	72.0%	7 809	49.1%
Roads	23.0%	2 495	15.7%
Other	5.0%	542	3.4%
P-component	15.0%	2 169	13.7%
Sports	33.3%	722	4.5%
E-component	5.0%	723	4.6%
N-component	5.0%	723	4.6%
Constant		1 130	7.1%
Ring-fenced funding for sport infrastructure		300	1.9%
Total		15 891	100.0%

Source: National Treasury

The *municipal infrastructure grant* includes an amount of R300 million, which is allocated outside of the grant formula and earmarked for specific sport infrastructure projects identified by Sport and Recreation South Africa. In addition, municipalities are required to spend a third of the P-component (equivalent to 4.5 per cent of the grant) on sport and recreation infrastructure identified in their own integrated development plans. Municipalities are also encouraged to increase their investment in other community infrastructure, including cemeteries, community centres, taxi ranks and marketplaces.

The Department of Cooperative Governance, which administers the *municipal infrastructure grant*, continues to implement measures to strengthen the management and implementation of the grant in line with the ongoing review of local government infrastructure grants. Changes due to be introduced in 2017/18 include:

- The circulation of a guideline on how refurbishment projects funded by the grant should be planned, assessed and implemented. The rules of the grant were changed in 2015/16 to allow funds to be spent on refurbishment but relatively few projects of this nature have been implemented since then. The new guideline should clarify the requirements around refurbishment funding and enable more municipalities to refurbish ageing infrastructure.
- The circulation of a revised guideline on the use of project management unit funds. Municipalities are allowed to use up to 5 per cent of their allocations from this grant for a project management unit. The

guideline will help municipalities achieve greater impact from these units. Grant conditions that require municipalities to submit business plans for their project management units will also allow the Department of Cooperative Governance to ensure municipalities adhere to the guideline's best practices over time.

- The Department of Cooperative Governance will provide training to municipalities on the use of the management information system for the *municipal infrastructure grant*. This is a project management system that provides useful tools for municipalities to track and manage their own projects. If used correctly, the system can reduce the reporting burden by easily generating reports itself.

Urban settlements development grant

The *urban settlements development grant* is an integrated source of funding to provide infrastructure for municipal services and upgrade urban informal settlements in the eight metropolitan municipalities. The grant is allocated as a supplementary grant to cities (schedule 4B of the Division of Revenue Act), which means that municipalities are expected to use a combination of grant funds and their own revenue to develop urban infrastructure and integrated human settlements. Cities report their progress on these projects against the targets set in their service-delivery and budget implementation plans. This grant helps cities respond to the challenge of providing services to the large number of urban households living in informal settlements. The grant's rules require that at least 50 per cent of the grant is used to fund the upgrading of informal settlements. Up to 3 per cent of the *urban settlements development grant* may be used to fund municipal capacity in the built environment in line with the capacity-building guideline to be published by the Department of Human Settlements.

Although the grant's baseline is reduced by R90 million in 2017/18, R96 million in 2018/19 and R96.3 million in 2019/20, total allocations still amount to R36 billion over the 2017 MTEF period and grow at an average annual rate of 5.2 per cent.

Integrated city development grant

The grant provides a financial incentive for metropolitan municipalities to focus their use of infrastructure investment and regulatory instruments to achieve more compact and efficient urban spaces. The grant's incentive allocations were previously based on performance measures of good governance and administration. However, in 2017/18 an additional indicator is introduced, based on the assessment of a city's built environment performance plan. Cities are required to adopt built environment performance plans that provide a strategic overview of its plans for the built environment, and how its infrastructure investments will transform the city's spatial development patterns over time. Including a peer-reviewed assessment score in the allocation criteria for this grant provides a tangible reward to cities for improving the quality of these plans. This is in line with the reforms emerging from the ongoing review of local government infrastructure grants, which calls for increased use of incentives in urban grants and the use of grants to support urban spatial transformation. The grant is allocated R927.6 million over the 2017 MTEF period.

Public transport network grant

The *public transport network grant*, administered by the Department of Transport, helps cities create or improve public transport systems in line with the National Land Transport Act (2009) and the Public Transport Strategy. This includes all integrated public transport network infrastructure, such as bus rapid transit systems, conventional bus services, and pedestrian and cycling infrastructure. The grant also subsidises the operation of these services.

A formula determines 80 per cent of the grant's allocations. The use of a formula aims to increase certainty about the extent of national funding that municipalities can expect when planning their public transport networks, and encourage cities to shift towards more sustainable transport investments. Cities need to plan within a realistic envelope of support from national government, without expecting additional subsidies. Strict eligibility conditions are also being introduced, including requirements that cities demonstrate that

their planned public transport systems will be financially sustainable. Several cities have already revised their planned public transport networks as a result of these new planning requirements. The formula is made up of three components, which account for the number of people in a city, the number of public transport users in a city (the weighting of train commuters is reduced as trains are subsidised separately through the Passenger Rail Authority of South Africa) and the size of a city's economy.

Table W1.25 Formula for the public transport network grant

	Population component shares	Regional gross value added component shares	Public transport users component shares	Grant formula shares
Non-formula-based allocations account for 20% of the grant				
Formula-based allocations account for 80% of the grant				
Formula shares for each city:				
Buffalo City	3.3%	2.8%	3.1%	3.1%
Nelson Mandela Bay	5.0%	4.7%	3.6%	4.5%
Mangaung	3.3%	2.4%	3.2%	3.0%
Ekurhuleni	13.8%	9.5%	14.9%	12.8%
City of Johannesburg	19.3%	25.2%	20.5%	21.7%
Tshwane	12.7%	15.0%	14.0%	13.9%
eThekweni	15.0%	15.8%	18.0%	16.3%
Msunduzi	2.7%	1.5%	2.4%	2.2%
Mbombela	2.6%	1.9%	2.4%	2.3%
Polokwane	2.7%	1.5%	1.3%	1.9%
Rustenburg	2.4%	3.5%	2.3%	2.7%
George	0.8%	0.5%	0.2%	0.5%
Cape Town	16.3%	15.8%	13.9%	15.3%
Total	100.0%	100.0%	100.0%	100.0%

Source: National Treasury

Although the grant's baseline is reduced by R200.3 million in 2017/18, R210.6 million in 2018/19 and R211.4 million in 2019/20, total allocations still amount to R19.7 billion over the 2017 MTEF period and grow at an average annual rate of 7.6 per cent.

Neighbourhood development partnership grant

The *neighbourhood development partnership grant* supports cities in developing and implementing urban network plans. The aim is to create a platform for third-party public and private investment, which will improve the quality of life in township urban hubs. Projects in towns and rural areas are implemented in conjunction with the Department of Rural Development and Land Reform. The grant is allocated R2.2 billion over the 2017 MTEF period, which consists of R2.1 billion for the direct capital component and R88.1 million for the indirect technical assistance component.

Water services infrastructure grant

This grant aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. The grant, administered by the Department of Water and Sanitation, provides funding for various projects, including the construction of new infrastructure and the refurbishment and extension of existing water schemes. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. As with other indirect grants, the national department is required to transfer skills to the municipalities benefiting from the indirect grant so that they will be able to implement projects themselves in future. A maximum of 3 per cent of a municipality's allocation from this grant can be used for capacity building to ensure municipalities can operate and maintain projects in future.

This grant will also be used to support the completion of the bucket eradication programme in formal residential areas, as the *bucket eradication programme grant* came to an end in 2016/17. The *water services infrastructure grant* can also be used to fund projects responding to water supply problems caused by drought. To ensure efficiency, these projects and their plans must be shared with the National Disaster Management Centre.

Over the 2017 MTEF period, the total allocation for the indirect portion of the grant is R1.8 billion. The direct component of this grant is reduced by R400.4 million in 2017/18, R400 million in 2018/19 and R423.4 million in 2019/20, however total allocations for the direct component still amount to R10.6 billion over the 2017 MTEF period and grow at an average annual rate of 9.7 per cent.

Regional bulk infrastructure grant

This grant supplements the financing of the social component of regional bulk water and sanitation infrastructure. It targets projects that cut across several municipalities or large bulk projects within one municipality. The grant funds the bulk infrastructure needed to provide reticulated water and sanitation services to individual households. It may also be used to appoint service providers to carry out feasibility studies, related planning or management studies for infrastructure projects. It has both direct and indirect components. In areas where municipalities have the capacity to implement projects themselves, funds are transferred through a direct grant. In other areas, the Department of Water and Sanitation implements projects on behalf of municipalities through an indirect grant. A parallel programme, funded by the Department of Water and Sanitation, also funds water boards for the construction of bulk infrastructure. Though not part of the division of revenue, these projects still form part of the Department of Water and Sanitation's larger programme of subsidising the construction of regional bulk infrastructure for water and sanitation. For the 2017 MTEF period, this grant will also fund the cost of developing and implementing transfer plans for how assets built through the indirect grant will be handed over to municipalities, including skills transfer, training and planning for tariff alignment. This grant will also be used to fund the bulk infrastructure needed for the completion of the bucket eradication programme in formal residential areas.

The grant has a total allocation of R14.8 billion over the 2017 MTEF period, consisting of R6.1 billion and R8.7 billion for the direct and indirect components respectively. The indirect component is reduced by R32.7 million in 2017/18, R50.5 million in 2018/19 and R58.3 million in 2019/20.

Integrated national electrification programme grants

The aim of this grant is to provide capital subsidies to municipalities to electrify poor households and fund bulk infrastructure to ensure the constant supply of electricity. Allocations to this grant are made based on the backlog of un-electrified households and administered by the Department of Energy. The grant only funds bulk infrastructure that serves poor households. The national electrification programme has helped provide 91 per cent of all poor households with access to electricity, as reported in the 2016 Community Survey, an increase from the 85 per cent reported in the 2011 Census. To sustain this progress, government will spend R19.6 billion on the programme over the next three years. Of this, municipalities are allocated R7.6 billion and Eskom is allocated R12 billion to spend on behalf of municipalities through an indirect grant. The *integrated national electrification programme (Eskom) grant* allocation includes reductions of R30 million in 2017/18, R33 million in 2018/19 and R36.3 million in 2019/20. The *integrated national electrification programme (municipal) grant* receives an additional allocation of R1 billion in 2019/20 to further accelerate the rollout of electricity connections to all households.

The Select Committee on Appropriations and the review of local government infrastructure grants have recommended that allocations to metropolitan municipalities from the *integrated national electrification programme (municipal) grant* should be incorporated into the *urban settlements development grant*. This will allow better planning and alignment between electrification projects and the delivery of other basic services funded through the *urban settlements development grant*. Discussions on the alignment of electrification and human settlements projects will continue in 2017, with the aim of shifting allocations for electrification from 2018/19.

Rural roads asset management systems grant

The Department of Transport administers the *rural roads asset management systems grant* to improve rural road infrastructure. The grant funds the collection of data on the condition and usage of rural roads in line with the Road Infrastructure Strategic Framework for South Africa. This information guides investments to maintain and improve these roads. District municipalities collect this data on all the municipal roads in their area, ensuring that infrastructure spending (from the *municipal infrastructure grant* and elsewhere) can be properly planned to maximise impact. As data becomes available, incentives will be introduced to ensure that municipalities use this information to plan road maintenance appropriately. The *municipal infrastructure grant* stipulates that municipalities must use data from roads asset management systems to prioritise investment in roads projects.

The Department of Transport will work with the *municipal infrastructure grant* administrators to ensure that municipal roads projects are chosen, prioritised and approved using roads asset management systems data wherever possible. A total of R340.7 million is allocated to this grant over the 2017 MTEF period.

Capacity-building grants and other current transfers

Capacity-building grants help to develop municipalities' management, planning, technical, budgeting and financial management skills. Other current transfers include the *expanded public works programme integrated grant for municipalities*, which promotes increased labour intensity in municipalities, and the *municipal demarcation transition grant*, which assists municipalities with the additional costs associated with significant boundary changes. A total of R6.3 billion is allocated to capacity-building grants and other current transfers to local government over the 2017 MTEF period.

Table W1.26 Capacity-building and other current grants to local government

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
R million	Outcome			Revised	Medium-term estimates		
Direct transfers	1 606	1 621	1 446	1 743	1 950	1 995	2 062
Local government financial management	425	449	452	465	502	531	561
Municipal human settlements capacity	–	300	100	–	–	–	–
2014 African Nations Championship host city operating	120	–	–	–	–	–	–
Expanded public works programme integrated grant for municipalities	611	595	588	664	691	729	781
Infrastructure skills development	99	104	124	130	141	149	157
Energy efficiency and demand-side management	181	137	178	186	203	215	227
Municipal demarcation transition	–	–	4	297	112	–	–
Municipal disaster	171	36	–	–	300	371	335
Indirect transfers	240	252	251	84	103	115	122
Municipal systems improvement	240	252	251	84	103	115	122
Total	1 846	1 873	1 698	1 827	2 053	2 110	2 183

Source: National Treasury

Municipal demarcation transition grant

The *municipal demarcation transition grant*, administered by the Department of Cooperative Governance, assists municipalities with additional costs that may arise during the transition to the new municipal boundaries. This grant was introduced in 2015/16 to subsidise the costs involved in implementing major boundary re-determinations announced by the Municipal Demarcation Board. In line with the FFC's recommendations, the grant will conclude at the end of 2017/18 because it is only intended to fund transitional costs and it will not form a permanent part of the intergovernmental transfer system. The grant is allocated R111.9 million in 2017/18.

Local government financial management grant

The *local government financial management grant*, managed by the National Treasury, funds the placement of financial management interns in municipalities and the modernisation of financial management systems. This includes building in-house municipal capacity to implement multi-year budgeting, linking integrated development plans to budgets, and producing quality and timely in-year and annual reports. The grant supports municipalities in the implementation of the Municipal Finance Management Act and provides funds for the implementation of the municipal standard chart of accounts. Total allocations amount to R1.6 billion over the 2017 MTEF period.

Infrastructure skills development grant

The *infrastructure skills development grant* develops capacity within municipalities by creating a sustainable pool of young professionals with technical skills related to municipal services, such as water, electricity and town planning. The grant places interns in municipalities so they can complete the requirements of the relevant statutory council within their respective built environment fields. The interns can be hired by any municipality at the end of their internship. The grant is allocated R447 million over the 2017 MTEF period.

Municipal systems improvement grant

The *municipal systems improvement grant* will be implemented as an indirect grant in the 2017 MTEF period. It funds a range of projects in municipalities in support of the Back to Basics strategy, including helping municipalities set up adequate record management systems, drawing up organograms for municipalities and reviewing their appropriateness relative to their assigned functions, and assisting municipalities with revenue collection plans. The indirect grant will be complemented by the Department of Cooperative Governance's work to develop an integrated consumer database that municipalities can draw data from, as well as a performance management system to track municipal performance. Over the 2017 MTEF period, R340 million is allocated to this grant.

Expanded public works programme integrated grant for municipalities

This grant promotes the use of labour-intensive methods in delivering municipal infrastructure and services. It is allocated through a formula based on past performance, which creates an incentive for municipalities. The formula is weighted to give larger allocations to poor, rural municipalities. The grant is allocated R691 million in 2017/18, and R2.2 billion over the 2017 MTEF period.

Energy efficiency and demand-side management grant

The *energy efficiency and demand-side management grant* funds selected municipalities to implement energy-efficiency projects, with a focus on public lighting and energy-efficient municipal infrastructure. In the 2017 MTEF period, the Department of Energy will monitor and verify grant-funded projects to ensure greater consistency in the procurement of accredited verification services. The grant is allocated R645.3 million over the 2017 MTEF period.

Municipal disaster grant

The *municipal disaster grant* is administered by the National Disaster Management Centre in the Department of Cooperative Governance as an unallocated grant to local government. The centre is able to disburse disaster-response funds immediately, without the need for the transfers to be gazetted first. To ensure that sufficient funds are available in the event of disasters, section 21 of the Division of Revenue Bill allows for funds allocated to the *provincial disaster grant* to be transferred to municipalities if funds in the *municipal disaster grant* have already been exhausted, and vice versa. The bill also allows for more than one transfer to be made to areas affected by disasters, so that initial emergency aid can be provided before a full assessment of damages and costs is conducted. Over the MTEF period, R1 billion is available for disbursement through this grant. To ensure that sufficient funds are available for disaster relief, section

20 of the Division of Revenue Bill allows funds from other conditional grants to be reallocated for this purpose, subject to the National Treasury's approval.

■ **Part 6: Future work on provincial and municipal fiscal frameworks**

The fiscal frameworks for provincial and local government encompass all their revenue sources and expenditure responsibilities. As underlying social and economic trends evolve and the assignment of intergovernmental functions change, so must the fiscal frameworks. The National Treasury, together with relevant stakeholders, conducts continuous reviews to ensure that provinces and municipalities have an appropriate balance of available revenues and expenditure responsibilities, while taking account of the resources available and the principles of predictability and stability.

This part of the annexure describes the main areas of work to be undertaken during 2017/18 as part of the ongoing review and refinement of the intergovernmental fiscal framework. Provinces and municipalities will be consulted on all proposed changes to the fiscal frameworks.

Review of the provincial equitable share formula

The Constitution stipulates that provinces are entitled to a share of nationally raised revenue to deliver on their mandates. The current process of dividing up provincial funds uses a formula that considers the spread of the burden of service delivery across provinces. The provincial equitable share formula contains weighted elements that reflect government priorities and incorporates elements to redress inequality and poverty across provinces. Over time, the formula, like any budgetary allocation tool, may no longer mirror the realities provinces face. As such, there is a need for periodic review of the formula to assess its continued appropriateness and equity. In 2016, the National Treasury started a detailed review of the equitable share formula. The Technical Committee on Finance and the Budget Council is consulted as part of this work. To date, the National Treasury has assessed the credibility and reliability of the datasets.

The role of provinces in promoting economic development

Provinces and municipalities play a crucial role in advancing the economic development of their respective precincts. Fully functional, well-equipped schools produce a vibrant and employable workforce. Smarter health systems develop and maintain the health of the workforce. Provincial agriculture departments' support to farmers can stimulate rural development. The provision of provincial and municipal roads and public transport services ensures mobility for goods and workers, while basic municipal services such as water, electricity and refuse removal, as well as business licencing and environmental health functions, enable businesses to operate and grow. Well-managed procurement can maximise developmental impact without compromising efficiencies.

Government must work with businesses and other relevant stakeholders to provide an enabling environment for the faster and more inclusive economic growth called for in the National Development Plan. Since 2015, national and provincial treasuries have been working together through a task team of the Technical Committee on Finance to better define the role provinces should play in promoting economic development. The potential for provinces to make cost-effective progress is also being explored.

National health insurance policy work

The National Health Insurance White Paper was released for comment on 11 December 2015. The Department of Health, in collaboration with the National Treasury and other stakeholders, is refining the policy in response to the comments received. This work will continue identify practical pathways to implementation of universal health coverage in South Africa.

Improving intergovernmental coordination on infrastructure investment

Public infrastructure investments can play a major role in transforming South Africa's spatial development patterns. This requires a significant improvement in intergovernmental coordination in planning and

budgeting for infrastructure. In particular, provinces need to ensure that their investments in schools, roads, health facilities and housing are made in locations that align with the spatial development plans of municipalities.

To facilitate improved planning alignment with municipalities, the guidelines for provincial infrastructure will require that municipalities be consulted on and agree to the location and bulk services requirements of all provincial infrastructure projects from 2017/18. Provincial treasuries will also be expected to include municipalities in their infrastructure medium-term expenditure committee meetings where projects to be included in the next budget are selected.

Local government transfers

The system of transfers to local government is continuously being reviewed and refined to improve spending efficiency and the impact achieved through these transfers. Over the period ahead, the National Treasury will examine the funding and efficiency of rural municipalities and how the transfers they rely on can be structured to improve their sustainability and performance. At the same time, urban municipalities will be encouraged to increase their reliance on own-revenue sources to fund their budgets (including borrowing to fund infrastructure investments).

Government will also review the amounts allocated to different sectors across the local government infrastructure grant system and how these compare to the extent of backlogs revealed in the 2016 Community Survey. This may result in recommendations for a rebalancing of the resources allocated to each sector and in the way projects are selected under the different grants.

Reforming municipal borrowing

Long-term borrowing can be an effective way for municipalities to finance infrastructure development. However, responsible borrowing requires an appropriate institutional framework and financial controls. The Policy Framework for Municipal Borrowing and Financial Emergencies (1999) and the Municipal Finance Management Act set a range of measures to facilitate responsible municipal borrowing and financial controls. These measures deal with issues such as sovereign risk, credit enhancements, maturities, avoidance of direct government assistance, and liquidity through the development of secondary markets.

Despite these measures and improvements in municipal borrowing, there are still some bottlenecks that need to be addressed to promote the development of municipal debt markets. Currently, the municipal debt market is skewed, with a predominance of commercial bank loans. As a result, municipalities find it difficult to issue debt instruments with maturities that match the life span of their infrastructure assets. One solution is to promote the participation of more actors, including institutional investors, in the municipal debt market. Institutional investors (such as pension funds) hold long-term assets on their balance sheets that can be matched with the life spans of municipal infrastructure assets. The National Treasury has established an Urban Finance Working Group, comprising commercial banks, institutional investors, international development finance institutions, metropolitan municipalities and the Development Bank of Southern Africa, to identify and recommend practical and innovative urban infrastructure financing solutions.

The working group is reviewing the policy framework for municipal borrowing and financial emergencies, with a focus on analysing the existing policy and regulatory framework, strengthening partnerships with financial institutions, improving monitoring and evaluation, and designing municipal capacity-building programmes and strategies for responsible municipal borrowing.

Reviewing own-revenue sources for metropolitan municipalities

Government is reviewing metropolitan municipalities' own-revenue sources to assess whether they are adequate to meet municipal service-delivery and development mandates. A task team consisting of the National Treasury, the Department of Cooperative Governance, SALGA, the FFC, the South African Cities Network and metropolitan municipalities is conducting the review. The project consists of three phases.

During the first phase, completed in May 2015, the task team developed socio-economic profiles of the eight metropolitan municipalities. The findings highlight that there are both similarities and disparities across the municipalities. For example, the number of households is growing more rapidly in Gauteng metropolitan municipalities than in the other metros in South Africa. During phase two of the review, the task team analysed whether the own revenues for metropolitan municipalities match their expenditure responsibilities. It also assessed if metropolitan municipalities are optimising the collection of their own revenues and if their sources are sustainable. The outcomes of the analysis highlight that there is a funding gap in infrastructure finance in metropolitan municipalities and that the existing funding sources cannot close this gap. The third phase, already under way, explores various funding options to ensure that metropolitan municipalities are adequately funded.

ANNEXURE W2:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO PROVINCES

Annexure W2: Frameworks for Conditional Grants to Provinces

Detailed frameworks on Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A grants to provinces

Introduction

This annexure provides a brief description of the framework for the grants set out in Schedule 4, Part A; Schedule 5, Part A; Schedule 6, Part A; and Schedule 7, Part A of the 2017 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2017 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2018/19

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2017 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2017/18 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

AGRICULTURE, FORESTRY AND FISHERIES GRANTS

Comprehensive Agricultural Support Programme Grant	
Transferring department	<ul style="list-style-type: none"> ● Agriculture, Forestry and Fisheries (Vote 24)
Grant Schedule	<ul style="list-style-type: none"> ● Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> ● To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, smallholder and black commercial farmers
Grant purpose	<ul style="list-style-type: none"> ● To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or the export market ● To address damages to infrastructure caused by floods
Outcome statements	<ul style="list-style-type: none"> ● Broadened access to agricultural support for subsistence, smallholder and black commercial farmers ● Improved farming efficiency ● Increased wealth creation, and sustainable employment in rural areas ● Increased access to markets by beneficiaries of Comprehensive Agriculture Support Programme (CASP) ● Improved household and national food security ● Reliable and accurate agricultural information available for management decision making
Outputs	<ul style="list-style-type: none"> ● Farmer supported per category (subsistence, smallholder) ● 450 black commercial farmers supported ● Number of CASP beneficiaries that are South African Good Agricultural Practice Standard certified ● Jobs created ● Youth, women and farmers with disabilities supported through CASP ● On and off - farm infrastructure provided and repaired ● Land under agricultural production (crop and livestock) ● Yields per unit area ● Beneficiaries of CASP trained on farming methods or opportunities along the value chain ● Beneficiaries of CASP accessing markets ● Extension personnel recruited and maintained in the system ● Extension officers upgrading qualifications at various institutions ● Agriculture Information Management System (AIMS) implemented in all 9 provinces
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> ● Outcome 4: Decent employment through inclusive economic growth ● Outcome 5: A skilled and capable work force to support an inclusive growth path ● Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> ● Outcome indicators ● Outputs indicators ● Inputs ● Key activities ● Monitoring framework ● Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> ● The funding for this grant can be spent using the following prescription: <ul style="list-style-type: none"> ○ at most 20 per cent of project allocation to support Fetsa Tlala initiatives ○ at most 55 per cent of project allocation to support Agriculture Policy Action Plan (APAP) <ul style="list-style-type: none"> – at least 20 per cent of which should be focused on black commercial farmers in partnership with the relevant commodity organisation – at least 35 per cent of which should be focused on commercialisation of smallholder farmers in partnership with the relevant commodity organisations ○ at most 5 per cent of project allocation on AIMS ○ at least 10 per cent of project allocation on market access and development ○ at most 10 per cent of project allocation on training and capacity building of farmers ● Farmers supported must be linked to, but not limited to, black commodity organisations. The province should have formal partnership agreements with these commodity organisations in supporting farmers (joint support, joint funding and joint implementation as necessary) ● The Department of Agriculture, Forestry and Fisheries (DAFF) will reprioritise the allocated funds on the following basis: <ul style="list-style-type: none"> ○ in the event of poor spending on the part of a province where the reason for poor spending is as a result of poor planning or failure by service providers to meet their contractual obligation ○ in the event of a disaster that affects the implementation of approved plans ● A central AIMS to be implemented by eight provinces (<i>Western Cape Province is already implementing the system</i>) to ensure a harmonised system that integrates and collates information to the national and provincial level (vice versa). Eastern Cape, Gauteng, Limpopo and North West, have each made their full contributions of R9 million towards the implementation of AIMS ● The following contribution per province will be made to the National Agriculture Marketing Council (<i>coordinating the development of the system</i>) for the implementation of AIMS:

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> ○ Free State: R3 million (R6 million contribution made) ○ KwaZulu-Natal: R9 million ○ Mpumalanga: R9 million ○ Northern Cape: R4.5 million (<i>R4.5 million contribution already made</i>) ● Provinces must adhere to the CASP Standard Operating Procedure (SOP) framework when implementing projects ● In cases where farmers requiring support are outside a commodity organisation agreement, their proposals must be approved by established committees and authorities ● All assisted farmers should be listed in the provincial and national farm registers ● The provincial departments must confirm human resources capacity to implement CASP business plans by 28 March 2017 ● All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2017 Division of Revenue Act (DoRA) when executing projects as well as for reporting purposes ● Funds will be transferred as per the disbursement schedule approved by National Treasury ● Provinces to inform the transferring officer (TO) of any changes from plans and allocations approved by the DAFF, within 7 days of such change, and such changes must be approved by the TO before they are implemented ● Provincial business plans must be signed-off by the Heads of Department (HoD) of the provincial agriculture departments in collaboration with Chief Financial Officers (CFOs) or their representatives, and must be co-signed by the HoDs of provincial treasuries ● Signed business plans for CASP must be submitted to the DAFF for approval ● Allocation for agricultural colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan ● Allocations for natural disasters must only be used for the repair of infrastructure damaged by natural disasters declared in the Government Gazette and as assessed by the National Disaster Management Centre (NDMC). The allocations for 2017/18, for infrastructure damaged by floods are as follows: <ul style="list-style-type: none"> ○ Limpopo: R5.0 million ○ Mpumalanga: R5.3 million ○ Northern Cape: R111.5 million ○ Western Cape: R17.2 million ● Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports, and must be submitted to the NDMC and DAFF for approval ● Quarterly performance reports on disaster allocations must be submitted to the NDMC and DAFF
Allocation criteria	<ul style="list-style-type: none"> ● The formula used to allocate funds is a weighted average of the following variables: agricultural land area, households involved in agriculture (General Household Survey 2015 report), previous CASP performance and current benchmarks on production and national policy imperatives ● The repairs to the 2010/11 flood damaged diversion walls along the Orange River in the Northern Cape are incomplete. The funds that were allocated to complete this activity will be recovered from provinces that received it after it was diverted to project support
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve the aspirations of the National Development Plan ● The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing agents
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of R1.7 billion allocated to provinces, R1.6 billion (98.9 per cent) was transferred to provinces, of which R1.6 billion (100.3 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● 92 096 beneficiaries were supported from 543 implemented projects ● 9 363 jobs created ● 27 612 farmers trained in targeted training programmes ● A total of 153 extension officers were recruited nationally, and 816 maintained in the system ● A total of 234 extension officers registered for qualification upgrading ● Ongoing upgrading of infrastructure to 10 agricultural colleges ● 155 farmers benefited from repair of infrastructure damaged by flood disasters (114 agricultural infrastructure, 6 soil rehabilitation and 35 production inputs) ● 211 jobs created through implementation of the flood disaster scheme
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R1.6 billion; 2018/19: R1.8 billion; and 2019/20: R1.9 billion
Payment schedule	<ul style="list-style-type: none"> ● Four instalments: 21 April 2017; 25 August 2017; 27 October 2017; and 26 January 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Agree on outputs and targets with provincial departments in line with grant objectives ● Provide guidelines and criteria for the development and approval of business plans

Comprehensive Agricultural Support Programme Grant	
	<ul style="list-style-type: none"> ● Provide a template for project registration and reporting ● Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly ● Submit monthly financial reports to National Treasury 20 days after the end of the month ● Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter ● Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year ● Oversee and monitor implementation of the grant during Ministerial Technical Committee (MinTech) on agriculture and quarterly review meetings
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Provinces to adhere to the conditions of this framework and DoRA ● Provinces to submit detailed project list as per the DAFF project list template ● Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme ● Provinces to implement the approved CASP business plans ● All receiving departments must abide by the PFMA, Treasury Regulations and the 2017 DoRA when executing projects as well as for reporting purposes ● Provinces to inform the TO of any changes from plans and allocations approved by the TO for DAFF, within 7 days of such a change, and such changes must be approved by the TO before they are implemented ● Assign and delegate officials to manage and monitor the implementation of the programme before April 2017 ● Keep record of projects supported and farmer registers ● Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving CASP goals ● Submit quarterly performance reports on disaster allocations to the Provincial Disaster Management Centres and DAFF, within 20 days after the end of each quarter ● Submit quarterly project performance reports to the DAFF ● Provinces to adhere to the approved CASP SOP framework
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 30 May 2017 ● Submission of provincial CASP business plans by provinces on 29 September 2017 ● Engagement with provinces, pre-national assessment panel (NAP) on submitted business plans during October/November 2017 prior to the final NAP meeting ● Evaluation and recommendation of business plans by NAP between November 2017 and February 2018 ● Send funding agreements to provinces by February/March 2018 to be signed by HoDs, CFOs, and CASP coordinators ● Approval of business plans by the TO before 31 March 2018 ● Inform provinces of approval of the business plans in March or April 2018 ● Approval by the TO regarding 2018 business planning process compliance during April 2018, and send to National Treasury by end April 2018

Ilima/Letsema Projects Grant	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant Schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce poverty through increased food production initiatives
Grant purpose	<ul style="list-style-type: none"> • To assist vulnerable black South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production
Outcome statements	<ul style="list-style-type: none"> • Increased agricultural production at both household and national level • Improved household and national food security • Improved farm income • Maximised job opportunities • Reduced poverty • Rehabilitated and expanded irrigation schemes
Outputs	<ul style="list-style-type: none"> • Land under agricultural production (crop and livestock) • Yields per unit area • Jobs created • Beneficiaries/farmers supported by the grant per category • Hectares of rehabilitated and expanded irrigation schemes
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive economic growth • Outcome 7: Comprehensive rural development and land reform
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies
Conditions	<ul style="list-style-type: none"> • 100 per cent of Ilima/Letsema grant should be allocated to support food production (crop and livestock production) in support of the Fetsa Tlala initiative, this will also include infrastructure that unlocks production e.g. rehabilitation of irrigation schemes in Northern Cape, North West (Taung) and KwaZulu-Natal • Only vulnerable households, subsistence, smallholder and black commercial farmers not qualifying for a loan should be supported by this grant • Partnerships with black commodity organisations should be prioritised for joint support, joint funding and joint implementation • Provincial departments to confirm human resources capacity to implement Ilima/Letsema business plans on or before 28 March 2017 • All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2017 Division of Revenue Act (DoRA) when executing projects as well as for reporting purposes • All assisted farmers should be listed in the provincial and national farm registers • Provinces to inform the transferring officer (TO) of any changes from plans and allocations approved by the national Department of Agriculture, Forestry and Fisheries (DAFF), within 7 days of such change and such changes must be approved by the TO before they are implemented • The provincial business plans must be signed-off by the Head of Department (HoD) of the provincial agriculture department in collaboration with the Chief Financial Officer (CFO) or their representative, and co-signed by the heads of provincial treasuries • The signed business plans must be submitted to the DAFF
Allocation criteria	<ul style="list-style-type: none"> • The formula used to allocate funds is a weighted average of the following variables: agricultural land available, previous homeland areas, households involved in agriculture (General Household Survey 2015), food insecure areas and national priority areas targeted for increased food production
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government for a specific purpose and requires tight conditionality to achieve the national goal • Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve the aspirations of the National Development Plan • The responsibility for the programme rests with the DAFF while provincial departments of agriculture are implementing agents
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R467 million was allocated to provinces, R467 million (100 per cent) was transferred, of which R465 million (99.7 per cent) was spent by the end of the financial year

Ilima/Letsema Projects Grant	
	<p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 25 349 jobs were created • 150 363 beneficiaries were supported by the programme • 62 273 households were supported with starter packs and production inputs • 156 schools assisted with food gardens • 419 community food gardens established • 81 403 hectares of land planted • Between 3-7 tons per hectare of maize produced
Projected life	<ul style="list-style-type: none"> • Grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R522 million; 2018/19: R552 million; and 2019/20: R583 million
Payment schedule	<ul style="list-style-type: none"> • Four instalments: 21 April 2017; 25 August 2017; 27 October 2017; and 26 January 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2017/18 • Oversee and monitor implementation of the grant during Ministerial Technical Committee on Agriculture and quarterly review meetings • Provide guidelines and criteria for the development and approval of business plans • Monitor monthly financial expenditure by provinces and conduct sampled quarterly project site visits • Submit monthly financial reports to National Treasury 20 days after the end of the month • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit annual performance reports to National Treasury within four months after the end of the financial year
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provinces to adhere to the conditions of this framework and 2017 DoRA • Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme • Provinces must draft and implement the Ilima/Letsema business plans as approved • All receiving departments must abide by the PFMA, Treasury Regulations and the 2017 DoRA when executing projects as well as for reporting purposes • Provinces to inform the TO of any changes from plans and allocations approved by the TO, within seven days of such a change, and such changes must be approved by the TO before they are implemented • Assign and delegate officials to manage and monitor the implementation of the programme • Monitor project implementation on quarterly basis and evaluate the impact of projects in achieving Ilima/Letsema goals
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 30 May 2017 • Submission of provincial Ilima/Letsema business plans by provinces on 29 September 2017 • Engagement with provinces at the pre-national assessment panel (NAP) on submitted business plans during October/November 2017 prior to final NAP meeting • Evaluation and recommendation of business plans by NAP between November 2017 and February 2018 • Send funding agreements to provinces by February/March 2018 to be signed by HoDs, CFOs, and Ilima/Letsema coordinators • Approval of business plans by the TO before 30 March 2018 • Inform provinces of approval of their business plans by March or April 2018 • Approval by the TO regarding 2018 business planning process compliance during April 2018, and send to National Treasury by end April 2018

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Transferring department	<ul style="list-style-type: none"> • Agriculture, Forestry and Fisheries (Vote 24)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To optimise productivity and sustainability of natural resources leading to greater productivity, food security, job creation and better quality of life for all
Grant purpose	<ul style="list-style-type: none"> • To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all
Outcome statements	<ul style="list-style-type: none"> • Improved veld carrying capacity and livestock productivity • Improved production potential of arable land leading to increased yield • Improved quantity and quality of South Africa's water resources by mitigating disaster risks for the sector • Improved youth participation in the agricultural sector and intergenerational transfer of skills • Improved custodianship and stewardship of natural resources through community based ownership • Improved livelihoods of rural communities within the ambit of the green economy • Improved partnerships with private, public and community sectors that are responsible for natural resources • Improved knowledge and skills base in the sustainable use and management of natural resources • Enhanced ecosystem services for current and future generations
Outputs	<ul style="list-style-type: none"> • Hectares of rangeland protected and rehabilitated • Hectares of land protected and rehabilitated • Number of Junior Care participants involved in the programme • Number of hectares of land where water resources are protected and rehabilitated • Number of capacity building initiatives conducted for Junior Care • Number of capacity building initiatives conducted for Land Carers • Number of awareness campaigns conducted and attended by Land Carers • Hectares of land where weeds and invader plants are under control • Number of kilometres of fence erected • Number of green jobs created expressed as full time equivalents (FTEs) • Number of Land Care committees established
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 4: Decent employment through inclusive economic growth • Outcome 7: Comprehensive rural development and land reform • Outcome 10: Protect and enhance our environmental assets and natural resources
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Outputs indicators • Inputs • Cash flow projections and statement of work • Key activities/implementation plan • Monitoring and evaluation • Risk and mitigation • Exit strategy
Conditions	<ul style="list-style-type: none"> • Provinces must confirm capacity to implement projects and operational funding before funds can be transferred • Provincial departments' annual evaluations for 2017/18 must be submitted using an approved template that clearly indicates measurable objectives and performance targets as per the business plans approved by the Department of Agriculture, Forestry and Fisheries (DAFF) • The impact (before and after) of the Land Care programme should also be quantified during initiation, implementation and handing over phases of the projects • Provinces should report their financial performance per project on the 15th of every month in compliance with the 2017 Division of Revenue Act (DoRA) • Provinces should report on the number of jobs created 15 days after the end of each month. The report should, amongst other requirements, indicate for each participant their name, surname, identity number, gender, project name, wage and duration of employment. The number of jobs created should further be reported on the Expanded Public Works Programme (EPWP) reporting system • Projects should adhere to the reporting dates as stipulated in the 2017 DoRA, and furthermore adhere to the agreed dates as approved by the natural resource management working group (NRMWG) • Provinces should submit their portfolio of evidence (acknowledgement letters, project maps etc.) that is in line with their quarterly and monthly reports. The evidence should be submitted together with the quarterly report
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an index comprising of nodes, land capability, poverty, degradation and land size derived from the following sources: <ul style="list-style-type: none"> ○ nodes of the most deprived wards in comprehensive rural development programme ○ land capability = total hectares class I, II and III (spatial analysis - land capability data) ○ size = hectares (new boundaries from the Municipal Demarcations Board) ○ poverty = poverty gap based on food poverty line (Statistics South Africa Living Conditions Survey 2011) ○ degradation = hectares (Land degradation report 2016) ○ policy imperatives and development for sustainable land management
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The funding originated with the special poverty allocations made by national government for a specific purpose

Land Care Programme Grant: Poverty Relief and Infrastructure Development	
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R65 million was allocated and transferred (100 per cent) to provinces, of which provinces spent R65.5 million (100.8 per cent) by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 7 991 hectares of rangeland protected and rehabilitated • 23 992 hectares of land protected and rehabilitated • 21 447 Junior Care participants involved in the programme • 783 hectares of land where water resources are protected and rehabilitated • 3 769 capacity building initiatives conducted for Junior Care • 12 720 capacity building initiatives conducted for Land Carers • 25 100 awareness campaigns conducted and attended by Land Carers • 14 807 hectares of land where weeds and invader plants are under control • 296 kilometres of fence erected • 972 green jobs created expressed as Full Time Equivalents (FTEs) • 95 LandCare committee established
Projected life	<ul style="list-style-type: none"> • This grant will be reviewed when and if the need arises to align it with changes in the EPWP, outcome approach, national planning report and any policy development within government
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R74 million; 2018/19: R78 million; and 2019/20: R82 million
Payment schedule	<ul style="list-style-type: none"> • Allocation to provinces will be disbursed on a quarterly basis (25 April 2017; 22 August 2017; 24 October 2017; and 23 January 2018) • Percentage allocation per province will depend on the approved provincial business plan budget
Responsibilities of the transferring and receiving officers	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree on outputs and targets with provincial departments in line with grant objectives for 2017/18 • Review norms and standards for the implementation of the grant during the NRMWG meeting held quarterly • Provide the guidelines and criteria for the development and approval of business plans • Monitor implementation through project site visits and provide support to provinces • Submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter • Submit evaluation reports to the National Treasury within four months after the end of the financial year <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provincial departments to report monthly (financial) and quarterly (non-financial) on the progress of the projects as prescribed by 2017 DoRA. Provinces should further adhere to agreements approved by the NRMWG on performance reporting and any other matter related to natural resource management • Provincial departments to report monthly on jobs created as part of the EPWP. These reports should be submitted to the Department of Public Works using the approved reporting system • Provinces should further report jobs created to the DAFF using the prescribed Department of Public Works reporting template/format within 15 days after the end of each month • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated to DAFF in writing and approved by DAFF before implementation • Provinces must hold provincial assessment panels that are inclusive of relevant partners before submission of preliminary individual and provincial business plans to DAFF by 29 September 2017 • Provincial departments should monitor project implementation and evaluate the impacts of projects in achieving Land Care goals • Provinces to submit evaluation reports to DAFF two months after the end of the financial year
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • DAFF must provide provincial departments with business plan formats, guidelines, criteria and outputs as prescribed by National Treasury and DAFF by June 2017 • Submission of signed preliminary provincial and individual Land Care business plans by provinces on or before 29 September 2017 • Engagement by DAFF with provinces on business plans submitted before provincial assessment panel and prior to the national assessment panel • Evaluation and recommendation of business plans by national assessment panel before the end of February 2018 • Interactions with provinces on national assessment panel comments and final submission of signed individual and provincial business plans by the provinces prior to approval by the DAFF's TO • Approval of business plans by the DAFF's TO before the end of March 2018 • Notify provinces of the approval of business plans before 30 March 2018 • Send funding agreements to provinces by March 2017 to be signed by the heads of department

ARTS AND CULTURE GRANT

Community Library Services Grant	
Transferring department	<ul style="list-style-type: none"> Arts and Culture (Vote 37)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To enable the South African society to gain access to knowledge and information that will improve their socio-economic status
Grant purpose	<ul style="list-style-type: none"> To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives
Outcome statements	<ul style="list-style-type: none"> Improved coordination and collaboration between national, provincial and local government on library services Equitable access to transformed library and information services delivered to all rural and urban communities Improved library infrastructure and services that reflect the specific needs of the communities they serve Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs Improved culture of reading
Outputs	<ul style="list-style-type: none"> 420 000 items of library materials (books, periodicals, toys etc.) purchased Library information and communication technology infrastructure and systems software in all provinces Library material and services for the visually impaired at identified community libraries in all provinces 26 new library structures completed 18 new library services established for dual-purpose libraries 40 upgraded and maintained library structures 1 665 existing contract library staff maintained in all provinces 45 new staff appointed for dual-purpose libraries 80 new staff appointed at public libraries to support the shifting of the function to provinces Capacity building programmes for public librarians
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 1: Quality basic education Outcome 14: Nation building and social cohesion
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> The provincial business plans must be developed in accordance with identified priority areas To qualify for allocations from the grant in 2018/19 provinces must submit progress reports that detail a phased approach towards the full funding of the function, either by assignment to municipalities, or preparation of provinces to take over the function, or a combination of both. This must be done by the end of the 2017 medium term expenditure framework (MTEF). Grant funding must not be used to replace funding for items that provinces have previously allocated to community libraries Provinces may use a maximum of five per cent of the total amount allocated to them for capacity building and provincial management of the grant The details of how these funds will be used must be included in the respective business plans Provinces will include in their business plans, the scope of work for maintenance and upgrades, including the budget to be committed to the maintenance and upgrading of existing libraries Funds earmarked to support Schedule 5 function shift in category B municipalities and to establish dual purpose service points may only be used for that purpose. Provinces may use up to 80 per cent of their earmarked allocations in 2017/18 financial year to address the Schedule 5 function shift imperative in category B municipalities. At least 20 per cent of the earmarked additional allocations must be used to establish dual purpose service points in collaboration with provincial departments of Education. The detail of how these funds will be used by provinces must be included in their respective business plans. The total earmarked allocations per province are as follows: <ul style="list-style-type: none"> ○ Eastern Cape: R63.1 million ○ Free State: R80.1 million ○ Gauteng: R86.4 million ○ KwaZulu-Natal: R77.3 million ○ Limpopo: R26.5 million ○ Mpumalanga: R60.5 million ○ Northern Cape: R60.6 million ○ North West: R53.7 million ○ Western Cape: R77.2 million Service level agreements (SLAs) determining reporting protocols must be signed with receiving municipalities within two months after the 2017 Division of Revenue Act (DoRA) takes effect The SLAs must include financial commitments over the MTEF in addition to the payment schedules to municipalities and reporting protocols which outline measurable performance targets for each municipality

Community Library Services Grant	
Allocation criteria	<ul style="list-style-type: none"> The allocation criteria is based on an evaluation report for 2015/16 conducted by the national Department of Arts and Culture (DAC) which identified community library needs and priorities
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This funding is intended to address backlogs and disparities in the provision and maintenance of community library services across provinces, and enable the DAC to provide strategic guidance and alignment with national priorities
Past performance	2015/16 audited financial outcomes <ul style="list-style-type: none"> Allocated R1.4 billion, R1.3 billion (91.9 per cent) was transferred to provinces, of which R1.2 billion (96.5 per cent) was spent by provinces by the end of the financial year
	2015/16 service delivery performance <ul style="list-style-type: none"> 35 libraries upgraded 44 libraries built 59 new staff appointed 70 bursaries maintained
Projected life	<ul style="list-style-type: none"> The projected life will be informed by evaluation reports and should become part of the provincial equitable share in 2019/20 if provinces have completed the function shift and completed a process that leads to the full funding of the service
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R1.4 billion; 2018/19: R1.5 billion; and 2019/20: R1.6 billion
Payment schedule	<ul style="list-style-type: none"> Four instalments: 21 April 2017; 14 July 2017; 13 October 2017; and 18 January 2018
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department <ul style="list-style-type: none"> Finalise a framework for planning the allocation of library funding at the provincial level by 9 February 2018 that must prescribe minimum norms and standards for the provision of public libraries Establish an intergovernmental forum with provinces that meets at least twice a year to discuss issues related to the provision of community library services Participate in at least one intergovernmental forum meeting per province between provinces and municipalities per year Identify challenges and risks and prepare mitigation strategies Monitor and evaluate implementation Evaluate annual performance of the grant for the previous financial year, for submission to National Treasury within four months after the end of the financial year Submit monthly financial and quarterly performance reports to the National Treasury Determine outputs and targets for 2018/19 with provincial departments
	Responsibilities of the provincial departments <ul style="list-style-type: none"> Provinces must establish intergovernmental forums with municipalities within their province that are funded through this grant, that meet at least three times a year to discuss issues related to the provision of community library services Provincial departments must establish capacity to monitor and evaluate SLAs with municipalities Provinces must maintain the number of staff appointed using this conditional grant Submit evaluation reports to the DAC within two months after the end of the financial year Submit signed monthly financial reports of provinces to DAC within 15 days after the end every month Submit quarterly performance reports to the DAC within 30 days after the end of the quarter
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> Provinces must submit a draft progress report for comment to DAC by 4 August 2017. A final report must be submitted by 3 October 2017 Progress reports must detail at least the following: <ul style="list-style-type: none"> criteria that will be used to evaluate the capacity of municipalities to administer the function on behalf of the province a policy framework for funding municipalities that administer the service this framework must provide for funding the service over a three year time horizon Provinces to submit draft business plans to DAC by 7 September 2017. Business plans must be aligned to their strategies for full funding of the function DAC to evaluate provincial business plans and provide feedback to provinces by 27 October 2017 Provinces to submit final provincial business plans to DAC by 12 January 2018 DAC approves business plans and submits them to National Treasury by 31 January 2018

BASIC EDUCATION GRANTS

Education Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> ● Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> ● Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> ● To supplement provinces to fund the provision of education infrastructure in line with the regulations relating to minimum uniform norms and standards for public school infrastructure
Grant purpose	<ul style="list-style-type: none"> ● To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation ● To enhance capacity to deliver infrastructure in education ● To address damage to infrastructure ● To address achievement of the targets set out in the minimum norms and standards for school infrastructure
Outcome statements	<ul style="list-style-type: none"> ● Improved quality of education service delivery by provincial departments as a result of an improved and increased stock of schools infrastructure ● Aligned and coordinated approach to infrastructure development at the provincial sphere ● Improved education infrastructure expenditure patterns ● Improved response to the rehabilitation of school infrastructure ● Improved rates of employment and skills development in the delivery of infrastructure
Outputs	<ul style="list-style-type: none"> ● Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided ● Number of existing schools' infrastructure upgraded and rehabilitated ● Number of new and existing schools maintained ● Number of work opportunities created ● Number of new special schools provided and existing special and full service schools upgraded and maintained
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> ● Outcome 1: Quality basic education
Documents to be assessed as per the Performance Based Approach System guidelines	<ul style="list-style-type: none"> ● This grant uses an infrastructure plan that includes: <ul style="list-style-type: none"> ○ the infrastructure programme management plan (IPMP) ○ the procurement strategy ○ the capacitation strategy ○ the infrastructure reporting model (IRM) ○ the year-end evaluation report
Conditions	<ul style="list-style-type: none"> ● Provinces may use a maximum of R42.2 million of this grant in 2017/18 for the appointment of public servants to their infrastructure units in line with the human resource capacitation circular published by National Treasury ● The flow of the first instalment of the grant depends upon receipt by the national Department of Basic Education (DBE) and provincial treasuries of: <ul style="list-style-type: none"> ○ approved and signed-off infrastructure plan with prioritised project lists for the 2017 medium term expenditure framework (MTEF) by no later than 31 March 2017. The infrastructure plan must also include the implementation plans for schools affected by natural disasters ○ preventative and corrective maintenance plan for all maintenance programmes over the MTEF period accompanied by a project list no later than 31 March 2017 ● The flow of the second instalment depends upon receipt by DBE and provincial treasuries of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in a format determined by the National Treasury and DBE ○ national education infrastructure management system (NEIMS) assessment forms for the fourth quarter of the 2016/17 financial year no later than 28 April 2017 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the fourth quarter of the 2016/17 financial year within 22 days after the end of the fourth quarter ○ quarterly performance reports on disaster allocations for the fourth quarter of 2016/17 to the Provincial Disaster Management Centre (PDMC) and DBE ● The flow of the third instalment is dependent upon receipt by DBE, the relevant provincial treasuries and the National Treasury, on a date and in a format determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ infrastructure plan for all infrastructure programmes for a period of 10 years (including the initial list of prioritised projects). The 2017/18 project list must be drawn from the prioritised project list for the MTEF tabled in 2016/17 on a date specified in the Performance Based Approach guidelines ○ preventative and corrective maintenance plans for all maintenance programmes over the MTEF period accompanied by a project list on a date specified in the Performance Based Approach guidelines

Education Infrastructure Grant	
	<ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the first quarter of 2017/18 by 28 July 2017 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the first quarter of the 2017/18 financial year within 22 days after the end of the first quarter ○ the conditional grant year-end evaluation report on financial and non-financial performance no later than 31 May 2017 ● The flow of the fourth instalment is conditional upon receipt by the DBE and relevant provincial treasuries of the approved and signed off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the second quarter of 2017/18 by 27 October 2017 ○ IPMP for infrastructure programmes envisaged to commence within the period for the medium term expenditure framework on a date specified in the performance based approach guidelines ○ procurement strategy for infrastructure programmes envisaged to commence within the period of the medium term expenditure framework on a date specified in the performance based approach guidelines ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the second quarter of the 2017/18 financial year within 22 days after the end of the second quarter ● The flow of the fifth instalment is conditional upon receipt by the DBE and the relevant provincial treasuries, on a date determined by National Treasury, of the approved and signed-off: <ul style="list-style-type: none"> ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ NEIMS assessment forms for the third quarter of 2017/18 to DBE not later than 23 January 2018 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the third quarter of the 2017/18 financial year within 22 days after the end of the third quarter ● Provincial education departments (PEDs) must provide school governing bodies with maintenance guidelines to conduct minor maintenance. This should be in accordance with the sector maintenance strategy ● PEDs should allocate no less than 20 per cent of the EIG allocation to address preventative and corrective maintenance at schools ● In schools without section 21 responsibilities, PEDs should put in place the necessary measures to ensure that planned maintenance at these schools occurs as per the scheduled maintenance plan for such schools ● PEDs must provide all the necessary equipment and furniture in the spaces provided when constructing new projects ● PEDs to submit their plans for the procurement of mobile classrooms to the DBE and that any deviation from these plans should be approved in writing by DBE and National Treasury ● PEDs must adhere to the prescripts of the National Treasury instruction number 2 of 2015/16 on the implementation of the school cost norms ● Compliance with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2017 Division of Revenue Act (DoRA) ● Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers
Allocation criteria	<ul style="list-style-type: none"> ● Allocations for 2017/18 are based on historical allocations for this grant ● Allocations also include incentive based allocations as described in Annexure W1 for the 2017 DoRA
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure in a coordinated and efficient manner, and consistent with national norms and standards for school buildings
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● R9.7 billion was allocated to provinces, R9.4 billion (96.9 per cent) transferred, of which R9.5 billion (101.5 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● 5 941 teaching spaces, 2 254 administrative spaces, 597 maintenance or upgrading projects ● 622 water, 1 610 sanitation, 138 electricity and 379 fencing infrastructure projects ● 80 sports facilities were provided ● The sector has provided a total of 100 new and replacement schools in respective provinces
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R10 billion; 2018/19: R13.4 billion; and 2019/20 R14.1 billion
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with a payment schedule approved by National Treasury

Education Infrastructure Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Visit selected infrastructure sites in provinces ● DBE and National Treasury to support provinces to improve infrastructure delivery capacity and systems ● Provide guidance to provinces in planning and prioritisation ● Issue guidelines on the capacitation process of infrastructure units as well as the conditions attached to the utilisation of the funding ● DBE and National Treasury to jointly evaluate progress with the capacitation of provincial infrastructure units and provide feedback to all provinces in terms of the guidelines ● DBE and National Treasury must jointly evaluate and provide feedback to all provinces on the assessment of all documents as outlined on the performance based approach system guidelines ● Submit quarterly performance reports on disaster allocations to the National Disaster Management Centre and National Treasury within 45 days after the end of each quarter ● Assess the reports submitted by PEDs and provide feedback before transferring the instalment ● Submit reports to the National Treasury in terms of quarterly achievements by PEDs ● Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes of the 2017 DoRA <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Approve monthly provincial infrastructure reports on infrastructure programmes within 15 days after the end of each month to the relevant provincial treasury and DBE ● Submit a signed-off monthly provincial infrastructure report on infrastructure programmes within 22 days after the end of each month to the relevant provincial treasury and DBE ● Submit quarterly performance reports on disaster allocations, to the PDMC and DBE ● Comply with the conditions of this grant framework and the relevant clauses within the stipulated timeframes in 2017 DoRA ● Submit quarterly capacitation reports within 45 days after the end of each quarter ● Ensure that Section 42 transfers as per the PFMA are effected
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● The process for approval for the 2018 MTEF allocation will be in line with the performance based incentive approach guidelines published by National Treasury

HIV and AIDS (Life Skills Education) Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • Addressing social and structural drivers on Human Immunodeficiency Virus (HIV), sexually transmitted infections (STIs) and Tuberculosis (TB) prevention, care and impact • Preventing new HIV, STIs and TB infections • To increase access to sexual and reproductive health services including HIV as well as TB services for learners and educators, with a specific focus on schools that are located in high priority areas
Grant purpose	<ul style="list-style-type: none"> • To support South Africa's HIV prevention strategy by providing comprehensive sexuality education and access to sexual and reproductive health services to learners and educators • To mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators • To reduce the vulnerability of children to HIV, TB and STIs, with a particular focus on orphaned children and girls
Outcome statements	<ul style="list-style-type: none"> • Increased HIV, STIs and TB knowledge and skills amongst learners, educators and officials • Decrease in risky sexual behaviour among learners, educators and officials • Decreased barriers to retention in schools, in particular for vulnerable learners and girls
Outputs	<ul style="list-style-type: none"> • 19 750 educators trained to implement comprehensive sexuality education (CSE) and TB prevention programmes for learners to be able to protect themselves from HIV and TB, and their associated key drivers including alcohol and drug use, leading to unsafe sex, learner pregnancy and HIV infection, prioritising schools located in areas with a high burden of HIV and TB infections • 7 500 school management teams and governing bodies trained to develop policy implementation plans focusing on keeping mainly young girls in school, ensuring that CSE and TB education is implemented for all learners in schools, access to sexual and reproductive health (SRH) and TB services. A component of training will also address multiple sexual partners among boys • Co-curricular activities on provision of CSE, access to SRH and TB services implemented in schools including a focus on prevention of alcohol and drug use and learner pregnancy, targeting 212 500 learners. Priority will be in the eight education collaboration framework districts as well as schools located in high burden areas • Care and support programmes implemented to reach 190 000 learners and 19 750 educators. Expand the appointment of learner support agents to support vulnerable learners, with a specific focus on keeping girls in school, using the care and support for teaching and learning framework • 400 000 copies of curriculum and assessment policy statement compliant material, including material for learners with barriers to learning, printed and distributed to schools. Printing of the school policy pack will be prioritised over learner teacher support material (LTSM) to ensure that all schools have a copy of the Department of Basic Education's (DBE) national policy on HIV, STIs and TB • Advocacy and social mobilisation events hosted with 500 500 learners, educators and school community members on the new DBE national policy on HIV, STIs and TB to review and change societal norms and values on the provision of CSE and access to SRH and TB services, including a focus on key risk behaviours such as alcohol and drug use, learner pregnancy, inter-generational and transactional sex amongst girls and to advocate for the integrated school health programmes including SRH services such as contraception, HIV testing, condom distribution and information on voluntary male circumcision in secondary schools
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • Provincial education departments (PEDs) must distribute the grant allocation in accordance with the following weights for the key performance areas: <ul style="list-style-type: none"> ○ training and development (10 per cent) ○ co-curricular activities (20 per cent) ○ care and support (25 per cent) ○ learning and teaching support material (10 per cent) ○ advocacy and social mobilisation (20 per cent) ○ monitoring and support (8 per cent) ○ management and administration (7 per cent) • PEDs must report on expenditure according to the above seven key performance areas per quarter • Instalments are dependent on the DBE receiving these reports, adherence to approved business plans and attendance at the biannual inter-provincial meetings • The above percentages are guidelines and may be deviated from in accordance with provincial needs with the approval of the national transferring officer. However, provinces must prioritise areas with high rates of HIV, TB, and learner pregnancy • These deviations should be informed and motivated by achievements and/or critical challenges relating to the trends in the epidemic as relevant to respective provinces and PEDs • PEDs must ensure that they have the necessary capacity and skills to manage the implementation of the grant

HIV and AIDS (Life Skills Education) Grant	
Allocation criteria	<ul style="list-style-type: none"> The education component of the provincial equitable share formula, as explained in Annexure W1 of the 2017 Division of Revenue Act, is used to allocate the grant amongst provinces
Reason not incorporated in equitable share	<ul style="list-style-type: none"> To enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with: <ul style="list-style-type: none"> national strategic plan for HIV, STIs and TB (2017–2022) DBE's integrated strategy on HIV, STIs and TB (2012–2016) DBE national policy on HIV, STIs and TB This enables DBE to exercise an oversight role in the implementation of the HIV and AIDS Life Skills Education programme in schools
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> R215 million was allocated to provinces, R209 million (97.2 per cent) was transferred to provinces, of which R215 million (103.2 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> 1 146 master trainers, 1 9237 life orientation educators and 9 025 educators were trained in the integration of life skills in the curriculum 87 416 functional peer education programmes were undertaken, 84 332 learners trained on the learner retention and learner pregnancy programme, 76 997 learners trained in the substance use programme and 7 950 educators trained to mentor peer education in primary schools 15 469 school based support teams established, 6 571 school management teams trained to develop policy implementation plans, and 172 714 vulnerable learners identified and referred for services 554 950 sets of learning and teaching support material delivered to 19 700 schools and 17 500 first aid kits distributed to 12 250 schools Advocacy reached 248 063 learners and educators as well as 227 315 members of the school communities and reaching 71 979 learners through advocacy activities focusing on the prevention of TB 13 857 schools reached through monitoring and support visits and 748 meetings held
Projected life	<ul style="list-style-type: none"> The grant will be reviewed on an ongoing basis to respond to the nature and trends in the HIV and TB epidemics
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R245 million; 2018/19: R260 million; and 2019/20: R274 million
Payment schedule	<ul style="list-style-type: none"> Four instalments: 13 April 2017; 28 July 2017; 27 October 2017; and 26 January 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Identify risks and challenges impacting on provincial implementation Develop risk management strategies to address these risks Ensure synergy with national strategies and processes aimed at reducing HIV and the related chronic illnesses such as TB infection in the country together with their risk factors such as alcohol and drug use Agree on outputs and targets with PEDs in line with grant objectives and national imperatives for 2018/19 by 29 September 2017 Provide evidence-based guidance for the development of business plans based on monitoring and findings from international and national research Monitor implementation of the programme and provide support to provinces Develop partnerships with key stakeholders Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> Ensure synergy with national strategies and processes aimed at reducing HIV and TB infections and all other related issues including their risk factors such as alcohol and drug use Identify risks and challenges impacting on implementation Develop risk management strategies and implementation plans to address these risks Submit monthly expenditure reports, quarterly and annual performance reports to the DBE in line with the 2017 Division of Revenue Act and Public Finance Management Act Agree with the DBE on outputs and targets to ensure effective implementation of the programme Monitor implementation of the programme and provide support to districts and schools PEDs to implement the projects according to the approved business plans Any deviation should first be communicated to and approved by the DBE before implementation Evaluate and submit a provincial evaluation report on the performance of the conditional grant to the DBE by 31 May 2017
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> Communication and meeting with provinces to inform targets for the next financial year by 31 October 2017 PEDs submit draft business plans to DBE for evaluation by 30 November 2017 DBE evaluates provincial business plans from 8 December 2017 Comments sent to PEDs to amend the plans by 8 January 2018 PEDs submit amended and signed plans to DBE by 28 February 2018 DBE approves provincial business plans by 30 March 2018

Learners with Profound Intellectual Disabilities Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure that learners with severe to profound intellectual disabilities access quality publicly funded education and support
Grant purpose	<ul style="list-style-type: none"> • To provide the necessary support, resources and equipment to identified care centres and schools for the provision of education to children with severe to profound intellectual disabilities (SPID)
Outcome statements	<ul style="list-style-type: none"> • Improved access to quality basic education for children with severe to profound intellectual disabilities in conditions that ensure dignity, promote self-reliance and facilitate active participation in the community
Outputs	<ul style="list-style-type: none"> • Training of teachers and officials (capacity building) <ul style="list-style-type: none"> ○ provision of an accredited training programme for identified teachers and caregivers of children with SPID ○ training of 155 outreach officials to provide outreach services as part of the district-based support (DBS) teams to care centres as well as to ordinary, full-service and special schools ○ training of teachers from 31 special/full-service schools to support the special care centres and implement the learning programme ○ training of teachers at 155 identified schools to support children with SPID enrolled at these schools by delivering the learning programmes ○ capacity building of caregivers at 280 centres contributing towards their professionalisation • Outreach services provided <ul style="list-style-type: none"> ○ assessment of children with severe to profound intellectual disabilities in schools and centres by outreach officials ○ children with profound intellectual disabilities at 280 centres and 31 designated schools introduced to the learning programme ○ therapeutic services provided to learners at 280 centres and 31 schools ○ psycho-social support services provided to learners at 280 centres and 31 schools • Database of selected schools and care centres (national and provincial responsibilities) <ul style="list-style-type: none"> ○ baseline information available of 280 care centres, 31 selected special/full-service schools and 155 other schools that provide support and services to children with SPID • Human resources specific to inclusive education through the <ul style="list-style-type: none"> ○ provision of key additional staff on 3 year contracts, such as: ○ 9 deputy chief education specialists as provincial project managers ○ 155 Transversal itinerant team members to deliver education support programmes to special care centres consisting of a total of 31 psychosocial service providers, 31 special needs teachers at post level 2 (PL2), 31 chief education therapists (speech), 31 chief education therapists (occupational), 31 chief education therapists (physio)
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating centres and schools list (separate annexure)
Conditions	<p>Grant structure and allocation</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general roll-out for all schools and centres • Schools' and centres' needs and allocation of funds shall be identified through criteria indicated in the framework in partnership with provinces and the Departments of Health (DoH), Social Development (DSD) and other relevant departments • The grant will support a total of 280 centres and 155 schools across all provinces • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ 13 per cent for training of teachers and outreach teams ○ 11 per cent for learning and teaching support materials (LTSM), toolkits and equipment for centres and designated schools ○ 56 per cent for compensation of itinerant teams and provincial co-ordinators ○ 21 per cent for administration including travel, vehicles, accommodation and subsistence ○ provinces may deviate from the prescribed guidelines provided the transferring officer approves such deviations • The outreach teams must consist of one special needs teacher (PL2), one chief education therapist (occupational), one chief education therapist (speech), one chief education therapist (physiotherapy) and one psycho-social support specialist • The learning programme that must be offered at centres and schools must be the nationally approved programme

Learners with Profound Intellectual Disabilities Grant	
	<ul style="list-style-type: none"> The transferring and receiving departments must appoint or identify a qualified and experienced person/s to administer, manage and co-ordinate the activities of the grant in accordance with the provisions of the framework and business plan Business planning process: <p>Priorities</p> <ul style="list-style-type: none"> All the grant outputs are prioritised in accordance with the allocation percentages unless the province has requested a deviation <p>Outputs</p> <ul style="list-style-type: none"> Training of teachers and outreach teams will be conducted through nationally developed training manuals and at times as agreed upon with the DBE and will be monitored by national and provincial project co-ordinators. Provinces may contract specialist training providers to offer training LTSM, equipment and toolkits: these items should be procured as per the minimum specifications as defined by the national Department of Basic Education (DBE) and in line with the learning programme. The grant also supports the training of all end-users in the utilisation of all resources provided to a school Outreach teams will be appointed and compensated in accordance with post levels as agreed upon with DBE. They will be appointed at district level as members of the district-based support team (DBST) and could be based at district, circuit or school level from where they will be responsible for providing educational support to designated schools and care centres on an itinerant basis. The support provided by the itinerant teams will consist of assessment of learners, provision of therapeutic programmes, training and mentoring of caregivers and teachers and monitoring the implementation of the learning programme, as well as providing psycho-social support to learners and to families. They may also provide support to other children in the community as and when needed Administrative support will include purchasing of appropriate vehicles, provision of tools of trade, travel, subsistence and accommodation costs when visiting distantly located care centres <p>Procurement matters</p> <ul style="list-style-type: none"> Transversal tenders will be developed with the advice of DoH as well as DSD and entered into with multiple suppliers and provinces will be invited to participate in such procurement contracts. In the absence of a DBE transversal tender, provinces must continue to procure on their own The grant funds and implementation (procurement, delivery and payment) are to be managed at provincial level Before equipment and LTSM can be transferred to schools/centres, there should be assurance that systems, controls and capacity is available to manage and maintain these items
Allocation criteria	<ul style="list-style-type: none"> The allocation of the grant will be in accordance with the number of schools and centres that will be participating in the programme
Reason not incorporated in equitable share	<ul style="list-style-type: none"> In order to address the needs of this seriously marginalised population of children with disabilities of whom the majority are not in school and not accessing educational subsidies through the educational norms applied at schools, the funding has to be ring-fenced in the form of a conditional grant. This will enable the DBE to provide overall guidance, to ensure congruency, coherence and alignment with the policy on the provision of quality education and support for children with severe to profound intellectual disabilities which will be promulgated in the course of 2017
Past performance	<p>2015/16 financial audited outcomes</p> <ul style="list-style-type: none"> New grant <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> New grant
Projected life	<ul style="list-style-type: none"> The grant will be reviewed on an ongoing basis to respond to the nature and trends in the education of learners with severe to profound intellectual disabilities
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R72 million; 2018/19: R185 million; and 2019/20: R221 million
Payment schedule	<ul style="list-style-type: none"> Payments will be made on a quarterly basis on 3 April 2017; 3 July 2017; 2 October 2017; and 2 January 2018
Responsibilities of national transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Finalise policy and learning programme for children with SPID Develop training materials, guidelines and advocacy materials Coordinate training of officials on inclusive education Evaluate, approve and submit provincial business plans to National Treasury Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) Develop and provide capacity building programmes for provincial implementation teams to assist them in implementing the grant Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school/centre resources Ensure compliance with reporting requirements in line with the provisions of the 2017 Division of Revenue Act (DoRA) Monitor implementation at provincial, district and school/centre level on a monthly and quarterly basis or as and when required in line with the grant framework Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2017 DoRA

Learners with Profound Intellectual Disabilities Grant	
	<ul style="list-style-type: none"> ● Establish and strengthen partnerships with relevant stakeholders and government departments ● Ensure that care centres and schools are improved in terms of provision of education learning programmes for learners with SPID and that learners are incrementally enrolled at schools on an annual basis <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Establishment of provincial task teams with representatives from the department of Health, Basic Education, Social Development, Public Works and Transport and other key stakeholders ● The provincial grant managers shall conduct monitoring at all levels on a monthly and quarterly basis or as and when required ● Provinces to submit targeted schools and centres lists and their needs to DBE ● Develop and submit approved business plans to DBE ● Ensure compliance with reporting requirements by providing consolidated quarterly reports 30 days after the end of the quarter including other monitoring or diagnostic reports and reviews as required from time to time ● Manage and implement the programme in line with the 2017 DoRA and the Public Finance Management Act ● Where applicable, participate in transversal tenders issued by the DBE or other provinces in order to procure goods and services related to the outputs of the grant ● Monitor and provide support to districts/regions, circuits and schools on a monthly basis or as and when required ● Provide human resource capacity at all relevant levels including the appointment or identification of a qualified and experienced person/s to administer, manage and co-ordinate the activities of the grant in accordance with the provisions of the framework and compliance certificates ● Appoint outreach teams and provide office facilities and furniture for them, as well as procure tools of trade ● Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial year ● Conduct advocacy and awareness raising programmes on the right to education and support of children with profound intellectual disabilities with relevant stakeholders such as community representatives, parents and non-governmental organisations ● Ensure that children with severe to profound intellectual disabilities are assessed and have individual support plans and have access to education programmes which must be incrementally made available at schools ● Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated to the DBE in writing and approved by the transferring officer before implementation
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● Communication and meeting with provinces to inform targets for the next financial year by 30 August 2017 ● PEDs submit draft business plans to DBE for evaluation by 31 October 2017 ● DBE evaluates provincial business plans by 16 November 2017 ● Comments sent to PEDs to amend the plans by 14 December 2017 ● PEDs submit amended and signed-off plans to DBE by 2 February 2018 ● DBE approves provincial business plans by 20 March 2018

Maths, Science and Technology Grant	
Transferring Department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the implementation of the National Development Plan and Action Plan 2019 by increasing the number of learners taking Maths, Science and Technology (MST) subjects, improving the success rates in the subjects and improving teachers' capabilities
Grant purpose	<ul style="list-style-type: none"> • To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements (CAPS) for the improvement of MST teaching and learning at selected public schools
Outcome statements	<ul style="list-style-type: none"> • Improved learner participation and success in MST subjects in the country
Outputs	<ul style="list-style-type: none"> • School Support • Information, communication and technology (ICT) subject specific resources: <ul style="list-style-type: none"> ○ 300 schools supplied with subject specific computer hardware in accordance with the minimum specifications prescribed by CAPS ○ 300 schools supplied with subject related software in accordance with the minimum specifications • Workshop equipment and machinery <ul style="list-style-type: none"> ○ 200 technical schools' workshop equipment for technology subjects repaired, maintained and/or replaced in accordance with the minimum specifications ○ 200 technical schools' workshop machinery for technology subjects repaired, maintained and replaced in accordance with the minimum specifications • Laboratories and workshop equipment, apparatus and consumables <ul style="list-style-type: none"> ○ 1 000 schools supplied with Mathematics and Science kits ○ 1 000 laboratories supplied with apparatus for Mathematics and Science subjects in accordance with the minimum specifications ○ 500 laboratories and workshops supplied with consumables for Mathematics, Science and Technology subjects in accordance with the minimum specifications • Learner Support <ul style="list-style-type: none"> ○ 50 000 learners registered for participation in Mathematics, Science and Technology Olympiads/Fairs/Expos and other events based on a structured annual calendar including support through learner camps and additional learning, teaching and support material such as study guides • Teacher Support <ul style="list-style-type: none"> ○ 1 500 participants attending specific structured training and orientation for teachers and subject advisors in subject content and teaching methodologies on CAPS for Electrical, Civil and Mechanical Technology, Technical Mathematics, and Technical Sciences ○ 1 000 teachers and subject advisors attending targeted and structured training in teaching methodologies and subject content either for Mathematics, Physical, Life, Natural and Agricultural Sciences, Technology, Computer Applications Technology, Information Technology, Agricultural Management and Technology subjects
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the Business Plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Annual budget and resource allocation schedules • Monitoring and reporting • Risk management plan • Cash flow projections • Participating schools list (separate annexure)
Conditions	<p>Grant structure and allocation</p> <ul style="list-style-type: none"> • The grant is utilised on an interventional basis and is not a general roll-out for all schools • Schools' needs and allocation of funds shall be identified through a criteria indicated in the framework in partnership with Provinces and Districts in the preceding financial period • The grant will support a total of 1 000 schools across all provinces covering all MST subjects from grades R-12 • The provincial funds allocation should be divided in accordance with the following guideline: <ul style="list-style-type: none"> ○ 10 per cent for ICT resources including training of ICT integration for educators ○ 20 per cent for repair/replacement and maintenance of workshop equipment and machinery ○ 40 per cent for laboratories and workshop apparatus and consumables ○ 15 per cent for learner support ○ 15 per cent for Technical schools CAPS teachers and subject advisors training and orientation • Provinces may deviate from the prescribed guidelines provided the transferring officer approves all deviations

Maths, Science and Technology Grant	
	<p>Priorities</p> <ul style="list-style-type: none"> All the grant outputs are prioritised in accordance with the allocation percentages unless the province has requested a deviation <p>Outputs</p> <ul style="list-style-type: none"> ICT resource items should be procured as per the minimum specifications defined by the Department of Basic Education (DBE) and in line with CAPS. Subject specific ICT resources refer to hardware and software, which are compulsory and required by the curriculum. The grant also supports the training of all end-users in the utilisation of all ICT resources provided to a school Workshop equipment and machinery items should be repaired, maintained and or replaced where appropriate in order to meet the minimum specifications defined by the DBE and in line with CAPS Laboratories and workshop equipment, apparatus and consumables: these items should be procured as per the minimum specifications as defined by the DBE and in line with CAPS. This should be prioritised in line with the budget allocated to this item. These resources are provided to improve practical teaching and learning in all MST subjects with special attention to mathematics Learner support is provided to all identified learners in line with provincial needs in support of curriculum delivery. Learner support should be based on a structured annual calendar. This includes competition participation expenses, learner coaching, printing, delivery and mediation of study materials. This support includes study camps for identified learners as per the provincial programme including a focus to enhance girl learners Teacher support is provided to all identified teachers in line with provincial needs in support of curriculum delivery. Teacher training or development should be based on a structured programme, which must be submitted to the transferring department as and when required. No adhoc training will be supported by the grant <p>Grant administration, monitoring and evaluation</p> <ul style="list-style-type: none"> All provincial grant managers are supported to manage, administer, monitor and evaluate the implementation of the grant in line with the business plan. The support includes payment for expenses such as travelling, accommodation, stationery, flight fares, subsistence and other incidental costs. The grant does not include any output for compensation of employees <p>Procurement matters</p> <ul style="list-style-type: none"> The transferring officer shall develop centralised procurement processes and all provinces shall participate in such processes. In the absence of a DBE transversal tender, provinces must continue to procure on their own The grant funds and implementation (procurement, delivery and payment) must be managed at provincial level unless a transversal tender has been issued or the school has demonstrated capacity, systems and controls to efficiently manage the processes of the grant Before funds can be transferred to schools, there should be assurance that systems, controls and capacity to manage the funds, implementation and delivery processes of the grant are in place
Allocation criteria	<ul style="list-style-type: none"> Participating schools should be identified according to the following criteria: <ul style="list-style-type: none"> the schools must be classified between quintile 1-3 provinces may include schools in quintile 4 and 5 subject to the approval of the transferring officer the average learner performance in all subjects including MST at the level below 60 per cent at Grade 8-12 primary schools will be supported as feeder schools to secondary schools participating in the grant based on the provincial needs analysis in line with the outputs of the grant at least 30 learners are enrolled for each grade in mathematics and sciences subjects at general education and training and further education and training band and 15 learners are enrolled for technology subjects in the further education and training band 50 per cent of all learners in the school must be enrolled for mathematics or technical mathematics in the case of technical schools
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is a targeted systemic capacity improvement programme. It should therefore be noted that the number of schools requiring support is not proportionally distributed across the provinces. The level of support required by schools differs across provinces
Past performance	<ul style="list-style-type: none"> Allocated R330 million and transferred R317 million of which provinces spent R315 million (95.7 per cent) by the end of the financial year ICT <ul style="list-style-type: none"> 748 schools Workshop equipment, machinery and tools <ul style="list-style-type: none"> 287 workshops Laboratories and workshop equipment, apparatus and consumables <ul style="list-style-type: none"> 642 Physical Science laboratories Learner support <ul style="list-style-type: none"> 52 911 learners Teacher support <ul style="list-style-type: none"> 13 511 teachers
Projected life	<ul style="list-style-type: none"> Grant continues until 2019/20, subject to review

Maths, Science and Technology Grant	
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R365 million; 2018/19: R386 million; and 2019/20: R408 million
Payment schedule	<ul style="list-style-type: none"> • Four tranches: 12 May 2017; 18 August 2017; 17 November 2017; and 9 February 2018
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Evaluate, approve and submit provincial business plans to National Treasury • Provide the administrative services for the grant (manage, coordinate, monitor and support programme implementation at all levels) • Develop and distribute planning, implementation, monitoring and evaluation guidelines and/or templates including minimum specifications for school resources • Ensure compliance with reporting requirements in line with the provisions of the 2017 Division of Revenue Act (DoRA) • Monitor implementation at provincial, district and school level on a quarterly basis or as and when required in line with the grant framework • Evaluate the performance of the conditional grant and submit an evaluation report to National Treasury as per the requirements of the 2017 DoRA
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Identify and analyse areas requiring support in MST • Develop and submit approved business plans to DBE • Provinces shall submit lists of schools to DBE as per the timeframes set by the grant framework • Develop and submit an approved procurement plan in line with the business plan targets by the end of the financial year • Ensure compliance with reporting requirements by providing consolidated monthly expenditure reports, 15 days after the end of the month, and quarterly reports 30 days after the end of the quarter including other monitoring or diagnostic reports and reviews as required from time to time • Using a portion of the grant funding, manage and implement the programme in line with the 2017 DoRA and the Public Finance Management Act • Where applicable, participate in transversal tenders issued by the DBE or other provinces in order to procure goods and services related to the outputs of the grant • Monitor and provide support to districts/regions, circuits and schools on a monthly and quarterly basis or as and when required • Provide human resource capacity at all relevant levels including the appointment or identification of a qualified and experienced person/s to administer, manage and co-ordinate the activities of the grant in accordance with the provisions of the framework and compliance certificates • Evaluate the performance of the grant and submit evaluation reports to DBE within two months after the end of the financial year • Provincial departments to implement the projects according to the approved business plans. Any deviation should first be communicated, in writing, and approved by the transferring officer before implementation
	<p>Responsibilities of the schools</p> <ul style="list-style-type: none"> • Submit schools' needs on Maths, Science and Technology to the districts as required by the province • Submit quarterly MST activity reports on equipment, machinery, consumables, maintenance, LTSM and training support • Submit learner performance data for all grades in MST subjects to the district and grant manager • Ensure that capacity, systems and controls are in place to implement the grant, to receive funds where a transfer to a school has been agreed upon • Receive funds from provincial departments of education and manage the procurement, delivery and payment processes where necessary • Participate in relevant structures that have been put in place to support implementation of the grant such as annual principal's meetings • Monitor and ensure quality of work of the service providers and sign-off on the completeness of the service delivery processes
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • The first draft of the consolidated provincial business plans and revised school lists to be submitted to DBE for appraisal by 31 October 2017 • The DBE team will meet to evaluate the consolidated business plans by 16 November 2017 • The comments on the business plans will be sent to provinces for amendments by 14 December 2017 • Provinces will be required to submit the provincially approved amended business plans to DBE by 2 February 2018 • DBE will approve the final business plans by 9 March 2018 • DBE's transferring officer approves business plans to be submitted to the National Treasury by 20 March 2018

National School Nutrition Programme Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enhance learning capacity and improve access to education
Grant purpose	<ul style="list-style-type: none"> • To provide nutritious meals to targeted schools
Outcome statements	<ul style="list-style-type: none"> • Enhanced learning capacity and improved access to education
Outputs	<ul style="list-style-type: none"> • 20 084 schools that prepare nutritious meals for learners
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Risk management plan
Conditions	<ul style="list-style-type: none"> • Spending must be in line with national and provincial business plans • The budget allocation must be distributed in terms of the following weightings for both secondary and primary schools: <ul style="list-style-type: none"> ○ school feeding (inclusive of cooking facilities, equipment and utensils): minimum of 96 per cent ○ administration maximum of 3.5 per cent ○ de-worming and hygiene practices minimum of 0.5 per cent • Minimum feeding requirements: <ul style="list-style-type: none"> ○ provide nutritious meals to all learners in quintile 1 - 3 primary and secondary schools, as well as identified special schools on all school days ○ annual meal costs per learner will increase at a minimum of 4 per cent in all benefiting primary schools and 2 per cent for all secondary schools. Far-flung farm and rural schools that are receiving funds directly should be allocated a higher meal cost to cover higher transport costs ○ pay honorarium of a minimum of R1 089 per person for 12 months, plus R11 to the Unemployment Insurance Fund in line with a food handler to learner ratio of 1:200. Food handlers must be allocated in line with approved sliding scales submitted with provincial business plans ○ comply with approved food specifications and menu specifications consisting of meals containing starch, protein and fresh vegetable/fruit ○ fresh vegetables/fruits must be served daily and vary between green and yellow/red ○ a variety of protein-rich foods must be served in line with approved menu options. Raw sugar beans must be packed separately from samp, not mixed in one packet ○ soya mince must not be served more than twice a week and must meet approved specifications ○ pilchards mackerel must be served at least once a week. High quality protein products can replace pilchards in areas where these are not socially acceptable ○ Ultra-high temperature (UHT) full cream milk or pasteurised maas must be served once a week. Milk must be approved in line with dairy standards set by Milk South Africa ○ provinces must promote sustainable food production and nutrition education • Provinces must promote local economic empowerment, including procurement of fresh produce from smallholder farmers. The farmers should be registered with the Department of Agriculture, Forestry and Fisheries and adhere to good agricultural practices • Provinces that are transferring funds for meals to schools (Eastern Cape, Free State, Limpopo, Northern Cape and North West) are required to reconcile expenditure by schools against budget transfers on a quarterly basis • Provincial business plans will be approved in line with the above minimum requirements and available resources. The following variations may be approved by the transferring officer based on achievements and/or critical challenges in each province: <ul style="list-style-type: none"> ○ feeding days reduced to a minimum of 187 days ○ feeding cost below the minimum requirements, provided the quality of meals is not compromised ○ number of learners that exceed the gazetted quintiles ○ serving of processed vegetables or fruit in remote areas ○ targeting of learners in quintile 4 and quintile 5 schools ○ quintile 1-3 schools that do not feed all learners (Gauteng and Western Cape). Approved letters from schools requesting a deviation from whole school feeding must be provided to the provincial office and kept on record • Provinces must complete a needs assessment audit of cooking facilities, equipment and utensils audit for a needs assessment
Allocation criteria	<ul style="list-style-type: none"> • The distribution formula is poverty-based in accordance with the poverty distribution table used in the national norms and standards for school funding as gazetted by the Minister of Basic Education on 17 October 2008
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The National School Nutrition Programme (NSNP) is a government programme for poverty alleviation, specifically initiated to uphold the rights of children to basic food and education • The conditional grant framework enables the Department of Basic Education (DBE) to play an oversight role in the implementation of all NSNP activities in schools

National School Nutrition Programme Grant	
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R5.7 billion was allocated to provinces, R5.7 billion (99.7 per cent) was transferred, of which provinces spent R5.7 billion (99.6 per cent) by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • The programme reached 21 177 schools and provided meals to 9.6 million learners nationwide
Projected life	<ul style="list-style-type: none"> • It is envisaged that, given the levels of poverty in the country and the impact of various health conditions such as HIV and Aids, diabetes and debilitating chronic conditions, the need for such a grant will persist for at least another 10 years. The programme ensures learners from the poorest communities have decent opportunities to learn
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R6.4 billion; 2018/19: R6.8 billion; and 2019/20: R7.2 billion
Payment schedule	<ul style="list-style-type: none"> • The payment schedule will be in line with respective provincial procurement models as follows: <ul style="list-style-type: none"> ○ provinces that transfer funds directly to all schools (Eastern Cape, Free State, North West and Northern Cape) receive five instalments as follows: 6 April 2017; 14 June 2017; 7 September 2017; 27 September 2017; and 7 December 2017 ○ provinces that procure from service providers on behalf of schools receive five instalments as follows: 6 April 2017; 3 August 2017; 27 September 2017; 19 October 2017; and 25 January 2018 ○ The 27 September 2017 budget transfer is for cooking facilities, equipment and utensils as per equipment specifications provided by the DBE
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop and submit approved national business plans to the National Treasury • Evaluate, approve and submit provincial business plans to the National Treasury • Manage, monitor and support programme implementation in provinces • Ensure compliance with reporting requirements and NSNP guidelines • Consolidate and submit quarterly performance reports to the National Treasury within 45 days after the end of each quarter • Evaluate performance of the conditional grant and submit an evaluation report to the National Treasury four months after the end of the financial year
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Develop and submit approved business plans to DBE. The business plans should include databases reflecting distribution of volunteer food handlers and cooking fuel per school • Monitor and provide support to districts/regions/area project officers and schools • Manage and implement the programme in line with the Division of Revenue Act and the Public Finance Management Act • Implement monitoring and evaluation plans • Provide human resource capacity at all relevant levels • Evaluate the performance of the conditional grant annually and submit evaluation reports to the DBE two months after the end of the financial year • Submit quarterly financial and performance reports including consolidated monitoring, reporting and response system (MRR) reports, where applicable to DBE after the end of each quarter • Provinces that are transferring funds to schools are required to: <ul style="list-style-type: none"> ○ develop and submit transfer schedules reflecting actual dates on which funds will be transferred to schools ○ reconcile expenditure by schools against budget transfers on a quarterly basis. Reports on actual expenditure should be submitted six weeks after the quarter being reported upon <p>Responsibilities of districts</p> <ul style="list-style-type: none"> • Monitor and support schools • Submit monthly and quarterly reports (narrative and expenditure reports to the provincial department, as well as reports on expenditure by schools, where applicable). This should include consolidated MRR reports, where applicable • Coordinate all NSNP activities in the district <p>Responsibilities of schools</p> <ul style="list-style-type: none"> • Implement the programme in line with the conditions of the NSNP Framework • Submit reports to districts as per the provincial reporting requirements (i.e. narrative and expenditure reports) • Safeguarding of programme resources (i.e. cooking facilities, equipment and utensils)
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Planning meeting by 14 July 2017 • Consultation with district officials, provincial treasuries, provincial finance sections and the National Treasury • Inter-provincial meeting held in September 2017 to consult provinces on the 2018/19 conditional grant framework • Provinces submit first draft business plans to DBE by 31 October 2017 • DBE to evaluate first draft business plans and send comments to provinces by 24 November 2017 • Provinces submit final business plans to DBE by 26 January 2018 • The transferring officer to approve national and provincial business plans by 30 March 2018

School Infrastructure Backlogs Grant	
Transferring department	<ul style="list-style-type: none"> • Basic Education (Vote 14)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • The eradication of inappropriate education structures and backlogs in basic services
Grant purpose	<ul style="list-style-type: none"> • Eradication of all inappropriate school infrastructure • Provision of water, sanitation and electricity to schools
Outcome statements	<ul style="list-style-type: none"> • Improved access to enabling learning and teaching environments • Build the capacity of provinces benefiting from an indirect grant (Schedule 6, Part A) allocation to carry out this function themselves in future
Outputs	<ul style="list-style-type: none"> • Sub-programme 1: eradication and replacement of 115 inappropriate schools and provision of related school furniture • Sub-programme 2: 344 schools provided with water • Sub-programme 3: 257 schools provided with sanitation • Sub-programme 4: 134 schools provided with electricity
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 1: Quality basic education
Details contained in the infrastructure programme management plan	<ul style="list-style-type: none"> • This grant uses an infrastructure programme management plan (IPMP) that includes the following: <ul style="list-style-type: none"> ○ institutional framework ○ procurement and contract management plan ○ scope management ○ time management plan ○ cost management plan ○ risk management plan ○ quality management plan ○ monitoring and reporting details ○ budgeting and programme accounting details ○ performance management plan ○ communication management plan
Conditions	<ul style="list-style-type: none"> • This is an in-kind grant administered by the national Department of Basic Education (DBE) that may be transferred to a province through the Education Infrastructure Grant (EIG) if the province is able to demonstrate, through a proven track record, that it has the capacity to implement the projects • DBE must submit an IPMP • Programme governance will be conducted by the following committees established to ensure that various processes are initiated within the programme: <ul style="list-style-type: none"> ○ national steering committee ○ technical committee ○ project steering committee ○ infrastructure bid specification and evaluation committee ○ infrastructure bid adjudication committee • The provincial planning and monitoring teams (PPMTs) or equivalent in each province should meet monthly to: ensure information flows between the stakeholders; unblock processes; monitor progress; and enhance cooperation • DBE must submit monthly project reports with cash flow to National Treasury 15 days after the end of each month, that show how actual payments and cash flow reconcile with the projected cash flow schedule and explain any deviations from the original projected cash flow • Assets will be transferred to custodians in the respective provinces at final completion. Provincial education departments (PEDs) must report in their annual report, describe how the schools have been considered in their future maintenance plans • The DBE must agree in writing with the provinces on projects that the DBE will administer on behalf of each province • The department and/or implementing agents must ensure skills transfer takes place as part of the implementation of projects
Allocation criteria	<ul style="list-style-type: none"> • The grant allocation is based on the distribution of inappropriate structures and schools without access to water, sanitation and electricity across provinces • Final allocations will be based on the finalised IPMP of the DBE as approved by the transferring officer
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant to eradicate the basic safety norms backlogs in schools without water, sanitation and electricity, and to replace those schools constructed from inappropriate material including mud schools to contribute towards improved learning and teaching. The grant will be administered by the DBE to achieve maximum impact in the shortest time possible
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • Allocated R2 billion of which R1.6 billion (79.3 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 163 new schools built, 605 schools provided with water, 412 schools provided with sanitation, and 294 schools provided with electricity

School Infrastructure Backlogs Grant	
Projected life	<ul style="list-style-type: none"> ● Grant will merge with the EIG in 2018/19. In order for the transition to take place, the following documents are needed: <ul style="list-style-type: none"> ○ submission to National Treasury by DBE of the IPMP ○ the skills transfer and capacity building plans must be submitted to National Treasury before the start of the financial year
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R2.6 billion
Payment schedule	<ul style="list-style-type: none"> ● Payments will be made according to professional service provider's verified invoices or advance payments in line with approved memoranda of agreements, implementation plans and reviewed monthly cash flow projections from implementing agents
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Undertake planning of the processes, activities, and Accelerated School Infrastructure Delivery Initiative (ASIDI) programme policies required to realise the outputs and identify required resources ● Undertake the necessary procurement to secure the services of implementing agents, professional service providers, contractors and secondary procurement objectives to respond to the scope of work identified in the IPMP ● Monitor and evaluate performance of the programme support unit, implementing agents, conduct project site inspections at selected sites to verify progress and quality of the works to secure programme outputs and deliverables ● Harness the opportunities offered through the programme to contribute towards skills development ● The DBE must submit a draft skills transfer and capacity building plan for Schedule 6A allocations to National Treasury by 30 June 2017; a final plan must be submitted to National Treasury by 1 September 2017. The skills transfer and capacity building plan must set out how the capacity of benefiting provinces will be developed so that they can continue to perform the function after the schedule 6A funded project ends. The plan must set measurable targets that will be achieved over the 2017 medium term expenditure framework. The plan must set out how existing and new capacity building initiatives will be used to achieve these targets ● The DBE must submit an annual assessment of progress against its skills transfer and capacity building plan to National Treasury two months after the end of the national financial year ● DBE will convene and chair meetings of the national steering committee which will: <ul style="list-style-type: none"> ○ provide strategic direction to the ASIDI programme ○ provide general oversight on the programme ○ ensure that the management of the programme brings together those players responsible for different elements of project success and ensure a holistic approach in support of the programme ○ ensure that standards are in line with different prescripts e.g. norms and standards for school infrastructure are adhered to ○ facilitate the establishment of sub-programme management, their membership, reporting modalities and their interaction with the steering committee ○ establish the modalities linking the targeted PEDs with DBE ○ supervise the programme and ensure appropriate coordination and cooperation between different agencies and departments involved ○ facilitate the linkages between national stakeholders such as the National Treasury (infrastructure delivery improvement plan), Construction Industry Development Board, and the national Department of Human Settlements, Water and Sanitation, Energy, and Public Works ○ ensure ASIDI strategies and targets are in line with national goals and targets ○ monitor progress in terms of national goals and targets ○ assist the management of the programme in solving particular issues that may arise and that may require the intervention of the committee ○ report to the Minister of Basic Education, the Council for Education Ministers, the Heads of education departments Committee, and senior management ● Develop a sector procurement strategy and procurement strategy for this grant in terms of the practice guide prescribed by the infrastructure delivery management toolkit ● The DBE will develop a procurement strategy for this grant that will lead to the quickest possible achievement of the grant objectives which may require the clustering of projects across provincial boundaries ● Submit an approved IPMP including projects list to the National Treasury ● Ensure compliance with reporting requirements and adherence to projected cash flow schedules ● Consolidate and submit quarterly reports to National Treasury and National Council of Provinces within 45 days after the end of each quarter ● Conduct site visits to selected projects to assess performance ● Create the necessary organisational structures and build capacity within the department to oversee and monitor the implementation of the grant ● The DBE must ensure that the heads of education departments committee meets at least once a month and is provided with sufficiently detailed reports to assess project implementation and projected cash flow schedules reconciled at the end of the month preceding the monthly meetings ● Provide an operations and maintenance manual to the PEDs

School Infrastructure Backlogs Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Provide the list of schools to be included in the ASIDI programme ● Ensure that the list of schools identified includes all the schools in their entirety that were not constructed of appropriate materials in their entirety ● Ensure that the list of schools identified includes all the schools that never had basic sanitation, water and electricity ● Ensure that, where schools are identified for rationalisation and mergers, DBE is made aware on time, in writing, and that all necessary supporting documents are provided ● Establish PPMTs that will provide support to the DBE when implementing projects funded by this grant ● Convene the PPMTs and report to the national steering committee ● Generate a maintenance plan from the operations and maintenance manual provided
Process for approval of the 2018/19 infrastructure programme management plan	<ul style="list-style-type: none"> ● Not applicable

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANT

Provincial Disaster Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part A
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to immediate needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the immediate release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Immediate consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> Emergency repair of critical infrastructure Emergency provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 12: An efficient, effective and development-oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) disaster grant guideline which includes the following: <ul style="list-style-type: none"> copy of the classification letter in terms of the Disaster Management Act copy of declaration of disaster in terms of the Disaster Management Act number of people affected and the extent of damages and losses sectors affected total funds required for disaster response resources (both financial and in-kind) allocated by the province to respond and mitigate the effects of the disaster resources (both financial and in-kind) committed by other role players, including municipalities, national departments and non-government organisations implementation plan with the following: details of the projects to be repaired including geo position services (GPS) coordinates, costs for the repair of project, consolidated projects cash flow over a three months' period as an annexure to the implementation plan An initial funding application from the Provincial Disaster Grant may be based on the initial disaster assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> A copy of the classification letter and declaration of disaster in terms of the Disaster Management Act must be submitted to the NDMC This grant may only be used to fund the expenditure in the event that the responsible sphere of government is unable to deal with the effects of the disaster utilising own legislation, guidelines and resources examples of expenditure that may be funded from the grant are as follows: <ul style="list-style-type: none"> provide immediate temporary structures and/or shelters in the event that Department of Human Settlements is unable to provide from own resources mobile classrooms or temporary structures in the event that the national and provincial departments of Basic Education are unable to provide from own resources large scale humanitarian and other relief required that the provincial and national sector departments are not responsible for or are unable to provide provision of temporary access roads and bridges in the event the relevant sector is unable to provide the services. Proof must be presented by the relevant sector provide assistance to the agricultural sector such as livestock feed and livestock water in the event that national and provincial sectors are unable to provide from own resources Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds to the province Emergency procurement system as guided by PFMA should be invoked to ensure immediate assistance to the affected communities
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated according to declared disasters and reports from assessments conducted by NDMC, Provincial Disaster Management Centres (PDMCs) and affected sectors for immediate disaster relief needs Funding may however be released in tranches, with the first tranche based on an initial assessment, verification of the immediate disaster relief needs and the submitted cash flow projection
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant caters for response and relief from unforeseen and unavoidable disasters
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> Of R111 million allocated, there were no transfers <p>2015/2016 service delivery performance</p> <ul style="list-style-type: none"> There were no transfers
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the 2017 medium term, but will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R123 million; 2018/19: R131 million; and 2019/20: R138 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made subject to approval by National Treasury

Provincial Disaster Grant	
Responsibilities of the transferring officer and receiving officer	Responsibilities of the National Disaster Management Centre: <ul style="list-style-type: none"> ● Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days of receiving a written funding request or a submission from the PDMC ● Confirm support to be provided by relevant national sector departments to prevent duplication resources ● Seek approval from National Treasury for the disbursement of funds to provincial sector departments within 35 days of receipt of the written funding request and submission of the preliminary report from the PDMC ● Notify the relevant PDMC and provincial treasury of a transfer at least two days before transfer. Funds must be transferred no later than five days after notification ● Provide National Treasury with written notification of the transfer within 14 days of a transfer of the grant ● Submit financial and non-financial reports to National Treasury within 20 days of the end of each month ● Provide a performance report, within 45 days of the end of the quarter in which the funds were spent, to National Treasury using the disaster allocation monitoring template agreed to with the National Treasury
	Responsibilities of Provincial Disaster Management Centres: <ul style="list-style-type: none"> ● Together with the affected provincial departments, may conduct initial assessments of disaster impacts to verify the applications for initial funding within 14 days following the occurrence of a reported incident that meets the conditions ● Conduct assessments of disaster impacts together with NDMC and the affected provincial departments, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the Disaster Management Act ● Submit requests for disaster funding, monitor projects, and provide reports to the NDMC and provincial treasuries ● Provide financial reports to NDMC within 15 days of the end of each month ● Provide a performance report which includes evidence on progress implementation of the projects to the NDMC within 35 days of the end of the quarter in which funds are spent ● Provide a performance report, within 30 days of the end of the quarter in which the funds were spent, to NDMC using the relevant disaster allocation monitoring template
	Responsibilities of the provincial departments <ul style="list-style-type: none"> ● Cooperate with the NDMC, PDMC and sector departments to conduct damage assessment and cost verification ● Submit initial request for funding to the PDMC within 14 days following the declaration of a disaster ● Consult with the relevant national sector departments and provincial treasury for support on existing resources to address the disasters ● Consult with relevant national sector department on funding request before submission to the PDMC ● Notify provincial treasury of all submitted requests for funding ● Ensure sector invoke emergency procurement processes to implement the immediate disaster projects ● Report and monitor implementation of projects ● Provide a financial and non-financial report to the PDMC and relevant national sector within 10 days of the end of each month. Include evidence in the form of invoices and pictures of the projects as Annexures ● Provide a performance report which includes evidence, and progress on implementation of the projects, to the PDMC and relevant National Sector within 20 days of the end of the quarter in which funds are spent
	Responsibilities of the National Departments <ul style="list-style-type: none"> ● Provide support and guidance to provincial sector departments and NDMC regarding line function related matters on assessments and costing verifications ● Provide support and guidance to provincial sector departments and NDMC in the preparation of funding requests ● Provide support and guidance to provincial sector departments in the preparation of reports and ensure compliance to the guidelines ● Monitor and evaluate implementation of projects by provincial sectors
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● Not applicable

HEALTH GRANTS

Comprehensive HIV, AIDS and TB Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • The implementation of the National Strategic Plan on HIV, Sexually Transmitted Infections and Tuberculosis (TB) 2017 – 2022
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to develop and implement an effective response to HIV and AIDS and TB
Outcome statements	<ul style="list-style-type: none"> • Improved coordination and collaboration in the implementation of comprehensive HIV, AIDS and TB grant between national and provincial government • Improved quality of HIV and AIDS and TB services including access to: <ul style="list-style-type: none"> ○ HIV Counseling and Testing (HCT) ○ TB case finding, screening and diagnosis ○ Antiretroviral Treatment (ART) ○ treatment for TB, including drug-resistant TB ○ adherence monitoring and support ○ prevention of TB ○ prevention of mother-to-child-transmission (PMTCT) ○ medical male circumcision (MMC) • Improved health workers capacity at provincial and district facilities • Strengthened health system
Outputs	<ul style="list-style-type: none"> • Number of new patients started on ART • Total number of patients on ART remaining in care • Number of male condoms distributed • Number of female condoms distributed • Number of exposed infants HIV positive at 10 weeks Polymerase Chain Reaction (PCR) test • Number of clients tested for HIV (including antenatal) • Number of MMC performed • Number of patients on ART initiated on Isoniazid Preventative Therapy (IPT) • Number of clients newly initiated on Bedaquiline • Number of adherence clubs • TB new smear positive client success rate
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • The following priority areas must be supported through the grant: <ul style="list-style-type: none"> ○ ART related interventions ○ care and support (C&S) ○ condom distribution and high transmission area (HTA) interventions ○ post exposure prophylaxis (PEP) ○ prevention of mother to child transmission (PMTCT) ○ programme management strengthening (PMS) ○ regional training centres (RTC) ○ HIV counselling and testing (HCT) ○ medical male circumcision (MMC) ○ TB screening, prevention, treatment
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on antenatal HIV prevalence, estimated share of AIDS cases, populations post-demarcation
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • HIV, AIDS and TB are key national priorities and require a coordinated responses for the country as a whole and this effectively achieved through a conditional grant
Past performance	<p>2015/16 audited financial performance</p> <ul style="list-style-type: none"> • R13.7 billion was allocated, R13.7 billion (99.7 per cent) was transferred to provinces of which R13.7 billion (100.2 per cent) was spent by provinces <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 9 936 lay counsellors providing services at service points • 11.9 million HIV test were conducted, (including antenatal) • 7.5 million beneficiaries had access to HCBC services • 3 805 health facilities offered ART services • 3.4 million patients were on ART • 1 614 high transmission intervention sites were in operation

Comprehensive HIV, AIDS and TB Grant	
	<ul style="list-style-type: none"> ● 100 per cent of primary health care (PHC) facilities offered PMTCT services ● 464 731 MMCs were performed ● 839.9 million male condoms were distributed ● 27 million female condoms were distributed
Projected life	<ul style="list-style-type: none"> ● Ongoing in-line with National Strategic Plan on HIV and AIDS
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R17.6 billion; 2018/19: R19.9 billion; and 2019/20: R22 billion
Payment schedule	<ul style="list-style-type: none"> ● Monthly instalments based on the approved payment schedule
Responsibilities of the transferring national officer and receiving officer	Responsibilities of the National Department <ul style="list-style-type: none"> ● Visit provinces twice a year to monitor implementation and provide support ● Report to the National Treasury on an additional set of indicators agreed upon between the two departments ● Meet with National Treasury to review grant performance on a quarterly basis
	Responsibilities of the Provincial Departments <ul style="list-style-type: none"> ● Quarterly performance output reports to be submitted within 30 days following the reporting period using standard formats as determined by the national department. Submit an electronic version to be followed by a hard copy signed by the provincial grant receiving manager ● Clearly indicate measurable objectives and performance targets as agreed with the national department in provincial departmental business plans for 2016/17 and over the MTEF
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Submission of draft business plans by 31 October 2017 ● Submission of final business plans to national Department of Health by 28 February 2018 ● Submission of final business plans to National Treasury by 30 March 2018

Health Facility Revitalisation Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To enable provinces to plan, manage, and transform health infrastructure in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance • To enhance capacity to deliver health infrastructure
Outcome statements	<ul style="list-style-type: none"> • Improved service delivery by provincial departments as a result of an enhanced and better quality of health services • Improved quality and quantity of well-maintained health infrastructure (backlog and preventative maintenance) • Improved rates of employment and skills development in the delivery of infrastructure • Value for money and cost effective design of facilities in line with the standard for infrastructure procurement and delivery management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number of new facilities completed • Number of facilities maintained • Number of facilities upgraded, and renovated • Number of facilities commissioned
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<p>The business plan for this grant consists of the following:</p> <ul style="list-style-type: none"> • User-asset management plan (U-AMP) • infrastructure programme management plan (IPMP) over the 2017 MTEF including a list of projects • annual implementation plan (AIP)
Conditions	<ul style="list-style-type: none"> • Projects should be initiated in terms of the control framework of the SIPDM stage 0 which requires an initiation report, prefeasibility and feasibility reports are required for all projects • With the exception of funding for costs incurred on stages 0, 1 and 2 of SIPDM projects must be approved by the transferring officer before funds can be released for such projects • The management and procurement of all projects funded through this grant must follow the prescripts of the infrastructure delivery management system (IDMS) and SIPDM • Annual implementation plans signed-off by the heads of department to the national Department of Health (DoH) for approval by 6 March 2017 • The 2017 MTEF project list as captured in the AIP for both current and capital budgets should cover: <ul style="list-style-type: none"> ○ maintenance of infrastructure ○ renovations, upgrading and additions of infrastructure ○ new and replacement of infrastructure • Provinces may utilise a portion of grant funding for the appointment of public servants on permanent basis to their infrastructure units in line with human resource capacitation circular published by National Treasury • In instances where the capacity of the provincial public works department is deemed insufficient, the provincial department of health (PDoH) will be entitled to engage alternative implementing agents (IAs), provided that supply chain management processes as prescribed in the Treasury Regulations for appointment of service providers are followed • PDoHs must enter into service delivery agreements with their IAs • Appropriately qualified built environment representatives from the provincial departments' infrastructure units must assist in the procurement of professional service providers and contractors by its IA, through representation as a member on the specification and evaluation committees of the IA
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2017/18 are project and performance based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through a conditional grant enables the national department to ensure the delivery, rehabilitation, maintenance and upgrading of health infrastructure in a coordinated and efficient manner and ensure consistency with national norms, standards and guidelines for health facilities
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R 5.7 billion was allocated to provinces, R5.4 billion (95 per cent) was transferred, of which of provinces spent R5.5 billion (101.4 per cent) by the end of the financial year <p>2015/16 Performance</p> <p>Number of Projects:</p> <ul style="list-style-type: none"> • 7 planned • 6 designed • 17 constructed, equipped and operationalised this includes 15 clinics and community health centres as well as 2 hospitals <ul style="list-style-type: none"> ○ the three outputs combined are based on the project package that includes equipment and facilities which are operationalised from the practical/retention stage • 74 rehabilitated

Health Facility Revitalisation Grant	
Projected life	<ul style="list-style-type: none"> Health is a key government priority and given the need to continually maintain health infrastructure to ensure that norms and standards are maintained, the grant will remain in place until at least the end of the 2017 MTEF
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R5.7 billion; 2018/19: R5.9 billion; and 2019/20: R6.2 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made on quarterly basis in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Coordinate and facilitate site visits Attend quarterly provincial infrastructure progress review meetings with National Treasury Provide guidance to provinces on planning, prioritisation and evaluating of U-AMP, IPMP, AIP, project proposals and concept reports that provinces develop and submit Review if provinces comply with the SIPDM issued guidelines on the capacitation process of infrastructure units, as well as the conditions attached to the utilisation of funds DoH and National Treasury must jointly evaluate progress with the 2017 DoRA capacitation of provincial infrastructure units and provide feedback to all provinces Submit consolidated quarterly report including the value, expenditure and physical progress by project
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> Provincial departments must hold progress review meetings with the relevant IAs Provinces must submit to DoH quarterly reports for all projects funded in the 2017/18 financial year in this grant through the project management information system and infrastructure reporting model PDoHs must align infrastructure plans (U-AMP and IPMP) with their respective strategic plans and annual performance plans Provinces will include completed projects in their asset register Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant
Process for approval of the 2018/19 Implementation Plans	<ul style="list-style-type: none"> The process for approval for the 2018 MTEF will be in line with the performance based incentive approach guidelines published by National Treasury and DoH PDoH must submit 2018/19 AIP signed-off by the Head of Department to the DoH by 6 March 2018 Submission of draft IPMPs for 2018/19 by DoH to National Treasury by 11 August 2017 Submission of final IPMPs for 2018/19 by DoH to National Treasury by 6 March 2018

Health Professions Training and Development Grant	
Transferring department	<ul style="list-style-type: none"> Health (Vote 16)
Strategic goal	<ul style="list-style-type: none"> To contribute to the implementation of the national human resource plan for health through the clinical training and supervision of health science trainees in designated public health facilities in South Africa
Grant purpose	<ul style="list-style-type: none"> Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform
Outcome statements	<ul style="list-style-type: none"> Progressive realisation of the national human resource plan for health Clinical training and supervision capacity established in designated developmental provinces (Northern Cape, North West, Limpopo, Mpumalanga and Eastern Cape)
Outputs	<p>The following categories of health professionals, associated with clinical training and supervision, are funded on the public health service delivery platform:</p> <ul style="list-style-type: none"> Number of specialists Number of registrars Number of medical officers Number of clinical supervisors/trainers per category in nursing, EMS and allied health and pharmacy Number of grant administration staff
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> Non-financial business plan – number of specialists, registrars, medical officers, clinical supervisors/tutors per category in nursing, EMS, allied health, pharmacy and grant administration staff funded from the grant Financial business plan – allocation by economic classification to each category of clinical trainer/supervisor
Conditions	<ul style="list-style-type: none"> Submission of an approved business plan 2017/18 in the prescribed format signed by the provincial Head of Department or receiving officer by 28 February 2017, and the National Department of Health transferring officer by 31 March 2017 Cost of personnel -for the administration of grant must not exceed 1 per cent of the total grant allocation National Treasury and NDOH to negotiate funding in 2017/18 for a review of the HPTDG in 2018/19 on the categories and numbers of students trained under grant and development of the unit costs. On an annual basis, each province must discuss the nature of the clinical training platform with the relevant higher education institutions in the province National Treasury and NDOH to negotiate funding in 2017/18 for a review commission a review of the HPTDG in 2018/19 on the categories and numbers of students trained under grant and development of the unit costs NDOH to work with Department of Higher Education and Training to ensure a national, coordinated process for the planning and funding of health sciences education
Allocation criteria	<ul style="list-style-type: none"> Based on historical allocations and spending patterns
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> Provinces give effect to the national human resource strategy by the clinical training and supervision of health science trainees on the public health service platform National coordination needed for health science training
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R2.4 billion to provinces of which R2.4 billion (100 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> Provincial achievements in training and development by discipline: <ul style="list-style-type: none"> 1 473 registrars 287 specialists 294 undergraduates 14 grant administration staff 587 postgraduates (nurses and allied health)
Projected life	<ul style="list-style-type: none"> The grant will remain as long as health science trainees are trained and supervised on the public health service platform
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R2.6 billion, 2018/19: R2.8 billion, 2019/20: R2.9 billion
Payment schedule	<ul style="list-style-type: none"> Monthly instalments as per approved payment schedule
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Convene at least one annual meeting of national, provincial and facility programme managers Monitor the number of health science trainers/clinical supervisors that are responsible for health science training on the public health service delivery platform Conduct a minimum of two site visits to provinces and site visits to selected facilities on a rotational basis. Provincial visits to include facilities Report on a quarterly basis to the National Treasury on an additional set of indicators agreed upon between the two departments

Health Professions Training and Development Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Provinces must provide the allocated amounts for individual facilities to Provincial Treasury for gazetting as per the number of agreed upon business plans per province and be facility/cluster specific, by 29 April 2017 ● Provinces must maintain a separate budget for each benefiting facility/cluster ● Each benefiting facility/cluster budget letter must be supplied by the receiving officer to the facility head by 29 April 2017 ● Provinces to monitor the following categories of health science trainers/ clinical supervisors on the public health service delivery platform by category: <ul style="list-style-type: none"> ○ specialists ○ registrars ○ medical officers ○ clinical supervisors/trainers ○ grant management (admin staff) ● Submission of updated specialist details funded by the grant at facility level by 31 March 2017 ● Submission of updated specialists details funded on the equitable share by 28 February 2017 <ul style="list-style-type: none"> ○ Report quarterly (by economic classification) on financial and non-financial performance in the approved expenditure areas ● Conduct a minimum of two sites visit to each budgeted facility/complex per annum and submit reports of these site visits to national Department of Health
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Draft business plans for 2018/19 must be submitted in the approved format by 31 October 2017 ● Completion of an approved business plans, in the prescribed format, signed by each receiving officer by 28 February 2018, and the transferring officer by 25 March 2018

National Health Insurance Indirect Grant	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • This grant has five components which are specific to their respective strategic goals: <ul style="list-style-type: none"> ○ Human Papillomavirus Vaccine (HPV) ○ Health Information Systems ○ Health Facility Revitalisation ○ Health Professionals Contracting ○ Ideal Clinic • To accelerate health sector improvement by strengthening the role of the national Department of Health (DoH) in accelerating delivery of infrastructure particularly in order to assist provinces with weaker capacity and performance in the preparatory phase of National Health Insurance • To reduce the incidence of cancer of the cervix through the introduction of the HPV vaccination to grade 4 school girls • As specified further in the five component frameworks
Grant purpose	<ul style="list-style-type: none"> • To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery • To improve spending, performance, monitoring and evaluation on NHI pilots and infrastructure projects • To fund the introduction of the HPV vaccination programme in schools
Outcome statements	<ul style="list-style-type: none"> • As specified in the five component frameworks
Outputs	<ul style="list-style-type: none"> • As specified in the five component frameworks
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • As specified in the five component frameworks
Conditions	<ul style="list-style-type: none"> • As specified in the five component frameworks
Allocation criteria	<ul style="list-style-type: none"> • As specified in the five component frameworks
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • As specified in the five component frameworks
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • As specified in the five component frameworks <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • As specified in the five component frameworks
Projected life	<ul style="list-style-type: none"> • It is likely this will be a temporary grant, with the following five components: <ul style="list-style-type: none"> ○ Human Papillomavirus Vaccine: Funding for this programme will be earmarked as a direct conditional grant in 2018/19 ○ Health Information Systems: Subject to policy development that will be finalised as part of the implementation of NHI ○ Health Facility Revitalisation: the grant will continue over the 2017 medium term expenditure framework, subject to a review ○ Health Professionals Contracting: subject to policy developments that will be finalised as part of the implementation of NHI ○ Ideal Clinic: The grant is projected to end in 2020/21
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R 1.7 billion; 2018/19: R 1.8 billion; and 2019/20: R 1.9 billion of which the five components are: <ul style="list-style-type: none"> ○ Human Papillomavirus Vaccine: 2017/18: R200 million ○ Health Information Systems: 2017/18: R166 million; 2018/19: R390 million; and 2019/20: R412 million ○ Health Facility Revitalisation: 2017/18: R949 million; 2018/19: R988 million; and 2019/20: R1 billion ○ Health Professionals Contracting: 2017/18: R318 million; 2018/19: R337 million; and 2019/20: R355 million ○ Ideal Clinic: 2017/18: R30 million; 2018/19: R50 million and 2019/20: R53 million
Payment schedule	<ul style="list-style-type: none"> • As specified in the five component frameworks
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • As specified in the five component frameworks <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • As specified in the five component frameworks
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • As specified in the five component frameworks

National Health insurance Indirect Grant: Health Facility Revitalisation Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To ensure appropriate health infrastructure that is in line with national and provincial policy objectives
Grant purpose	<ul style="list-style-type: none"> • To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance (NHI) • To enhance capacity and capability to deliver infrastructure for NHI
Outcome statements	<ul style="list-style-type: none"> • Appropriate procurement of service providers for infrastructure delivery for NHI • Improved spending, performance, monitoring and evaluation of infrastructure projects for NHI • Improved employment and skills development in the delivery of infrastructure for NHI • Value for money and cost effectively designed facilities in line with the standard for infrastructure procurement and delivery management (SIPDM)
Outputs	<ul style="list-style-type: none"> • Number, value, expenditure and physical progress of health infrastructure projects, initiated, planned, implemented and closed-out
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The infrastructure programme management plan (IPMP) for 2017 MTEF aligned to the infrastructure delivery management system and SIPDM will be submitted on 26 May 2017 and will include the following: <ul style="list-style-type: none"> ○ costed project lists with annual cash flow projections per project for the full duration of the projects on the programme ○ projected milestones per project for SIPDM control framework stages indicating current stage of the project
Conditions:	<ul style="list-style-type: none"> • The national Department of Health (DoH) must, in consultation with the provinces, develop and submit to the National Treasury by 30 June 2017, an intergovernmental protocol framework agreement covering the duration of the grant component and outlining how the grant will operate as well as the responsibility and functions of each sphere. Project sheets will form part of the agreement • Prior to submitting the IPMP, each provincial department must have signed-off a project sheet for all projects funded from the grant which list scope of work, current stage and anticipated target dates for achieving stages of control framework, operational budgets (i.e. personnel, equipment, etc.) and maintenance budgets • With the exception of funding for costs incurred on stages 0, 1 and 2 (project initiation in line with SIPDM and National Treasury capital planning guidelines) approvals for the project by the National Treasury are required before funds can be spent • The grant component must only be spent on projects included in the business plan and project lists signed by provinces. Projects can only be added to the business plan as part of the adjustment budget process, subject to National Treasury approval • In instances where the capacity of the DoH and the provincial department is deemed insufficient, they are entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for appointment of service providers are followed. In those cases service level agreements between DoH and the implementing agent must be in place • Appropriately qualified built environment representatives from the national department must assist in the procurement of professional service providers and contractors by its implementing agent • DoH may utilise a portion of grant funding for the appointment of public servants on no more than 36 months contracts to their infrastructure units. The amount that can be used for this is determined in terms of the conditions by the 2017 Appropriation Act • DoH must maintain an up-to-date database (project management information system), infrastructure reporting model (IRM) with all contracts that are fully or partially funded by this grant and provide the IRM report and THS report data on a monthly basis • DoH must convene quarterly progress review committee meetings with all project managers, implementing agents and National Treasury for monitoring and oversight of the performance of all funded projects • All completed projects must have a close-out report with a documented maintenance plan • National Treasury may request copies of any documentation and may withhold grant funding if there is non-compliance with any of the conditions above
Allocation criteria	<ul style="list-style-type: none"> • Allocations for 2017/18 are project and performance based
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Funding infrastructure through an indirect conditional grant enables the national department to ensure the delivery and maintenance of health infrastructure in a coordinated and efficient manner that is consistent with national norms, standards and guidelines for health facilities
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R913 million was allocated to the grant, which was adjusted to R613 million. Of the adjusted allocation, R613 million (100 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • By March 2016 there were 220 reported projects funded from the National Health Grant across the country for the 2015/16 financial year; 7 were in initial phase, 14 in planning phase, 81 were in construction phase and, 118 reached practical and work completion (closed out)

National Health insurance Indirect Grant: Health Facility Revitalisation Component	
Projected life	<ul style="list-style-type: none"> ● Health is a key government priority and given the need to continually maintain health infrastructure and ensure that norms and standards are maintained, the grant will continue over the 2017 MTEF, subject to a review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R949 million; 2018/19: R988 million; and 2019/20: R1 billion
Payment schedule	<ul style="list-style-type: none"> ● Monthly payments made according to verified and approved invoices from the services providers
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Build and demonstrate the capacity necessary to manage this grant ● Ensure alignment between the IPMP and the annual performance plan ● Undertake the infrastructure development cycle to the extent agreed with the provinces in the implementation protocol agreements ● Convene progress review committees with appropriate reporting and invite National Treasury ● Meet with National Treasury to review grant performance on a quarterly basis ● Collaboration and coordination with provincial departments for the full development cycle of infrastructure development in respect of projects funded by this grant ● Provide provincial departments with progress of the projects under this grant for inclusion in provincial annual reports. ● DoH must submit quarterly infrastructure reports to National Treasury within 45 days after the end of each quarter. These reports must contain: <ul style="list-style-type: none"> ○ expenditure per project against the cash flow projections provided in the business plan ○ explanation of major deviations from the cash flow projections ○ physical progress per project against the milestones projected in the business plan ○ explanation of major deviations from the projected milestones ○ any other challenges experienced and interventions to address these challenges ○ status report on the capacity of the DoH infrastructure unit to manage the grant component
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Provinces will include completed projects in their asset register ● Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant by the DoH ● All immovable asset management and maintenance responsibilities of the completed projects under this grant as prescribed by the Government Immovable Asset Management Act of 2007 rests with the provinces ● Provinces should report on progress of the projects under this grant in their annual reports and describe how these facilities have been considered in their future planning and budgeting. The projects must be included in the provincial user-asset management plans (U-AMPS)
Process for approval of the 2018/19 annual implementation plans	<ul style="list-style-type: none"> ● Submission of IPMP to National Treasury by 31 May 2018 ● Submission of signed implementation protocol by 29 June 2018

National Health Insurance Indirect Grant: Health Professionals Contracting Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the public healthcare systems • To assess the service delivery implications
Grant purpose	<ul style="list-style-type: none"> • To develop and implement innovative models for purchasing services from health practitioners in the 10 National Health Insurance (NHI) pilot sites • To develop and implement innovative models for the dispensing and distribution of chronic medication • A risk-based capitation model for the reimbursement of primary health care (PHC) facilities developed
Outcome statements	<ul style="list-style-type: none"> • Appropriate and innovative models for purchasing services from health practitioners identified and tested • Implement an alternative dispensing and distribution model for chronic medication • Develop a risk-adjusted capitation model for the reimbursement of primary health care (PHC) facilities
Outputs	<ul style="list-style-type: none"> • Innovative models for the purchasing of health care services, including: <ul style="list-style-type: none"> ○ number of health practitioners contracted per subcategory ○ number of pharmacy assistants contracted ○ number of patient visits attended to by the contracted health practitioners and services provided ○ number of hours worked by health practitioners • An alternative chronic medicines dispensing and distribution model implemented • Number of new and number of total patients registered in the programme, broken down by the following: <ul style="list-style-type: none"> ○ Antiretroviral (ARV) Treatment ○ ARV with co-morbidities ○ non-communicable diseases (NCDs) ○ number of pickup points (PuPs) state and non-state • A base capitation model for the reimbursement of PHC facilities developed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Business plan for contracting health practitioners should contain roles and responsibilities of national and provincial departments • Targets, cash flow projections as well as monitoring and evaluation plans for the following programmes: <ul style="list-style-type: none"> ○ mental health specialist teams ○ chronic medicines dispensing and distribution model ○ developing a risk-adjusted capitation model • Service level agreements (SLAs) will include information on the following: <ul style="list-style-type: none"> ○ outcome indicators ○ output indicators ○ key activities and resource schedule ○ monitoring and evaluation plan ○ cash flow requirements for 2017/18
Conditions	<ul style="list-style-type: none"> • Project level administrative expenditure may not exceed three per cent of the total grant funding. No activity that is linked to the responsibility of Department of Health (DoH) but falls outside this scope may be funded through this grant • The grant must be used to achieve the objectives of the following areas: <ul style="list-style-type: none"> ○ development and testing of innovative models for purchasing health care services from health practitioners ○ an alternative chronic care medication dispensing and distribution model ○ development of a risk-adjusted capitation model for reimbursement of PHC facilities • The DoH must put in place an evaluation strategy using independent external experts to evaluate the interventions funded through this grant. An evaluation report on lessons learnt from contracting health practitioners and their implications for NHI policy development and implementation must be produced and submitted to National Treasury
Allocation criteria	<ul style="list-style-type: none"> • Health facilities with the greatest need for health practitioners and where health practitioners are willing to work in the facility will be prioritised • The alternative chronic care medication dispensing and distribution model will be implemented across the country in the ten NHI pilot districts, with priority given to previously disadvantaged areas
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • The importance of central coordination in development of models and the establishment of NHI to inform ongoing NHI designs
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R290 million was allocated of which R280 million (96 per cent) was spent by the end of the financial year

National Health Insurance Indirect Grant: Health Professionals Contracting Component	
	<p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● The data extraction from clinical files within the central hospitals has been undertaken at eight out of 10 central hospitals ● The initial financial and clinical analysis has been undertaken and the draft case mix analysis report prepared ● Phase two of the programme will continue to develop the base diagnosis related grouper has been started ● Other data sources from private partners are being sourced for the purpose of triangulation and data validation ● With regards to health practitioner contracting, 256 doctors were placed at various clinics in the NHI pilot districts
Projected life	<ul style="list-style-type: none"> ● Subject to policy developments that will be finalised as part of the implementation of NHI
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R318 million; 2018/19: R337 million; and 2019/20: R355 million
Payment schedule	<ul style="list-style-type: none"> ● Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans from the service providers ● Monthly instalments which may be altered at the discretion of the National Treasury based on invoices paid
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Convene and chair all meetings of the national district health services (NDHS) committee on contracting of health practitioners and related matters through implementing innovative models for the purchasing of health care services ● Establish the necessary organizational structures and build capacity within the DoH to implement, oversee and monitor the execution of all approved projects using the three per cent administrative costs provision ● Provide the guidance and support for innovative arrangements of engaging public and private sector providers, including methods of contracting (types of contracts and payment mechanisms) ● Undertake an independent evaluation of the interventions funded through this grant using external experts ● Manage, monitor and support programme implementation ● Prepare and submit a quarterly performance report to the National Treasury. The reports must include: <ul style="list-style-type: none"> ○ expenditure per project against the cash flow projections provided in the business plans ○ explanation of major deviations from the cash flow projections ○ physical progress per project against the milestones and targets projected in the business plan ○ explanation of major deviations from the projected milestones and targets ○ any other challenges experienced and interventions to address these challenges ● Meet with the National Treasury to review grant performance on a quarterly basis
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Facilitate the achievement of grant outputs ● Ensure compliance with all reporting requirements and adherence to the provisions of SLAs
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● DoH must submit final business plans to National Treasury by 30 March 2018

National Health Insurance Indirect Grant: Human Papillomavirus Vaccine Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To reduce the incidence of cancer of the cervix through the introduction of the Human Papillomavirus (HPV) vaccination to grade four school girls
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to prevent cervical cancer by making available HPV vaccination for grade four school girls in all public and special schools
Outcome statements	<ul style="list-style-type: none"> • Increased access to HPV vaccines by grade four school girls in all public and special schools
Outputs	<ul style="list-style-type: none"> • 80 per cent of grade four school girls aged 9 and above in vaccinated for HPV • 100 per cent of schools with grade four girls reached by the HPV vaccination team
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The grant uses a service level agreement (SLA) and should contain the following: <ul style="list-style-type: none"> ○ agreed upon services ○ output indicators ○ inputs ○ key activities and allocation ○ risk management plans
Conditions	<ul style="list-style-type: none"> • Completion of a SLA in the format determined by the national Department of Health (DoH) between each provincial department and DoH, signed by each receiving officer and transferring officer by 31 March 2017 and submitted to National Treasury by 31 March 2017 • Ensure provinces include HPV vaccination indicators in provincial annual performance plans • Grant funding must also be used to strengthen capacity in provinces to manage the programme • Social mobilisation of community on benefits of HPV for prevention of cervical cancer should be done as part of this programme
Allocation criteria	<ul style="list-style-type: none"> • Allocations based on the number of grade four girls and schools with grade four from the education management information system in each province
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Cervical cancer is a high national priority and requires uniform implementation in order to achieve the minimum coverage of 80 per cent and have the desired impact of significantly reducing incidences of cervical cancer • To develop provincial capacity in order for provinces to assume responsibility of the programme from 2018/19
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • R200 million was allocated to DoH, of which R158 million (79 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 85 per cent of grade four school girls received the HPV vaccination • 90 per cent of schools with grade four girls were reached by the HPV vaccination team
Projected life	<ul style="list-style-type: none"> • The indirect grant is projected to end in 2017/18 • Funding for this programme will be earmarked as a direct conditional grant in 2018/19
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R200 million
Payment schedule	<ul style="list-style-type: none"> • Payment will be made according to verified invoices or advance payments in line with approved HPV programme implementation plans
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Procure and distribute vaccines and other resources as per the provincial HPV vaccination programme • Monitor and support provincial planning and implementation • Meet with National Treasury to review performance of the grant on a quarterly basis • Strengthen the existing capacity in the child, youth and school health cluster for HPV vaccination coordination within the department • Strengthen the capacity of provinces to deliver the HPV vaccination programme • Initiate a draft transition plan for hand-over to provinces <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme • Provinces must submit a HPV vaccination implementation plan and micro plan for each district using standard formats as determined by the DoH • Delegate the responsibility of managing the HPV vaccination programme • Utilise existing human resource and transport capacity at all relevant levels • Provinces must develop draft implementation plans for taking over this function in 2018/19 • Submission of business plans in the prescribed format on or before 31 May 2017
Process for completion of 2018/19 service level agreement	<ul style="list-style-type: none"> • Draft business plans for 2018/19 must be submitted in an approved format by 31 October 2017 • Final business plans signed by receiving officer must be submitted by 28 February 2018 and to National Treasury by 31 March 2018

National Health Insurance Indirect Grant: Ideal Clinics Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To improve quality of services at primary health care facilities
Grant purpose	<ul style="list-style-type: none"> • To enable the health sector to address the deficiencies in the primary health care facilities systematically to yield fast results
Outcome statements	<ul style="list-style-type: none"> • Improved quality health services in all primary health care facilities
Outputs	<ul style="list-style-type: none"> • 1 700 primary health care facilities peer reviewed • Achieve a cumulative target of 1000 primary health care facilities obtaining an overall compliance score of 70 per cent or above • Branding guidelines completed • 5 per cent of clinics in NHI pilot districts branded • Sustainability training to clinic managers of 30 per cent of clinics in NHI pilot districts
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • Input • Output indicators • Outcome indicators • Key activities • Risk management plans
Conditions	<ul style="list-style-type: none"> • Completion of a business plan by the national Department of Health (DoH) signed by the transferring officer by 24 March 2017 and submitted to the National Treasury by 31 March 2017
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the number of identified facilities and their needs in each province
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Ideal clinic is a key national priority and requires systematic implementation in order to achieve 740 ideal clinics and have the desired impact of improving quality health care services
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • New grant <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant is projected to end in 2020/21
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R30 million; 2018/19: R50 million; and 2019/20: R53 million
Payment schedule	<ul style="list-style-type: none"> • Procurement will be done centrally by DoH based on the approved procurement plan
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Improve patients' experience of care by improving quality in primary health care facilities • Monitor and support provincial planning and implementation • Submit a quarterly performance report to the National Treasury in terms of the 2017 Division of Revenue Act • Meet with the National Treasury to review performance of the grant on a quarterly basis • Strengthen the capacity of provinces to realise and maintain ideal clinic status • Maintain the ideal clinic software <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme • Provinces must submit provincial needs as per prescribed format by DoH • Include the ideal clinic indicators in the provincial annual performance plans • Delegate a person responsible for managing the Ideal clinic programme • Provinces must develop draft implementation plans for taking over this function in 2020/21 • Submit quarterly performance reports to DoH
Process for completion of 2018/19 business plan	<ul style="list-style-type: none"> • Submission of business plan signed by the transferring officer by 30 March 2018 to National Treasury

National Health Insurance Indirect Grant: Health Information Systems Component	
Transferring department	<ul style="list-style-type: none"> • Health (Vote 16)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen health systems in preparation for the introduction of National Health Insurance (NHI) by creating systems that improve business efficiencies
Grant purpose	<ul style="list-style-type: none"> • To fund the development of and roll-out of new health information systems in preparation of NHI
Outcome statements	<ul style="list-style-type: none"> • Build the enterprise architecture design for patient information systems, procurement and management of health commodities
Outputs	<ul style="list-style-type: none"> • Number and percentage of facilities implementing the Health Patient Registration Systems and processes • Number of patients registered on health patient registration systems and processes • Number and percentage of primary health care facilities implementing an electronic stock replenishment system • Number and percentage of hospitals implementing an electronic stock replenishment system • Visual analytics network established in support of Surveillance of Medicine Availability
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The programme governance and management • Objectives, indicators and targets • Activity plan • Monitoring and evaluation plan • Cash flow projections
Conditions	<ul style="list-style-type: none"> • Completion of a business plan by National Department of Health (DoH) signed by the receiving officer by 24 March 2017 and submitted to National Treasury on 31 March 2017 • All information systems developed and implemented under this grant component must comply with the interoperability norms and standards as approved by the National Health Council
Allocation criteria	<ul style="list-style-type: none"> • Grant is not allocated per province and will be utilised towards: <ul style="list-style-type: none"> ○ the development and making sure that implementation is standardised across provinces, districts and public health facilities ○ the establishment of a unified health information and management of health commodities systems for the country
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • The programme supports health systems reform work within the NHI space and will evolve over time. In line with the National Health Act sections 74.1 and 74.2, DoH has to develop and coordinate all health information systems in the country. This is a complex programme with many facets that requires an iterative process of testing and implementation in a phased manner. This situation calls for dedicated funding which will allow for institutionalisation over time
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • Subject to policy development that will be finalised as part of the implementation of NHI
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R166 million; 2018/19: R390 million; and 2019/20: R412 million
Payment schedule	<ul style="list-style-type: none"> • Procurement will be done centrally at DoH
Responsibilities of the transferring officer	<ul style="list-style-type: none"> • Adhere to all procurement processes • Submit a quarterly performance report to the National Treasury in terms of the 2017 Division of Revenue Act • Meet with National Treasury to review performance of the grant on a quarterly basis
Responsibilities of the receiving officer	<ul style="list-style-type: none"> • To provide all the necessary information needed by the DoH • Provide access to facilities to implement systems • Appoint one or more provincial liaisons/contact persons for both systems
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Submission of the business plan to National Treasury signed by the transferring officer by 31 March 2018

National Tertiary Services Grant											
Transferring department	<ul style="list-style-type: none"> Health (Vote 16) 										
Strategic goal	<ul style="list-style-type: none"> To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform 										
Grant purpose	<ul style="list-style-type: none"> Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals) To compensate tertiary facilities for the additional costs associated with provision of these services 										
Outcome statements	<ul style="list-style-type: none"> Modernised and transformed tertiary services that allows for improved access and equity to address the burden of disease 										
Outputs	<ul style="list-style-type: none"> Number of inpatient separations Number of day patient separations Number of outpatients first attendances Number of outpatients follow-up attendances Number of inpatient days 										
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 2: A long and healthy life for all South Africans 										
Details contained in the service level agreement	<ul style="list-style-type: none"> This grant uses national service level agreements (SLAs) which are signed between NDOH and each province and contains the following: <ul style="list-style-type: none"> provincial and institutional allocations tertiary services specifications (approved YES list) funded by the grant, by facility by province annual targets for inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits per facility per province per year monitoring and reporting responsibilities validation and revision of data deviations or changes to tertiary services referral responsibilities approved business plan approved specialists funded from the grant (approved specialist detail list) national guidelines on definitions of tertiary services that may be funded by the grant 										
Conditions	<ul style="list-style-type: none"> Completion of a national SLA in the prescribed format, signed by the provincial Head of Department or receiving officer by 28 February 2017, and the transferring officer by 31 March 2017 The grant allocation to each central/provincial tertiary facility must not exceed a maximum of 65 per cent of the total facility budget The following amounts in the allocation to Gauteng are earmarked to fund the operations of the Nelson Mandela Children's Hospital (NMCH): <ul style="list-style-type: none"> R150 million in 2017/18 R200 million in 2018/19 R300 million in 2019/20 All staff for this hospital must be procured at rates no higher than Department of Public Service and Administration approved remuneration rates The services offered by Nelson Mandela Children's hospital should be integrated into the service delivery platform in collaboration with relevant provinces, particularly Gauteng 										
Allocation criteria	<ul style="list-style-type: none"> Based on historical allocations and spending patterns 										
Reason not incorporated in equitable share	<ul style="list-style-type: none"> There are significant cross boundary flows associated with tertiary services that are not affected by provincial boundaries due to their specialised nature 										
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> Allocated and transferred R10.4 billion to provinces, of which R10.4 billion (100 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> Provincial tertiary services performance was measured against the SLAs and the total patient activity rendered is as follows: <table border="0" style="margin-left: 20px;"> <tr> <td>○ Inpatient separations</td> <td style="text-align: right;">670 415</td> </tr> <tr> <td>○ Inpatient days</td> <td style="text-align: right;">3 932 950</td> </tr> <tr> <td>○ Day patient separation</td> <td style="text-align: right;">298 855</td> </tr> <tr> <td>○ Outpatient first visits</td> <td style="text-align: right;">1 117 783</td> </tr> <tr> <td>○ Outpatient follow up visits</td> <td style="text-align: right;">2 666 335</td> </tr> </table> 	○ Inpatient separations	670 415	○ Inpatient days	3 932 950	○ Day patient separation	298 855	○ Outpatient first visits	1 117 783	○ Outpatient follow up visits	2 666 335
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○ Day patient separation	298 855										
○ Outpatient first visits	1 117 783										
○ Outpatient follow up visits	2 666 335										
Projected life	<ul style="list-style-type: none"> Support for tertiary services will continue because of the need to sustain and modernise tertiary services 										
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R11.6 billion; 2018/19: R12.4 billion; 2019/20: R13.2 billion 										
Payment schedule	<ul style="list-style-type: none"> Monthly instalments as per payment schedule approved by National Treasury with the exception of Nelson Mandela Children's Hospital where the first payment of R100 million will be made in April 2017. Payments of R25 million each will be made in July and October 2017 based on satisfactory performance 										

Responsibilities of the transferring officer and receiving officer	<ul style="list-style-type: none"> • Responsibilities of the national department • Convene at least one annual meeting of national, provincial and facility programme managers • Monitor expenditure by economic classification, and patient activity and provide on-site support to facilities/complexes and provinces • Conduct a minimum of two site visits to provinces and a minimum of one site visit to facilities/complexes. Provincial visits to include facilities • Report on a quarterly basis to the National Treasury on an additional set of indicators agreed upon between the NDoH and National Treasury <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Completion of a provincial SLA/memorandum of understanding signed by the receiving officer and the benefitting institution by 31 March 2017, and submission to NDoH by 28 April 2017(due date for NMCH is 31 March 2017) • Provinces must provide the allocated amounts for individual funded facilities/clusters to Provincial Treasury for gazetting as per the number of agreed upon business plans per province and be facility/cluster specific, by 28 April 2017 • Provinces must maintain a separate budget for each benefiting facilities • The receiving officer must supply the head of each benefiting facility/complex with a budget letter which includes the equitable share allocation by 29 April 2017 • Conduct a minimum of two sites visit to each budgeted facility/complex per annum and submit reports of these site visits to NDoH • Submission of updated specialists details funded by the equitable share by 28 February 2017 • Submission of updated specialist details funded by the grant at facility level by 31 March 2017 • Submission of service specifications funded at each facility by 30 November 2017 • Submission of quarterly reports in the approved expenditure areas in the prescribed format • Provide patient utilisation data (inpatient separations, inpatient days, day case separations, outpatient first visits, outpatient follow up visits and patient-day equivalents) as per the prescribed format • Provide the number of inpatient separations for intensive care units (ICU) and neonatal ICU (NICU) quarterly • Provide the number of inpatient days for ICU and NICU quarterly • Provide the average length of stay at facility level quarterly
Process for approval of 2018/19 service level agreements	<ul style="list-style-type: none"> • Submission of draft business plans (provincial and facility) by 31 October 2017. • Completion of SLA, in the prescribed format, signed by each receiving officer by 28 February 2018 and the transferring officer by 25 March 2018

HUMAN SETTLEMENTS GRANT

Human Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> The creation of sustainable and integrated human settlements that enable improved quality of household life and access to basic services
Grant purpose	<ul style="list-style-type: none"> To provide funding for the creation of sustainable and integrated human settlements
Outcome statements	<ul style="list-style-type: none"> The facilitation and provision of adequate housing opportunities and improved quality living environments A functionally equitable and integrated residential property market Enhanced institutional capabilities for effective coordination of spatial investment decisions
Outputs	<ul style="list-style-type: none"> Number of housing opportunities created may include the following: <ul style="list-style-type: none"> number of residential units delivered in all housing programmes number of serviced sites delivered in all housing programmes Number of households in informal settlements provided with access to basic services – at upgrading of informal settlements programme level 2 standard Number of households in backyards provided with access to services/upgraded services Number of title deeds issued (pre 1994, post 1994 and post 2014) Hectares of well-located land acquired and zoned to create housing opportunities Number of work opportunities created through related programmes Number of informal settlements upgraded on site and/or relocated Percentage of project value procured from women and youth service providers Number of socio-economic amenities delivered in human settlements Number of catalytic projects planned, approved and implemented for integrated human settlements developments
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life
Details contained in the business plan	<ul style="list-style-type: none"> Medium term strategic framework targets, outputs and outcomes Project planning and facilitation Outputs and targets Cash flow projections (payment schedule) Quarterly reporting Project information Project readiness matrix Title deeds project pipeline matrix Infrastructure reporting model
Conditions	<ul style="list-style-type: none"> Funds for this grant should be utilised for the priorities as set out in the 2014-19 Medium Term Strategic Framework for human settlements The transfer of the first tranche of funds is conditional on approval by the national Department of Human Settlements (DHS) of provincial business plans consistent with the provisions of the Housing Act, 2017 Division of Revenue Act (DoRA) and in compliance with the National Housing Code The transfer of subsequent tranches is conditional on provinces capturing the targets and budget and capturing delivery statistics and expenditure monthly on the housing subsidy system (HSS) and the basic accounting system (BAS), at sub-sub-programme level, and submitting monthly reconciliations within the required time frames The provinces must ensure reconciliation and alignment of financial and non-financial outputs between the HSS and BAS on a monthly basis All projects in the approved business plan must be aligned with the integrated development plan (IDP) and the spatial development framework of municipalities as well as the built environment performance plan (BEPP) for metropolitan municipalities Draft and final business plans must be aligned to provincial annual performance plans Provincial Heads of Departments (HoDs) must sign-off and confirm that projects captured in business plans are assessed and approved for implementation in the 2017/18 financial year Provinces may utilise up to a maximum of five per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects contained in the business plan Provinces must indicate budget allocations consistent with provincial and related municipal backlogs for adequate housing Provinces must gazette allocations for respective accredited municipalities in terms of the DoRA by no later than 31 May 2017 Where municipalities have been accredited for the housing function, the provincial business plans must reflect relevant allocations, targets and outputs as agreed and approved with the respective municipalities Provinces may utilise a maximum of two per cent of the human settlements development grant (HSDG) for the provision bulk infrastructure projects for basic services in non-metropolitan municipalities to unlock Human Settlement projects on condition that the funding is complementary with commitments by

Human Settlements Development Grant

municipalities in their Integrated Development Plan and municipal budget for provision of such bulk and infrastructure with Municipal Infrastructure Grant funding. The prior approval of the transferring officer is required

- Provinces may request in writing to the transferring officer approval to amend their approved business plan by the end of September 2017
- The payment schedules should be derived from the cash flows contained in the approved business plans
- Funds have been included in this grant for the repair of infrastructure for damage incurred in natural disasters as declared in terms of the Disaster Management Act. Should the cost of repairing the affected infrastructure exceed the amounts earmarked below, provinces may not fund any such shortfalls out of this conditional grant. The following amounts per province must be used for the repair of infrastructure damaged by natural disasters declared in the government gazette and as assessed by the National Disaster Management Centre (NDMC):
 - Eastern Cape: R134.3 million
- Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC and the national department
- Disaster reconstruction and rehabilitation funds may only be utilised for approved projects as listed in the post disaster verification assessment reports and approved business plans
- Monthly and quarterly performance reports on disaster allocations must be submitted to the NDMC and national department
- A total of R507 million is ring-fenced for the Finance Linked Individual Subsidy Programme (FLISP). The following ring-fenced funds may only be used for planned FLISP spending as contained in the approved business plans of each province:
 - Eastern Cape: R20 million
 - Free State: R6 million
 - Gauteng: R239 million
 - KwaZulu-Natal: R110 million
 - Limpopo: R25 million
 - Mpumalanga: R7 million
 - Northern Cape: R2 million
 - North West: R8 million
 - Western Cape: R90 million
- A minimum of 30 per cent of the total must be allocated for the upgrading of informal settlements programme with targets segregated per province in the delivery agreement
- In addition, the following funds must be earmarked to support the upgrading of informal settlement in the area of each respective mining town. These are additional funds and may not be used to replace existing baseline funds allocated to projects in these areas. The following funds may only be utilised to funds projects and related infrastructure (including bulk) for housing and human settlements developments in the following prioritised mining towns:
 - **Free State:**
 - Matjhabeng: R83.1 million
 - **Gauteng:**
 - Merafong City: R48.5 million
 - Rand West City: R60.1 million
 - Mogale City: R20.0 million
 - **Limpopo:**
 - Thabazimbi: R22.2 million
 - Elias Motsoaledi: R10.1 million
 - Lephale: R14.6 million
 - LIM 476: R34.4 million
 - **Mpumalanga:**
 - Emalahleni: R79.2 million
 - Steve Tshwete: R31.4 million
 - Thaba Chweu: R23.2 million
 - **Northern Cape:**
 - Tsantsabane: R8.7 million
 - Ga-Segonyana: R10.3 million
 - Gamagara: R8.5 million
 - Kgatelopele: R1.7 million
 - **North West:**
 - Kgetlengriver: R26.4 million
 - Madibeng: R107.1 million
 - Moses Kotane: R93.3 million
 - Rustenburg: R83.4 million
 - City of Matlosana: R133.6 million

Human Settlements Development Grant	
	<ul style="list-style-type: none"> • The following funds are ring-fenced for utilisation in the eradication of the title deed registration backlog linked to provincial title deed registration implementation plans which must be included in the project readiness matrix and business plan. Funds may only be spent in terms of the approved business plan • These funds cannot be used for current and new projects: <ul style="list-style-type: none"> ○ Eastern Cape: R62 million ○ Free State: R47 million ○ Gauteng: R99 million ○ KwaZulu-Natal: R95 million ○ Limpopo: R21 million ○ Mpumalanga: R49 million ○ Northern Cape: R19 million ○ North West: R48 million ○ Western Cape: R47 million • Provinces must include the nationally approved human settlements catalytic projects in their business plans as per the catalytic programme requirements. In addition provinces must allocate a reasonable percentage of their grant allocation to the approved national priority catalytic projects in line with their projects readiness status • A minimum of 30 per cent of HSDG allocations should be allocated to contracts awarded to women and youth service providers • At least two per cent of the HSDG grant should be allocated to programmes and projects for the implementation of innovative building technologies in the human settlements implementation delivery chain • Provinces should ensure that the allocation for land acquisition and related purposes is included in the business plans • Provinces must agree with municipalities a plan for the provision of basic services to all households served in new housing developments
Allocation criteria	<ul style="list-style-type: none"> • The grant is allocated through the HSDG allocation formula approved by the Human Settlements MINMEC and National Treasury. The formula is based primarily on the share of inadequate housing in each province but also accounts for population size and extent of poverty in each province • Funds for informal settlement upgrading in mining towns are allocated based on project plans as agreed with provinces and municipalities in terms of the Presidential Mining Towns Intervention
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • A conditional grant enables the national department to provide effective oversight and ensure compliance with the National Housing Code
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • Allocated and transferred R18.7 billion of which R18.2 billion (97.3 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 100 339 housing units completed • 52 411 serviced sites completed
Projected life	<ul style="list-style-type: none"> • This is a long term grant as government has an obligation to assist the poor with the provision of human settlements in terms of the Constitution
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R19.7 billion; 2018/19: R21.1 billion; and 2019/20: R22.3 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments as per the payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Finalise and ensure the approval of the applicable subsidy quantum per programme and the allocation formula for the delivery of sustainable and integrated human settlements • Approve the final national and provincial business plans and issue national compliance certificates • Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein • Ensure that provinces align financial and non-financial information in terms of reporting in BAS, HSS, provincial business plans and provincial quarterly reports • Monitor provincial, financial and non-financial grant performance and control systems related to the HSDG • Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input • Provide support to provinces and accredited municipalities with regards to human settlements delivery as may be required • Undertake structured and other visits to provinces and metropolitan municipalities as is necessary • Facilitate regular interaction between DHS and provincial departments of human settlements and accredited municipalities • Submit an annual evaluation report for 2016/17 on the financial and non-financial performance of the grant to National Treasury by 28 July 2017 • Evaluate the audited provincial annual reports for submission to National Treasury by 15 December 2017 • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter

Human Settlements Development Grant	
	<ul style="list-style-type: none"> ● Provide systems including HSS, that support the administration of the human settlements delivery process ● Comply with the responsibilities of the transferring officer outlined in the 2017 DoRA ● Publish approved business plans ● Provinces should ensure that they implement the programmes only in the approved business plans <p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Provinces must conclude implementation protocols with the Housing Development Agency (HDA) for the preparation and programme management of catalytic projects ● Submit 2016/17 annual evaluation reports to DHS by 30 May 2017 ● Submit 2016/17 audited annual reports to the DHS by 29 September 2017 ● Prioritise funds in order to build houses to meet the quota set for the military veterans ● Support accredited municipalities in carrying out delegated functions as per the accreditation framework ● Provinces must utilise the HSS for the administration and related performance reporting of all the human settlement delivery programmes and processes ● Any malicious use or non-compliance to the HSS will result in funds being withheld or stopped in terms of DoRA ● Provinces must ensure alignment of financial and non-financial reporting in terms of reporting in BAS, HSS, approved provincial business plans, and provincial quarterly reports ● Ensure effective and efficient utilisation of and access to the HSS by municipalities ● Comply with the Housing Act, 2017 DoRA, Housing Code and the national delivery agreements that have been concluded ● The monthly expenditure report, as contemplated in section 12(3) of the 2017 DoRA and section 40(4)(c) of the Public Finance Management Act (PFMA), must be submitted by the 15th of every month for the preceding month with work in progress inclusive of expenditure and monthly BAS and HSS reconciliation as stipulated on the Practice Note dated 24 April 2015 ● The monthly DoRA expenditure and quarterly reports must be signed by both the HoD and the relevant provincial treasury HoD ● Submit the reports on the outputs as mentioned on this framework above by the 15th of every month for the preceding month ● Provinces should ensure that they only implement the programmes in the approved business plans ● Consult with municipalities on the programme and projects submitted for approval in terms of the HSDG business plan ● Ensure all projects to be implemented are contained in the municipal IDP and Spatial development frameworks of municipalities ● Ensure that the relevant amounts to be applied and transferred to municipalities are gazetted by no later than 31 May 2017
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Draft provincial business plans for 2018/19 financial year and project readiness matrix to be submitted to the national department by 31 August 2017 ● The second draft business plans to be submitted by 13 October 2017 ● Submit final provincial business plans, project readiness matrix, including cash flow projections and compliance certificates for 2018/19 financial year to the DHS by 09 February 2018 ● Specific approval from Transferring Officer should be sought, for rectification (pre and post 1994), IDP chapters, blocked projects, CRU (upgraded), project linked, consolidation subsidies (blocked projects) and the allocation must appear in the draft and final business plans

PUBLIC WORKS GRANTS

Expanded Public Works Programme Integrated Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To provide funding for job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme (EPWP) guidelines: <ul style="list-style-type: none"> road maintenance and the maintenance of buildings low traffic volume roads and rural roads other economic and social infrastructure tourism and cultural industries sustainable land based livelihoods waste management
Outcome statements	<ul style="list-style-type: none"> Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities Reduced level of poverty Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> Number of people employed and receiving income through the EPWP Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive economic growth
Details contained in the business plan	<ul style="list-style-type: none"> The programme is implemented through provinces using incentive agreements that contain project lists and targets for the creation of full time equivalents (FTEs) and work opportunities
Conditions	<ul style="list-style-type: none"> EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works (DPW) and the ministerial determination Eligible provincial departments must sign a funding agreement with their final EPWP project list attached, before the first planned disbursement of the grant Provincial departments must report quarterly on all projects via DPW's EPWP reporting system Reports must be loaded on the EPWP reporting system within 30 days after the end of every quarter in order for progress to be assessed The grant cannot be used for departmental personnel costs, however a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods The grant can only be utilised for EPWP purposes and for the projects approved in the EPWP Integrated Agreement signed by each eligible provincial department To receive the first planned grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> submit a final EPWP project list by 28 April 2017 sign a grant agreement with DPW Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> reporting on EPWP performance quarterly within the required time frames implementing their approved EPWP project list as planned towards the agreed job creation targets EPWP branding must be incorporated in any existing signage as per corporate identity manual Provincial departments must maintain beneficiary and or payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests
Allocation criteria	<ul style="list-style-type: none"> To be eligible for a EPWP grant allocation in 2017/18, a provincial department must have reported EPWP performance (in either the infrastructure or environment and culture sector) by 30 October 2016 The EPWP grant allocations are based on EPWP performance in the past 18 months, number of FTEs created per million rand, and the duration of the work opportunities created
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> Out of the R332.8 million allocated amount, R325.6 million was transferred (97.8 per cent) of which R326.2 million (100 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> 140 139 work opportunities reported and 65 863 FTEs created
Projected life	<ul style="list-style-type: none"> Grant continues until the end of 2019/20 financial year, subject to review

Expanded Public Works Programme Integrated Grant for Provinces	
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R396 million; 2018/19: R416 million; and 2019/20: R452 million
Payment schedule	<ul style="list-style-type: none"> • Three instalments per annum: 25 per cent, 12 May 2017; 45 per cent, 15 August 2017; and 30 per cent, 15 November 2017
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Determine eligibility and set grant allocations and FTE targets for eligible provincial departments • Publish on the EPWP website all documents relevant for provincial departments to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the ministerial determination • Support provincial departments, in the manner agreed to in the funding agreement, to identify suitable EPWP projects, develop EPWP project lists in accordance with the EPWP project selection criteria, apply the EPWP project selection criteria and EPWP guidelines to project design, report using the EPWP reporting system • Monitor the performance and spending of provincial departments and assess progress towards their implementation of EPWP project lists • Disburse the grant to eligible provinces • Report to National Treasury progress against FTE targets and spending against the grant allocation on a quarterly basis • Conduct data quality assessments on a continuous basis to support good governance and identify areas for administrative improvement • Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions • Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP web-based system
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Develop and submit an EPWP project list to DPW by 28 April 2017 • Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement by 28 April 2017 • Agree on the areas requiring technical support from DPW upon signing the grant agreement • Report on all EPWP projects into the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Provincial departments must report on performance of EPWP projects for the 2016/17 financial year by 28 April 2017 or report on 2017/18 performance by 30 October 2017 to be eligible for a grant allocation • Provincial departments must submit draft 2018/19 EPWP project lists to DPW by 26 April 2018 • Eligible provincial departments must sign the standard funding agreement with an approved 2018/19 EPWP project list by 26 April 2018

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
Transferring department	<ul style="list-style-type: none"> Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> To increase job creation through the expansion of the social sector Expanded Public Works Programme (EPWP)
Grant purpose	<ul style="list-style-type: none"> To incentivise provincial social sector departments, identified in the 2016 social sector EPWP log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential
Outcome statements	<ul style="list-style-type: none"> Improved service delivery to communities by expanding the reach and quality of social services Contribute towards increased levels of employment Improved opportunities for sustainable work through experience and learning gained Strengthened capacity of non-government delivery partners through increased access to funds for training, wages and administration
Outputs	<ul style="list-style-type: none"> 15 866 full time equivalents (FTEs) funded through this grant A minimum 15 205 people employed and receiving income through the EPWP A minimum average duration of 200 person days for work opportunities created A minimum of 70 000 households to which services are provided A minimum of 140 000 beneficiaries to whom services are provided A minimum of 1 000 beneficiaries who received training
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive economic growth Outcome 5: A skilled and capable workforce to support an inclusive growth path
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Provincial departments must report EPWP expenditure on the monthly In-Year Monitoring (IYM) tool in accordance with section 32 of the Public Finance Management Act Reports on financial and non-financial performance must be loaded on the EPWP reporting system within 30 days after the end of each quarter Provincial departments must adhere to the audit requirements stipulated in the social sector EPWP incentive grant manual The incentive grant allocation must be used to expand job creation programmes in the social sector The incentive grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> to provide stipends to unpaid volunteers at a minimum R83.59 per day and further adjustments as per the Ministerial Determination for EPWP Workers and the prescripts of the Department of Labour to provide additional allocations for prioritising existing programmes that contribute to achieving EPWP targets to expand social sector EPWP programmes as identified in the EPWP social sector log-frame for creation of additional work opportunities A minimum of 80 per cent of the total incentive allocation must be used to pay stipends or wages Of this 80 per cent, at least 25 per cent must be used for the creation of work opportunities for persons not previously employed in the relevant programme EPWP branding must be incorporated in any existing signage as per corporate identity manual The balance of the overall incentive allocation must be used for capacity-building at the implementation level or the standardisation of wages Maintain beneficiary and payroll records as specified in the audit requirements of the EPWP grant manual
Allocation criteria	<ul style="list-style-type: none"> To be eligible for an incentive allocation in 2017/18, a provincial department must have reported 2015/16 and first quarter 2016/17 EPWP performance by 13 October 2016 Departments receive a participation allocation which depends on the number of FTEs contributed in the preceding 18 months leading up to 30 September 2016 For departments that reported in 2015/16, the department's performance is assessed against a set of social sector EPWP standards to determine the size of an additional allocation, these are: <ul style="list-style-type: none"> number of FTEs per million rand per departmental programme as compared to the median value for similar programmes (cost-effectiveness) beneficiary profile consisting of 2 per cent persons with disabilities beneficiary profile consisting of 55 per cent youth beneficiary profile consisting of 55 per cent female beneficiaries 10 per cent of days worked spent in training average duration of work opportunities average minimum daily wage of R75.10 from April to October 2015 and R78.86 from November 2015 to March 2016 (per person day of work) The additional allocation for each eligible provincial department is based on its proportion of the total allocation, which is derived by multiplying a composite score against the above standards with the number of FTEs created in the 18 month period prior

Social Sector Expanded Public Works Programme Incentive Grant for Provinces	
	<ul style="list-style-type: none"> ● Past compliance will affect future allocations. The following penalties are applied where there is non-compliance to conditions of the grant <ul style="list-style-type: none"> ○ 0.6 per cent for non-compliance in submission of planning documents ○ 2.4 per cent for non-compliance in implementation stage ○ 0.3 per cent for late submission of each quarterly non-financial report ○ 0.3 per cent for each tranche withheld ○ 0.3 per cent for less than 100 per cent expenditure reported in the assessment period ○ 1 per cent for non-achievement of FTE target given in the assessment period
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● The incentive allocation is based on the performance of programmes in a prior financial year and use of the allocation is specifically earmarked for EPWP programme expansion
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● Of the total R226 million allocated, R226 million (99.9 per cent) was transferred, of which R227 million (100.2 per cent) was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● 11 138 FTEs were created ● 95 961 households serviced ● 1 522 non-profit organisations administratively supported
Projected life	<ul style="list-style-type: none"> ● Grant continues until the end of 2019/20 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R386 million; 2018/19: R408 million; and 2019/12: R431 million
Payment schedule	<ul style="list-style-type: none"> ● Three instalments per annum: 25 per cent, 5 May 2017; 45 per cent, 28 July 2017; and 30 per cent, 31 October 2017
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations ● Revise an incentive manual that will provide provincial departments with standard information on the rules of the incentive programme, its application, monitoring and evaluation information and audit regulations ● Develop an incentive agreement outlining the requirements of the incentive grant and ensure that each provincial department signs the agreement by 31 March 2017 ● Reach agreements with national sector departments on their roles in ensuring effective implementation of the incentive grant by 31 March 2017 ● Support provincial departments to develop plans to meet job creation targets ● Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system ● Monitor the performance of provincial departments and the use of the incentive grant against the conditions in the framework and report to National Treasury on monthly and quarterly progress ● Audit the final performance of provincial departments after the end of the financial year ● Report quarterly to provincial departments on projected eligibility for the incentive grant in the following year ● Issue guidelines to provincial departments on how to report expenditure by 31 March 2017 ● Identify anomalies in the reported data <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> ● Compile and sign business plans and project lists on how to achieve the incentive grant targets by 31 March 2017 ● By 31 March 2017, sign the standard incentive agreement with national Department of Public Works (DPW) agreeing to comply with the conditions and obligations of the grant before receiving any incentive payment ● Report EPWP performance onto the EPWP reporting system and update progress monthly and quarterly in accordance with the reporting requirements in the incentive agreement ● Provide financial and non-financial data on the use of the incentive grant on a monthly and quarterly basis in the format and manner prescribed by National Treasury and DPW
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Provincial departments must have reported EPWP performance by 13 October 2017 to be eligible for an allocation ● Provincial departments participate in the planning exercise from December to January each year and submit their business plans, project lists and targets to DPW during this process in the format prescribed ● DPW to distribute the incentive agreements for provincial Head of Department endorsement by end of March every year ● Provincial departments sign the incentive agreement with DPW by 30 March 2018 and agree to comply with the conditions and obligations of the incentive grant

SOCIAL DEVELOPMENT GRANTS

Early Childhood Development Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To increase the provision of early childhood development (ECD) services through partial care facilities to poor children
Grant purpose	<ul style="list-style-type: none"> • To increase the number of poor children accessing subsidised ECD services through partial care facilities • To assist existing conditionally registered partial care facilities providing an ECD programme to meet basic requirements in order to attain full registration
Outcome statements	<ul style="list-style-type: none"> • The provision of ECD services to poor children • Improving the physical health and safety conditions in which early learning takes place
Outputs	<p>Subsidy component</p> <ul style="list-style-type: none"> • Number of poor children that benefit from ECD services that are subsidised • Number of days subsidised • Number of children attending ECD services in registered centres <p>Maintenance component</p> <ul style="list-style-type: none"> • Number of ECD centres conditionally registered as per registration framework • Number of ECD centres assessed for the maintenance component • Number of ECD centres upgraded from the maintenance component • Number of ECD centres that moved from conditional registration to full registration as a result of the maintenance component • Number of children that ECD centres are registered to accommodate (capacity)
Priority outcome(s) of government that this grant primarily contributes to	<p>Outcome 1: Quality basic education</p> <p>Outcome 13: An inclusive and responsive social protection system</p>
Details contained in the business plan	<p>The provincial departments will use a business plan issued by the national Department of Social Development (DSD) which contains the following:</p> <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • Conditional grant funding cannot be used to replace funding that provinces have previously allocated for ECD subsidies • Business plans must be signed off by the Head of Department (HoD) of the provincial department of Social Development and submitted to the DSD by 01 March 2017 in the format set by DSD <p>Subsidy component</p> <ul style="list-style-type: none"> • Fully registered or conditionally registered partial care facilities offering ECD programmes will be eligible for the subsidy • Partial care facilities (ECD centres) that are registered conditionally will be eligible for the maintenance component • Each province may use a maximum of R2.1 million of their conditional grant allocation for administrative management of the grant which includes capacity to manage the grant and funding for maintenance assessments of ECDs • The subsidy is targeted for children from zero to five years old or until they enter Grade R • The provincial DSD and the ECD centre will enter into a service level agreement (SLA) which stipulates the purpose of the subsidy, the amount of the subsidy, conditions of the subsidy and obligations of both provincial DSD and the ECD centre with regard to the payment of the subsidy and the reporting requirements • The value of the subsidy paid to each ECD centre will be calculated as follows: R15 multiplied by the annual number days the ECD centre will operate as agreed to in the SLA, multiplied by number of children attending the ECD centre as agreed to in the SLA • The full value of the subsidy will be paid in equal parts in line with the SLA and any changes to the payment schedule must be aligned to a determination of non-compliance as defined in the SLA • Once funds are transferred to ECD centres, the department may not pre-approve how the funds are to be utilised • All allocations must be aligned to the number of children as per the SLA and can only be reduced as per the process outlined in the SLA. Allocations must not be changed in-year based on how many children attend • The subsidy must target ECD centres or qualifying children in line with the process set out below • Children that are already receiving social grants will be eligible to be subsidised and will not be subject to an individual means test whilst children who do not receive grants will be subjected to the means test when calculating the subsidy allocation for ECD Centres • A child is eligible to be subsidised if her/his parents' income falls below the following prescribed test • Income-based means test:

Early Childhood Development Grant	
	<ul style="list-style-type: none"> ○ income of parents or caregivers may not exceed R45 600 per annum if single and R91 200 per annum if married as aligned to the means test applied for the receipt of the Child Support Grant. This is updated each year with an increase in the grant value ○ the following documents must be submitted by an ECD Centre, in the case of children receiving a child related social assistance grant: <ul style="list-style-type: none"> ○ original, reprinted or certified copies of proof of receipt of the child related grant (Child Support Grant or the Foster Care Grant) as issued by South African Social Security Agency ● In the case of children who are not beneficiaries of a child related grant: <ul style="list-style-type: none"> ○ proof of income of parents (or caregivers); ○ three months bank statement of parents or guardians; or ○ affidavit declaring status of income ● If the child is attending an ECD centre falling outside of those municipal wards that have been identified for universal targeting of the subsidy, the subsidy will be targeted to the individual child <p>Maintenance component</p> <ul style="list-style-type: none"> ● ECD centres must be conditionally registered ● only minor building and maintenance improvements are aimed at ensuring ECD centres comply with the health and safety norms and standards, as identified by the national Department of Social Development will be funded from this grant ● the maximum value to be spent per ECD centre for maintenance improvements is R100 000 ● prior approval for any amount exceeding the R100 000 should be obtained from the HOD and CFO ● the exceeding amount should not be more than 30 per cent of the R100 000 ● provinces must conduct assessments of conditionally registered centres and cost them in order to qualify for maintenance grant funding in 2018/19 ● all maintenance projects must be recorded on the National Treasury infrastructure reporting model
Allocation criteria	<ul style="list-style-type: none"> ● The overall provincial allocations are determined based on: <ul style="list-style-type: none"> ○ the number of poor children in the provinces ○ the number of poor children currently accessing the ECD subsidy ○ the value of the ECD subsidy and the number of days children should be subsidised ● Number of conditionally registered ECD centres
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● To allow DSD to better ring-fence expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● New grant <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● New grant
Projected life	<ul style="list-style-type: none"> ● Given the nature of the programme and the drive to expand provision of ECD services, the need for the grant will be needed for at least another 10 years
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R318 million; 2018/19: R491 million; and 2019/20: R518 million allocated as follows: <ul style="list-style-type: none"> ○ ECD subsidies: 2017/18: R249 million; 2018/19: R412 million; and 2019/20: R435 million ○ ECD maintenance improvements: 2017/18: R69 million; 2018/19: R79 million; and 2019/20: R83 million
Payment schedule	<ul style="list-style-type: none"> ● Quarterly instalments on 13 April 2017; 18 July 2017; 13 October 2017; and 15 January 2018
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Develop a standardised reporting framework and monitoring tool ● Develop a standardised format for the business plan ● Assist the provincial Departments of Social Development with their planning ● To assess and approve the business plans submitted by provinces ● Develop standardised SLAs to be entered into between provincial DSDs and ECD service providers ● Develop an ECD conditional registration framework that clearly outlines the criteria for conditional registration ● Develop guidelines on the implementation of the ECD centre maintenance component ● Monitoring of project progress and compliance to conditional grant framework ● Provide continuous monitoring and support to provinces on a monthly and quarterly basis ● Submit a monthly financial report to National Treasury 20 days after the end of the reporting month ● Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter ● To monitor the utilisation of the grant against the set outcomes and to take appropriate action in cases of non-compliance with the framework ● Submit an annual evaluation report four months after the end of the 2017/18 financial year ● Facilitate approval of the payment schedule and approval of in-year adjustments to the payment schedule ● Develop a proposal on a short to long term management information system for ECD

Early Childhood Development Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> ● Develop and submit approved business plans signed off by the HoD to the DSD by 1 March 2017 ● Provinces to implement the business plan as approved by the DSD (national must approve any deviation in writing) ● Conclude SLAs with ECD centres in a format prescribed by the DSD ● Ensure that payments are made in line with the payment schedule as per the SLAs with ECD centres ● Provinces must provide a plan to the DSD on how they will proceed with the assessment of conditionally registered centres ● Provinces must provide a plan on how they will proceed with the actual maintenance upgrade of the conditionally registered ECD centres ● The reasons for conditional registration must be attached to the ECD registration certificate and kept on file ● Provinces must submit a list of all conditionally registered centres that require maintenance upgrades citing both the type of upgrade required and costs to DSD by the 1 March 2017 ● Ensure that claims are submitted to DSD to allow for transfer of funds by DSD in line with the payment schedule approved by the National Treasury ● Subsidies must be made into the ECD centres designated bank accounts, which must be with a registered deposit taking institution in the Republic of South Africa ● Subsidies may only be reduced in cases of non-compliance as outlined in the prescribed SLA ● Use the information reported in the quarterly reports from ECD centres to develop and maintain a master list of all children benefitting from the ECD subsidy ● Maintain a database on the status of registration of all ECD centres in the province that is inclusive of the following basic information: <ul style="list-style-type: none"> ○ registration status ○ capacity of the centre ○ number of children in attendance ○ number of children subsidised ● Maintain a database of all ECD centres that have been assisted through the maintenance grant ● Maintain a database of all ECD centres that moved from conditional to full registration ● Submit monthly financial reports to DSD 15 days after the end of the reporting month ● Provinces must upload all ECD maintenance projects on the Infrastructure Reporting Model and update it monthly ● Submit quarterly performance reports to national department within 30 days after the end of each quarter ● Submit an evaluation report two months after the end of the 2017/18 financial year
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Engagement with provincial departments on submission of business plans between September 2017 and February 2018 ● Provinces must submit a list of all conditionally registered centres that have been assessed and that require maintenance upgrades citing both the type of upgrade required and costs to DSD by the 29 September 2017 ● Provinces to submit revised business plans and assessment of business plans to the DSD by 14 November 2017 ● Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by HoD's for 2015/16 financial year to the DSD by 16 February 2018 ● The transferring officer must approve provincial business plans by 26 March 2018

Social Worker Employment Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant Schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • Strengthening high priority social welfare service delivery through employment of social workers that benefitted from the Department of Social Development's (DSD) social work scholarship (hereafter referred to as social work graduates)
Grant purpose	<ul style="list-style-type: none"> • To reduce the backlog in the number of social work graduates that remain unemployed
Outcome statements	<ul style="list-style-type: none"> • Employ social work graduates to reduce unemployed social work graduates by 27 per cent by the end of March 2018
Outputs	<ul style="list-style-type: none"> • Increase in the employment of social workers who benefitted from the social work scholarship • Reduction in the backlog of unemployed social work graduates during the 2017/18 financial year • The total number of social work graduates employed through the provincial social development sector • The number of social work graduates not yet employed at the end of the reporting period
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 13: An inclusive and responsive social protection system
Details contained in the business plan	<ul style="list-style-type: none"> • Provincial departments will use a business plan as issued by the DSD which contains the following: <ul style="list-style-type: none"> ○ Project background ○ Project objectives ○ Scope of the work ○ Deliverables and outputs to be achieved ○ Quarterly reporting requirements ○ Risk assessment with mitigation plan ○ Provincial specific needs analysis
Conditions	<ul style="list-style-type: none"> • The conditional grant is to be used solely for employment of social work graduates • The social workers should be appointed by the provincial Departments of Social Development and allocated to high priority areas as identified in the provincial specific needs analysis • Provinces should report to DSD on a quarterly basis on the number of social work graduates that have been employed through the grant, the number of social work graduates employed through the provincial equitable share and the number of social work graduates not yet employed at the end of the reporting period • Provinces to submit to DSD a list of all unemployed graduates to indicate how large the back the backlog is from 2013 – 2016, with identification details by the end of January 2017 to DSD
Allocation criteria	<ul style="list-style-type: none"> • The overall provincial allocations were determined based on the proportion of unemployed social work graduates per province
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • To accelerate the absorption of social workers into sector in a targeted manner that matches need across the country, and address the backlog in employment of social work graduates, this grant is created to be allocated outside the general criteria used for the equitable share
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • New grant <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • New grant
Projected life	<ul style="list-style-type: none"> • The grant continues until 2019/20 financial year; subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R182 million; 2018/19: R197 million; and 2019/20: R213 million
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments on 11 April 2017; 03 July 2017; 02 October 2017; and 17 January 2018
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Develop a standardised reporting framework • Develop a standardised format for the business plan • Assist the provincial DSDs with their planning • To assess and approve the business plans submitted by provinces • Monitoring of project progress and compliance to the conditional grant framework • Monitor implementation and provide support on a monthly and quarterly basis • Submit monthly financial reports to National Treasury 20 days after the end of the month • Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • To monitor the utilisation of the grant against the set outcomes and to take appropriate action in cases of non-compliance with the framework • Submit an annual evaluation report 4 months after the end of the 2017/18 financial year • Facilitate approval of the payment schedule and in-year adjustments to the payment schedule

Social Worker Employment Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Submit a business plan to DSD in the template provided • Provinces to implement the business plan as approved by DSD • Submit signed off monthly financial reports to DSD 15 days after the end of the month • Submit quarterly performance reports to DSD within 30 days after the end of each quarter • Provinces to submit evaluation reports to DSD two months after the end of the financial year • Provinces to report on expenditure against spending plans on a monthly basis • Ensure that claims are submitted to DSD to allow for transfer of funds by DSD in line with the payment schedule approved by the National Treasury • Ensure sufficient supervision capacity for newly employed social work graduates
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Engagement with provincial departments on submission of business plans between September 2017 and February 2018 • Provinces submit revised business plans to the DSD by 14 November 2017 • Submit final provincial business plan, including cash flow projections and compliance certificates signed off by HoDs for 2018/19 financial year, to the DSD by 16 February 2018 • The transferring officer approves provincial business plans by 25 March 2018

Substance Abuse Treatment Grant	
Transferring department	<ul style="list-style-type: none"> • Social Development (Vote 17)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> • To strengthen the harm reduction programme by providing treatment for substance abuse • To improve access to public substance dependency treatment facilities
Grant purpose	<ul style="list-style-type: none"> • To provide funding for the operationalization (including the purchasing of equipment) of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West
Outcome statements	<ul style="list-style-type: none"> • Reduction in recurrence of substance abuse • Affordable public treatment programmes
Outputs	<ul style="list-style-type: none"> • Four operational substance dependency treatment facilities
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 2: A long and healthy life for all South Africans
Details contained in the business plan	<ul style="list-style-type: none"> • The business plan will include the following: <ul style="list-style-type: none"> ○ project background ○ project objectives ○ scope of the work ○ deliverables and outputs to be achieved ○ quarterly reporting requirements ○ risk assessment with mitigation plan
Conditions	<ul style="list-style-type: none"> • The substance dependency treatment facilities are to be operationalised in compliance with the Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 70 of 2008), its regulations and norms and standards • All centres to be registered as a treatment centre before operationalisation • Centres must comply with occupational health and safety standards • All the facilities should adhere to the National Health Act (Act No. 61 of 2003) • All required reports must be signed-off by the relevant delegated official within the provincial department • business plans must be signed off by the Head of Department (HoD) of the provincial Department of Social Development and submitted to the national Department of Social Development (DSD) by 1 February 2017 • The flow of the first instalment of the grant depends upon receipt by DSD of: <ul style="list-style-type: none"> ○ monthly progress reports via the infrastructure reporting model (IRM) including a narrative progress report on projects ○ status report on the provinces readiness to commence with operationalisation of the facility ○ business plan signed by the HoD of the provincial DSD ○ spending plan for operationalisation expenditure for the 2017/18 financial year • The flows of the subsequent tranches are dependent upon DSD and National Treasury receiving: <ul style="list-style-type: none"> ○ monthly financial reports ○ monthly IRM reports ○ quarterly statistics measuring the intake profile of service users and staff from facilities that are operational • Provincial DSDs to provide sustainability plans to DSD by 31 August 2017
Allocation criteria	<ul style="list-style-type: none"> • Provinces were allocated funds according to the cost calculations for a standard design guideline of a substance dependency treatment facility
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant enables the DSD to ensure the delivery of substance abuse treatment facilities in the four provinces that do not have these public facilities
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • R51 million was allocated to provinces, R48 million (94 per cent) was transferred to provinces, of which R23 million (46.3 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • Eastern Cape: The building was completed and certificate of completion handed to DSD on 17 September 2015. The registration of the treatment facility in terms of the Prevention of and Treatment for Substance Abuse Act was finalised in January 2016. A 12 month conditional registration status was approved • Free State: A site for the construction of the building was previously identified and the design of the facility was finalised. The contractor was appointed in February 2016 • Northern Cape: Groundwork was completed by the end of the financial year. The contractor appointed for top structure started with foundation. The Process for procurement of external fence has commenced • North West: The site was handed over on 23 January 2015. Project progress is currently at a 96 per cent completion
Projected life	<ul style="list-style-type: none"> • The allocation for temporary operationalisation of the centres will commence in 2017/18 until 2019/20 and will be subject to review thereafter
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R57 million; 2018/19: R71 million; and 2019/20: R75 million
Payment schedule	<ul style="list-style-type: none"> • Quarterly instalments on 25 April 2017; 28 July 2017; 23 October 2017; and 26 January 2018

Substance Abuse Treatment Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Monitoring compliance to conditional grant framework ● Monitor implementation through project site visits and provide appropriate support ● Provide the guidelines and criteria for the development and approval of the business plan ● Submit an annual evaluation report after the end of the 2016/17 financial year, four months after the financial year end ● Provide National Treasury with a quarterly report against the project plan 45 days after the end of each quarter ● Initiate a process to guide the allocation criteria of funds for operation budgets starting 2017/18 ● Submit monthly financial reports to National Treasury 20 days after the end of the month ● Facilitate approval of the payment schedule and approval of in-year adjustments to the payment schedule ● To monitor the utilisation of the grant against the set outcomes and to take appropriate action in cases of non-compliance with the framework <p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> ● Submit a business plan to national DSD in the template provided. ● Provinces to implement the business plan as approved by DSD ● Submit monthly financial reports to DSD 15 days after the end of the month ● Approve monthly IRM reports within 15 days after the end of the reporting month ● Submit signed copies of approved IRM reports within 22 days after the end of each month ● Submit quarterly performance reports to DSD within 20 days after the end of each quarter ● Provinces to submit evaluation reports to DSD two months after the end of the financial year ● Ensure that claims are submitted to national DSD to allow for transfer of funds by national DSD in line with the payment schedule approved by the NT ● Provinces must provide a sustainability plan on the continued operation of the centres subsequent to the conditional grant period
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> ● Engagement with provincial departments on submission of business plan from August 2017 to January 2018 ● Provinces submit revised business plan to the national DSD by 14 November 2017 ● Submit final provincial business plan, including cash flow projections and compliance certificates signed off by HoD's for 2018/19 financial year to the national DSD by 1 February 2018 ● The transferring officer approves provincial business plans by 15 February 2018

SPORT AND RECREATION SOUTH AFRICA GRANT

Mass Participation and Sport Development Grant	
Transferring department	<ul style="list-style-type: none"> ● Sport and Recreation South Africa (Vote 40)
Grant schedule	<ul style="list-style-type: none"> ● Schedule 5, Part A
Strategic goal	<ul style="list-style-type: none"> ● Increasing citizens' access to sport and recreation activities
Grant purpose	<ul style="list-style-type: none"> ● To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders
Outcome statements	<ul style="list-style-type: none"> ● Increased and sustained participation in sport and active recreation ● Improved sector capacity to deliver sport and active recreation
Outputs	<ul style="list-style-type: none"> ● School sport <ul style="list-style-type: none"> ○ learners supported to participate in the National School Sport Championship ○ learners participating in school sport tournaments at a provincial level ○ learners participating in school sport tournaments at a district level ○ people trained to deliver school sport ○ schools provided with equipment and/ or attire ○ school sport coordinators remunerated ○ school sport structures supported ● Siyadlala: Community sport and active recreation <ul style="list-style-type: none"> ○ youth participating at the National Youth Camp ○ active recreation events organised and implemented ○ people actively participating in organised sport and active recreation events ○ people in the hubs trained to deliver Siyadlala in the Mass Participation Programme ○ indigenous games clubs participating in Indigenous Games Tournaments ○ hubs provided with equipment and or attire ● Club development <ul style="list-style-type: none"> ○ local leagues supported ○ people trained to deliver the club development programme ○ clubs participating in the Rural Sport Development Programme ○ clubs provided with equipment and or attire ● Club pilot in Limpopo and KwaZulu-Natal <ul style="list-style-type: none"> ○ clubs audited in the club development pilot project ○ clubs trained using the tool kit ○ clubs in the pilot project supported as per the service level agreement (SLA) ● Sport academies <ul style="list-style-type: none"> ○ athletes supported by the sport academies ○ sport academies supported ○ people trained to deliver the sport academy programme ○ sport focus schools supported ● National training centre in Free State <ul style="list-style-type: none"> ○ construction of the national training centre ● Transversal matters <ul style="list-style-type: none"> ○ sport and active recreation projects implemented by the provincial sports confederation ○ provincial programmes implemented ○ branding material procured as per specifications ● Management <ul style="list-style-type: none"> ○ staff appointed on a long term contract ○ administration standards met
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> ● Outcome 14: Nation building and social cohesion
Details contained in the business plan	<ul style="list-style-type: none"> ● Grant purpose ● Outcome indicators ● Grant outputs ● Output indicators ● Key activities
Conditions	<p>Provincial compliance</p> <ul style="list-style-type: none"> ● Provinces must ensure that: <ul style="list-style-type: none"> ○ all structures at all levels are aligned to the 16 SRSA priority codes to contribute to seamless service delivery ○ 50 per cent of hubs and clubs supported must be from the rural and farm areas ○ performance evidence is timeously submitted irrespective of the status of the project as per the technical indicator descriptors ○ funds from this grant are not used on projects falling outside the scope of the grant unless following a written request, approval to such effect is granted by the SRSA Accounting Officer

Mass Participation and Sport Development Grant

- The provincial allocation is rationalised after the deduction of 10 per cent for the national training Centre and three per cent for the Club Development Pilot Project from the national grant allocation. The provincial allocation is then balanced out to 100 per cent in order for the respective provinces funding to be aligned and allocated consistently
- The provincial allocation must be utilised as follows:
 - school sport 38 per cent
 - community sport and active recreation 35 per cent
 - sport academies 11 per cent
 - transversal matters 7 per cent
 - management 9 per cent
 - provinces based on their provincial dynamics may apply to the Accounting Officer to change the above sub-allocations
- School sport: 38 per cent**
- Provinces must ring-fence R10 million to provide transport, attire and delivery of provincial teams to the national school sport championships. Provincial allocation to provinces will consider funds necessary for hosting national championship games and will include accommodation, breakfast and dinner for the provinces that will be hosting the three national championship games this year, (2017 Autumn). Provincial allocations will already reflect the deduction of the amount for accommodation
- The remaining school sport allocation must be allocated as follows:
 - 10 per cent for training of people to deliver school sport
 - 20 per cent to purchase equipment and or attire for schools below quintal 3 identified through participation in leagues
 - 40 per cent to deliver district and provincial competitions
 - 15 per cent to remunerate coordinators who coordinate, support, monitor and evaluate school sport at district and local level
 - 15 per cent to support school sport structures
- Community sport and active recreation: 35 per cent**
- **Siyadlala: 17 per cent**
- Youth Camps:
 - provinces must ring-fence R3 million for the National Youth Camp to provide transport, accommodation, meals, attire, security, public liability, medical support, stationery, and the costs associated with plenary meetings
- The remaining Siyadlala allocation must be allocated as follows:
 - 30 per cent for organising and implementing events
 - 20 per cent or Indigenous Games tournament support, such as transport and catering
 - 15 per cent to purchase equipment
 - 10 per cent to purchase attire
 - 5 per cent for ministerial outreach programmes
 - 20 per cent for training
- **Club development: 18 per cent**
- The portion of the grant ring fenced for club development must be used as follows:
 - 20 per cent to support the clubs that are participating in the Rural Sport Development Programme
 - 20 per cent for training in sport administration; team management; coaching or technical officiating
 - 35 per cent for leagues
 - 25 per cent to purchase sport equipment and attire
- Sport academies: 11 per cent**
- The allocation must be used for the establishment and development of district and provincial academies in line with sport academies framework and guidelines of SRSA:
 - 10 per cent for training in the following: talent identification and scouting, coaching, medical and scientific, life skills, counselling
 - 40 per cent for resourcing of district and provincial academies
 - 35 per cent for athlete support as documented in the academy framework
 - 10 per cent for remuneration for services rendered by specialist personnel (sport scientists, psychologists, biokineticist, physiotherapists, nutritionists, etc.) These should be contracted to provide the services as and when the need arises
 - 5 per cent for Sport Focus Schools
- Transversal matters: 7 per cent**
- Provincial Sport Confederation 3 per cent
- Provinces may transfer funds to the provincial sport confederation provided:
 - a transfer plan has been developed and submitted together with a signed business plan approved by SRSA
 - a SLA has been entered into between the provincial department and the provincial sport confederation stating clearly what is expected of the provincial sport confederation
 - a monitoring mechanism is in place to monitor expenditure and performance by the sport confederation as per the SLA
- Provincial Programmes: 3 per cent
 - These are specific provincial programmes that contribute to the main purpose of the grant

Mass Participation and Sport Development Grant	
	<ul style="list-style-type: none"> ● Branding: 1 per cent <ul style="list-style-type: none"> ○ The allocation must be used to provide branding for all programmes that are funded through the Conditional Grant. Annually there will be dedicated allocation to specified branding material ○ In 2017/18 the focus will be on the Rural Sport Development Programme Management: 9 per cent ● Appointing staff: 6 per cent <ul style="list-style-type: none"> ○ the portion of the grant ring-fenced for the appointment of staff must be used to appoint staff on a three year contract. The appointed staff must implement conditional grant programmes. The allocation is not for support staff in programmes such as finance, planning, monitoring and evaluation or research ● Administration: 3 per cent ● provinces are expected to use this portion of allocation to ensure that all their submissions are packaged properly (These will vary from business plans, Projects Implementation Agreement, reports (monthly, quarterly, and annual))
Allocation Criteria	<ul style="list-style-type: none"> ● Each province is allocated a baseline of R20 million, whereafter the equitable share formula is applied to the remaining amount ● The Northern Cape allocation is increased due to a need to increase participation in the rural areas, R2 million and R3 million is deducted from Gauteng and KwaZulu-Natal to fund this. 3 per cent per provinces is reallocated equally to Limpopo and KwaZulu-Natal for the club development pilot ● 10 per cent per province is reallocated to the Free State for the national training centre
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● The conditional grant is assisting the sport sector in implementing the National Sport and Recreation Plan and National Development Plan objectives
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● R542 million was allocated to provinces, R533 million (98.4 per cent) was transferred to provinces of which R537 million (100.8 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● 135 950 People actively participating in organised sport and active recreation events ● 37 673 Learners participating in school sport tournaments at a district level ● 3 938 Schools, hubs and clubs provided with equipment and/or attire ● 6 089 Athletes supported by the sport academies ● 35 Sport academies supported
Projected life	<ul style="list-style-type: none"> ● Grant continues until 2019/20, thereafter subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R585 million; 2018/19: R618 million; and 2019/20: R653 million
Payment schedule	<ul style="list-style-type: none"> ● Four instalments: 31 May 2017; 31 August 2017; 30 November 2017; and 26 January 2018
Responsibilities of national transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Evaluate Annual Reports for the 2016/17 grants for submission to the National Treasury by 28 July 2017 ● Agree on outputs and targets with provincial departments in line with grant objective for 2018/19 by 25 August 2017 ● Provide the guidelines and criteria for the development and approval of business plans ● Monitor implementation and provide support ● Submit approved business plan for 2017/18 to the National Treasury (NT) on 28 April 2017 ● Submit quarterly performance reports to NT 45 days after the end of each quarter ● Ensure that all the conditional grant practice notes issued by NT are adhered to ● Desktop monitoring: monthly and quarterly reports analysis received by provinces ● Physical verification visits to the provinces to verify what has been reported in the monthly and quarterly reports ● Quarterly review sessions with all role players of the conditional grant from the provinces <p>Responsibilities of provincial departments</p> <ul style="list-style-type: none"> ● Submit the 2016/17 Annual Evaluation report to SRSA by 31 May 2017 ● Submit monthly reports as per the requirements contained in the 2017 Division of Revenue Act (DoRA) ● Monitor progress of programmes delivered through the conditional grant ● Ensure that conditional grant managers attend all national conditional grant meetings ● Ensure that capacity exists to manage the grant and that there is a grant manager responsible for the grant framework, planning, implementation and reporting ● Ensure organisational capacity to deliver on the programmes that are implemented through the grant
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● Provinces provide draft business plan to SRSA by 16 October 2017 ● SRSA evaluates draft business plans by 24 November 2017 ● Comments sent to provinces by 1 December 2017 ● Provinces submit revised business plans to SRSA by 31 January 2018 ● Head of Department approves business plan by 15 February 2018 ● SRSA submits business plans to NT by 30 March 2018

TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4A
Strategic goal	<ul style="list-style-type: none"> • To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework For South Africa (RISFSA) in line with the S'hamba Sonke road programme and other related road infrastructure asset management programmes
Grant purpose	<ul style="list-style-type: none"> • To supplement provincial investments for routine, periodic and special maintenance • To ensure all roads are classified as per RISFSA and the technical recommendation for highways (TRH) 26, and road classification and access management (RCAM) guidelines • To implement and maintain road asset management systems (RAMS) as per technical methods for highways (TMH) 22 • To supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters • To improve the state of the road network serving electricity generation infrastructure • To improve road safety with a special focus on pedestrian safety in rural areas
Outcome statements	<ul style="list-style-type: none"> • Improve the condition and lifespan of the assets (provincial roads), thereby improving the level of service • Improved rates of employment, community participation and skills development through the delivery of roads infrastructure projects (expanded public works programme objective) • Create work opportunities for unemployed people through labour-intensive construction methodologies for the delivery of road infrastructure projects
Outputs	<ul style="list-style-type: none"> • Road classification processes are 100 per cent complete and continuously maintained, including all newly proclaimed constructed and upgraded roads • Fully functional RAMS in line with minimum TMH 22 requirements for a provincial road authority • Network condition assessment and determination of project priority list from the RAMS • The following actual delivery related measures against 2017/18 targets defined in the final road asset management plan (RAMP) for each province: <ul style="list-style-type: none"> ○ number of m² of surfaced roads rehabilitated ○ number of m² of surfaced roads resurfaced (overlay or reseal) ○ number of m² of blacktop patching (including pothole repairs) ○ number of kilometres of gravel roads re-gravelled ○ number of kilometres of gravel roads bladed • The following performance based on national job creation indicators <ul style="list-style-type: none"> ○ number of jobs created ○ number of full time equivalents (FTEs) created ○ number of youths employed (18 – 35) ○ number of women employed ○ number of people living with disabilities • Submission of updated road condition data (paved and unpaved), traffic data, and bridge condition report by 31 August 2017 • Reporting on the provinces contractor development programme (CDP) <ul style="list-style-type: none"> ○ number of SMME's
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses a RAMP, which contains the following details: <ul style="list-style-type: none"> ○ targets set for levels of service for 2017/18 to 2019/20 with regards to the key performance indicator components identified which will include road condition, safety, traffic and vehicle operating cost ○ financial summary ○ organisational and support plan ○ job creation estimates ○ emerging contractor opportunities ○ linkages to socio-economic activities and opportunities
Conditions	<ul style="list-style-type: none"> • A maximum of R10 million may be used to build road asset management capacity . This funding is allocated as capacity support and is extended until the 2018/19 financial year • For RISFSA Class R1, R2 and R3 data collection requirements are: <ul style="list-style-type: none"> • visual condition data according to TMH 9 for pavements no older than 2 years, and TMH 19 for bridges no older than 5 years • instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 no older than 2 years • instrumental pavement data for deflections according to TMH 13 no older than 5 years

Provincial Roads Maintenance Grant	
	<ul style="list-style-type: none"> ● Traffic data according to TMH 3, TMH 8 and TMH 14 no older than 3 years ● For RISFSA Class R4 and R5 data requirements are: <ul style="list-style-type: none"> ○ visual condition data according to TMH 9 for pavements no older than 3 years and TMH 19 for bridges no older than 5 years ○ instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 no older than 4 years on paved roads only ○ traffic data according to TMH 3, TMH 8 and TMH 14 no older than 5 years ● All provinces will be expected to collect and provide information on the following: <ul style="list-style-type: none"> ○ road safety assessments, appraisals and improvements (Opex) ○ a representative sample of all roads to be assessed which is about 10 per cent of Provincial Road Network for field checking by an independent assessor as agreed by the Department of Transport (DoT) utilising the agreed rates to confirm the correctness of the assessment made. ○ Provinces will be required to submit above data to the national data repository as per the format described in TMH18 ● Up to a maximum of R1000 per km per year for paved roads and R500 per km per year for gravel roads of the grant may be allocated towards the road classification and collection of data required by this grant ● A detailed draft RAMP for 2018/19 that is compliant with the requirements of the Government Immovable Assets Management Act (2007) and based on the ommittee of transport officials road asset management guidelines must be submitted by 31 August 2017 to DoT, relevant provincial treasury and National Treasury ● The payment of the first instalment is dependent upon submission to DoT and the relevant provincial treasury of the following: <ul style="list-style-type: none"> ● final RAMP and tabled project list for the 2017 MTEF in a Table B5 format by 30 March 2017 ● submission of monthly infrastructure reporting model (IRM) reports, 15 days after the end of the month; and approval of the reports 22 days after the end of the month ● planning IRM for 2017 financial year at a date determined by NT ● The payment of the second instalment is dependent on submission of monthly IRM reports, 15 days after the end of the month; and approval of the reports 22 days after the end of the month ● The third instalment is dependent on the submission of monthly IRM reports, 15 days after the end of the month; and approval of the reports 22 days after the end of the month ● The fourth instalment is dependent on the submission of monthly IRM reports, 15 days after the end of the month; and approval of the reports 22 days after the end of the month ● The PRMG allocation can be allocated to following projects as identified and prioritised through the provincial RAMS: <ul style="list-style-type: none"> ○ routine maintenance (Opex): Include day to day routine activities such as cleaning drains and culverts, vegetation control, line marking, guard rail repair, road sign repair, crack sealing, patching, edge repair, spot regravell, blading ○ periodic maintenance (Opex): Include periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays < 50 mm in thickness. For gravel roads it includes re-gravelling up to 100 mm thick ○ special maintenance (Opex): Includes the repair of selected pavement areas up to maximum of 25 per cent of project length followed by application of surface seal or functional asphalt overlay < 50mm. Also includes reinstatement of slope stability, repairs to existing structures and the repair of damage caused by floods or accidents ○ rehabilitation (Capex): Includes increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays >80mm thick. For gravel roads it is gravel layer > 100 mm thick. These rehabilitation activities are however limited to maximum of 25 per cent of the PRMG allocation ● The PRMG allocation cannot be allocated to following projects: <ul style="list-style-type: none"> ○ improvements (Capex): This comprises works that aim to improve the quality of service on roads with an unacceptable quality of service. These include measures of improving quality of service on existing roads such as increases the width in selected areas (i.e. addition of climbing/passing lanes), increases in the width over the total length of the project i.e. addition of paved shoulder and localised geometric and intersection improvements. These activities could in some instances include complete rehabilitation of the existing pavement structure ○ The upgrading of gravel roads to surface roads, the construction of new roads and new interchanges do not qualify for funding under this grant ○ New Facilities (Capex): This comprises works that aim to improve network capacity and includes the upgrading of earth (dirt) road to an engineered gravel road, the upgrading of a gravel road to a surfaced road and upgrading of single carriageway road to 4-lane or dual carriageway road. The construction of new gravel or surfaced road where previously no road existed (brown/green fields construction). The construction of new bridge to replace existing bridge or new interchange to replace intersection ● Deviations from this must be by application to the national DoT, and motivated through a RAMS.

Provincial Roads Maintenance Grant	
	<p>These projects include multi-year projects that are continuing since inception of the grant</p> <ul style="list-style-type: none"> • The following amounts per province must be used in 2017/18 for the repair of infrastructure damaged by the natural disaster during 2013/14 and 2014/15 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): <ul style="list-style-type: none"> ○ Eastern Cape: R90 million ○ Limpopo: R130 million ○ Mpumalanga: R50 million • Should the cost of repairing the disaster affected infrastructure exceed the amounts earmarked above provinces must fund that shortfall from their provincial equitable share • Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports and must be submitted to the NDMC and DoT prior to the transfer of the allocation • Disaster reconstruction and rehabilitation funds may only be utilised for approved projects as listed in the post disaster verification assessment reports and approved business plans • Quarterly performance reports on disaster allocations must be submitted to the NDMC and DoT • R1 billion will be redistributed to provinces complying to the efficiency in investment on roads project which was undertaken in the 2016/17 financial year as a performance incentive • All new provincial roads infrastructure projects funded through the grant must be branded on the contract sign boards with the S'hamba Sonke logo • Provinces may participate in the S'hamba Sonke Programme Technical Support Services of the DoT through PFMA and Treasury Regulations
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the PRMG formula, which takes into account the extent of the provincial road network (gravel/paved), the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors • R1 billion top-up will be redistributed to provinces as an incentive per level of service which efficiency achieved in road project investments, undertaken in the 2016/17 financial year as a performance indicator • The funding for road networks supporting electricity generation infrastructure are subject to separate allocation criteria based on the programme schedule: <ul style="list-style-type: none"> ○ Mpumalanga must allocate R482 million in 2017/18 to coal haulage road projects • The funding for rehabilitation and repair of roads and bridges that were assessed by the NDMC is subject to separate allocation criteria • Allocation criteria from 2017/18 onwards shall consider compliance by provinces in submitting recently updated road condition data/reports
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • This grant is intended to ensure that provinces give priority to road infrastructure maintenance and promote efficiency in road investment
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • Of the total R9.5 billion allocated and transferred to provinces, R9.9 billion (103.8 per cent) was spent by the end of the national financial year, <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 2 438 m² of roads re-sealed. • 4 560 km of roads re-gravelled • 1 497 281 m² of roads patched • 381 867 km bladed • 1 911 km rehabilitated
Projected life	<ul style="list-style-type: none"> • The grant is ongoing, but will be subject to periodic review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R10.8 billion; 2018/19: R11.5 billion; and 2019/20: R12.3 billion
Payment schedule	<ul style="list-style-type: none"> • Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • DoT in partnership with the national Department of Public Works (DPW) will assess business plans to ensure compliance to S'hamba Sonke and Expanded Public Works Programme (EPWP) guidelines. In addition, the two departments will monitor and assess the performance on the S'hamba Sonke and EPWP by provincial departments • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit a grant evaluation report to National Treasury 120 days after the end of the financial year • Review performance based allocation mechanism for use in determining future allocations • Confirm the correctness of submitted data by provinces by assessing a representative sample

Provincial Roads Maintenance Grant	
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Provincial departments must submit monthly infrastructure reports that comply with the IRM to DoT and the relevant provincial treasury • Completed Quarterly Performance Report templates 30 days after the end of each quarter • Provincial departments must implement their projects in line with the S'hamba Sonke and EPWP guidelines • Provincial departments should report on the EPWP job creation data to DoT and DPW on the EPWP reporting system • Provinces must report all infrastructure expenditure partially or fully funded by this grant on the IRM provided by National Treasury • Ensure projects are selected using RAMS as the primary source of information • Ensure ongoing stakeholder communication and engagement, regarding planning and implementation of road projects • Ensure that approved PRMG funded projects are published as part of the Estimates of Provincial Revenue Expenditure through the provincial legislative system and processes. • Design and implement projects in compliance with the S'hamba Sonke and EPWP guidelines
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Provinces submit a draft 2018/19 RAMP with a 10 year planned projects selected using RAMS as the primary source, by 31 August 2017 • RAMPs, including 2018 MTEF prioritised project lists must be reviewed by DoT and feedback provided by 30 January 2018 • Provinces to submit final 2018/19 RAMP to DoT, relevant provincial treasury and National Treasury by 30 March 2018 • A updated road network study, for appropriate classification and management of roads by the relevant spheres of government and government entities, is necessary for an informed understanding of how roads are used nationally, and subsequently how they should be financed

Public Transport Operations Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 4, Part A
Strategic goal	<ul style="list-style-type: none"> • Subsidised road based public transport services
Grant purpose	<ul style="list-style-type: none"> • To provide supplementary funding towards public transport services provided by provincial departments of transport
Outcome statements	<ul style="list-style-type: none"> • The provision of public transport services in terms of contracts which are kilometre based and affordable to the users of the services • Improve efficiencies in public transport spending
Outputs	<ul style="list-style-type: none"> • Number of vehicles subsidised • Number of cumulative annual vehicles subsidised • Number of scheduled trips • Number of trips operated • Number of passengers • Number of kilometres • Number of employees
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network
Details contained in the business plan	<ul style="list-style-type: none"> • Not applicable
Conditions	<ul style="list-style-type: none"> • This conditional grant, which is supplementary, is a national contribution to subsidised service contracts entered into by the provincial departments of transport and public transport operators for the provision of affordable subsidised transport services • The contracting authority must supervise, monitor and verify the correctness of the operators' claim in terms of the kilometres of service provided and provide a monthly summary report to the transferring officer • If the contracting function is devolved to any municipality before the 2017/18 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality • The implementation of the devolution should be in terms of section 17(5) of the 2017 Division of Revenue Act (DoRA) • The municipality and province will have to make transitional arrangements to ensure payments to operators meet contractual commitments. Should contracts be devolved during 2017/18, a service level agreement between the province and the municipality must be signed and funds must flow in line with 2017 DoRA requirements. Provinces must take all reasonable measures to assist the transition within a framework to be prescribed by the national Department of Transport (DoT) and National Treasury • In cases where contracts are transferred as part of the integrated public transport network (IPTN) of the municipality, the funds allocated to such contracts must be ring-fenced and transferred to the municipalities taking over the contracts from provinces • For the purpose of planning, provinces must share relevant information with municipalities, where services link to integrated public transport networks • All new contracts, including designs and operators' business plans detailing subsidised services, must be approved by the Public Transport Integration Committee (PTIC), and be in line with relevant legislation and in compliance with the public transport strategy. Where an Intermodal Planning Committee is established at municipal level, in terms of the National Land Transport Act (NLTA), the functions of the two committees must be consolidated to ensure integration of planning, services and modes • Provinces must ensure that PTIC are functional and no new contracts should be paid from the grant if not approved by the PTIC
Allocation criteria	<ul style="list-style-type: none"> • The allocations are based on 2009 DoRA allocation baseline, weighted for the average shares of historical contributions that supplement the grant. Provinces/contracting authorities should determine individual operator's budgets and ensure that the operation stays within the allocation or provide supplementary funds from the provincial budget
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> • Subsidies are earmarked for the provision of public transport services
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • R4.96 billion was allocated to provinces, R4.9 billion (99.5 per cent) was transferred, of which R4.9 billion (99.7 per cent), was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • Number of cumulative annual vehicles subsidised: 78 228 • Number of vehicles subsidised: 6 519 • Number of kilometres subsidised: 240 948 029 • Subsidy per passenger: R15.19 • Subsidy per kilometre operated: R20.02 • Kilometres operated per vehicle: 3 080.1 • Passengers per vehicle: 4 061 • Passengers per trip operated: 51.8 • Employees per vehicle: 2.0

Public Transport Operations Grant	
Projected life	<ul style="list-style-type: none"> • Subject to the devolution of funds to local government as part of the operationalisation of the NLTA
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R5.7 billion; 2018/19: R6 billion; and 2019/20: R6.3 billion
Payment schedule	<ul style="list-style-type: none"> • Monthly instalments according to a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Maintain national database with key performance indicators of public transport services as per data received from contracting authorities • Advise contracting authorities regarding the design of contracted services • Draft public transport operational subsidy policy by 2018
	<p>Responsibilities of the provincial departments</p> <ul style="list-style-type: none"> • Any contractual agreement entered into by a contracting authority in relation to this grant will be the responsibility of the contracting authority • As a supplementary grant, provincial departments remain responsible for funding any shortfall on provision of this service funded through the provincial equitable share • Ensure that contracted operators' certified claims are paid within 30 days from the date of receipt • Certify and submit monthly performance reports to DoT within 25 days after the month following the operation, and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT • Provinces must assist municipalities in the process of devolving the contracting function as set out in the NLTA
Process for approval of the 2018/19 business plans	<ul style="list-style-type: none"> • Not applicable

ANNEXURE W3:
FRAMEWORKS FOR CONDITIONAL
GRANTS TO MUNICIPALITIES

Annexure W3: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B grants to municipalities

Introduction

This annexure provides a brief description for each grant in Schedule 4, Part B; Schedule 5, Part B; Schedule 6, Part B; and Schedule 7, Part B of the 2017 Division of Revenue Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2017 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2018/19

The attached frameworks are not part of the Division of Revenue Bill, but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2017 Division of Revenue Bill is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2017/18 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS GRANTS

Municipal Disaster Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 7, Part B
Strategic goal	<ul style="list-style-type: none"> To enable a timely response to immediate needs after a disaster has occurred
Grant purpose	<ul style="list-style-type: none"> To provide for the immediate release of funds for disaster response
Outcome statements	<ul style="list-style-type: none"> Immediate consequences of disasters are mitigated
Outputs	<ul style="list-style-type: none"> Emergency repair of critical infrastructure Emergency provision of goods and services
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> Applications for funding from this grant use the National Disaster Management Centre (NDMC) Disaster Grant Guideline which includes the following: <ul style="list-style-type: none"> copy of the classification letter in terms of the Disaster Management Act copy of a declaration of disaster in terms of the Disaster Management Act number of people affected and the extent of damages and losses sectors affected total funds required for disaster response resources (both financial and in-kind) allocated by the municipality to respond and mitigate the effects of the disaster resources (both financial and in-kind) committed by other role players, including provinces, the private sector, national departments and non-government organisations consolidated projects cash flow as an annexure An implementation plan with the following: <ul style="list-style-type: none"> details of the projects to be repaired including GPS coordinates costs for the project consolidated project cash flows over a three month period as an annexure to the implementation plan An initial funding application may be based on the rapid disaster assessments and verification (draft versions of the supporting documentation required above may be accepted for the initial application)
Conditions	<ul style="list-style-type: none"> Copies of the declaration and classification documents must be signed-off by the relevant authorities in terms of the Disaster Management Act and must be submitted to the NDMC Funds from this grant may only be used to fund expenditure in the event that the municipality responsible for the provision of the affected basic service is unable to deal with the effects of the disaster utilising their own resources. The examples of expenditure that may be funded from the grant are as follows: <ul style="list-style-type: none"> provision of temporary shelter in the event that the municipalities and the Department of Human Settlements are unable to make provision for immediate housing, with evidence that they are unable to make such provisions provide humanitarian relief, in the event that the Department of Social Development is unable to make provision, with evidence that they are unable to make such provisions Municipalities must fund a portion of the costs of the disaster response and recovery from their own budget or prove that they are unable to do so Funds from this grant may be utilised to reimburse municipalities for expenditure incurred which could not be accommodated within the municipality's own budget. Reimbursement is conditional on: <ul style="list-style-type: none"> municipalities consulting the NDMC through the Provincial Disaster Management Centres (PDMCs) for approval prior to spending the funds providing proof of expenditure in the form of invoices to the relevant PDMC and NDMC Items purchased must fall within the competency of the municipality Funds from this grant must be utilised within three calendar months following the date of the transfer of the funds to the municipality The emergency procurement system provided for in the Treasury Regulations should be invoked to ensure immediate assistance by the affected municipalities
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated based on declared municipal disasters and reports of immediate disaster relief needs. Funding may, however, be released in tranches, with the first tranche being based on an initial assessment and verification of the immediate disaster relief needs
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a conditional grant with a specific purpose to provide for response and relief for unforeseeable and unavoidable disasters
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> R261 million was allocated and there were no transfers to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> There were no transfers to municipalities
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term and will be subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R300 million; 2018/19: R371 million; and 2019/20: R335 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury

Municipal Disaster Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of National Disaster Management Centre</p> <ul style="list-style-type: none"> • Advise municipalities and PDMCs about the existence of the grant and how grant funding can be applied for • Conduct a preliminary cost verification and submit an initial request to the National Treasury within 14 days following the receipt of the written initial funding request and submission from the affected PDMCs and municipalities • Together with the affected municipalities and provinces, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the receipt of written funding requests and as per the requirements of the Disaster Management Act • Submit funding requests to National Treasury for consideration within 35 days following the receipt of the written funding request from the municipalities through the PDMCs • Confirm what support national sector departments are providing and ensure there is no duplication of support • Provide written advice on the timing of disbursements to municipalities and transfer these funds to municipalities within five days of drawing the funds from the National Revenue Fund • Notify the relevant municipality of a transfer at least one day before transfer and transfer the funds no later than five days after notification • Notify the relevant PDMC, together with the relevant sector departments and the provincial treasury, of a transfer and reason for transfer within five days of the transfer of funds to municipalities • Build relationships and establish the necessary communication channels with relevant national and provincial departments to ensure the country has a coordinated approach to disaster response • Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant • Provide expenditure reports to National Treasury in line with the 2017 Division of Revenue Act and the Public Finance Management Act within 20 days after the end of each month • Provide a performance report to National Treasury in the disaster allocation monitoring template agreed to with the National Treasury within 45 days of the end of the quarter in which funds are spent, with invoices as annexures to the report <p>Responsibilities of Provincial Disaster Management Centres</p> <ul style="list-style-type: none"> • Together with the affected municipalities, conduct initial assessments to verify the impact of the disaster for application for initial funding, within 14 days following the occurrence of the incident • Together with the NDMC and the affected municipalities, conduct assessments of disaster impacts to verify the final applications for funding within 35 days following the occurrence of the incident, and as per the requirements of the Disaster Management Act • Assist municipalities with requests for disaster funding, and monitor projects to ensure that the funds are used for intended purposes and provide reports to the NDMC and relevant provincial treasury • Coordinate, analyse and submit expenditure reports on progress regarding the implementation of the projects to NDMC within 15 days after the end of each month in which funds are spent, with invoices as annexures to the reports • Coordinate, analyse and submit a performance report, which includes evidence, on progress with implementation of the projects to the NDMC within 35 days after the end of the quarter in which funds are spent • All reports must be signed off by the head of the PDMC <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Cooperate with the NDMC, PDMC, provincial and national sector departments to conduct damage assessment and cost verification • Submit funding requests to the PDMC within 14 days following the declaration of a disaster • Municipalities must invoke emergency procurement processes provided for within the Treasury Regulations when spending the funds allocated, to ensure immediate assistance to the affected municipalities • Municipalities must monitor all projects and ensure that the funds allocated are spent for their intended purposes • Submit expenditure reports, including evidence of expenditure in the form of invoices, on the progress with implementation of projects to the relevant PDMC within 10 days of the end of each month in which funds are spent • Submit a performance report, including evidence, on the progress with implementation of projects to the PDMC within 30 days of the end of the quarter in which funds are spent • All reports must be signed off by the accounting officer
Process for approval of 2018/19 MTEF allocations	<ul style="list-style-type: none"> • Not applicable

Municipal Demarcation Transition Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> Facilitate the successful implementation of major boundary changes that took effect at the time of the 2016 local government elections
Grant purpose	<ul style="list-style-type: none"> To subsidise the additional institutional and administrative costs arising from major boundary changes that took effect at the time of the 2016 local government elections
Outcome statements	<ul style="list-style-type: none"> Municipalities affected by major boundary changes have administrations that are responsive, accountable, effective, efficient and developmental
Outputs	<ul style="list-style-type: none"> Number of policies, systems, procedures and plans prepared and implemented to facilitate the smooth transition to new municipalities
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities Financial implications
Conditions	<ul style="list-style-type: none"> To receive transfers from this grant, municipalities must collaborate with the provincial departments responsible for local government Funds may only be used in terms of a business plan approved by the national Department of Cooperative Governance (DCoG) The grant may only be used to fund the following administrative costs to the extent that additional costs arise as a result of the impact of major boundary changes: <ul style="list-style-type: none"> consolidation of records management for affected municipalities development of new organograms (including of work study, job evaluation, job description) enactment of a new set of by-laws communication and public participation directly related to the mergers rationalisation and alignment of municipal policies alignment of geographic information system data alignment of valuation rolls tariff restructuring debt reconciliation information technology system amalgamation (infrastructure and systems) merging asset registers financial management systems transitional costs relating to existing staff/personnel, limited to retrenchment packages, relocation costs and salary equalisation, only after an organogram has been finalised and all posts evaluated The new municipality established in Limpopo (LIM345) may also spend grant funds to recruit new staff and construct, refurbish or upgrade municipal offices and administrative infrastructure Municipalities may not use grant funds to appoint additional staff Before procuring any professional services or new or upgraded systems, the terms of reference must be reviewed and approved by the provincial department responsible for local government Any systems purchased or upgraded with funding from this grant must comply with the relevant requirements set by national government, including being compatible with the municipal standard chart of accounts
Allocation criteria	<ul style="list-style-type: none"> Funds are only allocated to municipalities affected by major boundary changes The amount allocated to each new municipality is based on the number of previously existing municipalities that were merged or split to create the new municipality
Reason not incorporated in equitable share	<ul style="list-style-type: none"> The grant funds the costs associated with major boundary changes that came into effect at the time of the 2016 local government elections
Past performance	<p>2015/16 audited financial performance</p> <ul style="list-style-type: none"> Of an allocation of R39 million, R3.7 million was transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> Westonaria and Randfontein local municipalities were supported to prepare for their merger
Projected life	<ul style="list-style-type: none"> This is a three year grant to assist municipalities with the 2016 major boundary changes. It came into effect in 2015/16 and will be terminated in 2017/18
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R112 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury

Municipal Demarcation Transition Grant	
Responsibilities of the national transferring officer and receiving officer	Responsibilities of national department <ul style="list-style-type: none"> • Assess business plans in collaboration with provincial departments responsible for local government • Approve business plans by 31 May 2017 • Submit quarterly progress reports to the National Treasury • Prescribe a template for business plans • Only transfer funds after consulting with the provincial department responsible for local government • Complete a phase-out report on the performance of the grant and submit it to Parliament
	Responsibilities of provincial departments responsible for local government <ul style="list-style-type: none"> • Monitor and coordinate the resources allocated to assisting re-demarcated municipalities by municipalities, provinces and national government to ensure there are no duplications and that the grant is only used for additional costs resulting from boundary changes • Assist DCoG to assess municipal business plans • Assist DCoG to coordinate reporting from municipalities
	Responsibilities of municipalities <ul style="list-style-type: none"> • Municipalities must submit final business plans by 28 April 2017 in the format and template prescribed by DCoG • Report to the national and relevant provincial department on a monthly basis on financial performance and on a quarterly basis against the performance targets set out in the business plan

Municipal Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • Subsidise the capital costs of providing basic services to poor households
Grant purpose	<ul style="list-style-type: none"> • To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities
Outcome statements	<ul style="list-style-type: none"> • Improved access to basic services infrastructure for poor communities
Outputs	<ul style="list-style-type: none"> • Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for: <ul style="list-style-type: none"> ○ basic water and sanitation services ○ central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites ○ sport and recreation facilities ○ street and community lighting ○ public facilities • Number of kilometres of municipal roads developed and maintained • Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses the Municipal Infrastructure Grant (MIG) registration form as agreed with sector departments, which includes: <ul style="list-style-type: none"> ○ project title ○ sector ○ timeframes for implementation ○ cost of the project
Conditions	<ul style="list-style-type: none"> • To receive the first tranche, municipalities must have followed the process for approval of 2017/18 projects and have confirmed by 2 June 2017 with the Department of Cooperative Governance (DCoG) their programme, project planning and implementation readiness in the form of an implementation plan that includes a cash flow projection. This should be done prior to the year of implementation and be informed by their Integrated Development Plan (IDP) and three-year capital plans • MIG priorities set by municipalities (as stated in their three-year capital plan) can only be changed with municipal council approval, the concurrence of the sector departments and the approval of DCoG • MIG must be allocated and transferred directly to a category B or C municipality that has the powers and functions for basic services referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide basic municipal infrastructure to the poor, in line with their functions • Municipalities must prioritise MIG for eligible beneficiaries and infrastructure that includes: <ul style="list-style-type: none"> ○ basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure ○ new or upgrading of municipal bulk, connector and reticulation infrastructure to support existing areas and the formalisation of settlements ○ renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality of how on-going operations and maintenance of the renewed infrastructure will be funded and performed ○ maintenance of roads infrastructure mainly servicing the poor • Municipalities must spend at least 60 per cent of their first transfer and comply with reporting provisions before the second and subsequent transfers are made • Municipalities must spend 40 per cent of their total MIG allocation by December 2017 • Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes • Local municipalities investing in roads infrastructure must utilise data from the Rural Road Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including maintenance • Municipalities with bucket sanitation backlogs in formal areas must prioritise the eradication of these backlogs. Bucket eradication projects in formal areas must be planned in conjunction with provinces and national government to ensure alignment of projects implemented by each sphere. Transfers may be withheld or stopped if a municipality with substantial bucket sanitation backlogs does not comply with this condition • Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> ○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA) ○ municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation unless an exemption from this requirement is approved by SRSA

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> ● Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> ○ municipalities must submit plans for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects. These plans must be submitted as part of the normal MIG planning process but will be reviewed and approved by SRSA to ensure they comply with norms and standards before construction can begin ● Municipalities must use the EPWP guidelines to facilitate labour-intensive construction methods on MIG projects and provide information on the number of work opportunities created ● Municipalities identified to participate in the regional management support programme must agree to do so as a condition for receiving MIG funds ● A municipality must consider procuring goods and services for water and sanitation projects through nationally set up framework contracts, where available, before utilising municipal procurement processes ● Municipalities must submit monthly and quarterly reports in the prescribed national template and signed-off by the Municipal Manager or delegated official ● Municipalities must utilise the Municipal Infrastructure Grant Management Information System (MIG-MIS) to facilitate programme and project management and reporting ● A maximum of five per cent of a municipality's MIG allocations may be used for project management costs related to grant funded projects and only if a business plan for their Project Management Unit is approved ● At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor ● Withholding or stopping of transfers and reallocation or conversion of MIG allocations will be instituted where municipalities do not comply with the conditions above
Allocation criteria	<ul style="list-style-type: none"> ● Part 5 of Annexure W1 to the 2017 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data ● The ring-fenced R300 million for sport infrastructure is allocated based on estimated costs of projects that: <ul style="list-style-type: none"> ○ fill identified gaps and are confirmed with the provincial departments responsible for sport and the municipalities ○ align to the National Sport and Recreation Plan, National Sport Facilities Plan and transformation imperatives ○ align to priority sport codes
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> ● The MIG programme was allocated R14.9 billion in the 2015/16 financial year. An amount of R14.8 billion (99 per cent) was transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● Additional poor households receiving: <ul style="list-style-type: none"> ○ water: 131 337 ○ sanitation: 134 327 ● Number of additional kilometres of municipal roads developed: 2 150 km ● Number of additional recycling facilities and solid waste disposal sites: 10 ● 221 sport and recreation facilities constructed ● Number of additional poor households serviced by street/community lighting: 136 786 ● 76 public facilities created ● 161 697 work opportunities created using EPWP guidelines for above outputs
Projected life	<ul style="list-style-type: none"> ● The programme will continue up to 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● 2017/18: R15.9 billion; 2018/19: R16.8 billion; and 2019/20: R17.7 billion
Payment schedule	<ul style="list-style-type: none"> ● Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer, national departments, provincial departments and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> ● DCoG administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> ○ monitor expenditure and non-financial performance in collaboration with provincial DCoGs ○ coordinate overall programme implementation ○ provide support to municipalities in the utilisation of the MIG-MIS ● The Municipal Infrastructure Support Agent (MISA) must: <ul style="list-style-type: none"> ○ support municipalities that have been identified collaboratively by DCoG and its provincial counterparts as needing assistance ○ must assist municipalities in the submission of asset management data where available, and provide the necessary training on access and use of the Municipal Infrastructure Performance Management Information System for the development of individual municipal asset registers where required ● In addition to their sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> ○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal IDPs ○ submit information requested on project registrations to DCoG by 29 September 2017 ○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes

Municipal Infrastructure Grant	
	<ul style="list-style-type: none"> ○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects ○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ○ advise which sphere (provincial or national – even if different across provinces) should sign-off MIG projects ○ sign-off on project close out reports, thereby acknowledging the projects have been completed as intended ● Department of Water and Sanitation: <ul style="list-style-type: none"> ○ support and monitor municipalities to prepare and implement water services development plans ○ monitor and oversee progress on water and sanitation projects implemented through the MIG ○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant ● Department of Environmental Affairs: support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector ● Department of Energy: support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector ● Department of Transport: support municipalities with planning and implementation of municipal roads projects in terms of the RRAMS data and monitor municipalities' performance and compliance with conditions applicable to this sector ● Sport and Recreation South Africa: <ul style="list-style-type: none"> ○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula ○ award transversal tenders for the procurement of services relating to sport infrastructure ○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector ● Department of Public Works: <ul style="list-style-type: none"> ○ monitor compliance with the EPWP guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches ○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP ○ ensure that municipalities register their EPWP projects on the EPWP reporting system and monitor compliance with norms and standards applicable to this sector
	<p>Responsibilities of provincial departments responsible for local government</p> <ul style="list-style-type: none"> ● Monitor and reconcile reported expenditure with proof of payment signed-off by the municipality ● Monitor the accuracy of project registration forms and coordinate monthly, quarterly and annual reports from municipalities and forward them to DCoG ● Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited ● Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG ● Coordinate technical support to municipalities ● Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG ● Monitor compliance with provincial legislation and alignment to provincial growth and development strategies through project registration ● Monitor performance of municipal Project Management Units and recommend relevant sanctions for under-performance to DCoG ● Provide assistance to municipalities in managing municipal infrastructure projects ● Provide support to municipalities in the utilisation of the MIG-MIS
	<p>Responsibilities of provincial sector departments</p> <ul style="list-style-type: none"> ● Participate in district appraisal and progress committee meetings ● Evaluate and provide recommendations on sector technical reports before projects are appraised ● Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ● Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> ● Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the IDP and three-year capital plan ● Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered under the MIG-MIS ● The municipality must report monthly, quarterly and annually in the prescribed formats and timelines, reports must be signed-off by the Municipal Manager or the delegated official and submitted to national government via the provincial department responsible for local government ● Utilise the MIG-MIS to inform the content of the reports mentioned above

Municipal Infrastructure Grant	
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Over time, secondary cities should be treated in the same way as metros by the grant system as they also face challenges related to developing integrated and dynamic urban economies. In the short-term, however, the capacity of secondary cities and the scale of urban challenges facing them is sufficiently different to metros and thus cannot be immediately included in the same grant as metros. Special rules and processes for secondary cities will, however, be included in a separate framework from 2018/19 through a “MIG-2” funding stream <p>Under the MIG-1 funding stream</p> <ul style="list-style-type: none"> • Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 28 July 2017, for all projects to be implemented in 2018/19 • The responsible sector department must evaluate reports and provide final recommendations to the municipality by 29 September 2017 • The municipality must submit all project registration forms by 3 October 2017, for the projects to be implemented in 2018/19, to the provincial department responsible for local government • The provincial departments must provide final recommendations to municipalities by 30 November 2017 • Projects not implemented within three-years of approval by the relevant appraisal committee will be deregistered • Municipalities must submit to DCOG by 31 January 2018, detailed project implementation plans for all the projects to be implemented in the 2018/19 and 2019/20 financial years • Such plans should include timelines regarding project designs, initiation of procurement, and environmental impact assessment (EIA) and/or relevant permit/license approvals in the prescribed format • Municipalities must submit updated implementation plans as mentioned above by 11 June 2018, justifying any changes from the 31 January 2018 detailed plan <p>Under the MIG-2 funding stream (for secondary cities)</p> <ul style="list-style-type: none"> • DCoG to inform municipalities of the eligibility criteria and process to be undertaken in the preparation to the roll-out of the MIG-2 funding stream

Municipal Systems Improvement Grant	
Transferring department	<ul style="list-style-type: none"> Cooperative Governance and Traditional Affairs (Vote 4)
Grant schedule	<ul style="list-style-type: none"> Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> An efficient and developmental sphere of government capable of delivering services to local communities
Grant purpose	<ul style="list-style-type: none"> To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related local government legislation
Outcome statements	<ul style="list-style-type: none"> A responsive, accountable, effective and efficient local government system
Outputs	<ul style="list-style-type: none"> Number of municipalities supported with the harmonising of their monitoring and evaluation systems Number of municipalities benefitting from the rollout and implementation of simplified revenue plans Number of municipalities supported to develop organograms for their structures Number of municipalities supported through the development of a consumer database
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses a memorandum of understanding that includes: <ul style="list-style-type: none"> outcome indicators output indicators key activities inputs details of how the systems and practices developed will be sustained over the long-term
Conditions	<ul style="list-style-type: none"> The Department of Cooperative Governance and the benefitting municipality must sign a memorandum of understanding (MoU) that includes details of the activities and deliverables being funded, responsibilities of each stakeholder, protocols for engagements and feedback, budget for each activity, and timeframes for implementation Municipalities must pass a council resolution in support of the technical assistance being provided Grant funds may be spent on building the capacity of municipalities with respect to the purpose and outputs listed for this grant Technical support to municipalities must include transfer of skills to municipal officials
Allocation criteria	<ul style="list-style-type: none"> In 2017/18 allocations are targeted to municipalities with a history of poor audit outcomes, municipalities in the 27 priority district municipalities, and non-metropolitan municipalities with large outstanding debts owed to creditors Over the MTEF funds will be allocated to some municipalities not reached in 2017/18 Funds may be reallocated if an MoU is not signed
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> The grant is aimed at building the capacity of targeted municipalities to implement sound institutional and governance systems required in terms of the Municipal Systems Act and related local government legislation
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> The direct grant had an allocation of R251 million and the total amount (100 per cent) was transferred to 270 municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> 188 municipalities supported to improve systems that support service delivery 175 municipalities supported to improve their audit outcomes 191 municipalities supported with systems that improve effective ward participation
Projected life	<ul style="list-style-type: none"> The grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R103 million; 2018/19: R115 million; and 2019/20: R122 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> Management, monitoring and reporting of the programme Agree on MoUs with participating municipalities Coordinate with the National Treasury to ensure that the capacity building activities of the two departments are complimentary Submit reports which are consistent with the reporting requirements in the 2017 Division of Revenue Act

	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> ● Identify municipal officials that will be recipients of skills transfer ● Ensure that municipal officials participate actively in all activities funded through this grant ● Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality ● Submit reports consistent with the reporting requirements in the 2017 Division of Revenue Act
<p>Process for approval of 2018/19 MTEF allocations</p>	<ul style="list-style-type: none"> ● Targeted municipalities must sign an MoU and pass a council resolution in support of this programme

ENERGY GRANTS

Energy Efficiency and Demand Side Management Grant	
Transferring department	<ul style="list-style-type: none"> Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To reduce electricity consumption by promoting energy efficient practices
Grant purpose	<ul style="list-style-type: none"> To provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency
Outcomes statements	<ul style="list-style-type: none"> Reduced demand for electricity Increased awareness of energy saving Skills development in energy efficiency Energy management capability enhanced
Outputs	<ul style="list-style-type: none"> Amount of electricity saved in Kilowatt hours (KWh) Number of energy efficient street lights installed Number of energy efficient traffic lights installed Number of buildings retrofitted Number of units of water services infrastructure retrofitted Realised energy savings (in KWh)
Details contained in the business plans	<ul style="list-style-type: none"> Outcome indicators Output indicators Projected energy savings Key activities Inputs
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system Outcome 10: Protect and enhance our environmental assets and natural resources
Conditions	<ul style="list-style-type: none"> Funds can only be used to implement electricity saving projects in municipal infrastructure The focus for implementation of energy efficiency interventions shall be limited to municipal buildings, streetlights, traffic lights, waste water treatment works and pump stations Municipalities shall determine a detailed and extended electricity consumption baseline in line with standards set by the South African Bureau of Standards (SABS) Municipalities must respond to the request for proposals issued by the Department of Energy (DoE) in the format provided Municipalities must commit to energy savings (in KWh) to be achieved through the retrofits to the DoE A performance agreement with specific conditions shall be entered into between the municipality and the DoE The municipality shall prepare a project work plan and business plan in the templates provided by the DoE
Allocation criteria	<ul style="list-style-type: none"> The following criteria are used for selecting municipalities to receive allocations from the grant: <ul style="list-style-type: none"> municipalities that have responded to the request for proposals as issued by the DoE municipalities with higher electricity consumption and higher electricity saving potential municipalities with clearly defined objectives on energy efficiency improvements proposals that use proven energy efficient technologies with low pay-back periods municipalities that show readiness and capacity to implement the EEDSM projects good past performance if a municipality has previously participated in the programme quality, viability and financial feasibility of proposed projects
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a specific conditional transfer in support of the EEDSM programme
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> The total grant allocation of R178 million was transferred to all participating municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> An unverified total electricity saving of 18.45 GWh was reported by municipalities against the total projected savings of 23.57 GWh. The process of verifying the savings is underway and will be concluded in March 2017
Projected life	<ul style="list-style-type: none"> The grant will continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R203 million; 2018/19: R215 million; and 2019/20: R227 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Monitoring and evaluation of the EEDSM programme including measurement and verification of energy savings Provide municipalities with guidance and support through capacity building workshops on best practices and pricing for EEDSM projects Communicate to municipalities the process and requirements for obtaining EEDSM grant funds in 2018/19 Develop a fair and open process to accredit and establish a panel of competent service providers with technical expertise to support municipalities during the implementation of EEDSM projects

Energy Efficiency and Demand Side Management Grant	
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Submit proposals as per the request for proposals issued by DoE • Ensure that proposals are in the format and template provided by DoE • Implement the EEDSM programme as per the framework and contractual agreement • In the implementation of EEDSM projects, use service providers accredited by DoE • Submit to the DoE the monthly and quarterly reports approved by the municipal manager
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Allocations for 2018/19 will be based on the proposals submitted in line with the request for proposal issued by the DoE • Proposals must be submitted by 29 September 2017 and shall be evaluated against the criteria set out in this framework and the request for proposals issued by DoE

Integrated National Electrification Programme (Municipal) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce electrification backlog through funding of bulk infrastructure (substations and lines) to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including upgrade of informal settlements, new, and normalisation), and the installation of relevant bulk infrastructure
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of connections to households per annum • The number of bulk infrastructure installations • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Key activities • Inputs
Conditions	<ul style="list-style-type: none"> • Adhere to labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching, planting of poles, etc. • Register electrification master plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Energy (DoE) regarding the central planning and co-ordination for such bulk infrastructure • Bulk infrastructure can only be funded for infrastructure serving poor households (where infrastructure serves tariff-funded areas and poor households costs should be shared) • Use INEP funds for the refurbishment of critical infrastructure, only upon submission of a project plan which must be approved by the DoE • Utilise own funding if the subsidy is insufficient (top-up funding must be available) • Minimum size of supply of 1.2 kVA After Diversity Maximum Demand, standard installation of 20 Amp per household connection, in line with the Suite of Supply Policy • Municipalities may utilise up to R1.5 million of the total allocation for service fees (pre-engineering and Eskom connection fee) if approved by the DoE in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on an assessment of applications from municipalities based on: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ number of planned households for connection projects ○ past performance ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan, catalytic projects, and mining towns ○ the financial, technical and staff capabilities to distribute electricity and expand and maintain networks ○ unlicensed municipalities must appoint service providers with the required knowledge and expertise for implementation ○ consultation with communities in terms of the Integrated Development Plan process ○ ensuring that universal access objectives are fast tracked ○ infrastructure which is in a state of disrepair, unsafe and which prohibits further connections ○ informal settlements where service delivery has been prioritised ○ new and upgrading of bulk infrastructure projects that support future electrification needs, and, where distribution network reliability (refurbishment) adversely impacts economic activity and cannot sustain current electrification
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • R2 billion was allocated and transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 72 399 households were connected including connections funded from roll-overs
Projected life	<ul style="list-style-type: none"> • Grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R2.1 billion; 2018/19: R2.2 billion; and 2019/20: R3.3 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> • Agree with municipalities on outputs and targets • Continuously monitor implementation and provide support to municipalities • Verify reports from municipalities

Integrated National Electrification Programme (Municipal) Grant	
	<p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Ensure that projects are implemented in line with what is reflected in the Integrated Development Plan of the municipality • Report accurately and timeously on the management of this grant and include invoices on their monthly reports, when reporting to the DoE • Municipalities need to appoint service providers to implement their projects by the end of April 2017
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Application forms are sent to municipalities and the evaluation of all applications and business plan proposals received from municipalities is completed by 14 August 2017

Integrated National Electrification Programme (Eskom) Grant	
Transferring department	<ul style="list-style-type: none"> • Energy (Vote 26)
Grant schedule	<ul style="list-style-type: none"> • Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To reduce the backlogs of un-electrified households and fund bulk infrastructure to ensure constant supply of electricity
Grant purpose	<ul style="list-style-type: none"> • To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas
Outcome statements	<ul style="list-style-type: none"> • A reduction in household electrification backlogs • Universal access to electricity and improvement in distribution infrastructure reliability
Outputs	<ul style="list-style-type: none"> • The number of household connections per annum • The number of bulk infrastructure installations • Implementation of labour intensive methods on electrification projects and the number of jobs created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities
Conditions	<ul style="list-style-type: none"> • Plans need to have undergone pre-engineering and project feasibility approval • Projects must be prioritised by municipalities in their Integrated Development Plans (IDPs) and supporting letters must be provided to demonstrate that municipalities are in agreement with projects to be undertaken • Eskom to comply with requirements to provide approved bulk projects in their business plans
Allocation criteria	<ul style="list-style-type: none"> • Allocations to Eskom are made on behalf of municipalities based on applications from Eskom for non-licensed municipalities according to the following criteria: <ul style="list-style-type: none"> ○ high backlogs ○ rural bias ○ integration with other programmes such as 27 priority district municipalities, the National Development Plan and other infrastructure programmes like catalytic projects and mining towns ○ the cost of a project is within benchmarked norms ○ the project is aligned with the IDP for a particular municipality
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific conditional capital transfer for electrification of households and bulk infrastructure
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • The grant was allocated R3.6 billion and the entire amount was transferred to Eskom, of which R1.8 billion (64 per cent) was spent by the end of the financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 150 674 connections were completed at the end of the financial year (includes connections funded from roll-overs)
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R3.8 billion; 2018/19: R4 billion; and 2019/20: R4.2 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Agree with Eskom on outputs and targets • Continuously monitor implementation • Provide central coordination for bulk infrastructure • Approve submissions for refurbishment of critical infrastructure <p>Responsibilities of Eskom</p> <ul style="list-style-type: none"> • Minimum size of supply of 1.2 KVA, After Diversity Maximum Demand, 20 Amp per household connection and applicable supply for clinic connections, in line with the Suite of Supply Policy • Report to the Department of Energy and the National Treasury on monthly and quarterly expenditure for the grant
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Eskom and the Department of Energy must ensure that all planned projects are in line with municipal IDPs and priority lists • Eskom and the Department of Energy must ensure that planned projects are feasible and have gone through the pre-engineering process

HUMAN SETTLEMENTS GRANT

Urban Settlements Development Grant	
Transferring department	<ul style="list-style-type: none"> Human Settlements (Vote 38)
Grant schedule	<ul style="list-style-type: none"> Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> To assist metropolitan municipalities to improve household access to basic services through the provision of bulk, link and internal reticulation infrastructure, with a focus on the poor; and urban land production to support broader urban development, spatial integration and inclusion by supplementing the capital budgets of metropolitan municipalities
Grant purpose	<ul style="list-style-type: none"> Supplements the capital revenues of metropolitan municipalities in order to support the national human settlements development programme, focusing on poor households
Outcome statements	<ul style="list-style-type: none"> The outcomes to be realised in order to promote integrated sustainable human settlements and improved quality of household life are: <ul style="list-style-type: none"> increased individual household access to basic services and related infrastructure increased acquisition and availability of well-located land for human settlements development increased access of poor households to public and socio-economic amenities supporting densification and transit-oriented development projects connecting existing and new housing developments ensure the provision of infrastructure for mixed income and mixed use developments to support the leveraging of private and non-state sector grants and funding in support of approved human settlements catalytic projects improving the sustainability of the livelihoods of poor households within each municipality's area of jurisdiction
Outputs	<ul style="list-style-type: none"> The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> increase in bulk infrastructure capacity increase in the provision of basic services to individual poor households, specifically in informal settlements and back yards, including water, sanitation, solid waste, electricity, refuse removal, roads and access to transport increase in land provision for informal settlement upgrading, subsidy housing, or mixed use developments in support of approved human settlements catalytic projects increase in access to public and socio-economic amenities improved dwelling unit densities within an improved human settlements spatial integration framework increase in the number of serviced sites in informal settlements upgrading and/or in-situ projects and green-fields and/or infill developments
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in business plan	<ul style="list-style-type: none"> This grant uses the Urban Settlements Development Grant (USDG) performance matrix and Built Environment Performance Plans (BEPP) that are consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plans (SDBIPs) of the receiving municipalities
Conditions	<ul style="list-style-type: none"> A minimum of 50 per cent of the USDG allocation must be spent on the provision of individual basic services to households living in informal settlements either through in-situ upgrades, relocation or integrated development projects Metros must submit an annual BEPP, USDG performance matrix and SDBIP aligned to the IDP, to the national Department of Human Settlements and National Treasury The flow of the first instalment is subject to: <ul style="list-style-type: none"> submission of the 2016/17 third quarter report, signed-off by the municipal accounting officer including the performance matrix with non-financial information submission of the annual BEPP and USDG performance matrix for 2017/18 that is aligned to the municipal IDP, SDBIP and national priorities by 31 May 2017 The flow of the second instalment will be conditional upon the: <ul style="list-style-type: none"> submission of the 2016/17 fourth quarter report signed-off by the accounting officer of the municipality including the performance matrix with non-financial information submission of the 2017/18 first quarter report signed-off by the accounting officer of the municipality to the transferring officer and the National Treasury The flow of the third instalment will be conditional upon submission and approval of the signed-off second quarter report by the accounting officer to the transferring officer and the National Treasury including the performance matrix with non-financial information Metros which do not spend 60 per cent of their transferred funds by the end of second quarter, may have subsequent transfers stopped and reallocated

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> The metros must submit an annual USDG performance matrix containing a project list with project names, project descriptions, classification of infrastructure, Geographic Information System (GIS) coordinates and wards in which projects are being developed. The submission should include motivations of how the projects will benefit poor households and information on spatial targeting, co-funding and other associated investments A maximum of three per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium Term Strategic Framework (MTSF) and in line with the capacity building guideline published by the Department of Human Settlements Municipalities must indicate the amounts of their annual allocations for spending on the identified catalytic projects in their BEPPs as approved by municipal council
Allocation criteria	<ul style="list-style-type: none"> The grant is allocated to all metropolitan municipalities The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2017 Division of Revenue Bill The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) aimed at improving outcomes of the application of the equitable share
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> The grant was allocated R10.6 billion, and R10.6 billion (100 per cent) was transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> Delivery performance is indicated in the performance evaluation reports for 2015/16
Projected life	<ul style="list-style-type: none"> The programme will continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R11.4 billion; 2018/19: R12 billion; and 2019/20: R12.6 billion
Payment schedule	<ul style="list-style-type: none"> Transfers will be made in accordance with a payment schedule approved by National Treasury
Responsibilities of transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Develop indicators for the outcomes and outputs Convene a structured forum to meet with municipalities on a quarterly basis Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities Provide support to municipalities with regards to human settlement programmes Publish a guideline by 30 May 2017 on how capacity funds from this grant should be used by cities Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable Undertake oversight visits to municipalities as may be necessary Facilitate strategic and spatial planning support related to human settlements development Submit an evaluation report on the 2016/17 municipal grant to National Treasury by 27 October 2017 Provide systems, including the Housing Subsidy System that support the administration of the human settlements delivery process Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities When under expenditure and under performance is identified, the department may shift funds between municipalities in line with the 2017 Division of Revenue Act (DoRA) processes and requirements and with the concurrence of donor and receiving municipalities Participate in the municipal budget benchmarking process as and when indicated by National Treasury Review and approve the USDG performance matrix Review BEPP guidelines <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Submit 2016/17 evaluation reports in terms of the USDG performance matrix, as contained in the SDBIP, to the transferring officer on or before 25 August 2017 Metropolitan municipalities may replace non-performing projects with performing projects providing a similar infrastructure that fulfils the same policy objectives. This replacement should not jeopardise the achievement of the overall MTSF targets committed to by the municipality Changes to the approved project list may only be made once a quarter and the metro must notify the national Department of Human Settlement in writing and provide all the relevant details of the new project within 30 days after the end of the quarter Submit monthly financial reports, as contemplated in section 71(5) of the Municipal Finance Management Act (MFMA), within 10 working days after the end of each month indicating reasons for deviations and remedial actions. Such reports must be submitted to the national department, provincial departments and National Treasury

Urban Settlements Development Grant	
	<ul style="list-style-type: none"> • Ensure that the USDG performance matrix is consistent and aligned with national priorities and provincial human settlements plans • Comply with the terms and conditions of the receiving officer outlined in the DoRA • Municipalities should request the roll-over of unspent funds through National Treasury and inform the transferring officer of all processes regarding the request • Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant • Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements • Ensure that the USDG is used to meet municipality MTSF targets as contained in Outcome 8
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Municipalities must submit a comprehensive USDG performance matrix as included in the BEPP which shall include indicators and targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget • Municipalities must submit their first draft of the USDG performance matrix to the transferring officer by 30 March 2018 and the final USDG performance matrix should be submitted by 31 May 2018

NATIONAL TREASURY GRANTS

Local Government Financial Management Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To secure sound and sustainable management of the fiscal and financial affairs of municipalities
Grant purpose	<ul style="list-style-type: none"> To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)
Outcome statements	<ul style="list-style-type: none"> Strengthen capacity in the financial management of municipalities Improved and sustained skills development, including the appointment of interns supporting the implementation of financial management reforms focusing on the gaps identified in the Financial Management Grant (FMG) support plans Appropriately skilled financial officers, appointed in municipalities consistent with the minimum competency regulations Improved financial management maturity and capabilities Timely submission of financial statements and improved audit outcomes Improvement in municipal financial governance and oversight
Outputs	<ul style="list-style-type: none"> Number of municipal officials registered for financial management training Number of interns serving on the internship program, and permanently appointed in municipalities Submission of FMG support plans Number of municipalities that have reassessed priority modules in the Financial Management Capability Maturity Model (FMCMM) Number of municipalities with established internal audit units and audit committees Number of municipalities that submitted their annual financial statements timeously Preparation and implementation of financial recovery plans, where appropriate
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 9: Responsive, accountable, effective and efficient developmental local government system Outcome 12: An efficient, effective and development-oriented public service
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation
Conditions	<ul style="list-style-type: none"> FMG funds can be used towards the following: <ul style="list-style-type: none"> strengthen capacity and upskill officials in the Budget and Treasury Office (BTO), internal audit and audit committees at least five interns appointed over a multi-year period. (in metropolitan municipalities at least three interns must be appointed over a multi-year period). Municipalities must submit a plan for the retention of skills developed through the internship programme on-going review, revision and submission of FMG support plans to the National Treasury that address weaknesses in financial management acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the municipal Standard Chart of Accounts (mSCOA) support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in the Government Gazette 29967 of June 2007 support the preparation and timely submission of annual financial statements for audits. Technical support to municipalities must include the transfer of skills to municipal officials support the implementation of corrective actions to address the root causes of audit findings in municipalities that received adverse and disclaimer opinions the preparation of a financial recovery plan and the implementation thereof, where appropriate implementation of financial management reforms to address shortcomings identified in the FMCMM assessment report for that municipality ensuring timely submission of FMG support plan consistent with the conditions of the grant Regular and timely submission of reports with complete information Expenditure must be maintained at appropriate levels
Allocation criteria	<ul style="list-style-type: none"> All municipalities benefit from allocations to augment their own resources in support of implementation of the financial management reforms Priority is given to municipalities: <ul style="list-style-type: none"> with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA, as identified in the FMCMM assessment with adverse and disclaimer audit opinions
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA and its regulations
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> R452 million was allocated and transferred to municipalities

Local Government Financial Management Grant	
	<p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • All municipalities submitted FMG support plans • As at 30 June 2016, 1 309 graduate finance interns were serving on the internship program in municipalities • internship workshops to improve the programme and sustain reforms were concluded in six provinces (Eastern Cape, Free State, Gauteng, Mpumalanga, Northern Cape and Western Cape) • The grant supported the following outputs: <ul style="list-style-type: none"> ○ a total of 13 108 officials received a statement of results for attaining minimum competencies, of which 128 were Municipal Managers and 140 were Chief Financial Officers ○ of the 170 municipalities that utilised the FMG to prepare their 2015/16 annual financial statements, 159 (94 per cent) submitted their annual financial statements to the Auditor-General for auditing by 31 August 2016 ○ 83 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2014/15 audit findings ○ 216 municipalities utilised the FMG to acquire/upgrade and maintain their financial management systems ○ 48 municipalities utilised the FMG to establish internal audit units and audit committees
Projected life	<ul style="list-style-type: none"> • Ongoing with periodic reviews as the financial reforms are still in progress
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R502 million; 2018/19: R531 million; and 2019/20: R561 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Management, monitoring and reporting of the programme • Transfer funds to municipalities in terms of the 2017 Division of Revenue Act • Undertake on-going monitoring of the municipalities
	<p>Responsibilities of the municipalities</p> <ul style="list-style-type: none"> • Submit support plans which are consistent with the conditions of the grant • Submit reports consistent with the reporting requirements in the 2017 Division of Revenue Act
Process for approval of 2018/19 MTEF allocations	<ul style="list-style-type: none"> • On-going review, revision and submission of the FMG support plans to address weaknesses in financial management • The programme is based on the FMG support plans which are submitted by municipalities before the beginning of the municipal financial year

Integrated City Development Grant	
Transferring Department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 4, Part B
Strategic goal	<ul style="list-style-type: none"> The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities
Grant purpose	<ul style="list-style-type: none"> To provide a financial incentive for metropolitan municipalities to achieve a more compact urban spatial form through integrating and focussing their use of available infrastructure investment and regulatory instruments
Outcome statements	<ul style="list-style-type: none"> Improved spatial targeting and sequencing of public investments in the urban built environment to achieve a more compact, inclusive, productive and sustainable urban spatial form
Outputs	<ul style="list-style-type: none"> Number of infrastructure projects including public transport, roads, water, energy, housing, land acquisition and development in implementation within identified integration zones Number of integrated strategic/catalytic projects planned within identified integration zones Number of authorised studies/strategies completed
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Eligibility is restricted to metropolitan municipalities which must have: <ul style="list-style-type: none"> obtained a financially unqualified audit opinion from the Auditor-General (AG) for the 2015/16 financial year, or finalised an audit action plan by 24 February 2017 achieved acceptable levels of capital expenditure performance (reported a variance between adjusted budgeted and actual expenditures of 35 per cent or lower to the National Treasury for the 2015/16 financial year) Municipalities have the authority to select preferred investments within their functional mandates and within identified integration zones. Eligible expenditures include: <ul style="list-style-type: none"> any capital expenditure within the functional mandate of the municipality within identified integration zones authorised direct operating expenditure to produce analytical or diagnostic studies, strategy development or transaction advisory assistance related to the development or implementation of strategies for identified integration zones A municipality may apply to the transferring officer, by no later than 31 August 2017, to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities within integration zones, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> property market empirical and diagnostic studies integrated infrastructure and spatial planning for identified integration zones investment pipeline development (excluding direct project preparation) development of infrastructure financing strategies and instruments development of policies, bylaws and systems for the administration of development charges enhanced policies and procedures for environmental and social management in infrastructure delivery the municipality can demonstrate the ability to implement these activities within the financial year The first transfer of the grant will only be released to a municipality that has submitted a council approved Built Environment Performance Plan (BEPP) in the prescribed format by 31 May 2017 that includes: <ul style="list-style-type: none"> a pipeline of catalytic projects that has been compiled according to a prescribed format built environment outcome indicators and targets for 2017/18 that have been compiled according to a prescribed format The second transfer will only be released to a municipality that has submitted detailed information on the catalytic projects that are in the pipeline in accordance with the standard format provided
Allocation criteria	<ul style="list-style-type: none"> Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities. Final allocations are adjusted by performance against the following weighted indicators: <ul style="list-style-type: none"> BEPP evaluation score for 2016/17 (30 per cent) no decrease in total debt to revenue ratio in 2015/16 (15 per cent) no Section 57 vacancies for longer than six months in 2016 (10 per cent) unqualified audit opinion by AG (with or without findings) for the last financial year (25 per cent) decrease in total value of irregular, fruitless and wasteful expenditure identified by AG (20 per cent)

Integrated City Development Grant	
	<ul style="list-style-type: none"> For the outer years of the MTEF, allocations per metropolitan municipality have been provided without taking into account any performance adjustments. The allocation figures for the 2018 MTEF will be adjusted based on actual performance against the weighted indicators listed above as well as any new built environment indicators agreed with the metros
Reason not incorporated in equitable share	<ul style="list-style-type: none"> The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> R255 million was allocated and transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> All eight metropolitan municipalities submitted BEPPs timeously and identified 14 integration zones Municipalities also indicated 12 catalytic projects being planned and three projects under implementation in these integration zones
Projected life	<ul style="list-style-type: none"> The grant will continue over the 2017 MTEF, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R292 million; 2018/19: R309 million; and 2019/20: R326 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> National Treasury will review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment National Treasury in consultation with the Department of Cooperative Governance and the Department of Rural Development and Land Reform will facilitate engagements on the BEPPs with metropolitan municipalities and other sector departments National Treasury will provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme National Treasury will authorise applications for the utilisation of grant funds for specified operating purposes National Treasury will review the credibility and measurability of audit plans <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Submit BEPPs and in-year reports Ensure consistent planning in integration zones, including alignment of integrated development plans, social housing restructuring zones, priority housing development areas and urban development zones Strengthen and align their own capacity to support BEPP implementation
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> Eligible municipalities must submit their draft BEPP by 31 March 2018 in accordance with requirements outlined in the BEPP guidelines

Infrastructure Skills Development Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> To improve infrastructure delivery management capacity within municipalities by developing a long-term and sustainable pool of registered professionals with built environment and related technical skills in engineering, town planning, architecture, quantity surveying, geographic information system and project management
Grant purpose	<ul style="list-style-type: none"> To recruit unemployed graduates into municipalities to be trained and professionally developed, as per the requirements of the relevant statutory councils within the built environment
Outcome statements	<ul style="list-style-type: none"> Developed technical capacity within local government to enhance infrastructure provision, and service delivery, through improved infrastructure planning, implementation, operations and maintenance Registered professionals with built environment qualifications (national diplomas and degrees) as per the statutory councils' requirements Increased number of qualified and registered professionals employed within local government
Outputs	<ul style="list-style-type: none"> Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils Number of graduates recognised as registered professionals by the relevant statutory councils Number of graduates employed as registered professionals within the built environment in local government
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> The business plan must demonstrate that the municipality has projects in which the graduates can be trained, and provide the relevant complexity of work and responsibility that can support graduates to meet the registration requirements of the relevant statutory councils Graduates must be seconded to an entity (public or private) if no relevant training is available to develop the necessary competence of the graduates Where graduates are placed in another entity (public or private) a Memorandum of Agreement (MoA) must be developed and signed between the municipality and the entity, according to Infrastructure Skills Development Grant (ISDG) guidelines. The MoA must clearly demonstrate the supervision requirements and the roles and responsibilities of all parties associated with the training of graduates Graduates must have a national diploma or degree in the built environment from higher education institutions i.e. Universities or Universities of Technology recognised by the statutory council Municipalities must provide training as per the road-to-registration requirements of the relevant statutory council Mentoring must be provided by registered professionals in the same field, and registration category, as the graduates in training. The full names and proof of registration of the mentor must be submitted to the National Treasury, and a contract must be entered into with each mentor, according to ISDG guidelines The ISDG funding is to be utilised exclusively for costs associated with the training and professional development process of graduates (refer to ISDG Guidelines) The business plan of a municipality must include an absorption strategy for the graduates within the municipality or any other municipality A Project Administrator may be appointed per municipality for the purpose of the ISDG administration if approved by National Treasury (refer to ISDG Guidelines) Graduates are to be placed in units to support the management, maintenance and/or implementation of infrastructure, infrastructure related projects and accelerated service/infrastructure delivery Graduates must be assigned to a supervisor with experience in the same field as the graduates-in-training Graduates' training progress is to be evaluated by professionally registered mentors on a quarterly basis and development of the required competencies of graduates is to be evaluated bi-annually Municipalities must submit monthly and quarterly reports timeously Graduate reports and/or log books must be completed in the format of the statutory council and must be signed by the registered mentor/supervisor as required by statutory councils Municipalities must sign a Service Level Agreement (SLA) with the National Treasury and such an agreement must be adhered to Non-compliance with the above conditions can result in the funds being withheld, stopped or re-allocated

Infrastructure Skills Development Grant	
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on business plans submitted and ability of municipalities to provide training and professional development of graduates for the duration of the candidate phase as stipulated by statutory councils
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This conditional grant is meant to develop technical skills within identified municipalities
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R124 million was allocated and transferred to 16 municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • The grant has created employment and training opportunities for 495 graduates • The following municipalities received the grant: <ul style="list-style-type: none"> ○ Buffalo City (30 graduates) ○ Nelson Mandela Bay (45 graduates) ○ eThekweni (87 graduates) ○ City of Johannesburg (4 graduates) ○ Westonia (13 graduates) ○ Polokwane (28 graduates) ○ Govan Mbeki (120 graduates) ○ Gert Sibande (13 graduates) ○ Lukhanji (8 graduates) ○ Alfred Nzo (20 graduates) ○ Umhlathuze (19 graduates) ○ Sol Plaatje (19 graduates) ○ John Taolo Gaetsewe (8 graduates) ○ King Sabata Dalindyebo (20 graduates) ○ City of Cape Town (23 graduates) ○ George (15 graduates) ○ Ditsobotla (23 graduates)
Projected life	<ul style="list-style-type: none"> • The grant is expected to continue over the 2017 Medium Term Expenditure Framework (MTEF), subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R141 million, 2018/19: R149 million and 2019/20: R157 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of National Treasury</p> <ul style="list-style-type: none"> • Issue guidelines and supporting documentation for the implementation of the ISDG • Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts • Manage, monitor and report on the programme • Ensure professional development is aligned to statutory council requirements • Monitor the registration progress of graduates with the relevant statutory councils by municipalities • Monitor financial and non-financial performance of the ISDG • Maintain graduates database for the ISDG • Work with the Municipal Infrastructure Support Agent (MISA), and other stakeholders, on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Comply with the requirements of the Division of Revenue Act, ISDG guidelines, the SLA and the requirements of the relevant statutory councils • Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates achieve competencies in relevant activities and are developed professionally to meet the outcome(s) requirements for professional registration • Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work and adequate responsibility for the candidate to progress

Infrastructure Skills Development Grant	
	<ul style="list-style-type: none"> ● Provide the candidate with the requisite workspace, supervisor, tools of profession/trade, and logistics to perform the recommended activities within their training plans ● Continuously review, and assess, the candidates' work and progress on the road-to-registration and make recommendations for corrective action ● Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils ● Attend all meetings and workshops convened by the National Treasury relating to this grant ● Support and supervise graduates on the road-to-registration training ● Recruit professionally registered mentors who are in line with the skills training required and ensure that they are adequately orientated on the registration process and its requirements ● Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury ● Manage the utilisation of ISDG funds and report to the National Treasury ● The municipality must provide, and update, the list of business tools procured with the ISDG funds. The business tools must be procured in accordance with ISDG guidelines ● Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months, and where not initially eligible, must complete the additional requirements for acceptance as a candidate within 12 months of intake ● Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have qualified as registered professionals
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● Interested municipalities must submit a three-year business plan by 31 August 2017 for assessment by the National Treasury ● Participating municipalities to submit revised business plans to the National Treasury by 31 August 2017

Neighbourhood Development Partnership Grant	
Transferring department	<ul style="list-style-type: none"> National Treasury (Vote 7)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities
Grant purpose	<ul style="list-style-type: none"> To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships
Outcome statements	<ul style="list-style-type: none"> Spatially integrated cities and towns Diversity of public and private capital investments leveraged into targeted locations Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third-party capital investment into strategic locations Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation
Outputs	<ul style="list-style-type: none"> Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> urban hub precincts with secondary linkages; or built environment upgrade projects in urban and rural townships Leveraged third-party capital investment into targeted locations The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events Enhanced municipal strategic competencies in investment targeting, implementation, and urban management
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 4: Decent employment through inclusive economic growth Outcome 8: Sustainable human settlements and improved quality of household life Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> Outcome indicators Output indicators Inputs Key activities
Conditions	<ul style="list-style-type: none"> Compliance with the aims and objectives outlined in a signed memorandum of agreement or funding agreement between the municipality and the transferring officer Submit cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the transferring officer Programme execution is dependent on a sequential and formal acceptance/approval by the transferring officer of NDPG-related municipal plans or deliverables Municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investment required to ensure long-term and sustainable outcomes for each precinct
Allocation criteria	<ul style="list-style-type: none"> The grant funds the following activities in targeted locations that are defined as urban hubs: planning, the development of catalytic projects and management activities as well as the development of built environment upgrade projects in rural townships Schedule 6B: Technical assistance allocations support planning, professional programme management costs as well as management activities for projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria Schedule 5B: Capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process of targeted locations Allocations are focused on municipalities whose circumstances align with the NDPG's criteria, these include: higher population densities, diverse nature of economic activity, concentrations of poverty, inefficient spatial-historical development, improved connectivity and mobility (in particular through improved public transport networks)
Reason not incorporated in equitable share	<ul style="list-style-type: none"> This grant has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> R607 million allocated, and R584 million transferred in Schedule 5, Part B direct transfers to municipalities R26 million allocated in Schedule 6, Part B indirect transfers to municipalities and R18 million of the allocation was spent by the end of the national financial year <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> 61 NDPG projects under construction in 2015/16 R4.1 billion in estimated third party investment leveraged (cumulative since 2007/08) 357 catalytic projects approved (cumulative since 2007/08) 18 long-term urban regeneration programmes registered (cumulative since 2013/14)
Projected life	<ul style="list-style-type: none"> This grant is expected to continue over the medium term, subject to review

Neighbourhood Development Partnership Grant	
MTEF allocations	<p>Direct transfers (Schedule 5, Part B)</p> <ul style="list-style-type: none"> • 2017/18: R663 million; 2018/19: R702 million; and 2019/20: R741 million <p>Allocation-in-kind (Schedule 6, Part B)</p> <ul style="list-style-type: none"> • 2017/18: R28 million; 2018/19: R29 million; and 2019/20: R31 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • The National Treasury funds plans and catalytic projects in targeted locations that are defined either as urban hubs or as built environment upgrade projects in urban and rural townships, including: <ul style="list-style-type: none"> ○ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships (NDP) page on the National Treasury website ○ reporting in terms of the 2017 Division of Revenue Act (DoRA) ○ determining grant allocations for the Medium Term Expenditure Framework (MTEF) period ○ performing the obligations as set out in the Memorandum of Agreement/Funding Agreements signed between the municipality and the national department ○ governing the acceptance or approval milestones of NDPG-related municipal plans or deliverables ○ monitoring, managing and evaluating financial and non-financial performance ○ overseeing and enforcing the conditions of this grant ○ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management • The Department of Rural Development and Land Reform is to drive rural development by supporting the planning and infrastructure delivery of identified and agreed NDPG projects, including: <ul style="list-style-type: none"> ○ acting as the agent of the National Treasury on identified and agreed NDPG projects ○ appointing a dedicated project manager to ensure the continuity of NDPG activities ○ reporting monthly to the National Treasury on the progress of NDPG projects ○ providing programme and project management support to municipalities until the NDPG projects are completed and closed ○ motivating to the National Treasury for the reallocation of funding for specific municipal projects ○ integrating existing project and information systems to ensure efficient and effective management of existing NDP projects ○ participating in a joint advisory committee with National Treasury to govern the direction and coordination of the agency function ○ exploring the feasibility of developing grant management capacity <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the DoRA • Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the transferring officer • Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects • Coordinate the development of NDPG related municipal plans or deliverables and ensure that they are aligned with the grant objectives against which performance will be assessed • Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money • Maintain accurate and current grant and performance information as specified in NDPG management information formats and systems • Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations • Collect and provide evidence of funding leveraged into each precinct • Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal: <ul style="list-style-type: none"> ○ Spatial Development Frameworks (SDFs) and Capital Investment frameworks (as a chapter in the municipal SDF) ○ Integrated Development Plans (IDPs) ○ Built Environment Performance Plans (BEPPs) - only applicable to metropolitan municipalities
Process for approval of 2018/19 municipal NDPG plans	<ul style="list-style-type: none"> • Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans • Plans and/or deliverables must include an indication of: <ul style="list-style-type: none"> ○ the ability to attract and report on third-party funding leveraged ○ the quality of performance and progress reporting ○ the level of NDPG alignment across all municipal development strategies and plans including coordination, targeting, and prioritisation with other related capital projects as reflected through municipal SDFs and capital investment frameworks

PUBLIC WORKS GRANT

Expanded Public Works Programme Integrated Grant for Municipalities	
Transferring department	<ul style="list-style-type: none"> ● Public Works (Vote 11)
Grant schedule	<ul style="list-style-type: none"> ● Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> ● To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised
Grant purpose	<ul style="list-style-type: none"> ● To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: <ul style="list-style-type: none"> ○ road maintenance and the maintenance of buildings ○ low traffic volume roads and rural roads ○ basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) ○ other economic and social infrastructure ○ tourism and cultural industries ○ waste management ○ parks and beautification ○ sustainable land-based livelihoods ○ social services programmes ○ community safety programmes
Outcome statements	<ul style="list-style-type: none"> ● Contribute towards increased levels of employment ● Improved opportunities for sustainable work through experience and learning gained
Outputs	<ul style="list-style-type: none"> ● 59 255 Full-Time Equivalent (FTEs) to be created through the grant ● Number of people employed and receiving income through the EPWP ● Increased average duration of the work opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> ● Outcome 4: Decent employment through inclusive economic growth ● Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plans	<ul style="list-style-type: none"> ● The programme is implemented through municipalities using EPWP integrated agreements and project lists that specify the number of FTEs and work opportunities to be created
Conditions	<ul style="list-style-type: none"> ● EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by the Department of Public Works (DPW) and the Ministerial Determination updated annually on 1 November each year ● Eligible municipalities must sign a funding agreement with the DPW before the first grant disbursement, with their final EPWP project list attached ● Municipalities must report quarterly on all EPWP projects via DPW's EPWP reporting system ● Reports must be loaded on the EPWP reporting system within 15 days after the end of every quarter in order for progress to be assessed ● Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual ● The EPWP grant cannot be used to fund the costs of permanent municipal personnel; however, a maximum of five per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods ● The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list ● To receive the first planned grant disbursement, eligible municipalities must submit a signed integrated agreement with a project list by 9 June 2017 ● Subsequent grant disbursements are conditional upon eligible municipalities reporting quarterly on EPWP performance within the required timeframes ● Municipalities must implement their approved EPWP project list and meet agreed job creation targets ● EPWP branding must be incorporated on any existing signage as per corporate identity manual
Allocation criteria	<ul style="list-style-type: none"> ● To be eligible for an EPWP grant allocation in the 2017/18 financial year, a municipality must have reported EPWP performance by 30 October 2016. The EPWP grant allocations are based on: <ul style="list-style-type: none"> ○ past EPWP performance ○ the number of FTE jobs created in the prior 18 months ○ past performance with regard to labour intensity in the creation of EPWP work opportunities ○ the need for EPWP work creation in a municipal area, indicated by levels of unemployment, poverty and service backlogs ● Allocation criteria include a rural bias. Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPW
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● This grant is intended to fund the expansion of labour intensity in specific focus areas as well as incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key geographic regions
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> ● The grant had an allocation of R588 million. 276 municipalities were eligible for the grant and the total allocated amount of R588 million (100 per cent) was transferred to these municipalities

Expanded Public Works Programme Integrated Grant for Municipalities	
	<p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 124 410 work opportunities were reported by 247 municipalities and validated on the EPWP system • 41 063 FTE jobs were reported by 247 municipalities and validated on the EPWP system
Projected life	<ul style="list-style-type: none"> • Grant continues until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R691 million; 2018/19: R729 million; and 2019/20: R781 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Determine eligibility and set grant allocations and FTE targets for eligible municipalities • Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines and the Ministerial Determination • Support municipalities in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> ○ identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria ○ apply the EPWP project selection criteria and EPWP guidelines to project design ○ report using the EPWP reporting system • Monitor the performance and spending of municipalities according to the signed incentive agreement • Disburse the grant to eligible municipalities • Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement • Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions • Conduct site visits to identify where support is needed
	<p>Responsibilities of the eligible municipalities</p> <ul style="list-style-type: none"> • Develop and submit an EPWP project list to DPW by 9 June 2017 • Sign the standard funding agreement with DPW agreeing to comply with the conditions of the grant before receiving any grant disbursement • Agree on the areas requiring technical support from DPW upon signing the grant agreement • Ensure that reporting is done within the timelines stipulated in the grant agreement and that information is captured in the EPWP reporting system • Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPW for data quality assessment tests • Reports must be loaded within 15 days after the end of every quarter in order for progress to be assessed
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Municipalities must report performance on EPWP projects for the 2017/18 financial year by 30 October 2017 to be eligible for a grant allocation • Municipalities must submit a signed EPWP integrated agreement and project list by 8 June 2018

TRANSPORT GRANTS

Public Transport Network Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • To support the National Land Transport Act (Act No. 5 of 2009) and Public Transport Strategy (PTS) and Action Plan in promoting the provision of accessible, reliable and affordable integrated municipal public transport network services
Grant purpose	<ul style="list-style-type: none"> • To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that form part of a municipal integrated public transport network and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services
Outcome statements	<ul style="list-style-type: none"> • Improved public transport network infrastructure and services that function optimally and are safe, convenient, affordable, well managed and maintained • Public transport systems that are accessible to an increasing percentage of the population of urban municipalities and contribute to more spatially efficient urban areas
Outputs	<p>Network Operations Component</p> <ul style="list-style-type: none"> • Number of average weekday passenger trips carried on Public Transport Network Grant (PTNG) funded networks • Number and percentage of municipal households within a 500m walk to an Integrated Public Transport Network (IPTN) station or stop that has a minimum peak period frequency of 15 minutes or better • Percentage uptime for network operating systems as a proportion of the network's public operating hours • Passengers per network vehicle per average weekday <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> • Public transport network infrastructure including dedicated lanes, routes and stops/shelters, stations, depots, signage and information displays, control centres and related information technology, fare systems and vehicles (if the Department of Transport (DoT) approves use of grant funds to purchase vehicles), non-motorised transport (NMT) infrastructure that supports network integration (e.g. sidewalks, cycleways, cycle storage at stations, etc.) • Plans and detailed design related to IPTN infrastructure and operations
Priority outcome(s) of government this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses IPTN operational and related plans that include financial modelling
Conditions	<ul style="list-style-type: none"> • Projects must be based on and form part of a strategic, municipal wide, long-term IPTN plan and strategy approved by the municipal council • Projects funded by this grant must be based on an Operational and Business Plan, which must include a multi-year financial operational plan approved by the municipal council. This multi-year financial operational plan must cover the full duration of any contracts for each phase funded by the PTNG and include operating and maintenance costs and universal design access plans • Projects must support an integrated multi-modal network approach as defined in the National Land Transport Act (NLTA) and the Public Transport Strategy and municipalities must manage operations to progressively achieve the standard of service defined in the Public Transport Strategy within available resources • Projects in metropolitan municipalities must demonstrate alignment to Built Environment Performance Plans • Payments will be conditional on the attainment of milestones specified in the grant allocation letter to each municipality from the DoT. Milestones are based on the approved IPTN operational plans of cities and are defined after consultation with municipalities • All public transport infrastructure and services funded through this grant must ensure that there is provision for the needs of special categories of passengers (including disabled, elderly and pregnant passengers) in line with the requirements of section 11(c)(xiv) of the NLTA • Allocations for this grant are made through two components, with separate conditions applicable to each component as set out in the allocations criteria section below. Allocations for the Network Operations Component will be determined by DoT and National Treasury once municipalities submit an annual operations plan including financial forecasts for 2017/18 by 3 April 2017. Funds for one component can be shifted to the other if approved by National Treasury and DoT • The first tranche is subject to cities submitting, by 15 June 2017, a multi-year financial operational plan (approved by the municipal council) for the duration of the vehicle operating contract/s pertaining to any phase on which 2017/18 grant funds will be spent • The second tranche is subject to this financial operational plan being submitted to DoT and accepted jointly by National Treasury and the DoT as a basis for future grant payments • All new Intelligent Transport Solutions (ITS) related contracts that will incur grant expenditure must be jointly approved by DoT and National Treasury before grant funds may be spent on them

Public Transport Network Grant	
	<p>Network Operations Component</p> <ul style="list-style-type: none"> ● Operating subsidies from this component can fund security, station management, fare collection services, control centre operations, information and marketing, network management, insurance, compensation for the economic rights of existing operators and maintenance of infrastructure and systems ● From the start of operations, IPTN systems must recover all the direct operating costs of contracted vehicle operators from fare revenue, other local funding sources and, if applicable, from any Public Transport Operations Grant contributions. These direct operating costs consist of fuel, labour, operator administration and vehicle maintenance ● From the start of operations on a route, the grant can fund a portion of the per kilometre rate to subsidise up to 100 per cent of the capital cost (including interest and related fees) of vehicles purchased by the vehicle operating company ● IPTN operational plans and on-going operations management must target improved farebox cost coverage, through minimising costs and maximising fare revenues. Municipalities operating network services are required to supply detailed operating performance and operating cost and revenue reports quarterly in the formats prescribed by the DoT ● Operating subsidies for any new or existing service, line, route or phase, will only be transferred after a municipality meets the requirements of DoT's Operational Readiness Framework ● Municipalities must enforce rules and by-laws regarding usage of dedicated lanes, fare payment, and operator/supplier compliance with contractual provisions ● Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations ● Verified data on operator revenue and profitability and draft agreements for the compensation of existing economic rights of affected operators must be provided to DoT prior to concluding agreements on compensation for economic rights ● Municipalities must enforce agreements that only legal operators operate on routes subject to compensation agreements <p>Network Infrastructure Component</p> <ul style="list-style-type: none"> ● The grant can fund all IPTN-related infrastructure, including for non-motorised transport, upgrades of existing public transport infrastructure and for new infrastructure ● Municipalities must demonstrate in their IPTN operational plans that they have attempted to give maximum priority to public and non-motorised transport while minimising costs through using existing infrastructure, road space and public land ● For each phase, final network routing, service design and related financial modelling must be submitted to DoT for review and approval before municipalities proceed with detailed infrastructure design ● IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations) ● Contracted operators should finance and own vehicles unless a case for the exceptional use of limited infrastructure funding for vehicle procurement is approved by DoT, in consultation with National Treasury. If approval is granted, any vehicles purchased with grant funds must remain the property of the municipality
Allocation criteria	<ul style="list-style-type: none"> ● Allocations are only made to municipalities that submit business plans in line with the above conditions, that demonstrate sufficient capacity to implement and operate any proposed projects, and credibly demonstrate the long-term fiscal and financial sustainability of the proposed projects ● 80 per cent of available funds are allocated according to a formula. The formula has three equally weighted indicators: <ul style="list-style-type: none"> ○ size of population ○ size of economy ○ number of public transport users ● 20 per cent of available funds are allocated through a non-formula component. The allocation of this non-formula component is led by DoT in consultation with National Treasury and agreed upon by a joint committee ● Allocations for the Network Operations Component are based on cities' Annual Operations Plans (to be submitted to DoT by 3 April 2017) which indicate the amount of the 2017/18 total allocation to be used within the rules of this component. Approval of these allocations is specified in the DoT allocation letter to municipalities and is based on the following rules: <ul style="list-style-type: none"> ○ DoT approval of the annual operations plan ○ the network operations component can be used in each phase and sub-phase of the introduction of services to fund up to 70 per cent of indirect operating costs for two years after the municipal financial year in which operations start. Thereafter the grant can fund up to 50 per cent. Non-PTNG sources must cover the remaining costs ○ compensation for the economic rights of existing operators can be funded up to 100 per cent in each phase
Reasons not incorporated in equitable share	<ul style="list-style-type: none"> ● Infrastructure and operational costs associated with the implementation of the PTS and NLTA were not included in municipal budgets prior to the introduction of IPTN services

Public Transport Network Grant	
Past performance	<p>2015/16 audited financial outcomes:</p> <ul style="list-style-type: none"> Public Transport Network Grant: R6 billion was allocated and R6 billion (100 per cent) was transferred to municipalities. <p>2015/16 service delivery performance:</p> <p>eThekweni:</p> <ul style="list-style-type: none"> 5.4 km of bus rapid transit lanes completed along Route C3 Preliminary design on C1B completed Construction on corridor C9 commenced and detailed design for corridor C1A was completed <p>George:</p> <ul style="list-style-type: none"> 3 phases are operational Cost recovery ratio of over 50 per cent, a system coverage ratio of over 80 per cent and at an average of between 25 000 and 30 000 passenger trips per day <p>Cape Town:</p> <ul style="list-style-type: none"> Average of 62 183 passenger journeys per weekday Construction completed includes: 0.6 kilometers of dedicated trunk busway, 18 kilometers of trunk busway in mixed traffic lanes, 44 of feeder routes, 50 shelters and 11 other stops 80 contracted operators were paid compensation and 63 affected vehicles were taken out of service Annual fare revenue amounted to R190 million <p>Ekurhuleni:</p> <ul style="list-style-type: none"> Trunk route construction complete up to R25 interchange, including areas 2A, 2B, 3A, 3B, 4A and 4B Complementary Roads to Isando and Vosloorus complete, including areas 1A, 1B and Isando Road Six stations complete The construction of Transport Management Centre (TMC), including the installation of the video wall was completed <p>Johannesburg</p> <ul style="list-style-type: none"> The full Phase 1A and 1B systems are operational and include: <ul style="list-style-type: none"> 82 articulated buses and 195 standard buses in operation 43.5 km of dedicated routes 153.9 km of feeders and complementary routes 130 bus stops and feeder routes and 99 bus stops on complimentary routes 48 stations in operation Average of 48 271 passenger journeys per weekday <p>Mangaung</p> <ul style="list-style-type: none"> The focus was on the development and the gathering of the public transport data required for the design and operational plans for the IPTN <p>Mbombela</p> <ul style="list-style-type: none"> Construction underway <p>Msunduzi</p> <ul style="list-style-type: none"> Progress on all construction is 20 per cent Marketing and ITS strategies approved and detailed financial model completed Signing of the Memorandum of Agreement with the taxi operators <p>Nelson Mandela Bay</p> <ul style="list-style-type: none"> Roadworks for Cleary Park contract area completed A Public Transport Operations Verification Survey on reduced starter service routes was 80 per cent completed <p>Polokwane</p> <ul style="list-style-type: none"> Construction and rehabilitation of Moletji trunk extensions, Seshego trunk extensions, city centre trunk feeders, Nelson Mandela trunk <p>Rustenburg</p> <ul style="list-style-type: none"> 5.3 km of bi-directional dedicated bus rapid transit busways, non-motorised transport and 5 stations sub-structures completed for Phase 1A 8.5 km of bi-directional dedicated bus rapid transit busways, non-motorised transport and 5 stations sub-structures completed for Phase 1B, including an interchange and 3 bridges <p>Tshwane</p> <ul style="list-style-type: none"> Average of 4 634 passenger journeys per weekday on line 1A The construction of line 1A reached 85 per cent completion on Pretorius to Nana Sita section and 5 per cent completion on city centre to Rainbow Junction section Construction of Belle Ombre Compressed Natural Gas (CNG) Bus Depot: civil works 80 per cent complete and building works 10 per cent of complete
Projected life	<ul style="list-style-type: none"> The grant is expected to continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2017/18: R6.2 billion; 2018/19: R6.6 billion; and 2019/20: R7 billion
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with an agreed payment schedule approved by National Treasury

Public Transport Network Grant	
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Disburse PTNG funds and monitor PTNG expenditure ● Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy ● Verify reports from municipalities by conducting at least one site visit per annum ● Allocate the funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury ● Review and comment on draft compensation agreements for economic rights ● Review and comment on the network model submitted by each city ● Evaluate the performance of the grant annually ● Maintain the database of operational performance based on the indicators and continue to track, report and evaluate the performance of the grant based on these measures ● Finalise the public transport subsidy policy for South Africa ● Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated to cities by DoT ● Submit copies of allocation letters and milestones to National Treasury ● Review the Public Transport Strategy to ensure its requirements enable cities to develop fiscally sustainable IPTN systems <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> ● Ensure that projects are implemented in line with approved business plans and are also reflected in the integrated development plan of the municipality. Additional plans that cities will need to complete include: <ul style="list-style-type: none"> ○ network operational plans, including universal design access plans ○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans) ○ institutional network management plans ○ engineering and architectural preliminary and detailed designs ○ public transport vehicle and technology plans ○ marketing and communication plans ● Projects funded by this grant must promote the integration of the public transport networks in a city, through: <ul style="list-style-type: none"> ○ physical integration between different services within a single network ○ fare integration between different services ○ marketing integration with unified branding ○ institutional integration between the services ○ spatial integration, in conjunction with other grants directed at the built environment ● Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> ○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum ○ indicate the intended allocations between the network operations component and network infrastructure component ● Establish a dedicated project team to plan, manage and monitor infrastructure development and maintenance, as well as operations with an emphasis on optimising vehicle kilometres through full use of procured Intelligent Transport System tools ● Compile and submit data that indicates the efficiency and effectiveness of operational services in the formats and using the indicators defined by the DoT
Process for approval of 2018/19 MTEF allocations	<ul style="list-style-type: none"> ● Municipalities must submit business plans based on a fiscally and financially sustainable IPTN (or an agreed plan to compile this), supported by credible multi-year financial operational plans by 31 July 2017 ● DoT and National Treasury will jointly evaluate these plans – based on pre-determined criteria regarding financial and fiscal sustainability and sufficient capacity – for the city’s eligibility for an allocation in the 2018/19 financial year ● Municipalities that fail to pass the eligibility criteria will be informed by 21 August 2017 and may be asked to resubmit plans

Rural Roads Asset Management Systems Grant	
Transferring department	<ul style="list-style-type: none"> • Transport (Vote 35)
Grant Schedule	<ul style="list-style-type: none"> • Schedule 5, Part B
Strategic goal	<ul style="list-style-type: none"> • Ensure efficient and effective investment in rural municipal roads through development of Road Asset Management Systems (RAMS) and collection of data
Grant purpose	<ul style="list-style-type: none"> • To assist rural district municipalities to set up rural RAMS, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa (RISFSA)
Outcome statements	<ul style="list-style-type: none"> • Improved data on municipal rural roads to guide infrastructure maintenance and investments • Reduced vehicle operating costs
Outputs	<ul style="list-style-type: none"> • Road condition data (paved and unpaved) • Traffic data • Data on condition of structures as per Technical Methods for Highways (TMH) 19 (including bridges and culverts) • Extent of unproclaimed roads • Prioritised project list for roads to inform Municipal Infrastructure Grant project selection
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 6: An efficient, competitive and responsive economic infrastructure network • Outcome 7: Comprehensive rural development and land reform • Outcome 9: Responsive, accountable, effective and efficient local government
Details contained in the business plan	<ul style="list-style-type: none"> • This grant uses Road Asset Management Business Plans which contain the following details: <ul style="list-style-type: none"> ○ network condition, structures and traffic volumes data collection plan ○ organisational and support plan ○ financial summary ○ details of planned engagements and sharing of data with local municipalities
Conditions	<ul style="list-style-type: none"> • Transfer of the first tranche is conditional on submission of an approved business plan by 28 April 2017 • Transfer of the second tranche is conditional on submission of evidence of engagements and sharing of data with local municipalities • Road authorities must conduct regular condition assessments for paved and unpaved roads and bridges and collect traffic data in accordance with TMH9, TMH19 and TMH22 • District municipalities must provide local municipalities with validated information from the condition data collected to enable municipalities to identify and prioritise road maintenance requirements within their own budgets, to improve the condition and extend the lifespan of road infrastructure • District municipalities must submit the above data to the national repository as per the format described in TMH18 • For RISFSA Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> ○ visual condition data not older than two years for pavements and five years for bridges ○ instrumental pavement data for roughness, rut depth and macro texture not older than two years ○ instrumental pavement data for structural strength not older than five years ○ traffic data not older than three years • For RISFSA Class R4 and R5 roads, data requirements are: <ul style="list-style-type: none"> ○ visual condition data not older than three years for pavements and five years for bridges ○ traffic data not older than five years • All road condition reports and data collected must be submitted to the National Department of Transport (DoT), and the relevant Provincial Roads Authorities • Systems developed to record data must be compatible with DoT specifications (TMH26 and TMH22) for uniformity • Up to a maximum of R1000 per km per year for paved roads and R500 per km per year for gravel roads of the grant may be allocated towards road classification and collection of data required by this grant • District municipalities must participate in grant management structures, including attending quarterly RRAMS meetings • A maximum of five per cent may be used for municipal costs incurred as part of coordination, project management and reporting by the district municipality. Municipalities must not use this grant to appoint staff • District municipalities must appoint an independent assessor to assess a representative sample of all roads assessed (which is about 10 per cent of their assessed network) to confirm the correctness of the assessment made by the municipality
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the extent of the road network and number of local municipalities within each district municipality • All 44 district municipalities will benefit from this grant in the 2017 MTEF
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • This is a specific purpose grant mainly for the provision of systems to collect data on traffic, and the condition of rural roads and access bridges

Rural Roads Asset Management Systems Grant	
Past performance	<p>2015/16 audited financial outcomes</p> <ul style="list-style-type: none"> • R97 million was allocated, and R97 million (100 per cent of the allocation) was transferred to municipalities <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • Approximately 21 440 kilometres of paved road network and 190 402 kilometres of unpaved road network had been assessed by the programme in the 44 district municipalities receiving allocations • Approximately 3 269 structures were identified and 1 793 structures were assessed which represent 55 per cent of the total number of structures • Submission of RAMS data in TMH18 format has been a challenge with some district municipalities but workshops were held to assist them with the new data exchange format • 163 graduates were recruited into the programme
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2017/18: R107 million; 2018/19: R114 million; and 2019/20: R120 million
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in two tranches in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of national department</p> <ul style="list-style-type: none"> • Monitoring implementation of RAMS together with provincial road authorities • Provide guidance on sustainable RAMS operations and standards • Facilitate interaction between local municipalities and district municipalities in using RAMS outputs as guidance in municipal road infrastructure management • Check the quality and integrity of data captured on municipalities' RAMS in collaboration with provincial road authorities <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • Municipalities must make provision to maintain RAMS after the lifespan of the grant • Data for all rural roads to be updated within two years • Recruit unemployed youth, S3 experiential training students and young graduates • Ensure human capacity at municipalities for the operation of RAMS is built • Road quality data on RAMS must be used for planning Municipal Infrastructure Grant roads investments as well as roads maintenance funded from other sources • Submission of updated RAMS data in TMH18 format by 30 August 2017
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • District municipalities must submit a Road Asset Management Plan (RAMP) / business plan annually to DoT by the end of April • RAMP must contain the following: <ul style="list-style-type: none"> ○ the extent of the road network in the municipality ○ the proportion of municipal roads with updated data captured on its RAMS ○ the condition of the network in the municipality ○ the maintenance and rehabilitation need of the municipal road network ○ the status of the municipality's RAMS ○ status of institutionalisation of RAMS in the district municipality ○ TMH 22 RAMP guideline can be used as template • DoT together with Provincial Roads Authorities will evaluate the business plans and progress reports by the end of May

WATER AND SANITATION GRANTS

Regional Bulk Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> Facilitate achievement of targets for access to bulk water and sanitation through successful execution and implementation of bulk projects of regional significance
Grant purpose	<ul style="list-style-type: none"> To develop new, refurbish, upgrade and replace ageing water and wastewater infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality To pilot regional Water Conservation and Water Demand Management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements
Outcome statements	<ul style="list-style-type: none"> Access to water supply enabled through regional bulk infrastructure Proper wastewater management and disposal enabled through regional wastewater infrastructure
Outputs	<ul style="list-style-type: none"> Number of regional bulk water and sanitation projects under construction and WC/WDM projects initiated Number of projects/project phases completed Number of households targeted to benefit from bulk supply Number of households benefitting from projects completed Number of municipalities benefitting Number of job opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 7: Comprehensive rural development and land reform Outcome 9: A responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> This grant uses approved Implementation Readiness Studies (IRS) and funding agreements which contain the following: <ul style="list-style-type: none"> cash flow and implementation milestones details of key stakeholders and main contractors specific funding conditions related to the project outline of the roles and responsibilities of the respective parties
Conditions	<ul style="list-style-type: none"> The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the social component of regional bulk water and wastewater projects approved by the Department of Water and Sanitation (DWS), unless arguments for exemption based on affordability are recommended by DWS and approved by National Treasury All identified projects must be referenced to and included in the municipal Integrated Development Plan (IDP) and Water Services Development Plans (WSDP) and show linkages to projects under the Municipal Infrastructure Grant (MIG) and/or the Water Services Infrastructure Grant (WSIG) Funds may only be used for drought relief interventions based on a business plan approved by DWS <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> The municipality must spend grant funds in line with the approved IRS The municipality must submit monthly financial and quarterly non-financial reports to DWS on stipulated dates Grant funds must be reflected in the capital budget of the municipality All source of funding for the cost of the project must be clearly outlined in the approved IRS The financing plan with associated co-funding agreements must be in place prior to implementation of the project unless exemption to co-funding requirements has been approved by National Treasury <p>Schedule 6, Part B allocations</p> <ul style="list-style-type: none"> This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems A financing plan with associated co-funding agreements must be in place prior to implementation of RBIG funded projects All sources of funding for the full cost of the project must be outlined in the IRS and the funding agreement, which must be signed by DWS and the benefiting municipality RBIG payments for Schedule 6, Part B allocations will be made to DWS's contracted implementing agent based on invoices for work done All projects must be implemented and transferred in line with the approved IRS If required, a transfer plan must be developed and agreed to prior to the commencement of any new projects or the handover of projects already under construction. A maximum of 3 per cent of the cost of a project can be spent on developing and implementing the transfer plan
Allocation criteria	<ul style="list-style-type: none"> Projects are assessed individually, and allocations are made by DWS on a project basis, taking into account the following factors: <ul style="list-style-type: none"> demand and availability of water the overall infrastructure needs the strategic nature of the project socio-economic importance of an area urgency and impact of the intervention
Reason not incorporated in equitable share	<ul style="list-style-type: none"> Regional bulk projects are closely linked to water resource planning and development, which is a DWS competency

Regional Bulk Infrastructure Grant	
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> • Of an approved revised budget allocation of R4.9 billion; R4.9 billion (100 per cent) was spent <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> • 13 projects were completed: <ul style="list-style-type: none"> ○ Mount Ayliff bulk water supply scheme ○ Mncwasa bulk water supply scheme ○ Ibika bulk water supply scheme ○ Moqhaka Kroonstad bulk sewer ○ Bulwer Donnybrook emergency water scheme ○ Greater Eston bulk water supply scheme ○ Ermelo bulk water treatment works (Phase 2) ○ Balfour wastewater treatment works ○ Strydenburg groundwater project ○ Ventersdorp bulk water supply scheme ○ Worcester bulk water supply scheme ○ Grabouw wastewater treatment works ○ Swellendam wastewater treatment works • 88 Projects were in construction phase, 12 projects in design or tender phase and 54 projects in feasibility phase
Projected life	<ul style="list-style-type: none"> • The grant will continue until 2019/20, subject to review
MTEF allocations	<ul style="list-style-type: none"> • Direct transfers (Schedule 5, Part B): <ul style="list-style-type: none"> ○ 2017/18: R1.9 billion; 2018/19: R2.1 billion; and 2019/20: R2.2 billion • Allocation-in-kind (Schedule 6, Part B): <ul style="list-style-type: none"> ○ 2017/18: R2.8 billion; 2018/19: R2.9 billion; and 2019/20: R3 billion
Payment schedule	<ul style="list-style-type: none"> • Payments for Schedule 5, Part B allocations are made in terms of a payment schedule approved by National Treasury • Payments for Schedule 6, Part B allocations are made after verification of work performed
Responsibilities of the transferring national officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Support the development of Water Services Authorities' (WSA) water services infrastructure master plans • Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility study and IRS • Enter into agreements with WSAs regarding the construction, ownership, funding arrangements, and operation and maintenance of proposed infrastructure prior to the commencement of construction. These agreements must be specified in the IRS and/or in the funding agreement • If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained • Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework). Ensure that suitable agreements are in place between an implementing agent who will continue to operate the infrastructure after completion and the WSA • Implement the Skills Transfer and Capacity Building Plan • Submit an annual assessment of progress against its Skills Transfer and Capacity Building Plan to National Treasury two months after the end of the national financial year • All drought-related plans and expenditure must be shared with the National Disaster Management Centre <p>Responsibilities of Water Services Authorities</p> <ul style="list-style-type: none"> • Develop and regularly update a water services infrastructure master plan • Submit monthly, quarterly and annual progress reports to DWS • Ensure that projects are appropriately linked to the municipality's water services infrastructure master plans, their IDP and WSDP, and projects funded through the MIG and WSIG • Once a project is completed, ensure adherence to operations and maintenance plans and/or any other requirements agreed to as part of the funding agreement, and ensure the sustainability of infrastructure • Ensure integration of planning, funding, timing and implementation of bulk and reticulation projects • Ensure provision of reticulation services and /or reticulation infrastructure to connect to the bulk infrastructure funded through this grant
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> • Due to the long-term nature of projects, dates of the various processes are not fixed • All proposed projects which comply with the RBIG criteria must be registered and listed in DWS's provincial bulk master plans • At a regional level, a co-ordination committee of key stakeholders to assist with planning of regional bulk projects and the assessment of the IRS and feasibility studies must be in place • Pre-feasibility must assess potential for WC/WDM interventions • IRS and feasibility studies will be evaluated and approved by DWS • At a national level, projects are allocated a budget by DWS and submitted to National Treasury for gazetting as indicative budget allocations • Project funding approval letters will be issued to the benefiting municipalities • Based on the outcome of the IRS, DWS will nominate the implementing agent for the construction phase of schedule 6B projects and designate the owner of the infrastructure. National Treasury and benefiting municipalities will be informed of the decisions

Water Services Infrastructure Grant	
Transferring department	<ul style="list-style-type: none"> • Water and Sanitation (Vote 36)
Grant schedule	<ul style="list-style-type: none"> • Schedule 5, Part B and Schedule 6, Part B
Strategic goal	<ul style="list-style-type: none"> • To assist Water Services Authorities (WSAs) to reduce water and sanitation backlogs and sustain water and sanitation infrastructure
Grant purpose	<ul style="list-style-type: none"> • Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities • Provide interim, intermediate water and sanitation supply that ensures provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes • Provide on-site sanitation solutions • Support the existing bucket eradication programme intervention in formal residential areas • Support drought relief projects in affected municipalities
Outcome statements	<ul style="list-style-type: none"> • An increased number of households with access to reliable, safe drinking water and sanitation services
Outputs	<ul style="list-style-type: none"> • Number of households provided with water and sanitation through: <ul style="list-style-type: none"> ○ reticulated water supply ○ on-site sanitation ○ bucket systems replaced with appropriate sanitation facilities ○ on-site water ○ source identification ○ water conservation/water demand management provision • Number of households reached by health and hygiene awareness and end-user education • Number of job opportunities created
Priority outcome(s) of government that this grant primarily contributes to	<ul style="list-style-type: none"> • Outcome 7: Comprehensive rural development and land reform • Outcome 8: Sustainable human settlements and improved quality of household life • Outcome 9: Responsive, accountable, effective and efficient developmental local government system
Details contained in the business plan	<ul style="list-style-type: none"> • Outcome indicators • Output indicators • Inputs • Key activities • Roles and responsibilities
Conditions	<ul style="list-style-type: none"> • All projects funded must be aligned to, and not duplicate, any existing or planned projects funded by other conditional grants or municipalities' own funds • Municipalities must demonstrate in their business plans how they plan to fund and manage the infrastructure over the long term <p>Schedule 5, Part B allocations</p> <ul style="list-style-type: none"> • Municipalities must submit business plans signed off by their accounting officer in line with their Water Services Development Plans (WSDPs) • The Department of Water and Sanitation (DWS) must approve the business plans before projects can be implemented • WSAs may only spend funds in line with approved business plans • WSAs must submit monthly financial and quarterly non-financial reports to DWS • All projects funded must be aligned to, and not duplicate, any existing or planned projects funded by other conditional grants or municipal own funds • Funds must be reflected in the capital budget of the municipality • Grant funds may not be spent on operations and routine maintenance • The Project Management Unit funded through the Municipal Infrastructure Grant should be utilised to manage the implementation of projects funded through this grant • Funds may only be used for drought relief interventions based on a plan approved by DWS <p>Schedule 6, Part B allocations</p> <ul style="list-style-type: none"> • Municipalities must submit business plans signed-off by their accounting officer in line with their WSDP. In the case of Bucket Eradication Programme projects, a Service Level Agreement (SLA) will guide implementation • DWS must approve the business plans before projects can be implemented • DWS must enter into a SLA with the relevant municipality before any project is implemented • SLAs between DWS and the WSA must specify: <ul style="list-style-type: none"> ○ the location of the project and communities impacted ○ the consultation process that was undertaken with affected communities

Water Services Infrastructure Grant	
	<ul style="list-style-type: none"> ○ the alignment between the project plan and the municipality's WSDP ○ the interim/intermediate and/or localised infrastructure that will be built or the intervention that will be implemented ○ the cost of the project and timeframe for completion ○ how maintenance of the infrastructure will be conducted and funded in future by the municipality ○ details of how the capacity of the municipality will be strengthened through the project implementation process so that it can implement projects itself in future ○ who DWS's implementing agent is ○ agreement by the municipality that the project should be implemented as an allocation-in-kind ● A maximum of 3 per cent of the municipality's WSIG allocation should be used for capacity building to ensure the municipality can operate and maintain projects in the future
Allocation criteria	<ul style="list-style-type: none"> ● Allocations are based on the number of households with water and sanitation backlogs, prioritising the 27 priority district municipalities identified by government ● Allocations for the Bucket Eradication Programme are based on a number of identified and outstanding buckets in formal areas
Reason not incorporated in equitable share	<ul style="list-style-type: none"> ● The grant is earmarked for specific projects aimed at providing access to water services for communities without access to basic water and sanitation services
Past performance	<p>2015/16 audited financial outcome</p> <ul style="list-style-type: none"> ● Direct Municipal Water Infrastructure Grant: <ul style="list-style-type: none"> ○ of the R1.8 billion allocated, R1.5 billion (87 per cent) was spent ● Indirect Municipal Water Infrastructure Grant <ul style="list-style-type: none"> ○ of the R592 million allocated, R546 million (92 per cent) was spent ● Direct Water Services Operating Subsidy: <ul style="list-style-type: none"> ○ of the R453 million allocated, R291 million (64 per cent) was spent ● Direct Rural Household Infrastructure Grant: <ul style="list-style-type: none"> ○ of the R48 million allocated, R48 million (100 per cent) was spent ● Indirect Rural Household Infrastructure Grant <ul style="list-style-type: none"> ○ of the R67 million allocated, R19 million (28 per cent) was spent <p>2015/16 service delivery performance</p> <ul style="list-style-type: none"> ● Municipal Water Infrastructure Grant: <ul style="list-style-type: none"> ○ 70 493 households served ○ 1 253 jobs created ● Water Services Operating Subsidy: <ul style="list-style-type: none"> ○ 46 schemes refurbished ● Rural Household Infrastructure Grant <ul style="list-style-type: none"> ○ 3 335 structures completed
Projected life	<ul style="list-style-type: none"> ● The grant will continue until the 2019/20 financial year, subject to review
MTEF allocations	<ul style="list-style-type: none"> ● Direct transfers (Schedule 5, Part B): <ul style="list-style-type: none"> ○ 2017/18: R3.3 billion; 2018/19: R3.6 billion; and 2019/20: R3.8 billion ● Allocations-in-kind (Schedule 6, Part B): <ul style="list-style-type: none"> ○ 2017/18: R587 million; 2018/19: R608 million; and 2019/20: R642 million
Payment schedule	<ul style="list-style-type: none"> ● For Schedule 5, Part B, transfers are made in accordance with a payment schedule approved by National Treasury ● For Schedule 6, Part B, payments are made to contracted implementing agents after verification of work performed
Responsibilities of transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> ● Evaluate and approve the business plans for each project before funds can be transferred ● Ensure that the conditions of the grant and approved business plans are adhered to ● Submit statutory reports (monthly financial, quarterly non-financial and annual performance) to National Treasury ● Implementing agents must submit monthly financial and quarterly non-financial reports to DWS ● In cases where DWS appoints a contractor, the contract between DWS and the appointed contractor must be signed before the project can commence ● Implement the Skills Transfer and Capacity Building Plan ● All drought-related plans and expenditure must be shared with the National Disaster Management Centre

Water Services Infrastructure Grant	
	<p>Responsibilities of water services authorities</p> <ul style="list-style-type: none"> ● Compile and submit signed-off business plans for each project (for the relevant financial year) ● Sustainably operate and maintain funded water and sanitation projects over their lifetime ● Ensure integrated planning for all projects funded through the different grants and programmes ● Review and sign-off on the technical report for each project ● Ensure adequate participation and involvement of the public in each project, particularly in rural areas ● Manage project implementation in line with the business plan ● Submit monthly, quarterly and annual progress reports in the format prescribed by DWS ● Comply with all the funding conditions agreed to in the business plan
Process for approval of 2018/19 business plans	<ul style="list-style-type: none"> ● Business plans must be submitted to DWS by 15 November 2017 ● Business plans must be approved by DWS by 28 February 2018

ANNEXURE W4

**SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS**

(National and Municipal Financial Years)

ANNEXURE W4
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management Grant		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT ¹	
	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)
FREE STATE												
A. MAN Mangamang		4 566					3 645	3 345			15 840	3 345
B. FS161 Lesemong							1 900	2 415			2 900	2 155
B. FS162 Kopanong							1 700	1 700			2 700	1 700
B. FS163 Mokokare							1 900	2 155			2 900	2 155
C. DC16 Xhantip District Municipality							1 250	1 765			2 250	1 765
Total Xhantip Municipalities							6 750	7 615			10 750	8 205
B. FS181 Mshoyanya			5 000				1 900	2 155			7 900	7 155
B. FS182 Tokologo							1 900	2 155			2 900	2 155
B. FS183 Tsoelopele							1 900	2 155			2 900	2 155
B. FS184 Mafjhabeng							2 145	2 400			3 145	2 400
B. FS185 Nala							2 345	2 600			3 145	2 600
C. DC18 Letlapeleswana District Municipality			5 000				1 250	1 000			2 250	1 000
Total Letlapeleswana Municipalities			5 000				11 440	12 465			22 440	17 405
B. FS191 Sesooto							1 700	1 960			3 589	1 700
B. FS192 Dithabeng							1 700	1 955			2 700	1 955
B. FS193 Meketeng							1 645	1 955			2 700	1 955
B. FS194 Mmabana-Phephong							2 145	2 400			2 700	2 415
B. FS195 Phisoanane							2 145	2 400			2 700	2 400
B. FS196 Maseru							2 145	2 400			3 145	2 400
C. DC19 Tsoelike District Municipality			6 000				1 250	2 660			3 145	2 400
Total Tsoelike District Municipality			6 000				12 585	14 515			32 235	20 515
B. FS21 Mopeloa			6 000				2 145	2 400			3 145	2 400
B. FS23 Nwabe			6 000				2 145	2 400			9 145	8 400
B. FS24 Metsimholo			6 000				1 700	1 955			2 700	1 955
B. FS25 Mafabe			6 000				2 345	2 600			3 345	2 600
C. DC2 Fozile Dabi District Municipality			6 000				1 250	1 000			1 250	1 000
Total Fozile Dabi Municipalities			6 000				9 885	11 135			19 885	16 345
Total Free State Municipalities		4 566	17 000	17 000			44 405	48 195			100 850	69 345
GAUTENG												
A. EKU Ekurhuleni			12 000	16 000			1 050	1 000			57 768	17 000
A. JHB City of Johannesburg			15 000	16 000		9 300	1 050	1 000			42 231	26 300
A. TSH City of Tshwane							2 650	2 400			23 101	2 400
B. GH21 Emfinteni			6 000	6 000			1 550	1 550			4 397	1 550
B. GH22 Midwal			6 000	6 000			1 550	1 550			2 469	1 550
B. GH23 Lesedi			6 000	6 000			1 550	1 550			8 874	7 550
C. DC2 Seiberg District Municipality			6 000	6 000			1 250	1 250			3 740	1 250
Total Seiberg Municipalities			6 000	6 000			5 900	6 100			19 660	11 900
B. GT141 Mopeng City			6 000	5 000			1 550	1 550			12 447	6 550
B. GT144 Moriging City			6 000	5 000			1 700	1 960			3 170	1 700
B. GT145 Rand West City			6 000	5 000		2 200	3 100	3 356			12 439	5 995
C. DC48 West Rand District Municipality			6 000	5 000		2 370	1 250	1 000			2 250	1 000
Total West Rand Municipalities			6 000	5 000		2 370	7 600	7 606			30 326	14 806
Total Gauteng Municipalities		4 566	39 000	43 000	11 500	12 199	18 250	17 906			173 106	72 406

ANNEXURE W4
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant				Energy Efficiency and Demand Side Management Grant				Infrastructure Skills Development Grant				Local Government Financial Management Grant				Expanded Public Works Programme Integrated Grant for Municipalities				SUB-TOTAL: CURRENT ¹			
	2017/18 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2019/20 (R'000)	
	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)
KWAZULU-NATAL																								
A	ETH	eThekeni			15 000	10 000			29 372	28 433	1 000	1 000	66 792			110 735	39 433	46 372						
B	KZN212	uMhlabathi	4 566													9 811	4 501	4 501						
B	KZN213	uMzimba														3 191	1 900	1 900						
B	KZN214	uMzimba														2 906	1 900	1 900						
B	KZN216	Ray Nkonyeni	4 566													11 472	3 600	3 600						
C	DC21	Uptown District Municipality														3 751	2 050	2 050						
		Total Uptown Municipalities	9 132													31 131	13 951	13 951						
B	KZN221	uMhlabathi														3 965	2 155	2 155						
B	KZN222	uMgungu			6 000	6 000										2 700	1 955	1 955						
B	KZN223	Mpofema														8 900	8 135	7 415						
B	KZN224	Mpedi														3 360	1 900	1 900						
B	KZN225	Msonjati														9 722	1 700	1 700						
B	KZN226	Mkhambathini														2 989	2 135	2 135						
B	KZN227	Richmond														3 343	1 900	1 900						
C	DC22	uMgungu District Municipality			6 000	6 000	5 000									2 678	1 000	1 000						
		Total uMgungu District Municipality			6 000	6 000	5 000									37 667	20 920	20 920						
B	KZN235	Obhalele														5 811	1 900	1 900						
B	KZN237	Nkwalanga	4 566													13 299	3 856	3 856						
B	KZN238	Alfred Duma	4 566													11 513	3 600	3 600						
C	DC23	uMhlabathi District Municipality														5 519	1 545	1 545						
		Total uMhlabathi District Municipality	9 132													36 142	10 901	10 901						
B	KZN241	eMdeni														2 918	1 955	1 955						
B	KZN242	Nquthu														2 903	1 900	1 900						
B	KZN244	uMkrago														6 675	1 900	1 900						
B	KZN245	uMvoti														2 807	2 055	2 055						
C	DC24	uMzimba District Municipality														3 694	1 505	1 765						
		Total uMzimba District Municipality														18 907	9 315	10 095						
B	KZN252	Newcastle														5 866	1 700	1 700						
B	KZN253	eMdlaleni														2 900	2 155	2 155						
B	KZN254	Dambaseni			5 000	5 000										9 289	6 755	7 015						
C	DC25	Amathaba District Municipality			6 000	6 000	5 000									20 985	12 510	13 030						
		Total Amathaba District Municipality			6 000	6 000	5 000									20 985	12 510	13 030						
B	KZN261	eDumbe														3 289	2 155	2 155						
B	KZN262	uPhongolo														6 578	2 155	2 155						
B	KZN263	Abqolisi														3 205	1 955	1 955						
B	KZN265	Ngongoma														2 939	2 155	2 155						
B	KZN266	Uthuli														4 795	2 055	2 055						
C	DC26	Zululani District Municipality														20 100	10 000	10 000						
		Total Zululani District Municipality														27 816	11 475	12 515						
B	KZN271	uMkhambathini														6 065	1 900	1 900						
B	KZN272	KwaMashu														5 066	2 155	2 155						
B	KZN275	Mkhambho														3 458	2 155	2 155						
B	KZN276	Buthe Buthe	4 566													10 417	4 056	4 316						
C	DC27	uMkhambathini District Municipality														27 254	11 266	12 046						
		Total uMkhambathini District Municipality	4 566													27 254	11 266	12 046						
B	KZN281	uMfolozi														3 318	1 900	1 900						
B	KZN282	uMhlabuze														16 717	9 250	9 514						
B	KZN284	uMlalazi	3 424					6 864								4 685	1 955	1 955						
B	KZN285	Mthopani														8 496	2 850	2 850						
B	KZN286	Ntandla														5 110	2 155	2 155						
C	DC28	King Cetshwayo District Municipality														6 232	1 000	1 260						
		Total King Cetshwayo District Municipality						6 864								44 608	19 110	19 894						
B	KZN291	Mandeni														4 185	1 900	1 900						
B	KZN292	KwaBukaza														3 365	1 800	1 800						
B	KZN293	Nelwade														3 668	2 155	2 155						
B	KZN294	Mapumulo														3 429	1 900	1 900						
C	DC29	Jeffrey Mpanza District Municipality														8 250	6 000	6 000						
		Total Jeffrey Mpanza District Municipality														22 897	13 785	15 015						
B	KZN413	Greater Kokstad														2 800	1 800	1 800						
B	KZN414	uMhlabheze														2 900	2 155	2 155						
B	KZN415	uMzimkhulu														3 823	1 900	1 900						
B	KZN416	Df Ntsoana Dlamini/Zama	4 566													10 243	4 056	4 056						
C	DC13	uMhlabheze District Municipality														9 965	9 000	9 000						
		Total uMhlabheze District Municipality	4 566													30 734	18 911	19 911						
		Total Hlabisa District Municipality														408 926	181 547	189 620						

ANNEXURE W4
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management Grant		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT ¹	
	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)
NORTHERN CAPE												
B NC61 Richtersveld							1 900	2 155	2 415	1 000	2 155	2 155
B NC62 Nama-Khoi							2 145	2 400	2 660	1 000	2 400	2 400
B NC64 Kamiesberg							2 345	2 600	2 860	1 000	2 600	2 600
B NC65 Hantam							1 900	2 155	2 415	1 000	2 155	2 155
B NC66 Karoo-Hoogland			2 000	5 000			1 900	2 155	2 415	1 000	2 155	2 155
B NC67 Kibi-Ma							1 900	2 155	2 415	1 000	2 155	2 155
C DC6 Namakwa District Municipality			2 000	5 000			1 250	1 505	1 765	7 000	2 250	1 765
Total: Northern Cape Municipalities			2 000	5 000			13 340	15 125	16 685	7 000	22 340	21 685
NORTH WEST												
B NCT1 Ushobovu							1 900	2 155	2 415	1 000	2 155	2 155
B NCT3 Erinvlei							1 900	2 155	2 415	1 000	2 155	2 155
B NCT4 Karesburg							1 700	1 700	1 086	1 000	2 786	1 700
B NCT5 Rensselaersburg							1 900	2 155	2 415	1 000	2 155	2 155
B NCT6 Theunissenburg							2 345	2 600	2 860	1 000	2 600	2 600
B NCT7 Theunissen							2 345	2 600	2 860	1 000	2 600	2 600
B NCT8 Steynsburg							2 345	2 600	2 860	1 000	2 600	2 600
C DC9 Ficksburg District Municipality							1 850	1 558	1 258	1 000	2 250	1 852
Total: North West Municipalities							18 630	20 070	21 890	9 000	27 110	20 070
NORTH WEST												
B NC82 Kgaladi							2 345	2 600	2 860	1 000	2 600	2 600
B NC84 Rhenk							2 345	2 600	2 860	1 000	2 600	2 600
B NC85 Tlokweng							2 345	2 600	2 860	1 000	2 600	2 600
B NC86 Tlokweng							2 345	2 600	2 860	1 000	2 600	2 600
B NC87 David Keizer			5 000	9 000			4 045	4 301	4 561	1 161	14 771	9 301
C DC8 Siyabonga District Municipality			5 000	9 000			1 250	1 000	1 000	1 000	2 250	1 000
Total: North West Municipalities			5 000	9 000			14 675	15 701	16 741	6 161	30 401	25 741
B NC91 Sol Plaatje					4 633	4 800	1 700	1 700	4 762	1 000	11 095	6 500
B NC92 Dikgatlong							2 345	2 600	2 860	1 000	3 345	2 600
B NC93 Mafikeng							1 900	2 155	2 415	1 000	2 900	2 155
B NC94 Phokwane							2 145	2 400	2 660	1 000	3 145	2 400
C DC9 Frances Baard District Municipality							1 250	1 000	1 000	1 000	2 418	1 000
Total: North West Municipalities					4 633	4 800	9 340	9 855	10 635	8 931	22 903	14 655
B NC41 Joe Morolong							2 145	2 400	2 660	1 000	3 145	2 400
B NC42 Ga-Segonyama							2 145	2 400	2 660	1 000	3 145	2 400
B NC43 Gungahama							1 700	1 955	1 955	1 158	2 858	1 955
C DC45 John Taolo Gaetsewe District Municipality					3 200	3 500	3 200	3 500	3 656	1 260	5 450	4 956
Total: John Taolo Gaetsewe Municipalities					3 200	3 500	7 240	7 755	8 535	4 150	14 898	11 235
Total: Northern Cape Municipalities			7 000	10 000	14 000	8 771	62 625	68 506	74 486	35 335	117 358	86 806
NORTH WEST												
B NW371 Maseru							2 145	2 400	2 660	1 544	3 659	2 400
B NW372 Mafikeng							1 700	1 855	2 315	2 591	4 291	1 955
B NW373 Rietburg							1 700	1 700	1 700	4 240	5 809	1 700
B NW374 Kgatleng District Municipality							2 345	2 600	2 860	1 362	3 707	2 600
B NW375 Moseke-Keane							1 700	1 700	1 700	1 000	2 700	1 700
C DC37 Bopama District Municipality							1 250	1 000	1 000	1 247	2 927	1 000
Total: Bopama District Municipality							10 840	11 355	12 115	12 493	23 333	12 115
B NW381 Raitou							1 900	1 900	1 900	1 997	3 897	1 900
B NW382 Tswaing							2 345	2 600	2 860	1 182	3 527	2 600
B NW383 Mafikeng			6 000	9 000			2 145	2 400	2 660	6 444	14 589	7 400
B NW384 Disobotha							2 145	2 400	2 660	1 208	3 353	2 400
B NW385 Ramosesho-Moisa							2 145	2 400	2 660	1 091	3 236	2 400
C DC38 Ngaka Modiri Molema District Municipality			6 000	9 000			1 795	2 050	2 310	1 299	3 094	2 050
Total: Ngaka Modiri Molema Municipalities			6 000	9 000			12 475	13 750	14 790	13 221	31 696	18 750
B NW392 Naledi			3 000	5 000			1 700	1 955	2 215	2 224	6 924	7 215
B NW393 Mmasisa							2 345	2 600	2 860	1 245	3 590	2 600
B NW394 Greater Tlokweng							2 345	2 600	2 860	1 309	3 654	2 600
B NW396 Lekwa-Tsemane							2 145	2 400	2 660	1 188	3 333	2 400
B NW397 Kagisano-Molopo							3 076	3 305	3 348	3 225	6 301	3 305
C DC39 Dr Ruth Segamane Mmamag District Municipality			3 000	5 000			1 250	1 505	1 765	1 000	6 092	1 505
Total: Dr Ruth Segamane Mmamag District Municipality			3 000	5 000			12 861	14 365	15 708	14 033	29 894	19 365
B NW43 City of Mafikeng							2 145	2 400	2 660	2 246	4 391	2 400
B NW44 Maseru Hills							2 145	2 400	2 660	1 000	3 145	2 400
B NW45 Venterse-Tlokweng			4 566	5 000			4 045	4 301	4 561	3 888	20 479	9 361
C DC4 Dr Kenneth Keenani District Municipality			8 000	5 000			1 250	1 000	1 000	8 292	3 242	1 000
Total: Dr Kenneth Keenani District Municipality			8 000	5 000			9 585	10 101	10 681	8 400	30 857	15 101
Total: North West Municipalities			17 000	15 000	19 000		45 761	49 571	53 514	48 153	115 408	64 571

ANNEXURE W4
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipal Demarcation Transition Grant		Energy Efficiency and Demand Side Management Grant		Infrastructure Skills Development Grant		Local Government Financial Management Grant		Expanded Public Works Programme Integrated Grant for Municipalities		SUB-TOTAL: CURRENT ¹	
	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2019/20 (R'000)
WESTERN CAPE												
A. CPT City of Cape Town			10 000	20 000	10 393	11 633	1 050	1 000	1 418		35 626	23 265
B. WC11 Matieland							1 550	1 550	1 406		2 956	1 550
B. WC12 Dikenshoek							1 550	1 550	1 807		3 357	1 805
B. WC13 Cedarberg							1 550	1 550	1 601		3 151	1 550
B. WC14 Saldanha Bay							1 550	1 550	1 500		3 050	1 550
B. WC15 Swartland							1 550	1 550	1 404		2 954	1 550
C. DC1 West Coast District Municipality							9 000	9 000	8 818		17 818	9 000
Total West Coast Municipalities			10 000	20 000	10 393	11 633	1 050	1 000	14 183		35 626	23 265
B. WC22 Witzberg							1 550	1 550	1 485		3 035	1 550
B. WC23 Dikenshoek							1 550	1 550	2 456		4 006	1 550
B. WC24 Stellenbosch			7 236	10 000			1 550	1 550	4 820		13 606	13 550
B. WC25 Breck Valley							1 550	1 550	2 093		3 643	1 550
B. WC26 Langeberg							1 550	1 550	1 866		3 416	1 550
Total Cape Winelands District Municipality			7 236	10 000			9 000	8 750	13 720		29 986	20 750
B. WC31 Theewaterskloof							1 700	1 700	1 621		3 321	1 700
B. WC32 Overstrand							1 550	1 550	2 360		3 850	1 550
B. WC33 Ceres							1 550	1 550	1 131		2 681	1 550
B. WC34 Stellenbosch							1 700	1 550	1 955		2 901	1 955
C. DC3 Overberg District Municipality							1 250	1 000	1 142		2 927	1 000
Total Overberg Municipalities							7 500	7 550	7 485		16 245	7 550
B. WC41 Kamalind							2 145	2 400	1 000		3 145	2 400
B. WC42 Hessequa							1 550	1 550	1 033		2 583	1 550
B. WC43 Mossel Bay							1 550	1 550	2 291		3 841	1 550
B. WC44 George			7 000	10 000	4 100	4 500	1 550	1 550	4 001		16 651	16 302
B. WC45 Oudshoorn							1 550	1 805	2 065		4 461	1 805
B. WC47 Bliou							1 550	1 550	2 232		3 782	1 550
B. WC48 Knysna							1 550	1 550	1 415		2 965	1 550
C. DC4 Eden District Municipality			7 000	10 000	4 100	4 500	12 095	12 955	16 163		39 958	27 455
Total Eden Municipalities			7 000	10 000	4 100	4 500	12 095	12 955	16 163		39 958	27 455
B. WCS1 Langesig							1 800	1 800	1 031		2 831	1 800
B. WCS2 Prince Albert							1 700	1 700	1 000		2 700	1 700
B. WCS3 Beaufort West			6 000	5 024			1 700	1 700	1 659		9 359	6 724
C. DC5 Central Karoo District Municipality							1 250	1 000	1 095		2 345	1 000
Total Central Karoo Municipalities			6 000	5 024			6 450	6 200	4 785		17 235	11 234
Total Western Cape Municipalities			30 236	45 024	14 493	16 133	45 945	46 185	65 154		158 828	109 267
Unallocated											300 281	1 099 942
National Total			111 856	315 024	327 065	377 065	502 006	531 122	691 447	729 345	1 949 600	1 995 027

¹ Includes unallocated amounts for the Municipal Disaster Grant. This is made up of R200 million in 2017/18, R370 million in 2018/19 and R233.7 million in 2019/20.

ANNEXURE W5

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

(National and Municipal Financial Years)

ANNEXURE VS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART D1 OF 2)

Category	Municipal Infrastructure Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant			Integrated National Electrification Programme (Municipal) Grant			Rural Roads Asset Management Systems Grant		
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
FREE STATE															
A. MAN Mangamang															
B. FS161 Lesemeng	17 377	18 145	18 854												
B. FS162 Kopanong	30 033	21 814	22 850												
B. FS163 Molekare	18 236	19 856		20 000	30 000	20 000	20 000	60 000	60 000	60 000	5 000	5 000	2 145	2 267	2 398
C. DC16 Xhariep District Municipality				20 000	30 000	20 000	48 500	55 000	55 000	2 000	2 000	5 000	2 145	2 267	2 398
Total Xhariep Municipalities	65 646	59 015	61 126	20 000	30 000	20 000	183 500	155 000	155 000	9 000	8 000	15 000	2 145	2 267	2 398
B. FS181 Mashiyona	23 768	24 931	26 159	15 000	30 000	50 000				5 000					
B. FS182 Tokologo	16 771	17 501	18 271	15 000	30 000	50 000				11 000					
B. FS183 Tswelopele	16 704	17 430	18 195				26 823			10 000					
B. FS184 Matjhabeng	121 216	128 420	136 023							5 000					
B. FS185 Nala	34 482	31 665	33 308							5 000					
C. DC18 Leretsepa District Municipality															
Total Leretsepa Municipalities	212 941	219 947	231 956	15 000	30 000	50 000	26 823	30 000	30 000	36 000	20 000	25 000	2 276	2 400	2 538
B. FS191 Sesoto	47 597	50 623	53 475	20 000	20 000	10 000	20 000	25 000	25 000	6 000					
B. FS192 Dikabeng	39 281	41 048	43 699				15 000	20 000	20 000	14 323					
B. FS193 Maseru	15 282	16 034	16 785				50 000	50 000	50 000	5 000					
B. FS194 Mankopong	165 732	175 665	186 310				65 000	50 000	50 000	50 000					
B. FS195 Phuthaditjhabeng	30 854	32 164	33 474				15 000	20 000	20 000						
B. FS196 Maseru	20 252	21 198	22 196	15 000	20 000	30 000									
C. DC19 Thaba-Mafikeng District Municipality															
Total Thaba-Mafikeng Municipalities	329 971	338 667	357 364	35 000	40 000	40 000	120 000	109 323	109 323	11 000	29 200	40 951	2 400	2 530	2 672
B. FS21 Mochale	40 840	43 061	45 406	15 000	30 000	40 000	10 000	10 000	15 000	5 000					
B. FS22 Nwanetsi	50 078	45 001	47 465	15 000	30 000	40 000	20 000	20 000	15 000	5 000					
B. FS24 Mestimholo	45 398	47 902	50 545				15 000	10 000	10 000	10 000					
B. FS25 Mafube	27 080	23 874	25 037							5 000					
C. DC2 Ficksburg District Municipality															
Total Ficksburg Municipalities	163 396	159 838	168 453	15 000	30 000	40 000	55 000	10 000	15 000	25 000	32 000	48 000	2 183	2 308	2 437
Total Free State Municipalities	771 954	777 167	819 499	85 000	130 000	150 000	340 325	279 323	279 323	101 000	101 200	148 951	9 004	9 505	10 045
GAUTENG															
A. Eku Ekurhuleni															
A. JHB City of Johannesburg															
A. TSH City of Tshwane															
B. G421 Emfeleni	181 645	182 407	193 316				20 000	15 000	15 000	8 000					
B. G422 Midval	32 289	33 981	35 766				15 000	15 000	15 000	8 000					
B. G423 Lesedi	41 913	28 158	29 383				20 000	15 000	15 000	5 000					
C. DC12 Sediberg District Municipality															
Total Sediberg Municipalities	255 849	244 546	258 487				55 000	45 000	45 000	21 000	27 000	32 000	2 431	2 501	2 703
B. GEM1 Mopani City	119 105	126 574	133 745				30 000	30 000	30 000	40 000					
B. GEM4 Mofeng City	67 434	71 598	75 382				30 000	30 000	35 000	10 000					
B. GEM5 Rand West City	100 948	98 217	103 959				35 000	65 000	64 891	9 000					
C. DC38 West Rand District Municipality															
Total West Rand Municipalities	287 471	295 389	313 086				85 000	125 000	139 891	19 000	23 000	80 000	2 589	2 645	2 793
Total Gauteng Municipalities	543 420	540 335	571 773				150 000	175 000	184 891	150 000	180 000	302 451	5 020	5 205	5 496

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART D1 OF 2)

Category	Municipality	Municipal Infrastructure Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant			Integrated National Electrification Programme (Municipality Grant)			Rural Roads Asset Management System Grant		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
NORTHERN CAPE																
B	NC61 Richtersveld	7 382	7 529	7 685				6 000			7 000	18 000	23 844			
B	NC62 Nama-Khoi	14 774	15 380	16 019				5 000			5 000	3 000	35 926			
B	NC64 Kamiesberg	7 601	7 762	7 932				4 000			1 000	2 000	1 000			
B	NC65 Hartam	16 716	10 150	10 467	50 426	47 247	9 509	4 000			1 000	1 000	1 000			
B	NC66 Karoo Hoogland	8 145	8 340	8 546		30 000	27 000	4 000			1 000	2 000	1 000			
B	NC67 Khai-Ma	7 825	8 000	8 185				5 000			1 000	2 000	1 000			
B	NC68 Namaqua Municipalities	62 443	57 161	58 834	50 426	77 247	36 509	28 000			15 000	25 000	62 770	2 898	3 018	3 187
B	NC71 Uitenhage	10 063	10 377	10 709				4 000			1 000	3 000	1 500			
B	NC72 Umsobomvu	11 612	12 021	12 454				4 000			2 000	5 000	1 500			
B	NC73 Erinvlei	12 292	12 744	13 221				14 000			6 000	2 000	1 000			
B	NC74 Kareeberg	8 095	8 287	8 490	30 000	46 524	4 757	4 000			1 000	3 000	2 000			
B	NC75 Rensselaersburg	7 527	7 683	7 849				10 000			3 000	21 000	23 000			
B	NC76 Theewaterskloof	9 533	9 844	10 110				4 000			1 000	500	500			
B	NC77 Siyambaya	9 920	10 225	10 547				10 000			3 000	2 000	1 000			
B	NC78 Sanyasi	22 693	17 559	18 333				10 000			3 000	2 000	1 000	3 003	3 173	3 356
C	DC1 - Port Elizabeth District Municipality	92 234	88 710	91 711	30 000	76 824	4 757	50 000			17 000	33 000	28 500	3 003	3 173	3 356
Total: Port Elizabeth District Municipality																
Total: Port Elizabeth District Municipality																
B	NC82 Ikai-Gaib	22 744	23 844	25 004				10 000			3 000	2 000	30 000			
B	NC84 Kheis	10 798	11 158	11 537				7 500			8 000	8 000	8 000			
B	NC85 Tsamabane	15 740	16 406	17 109				4 000			5 000	10 000	10 000			
B	NC86 Keaplapele	8 009	8 291	8 594	12 644			4 000			2 000	2 500	2 500			
B	NC87 David Krutiger	25 468	26 737	28 076				7 000			17 000	1 000	52 000			
C	DC3 - Siyanda District Municipality	82 849	86 436	90 220	12 644			32 500			20 000	10 000	102 500	2 860	3 001	3 169
Total: Siyanda District Municipality																
B	NC91 Sol Plaatje	57 503	53 465	56 451	20 000	10 551		25 000			31 000	7 989	50 354			
B	NC92 Dikgatlong	19 800	20 718	21 686				35 000			15 000	25 000	50 000			
B	NC93 Magerief	11 279	11 669	12 079				25 000			3 000	1 000	6 000			
B	NC94 Phokwane	26 665	28 008	29 425				30 000			3 000	1 000	6 000			
C	DC9 - Frances Baard District Municipality	115 247	113 860	119 641	20 000	10 551		50 000			52 000	35 989	107 954	2 516	2 635	2 785
Total: Frances Baard District Municipality																
B	NC451 Joe Molloong	61 060	64 535	68 203				45 000			100 000	2 000	36 000			
B	NC452 Ga-Segonyana	54 211	57 262	60 481				35 000			5 000	40 000	40 000			
B	NC453 Gungahama	11 982	12 415	12 871	45 000	21 587		20 000			15 000	25 000	65 000			
C	DC45 - John Taolo Gaetsewe District Municipality	127 253	134 212	141 555	45 000	21 587		100 000			20 000	27 000	141 000	1 979	2 072	2 198
Total: John Taolo Gaetsewe District Municipality																
Total: John Taolo Gaetsewe District Municipality																
Total: Northern Cape Municipalities																
Total: Northern Cape Municipalities																
NORTH WEST																
B	NW371 Morija	131 146	132 778	131 095				80 000			14 000	22 000	6 451			
B	NW372 Mookgongong	297 005	304 166	322 035				74 000			8 000	35 000	35 000			
B	NW373 Rietfontein	299 426	253 969	269 306				74 000			88 000	30 000	30 000			
B	NW374 Kgatelopele	26 539	27 556	28 546				25 000			30 000	10 000	10 000			
B	NW375 Mosea Kotane	152 415	161 533	171 197				55 000			55 000	5 000	5 000			
C	DC37 - Bainesburg District Municipality	836 940	871 342	923 479				202 000			14 000	22 000	86 451	2 359	2 459	2 599
Total: Bainesburg District Municipality																
B	NW381 Raitou	298 599	31 400	33 026								3 000	3 000			
B	NW382 Tswaing	29 730	31 263	32 881								5 000	10 000			
B	NW383 Maribong	62 288	65 840	69 857							18 000	7 000	3 000			
B	NW384 Ditsobotla	37 133	39 125	41 227							15 000	5 000	2 000			
B	NW385 Ramoshare Moiboa	45 033	39 790	41 933												
C	DC 38 - Ngaka Modiri Molema District Municipality	509 043	323 639	343 268							33 000	20 000	18 000	2 535	2 638	2 809
Total: Ngaka Modiri Molema District Municipality																
B	NW392 Naledi	17 205	18 761	18 760							18 000	10 000	13 196			
B	NW393 Mmusa	15 897	16 572	17 285								8 000	25 000			
B	NW394 Greater Tzaneen	63 406	51 096	53 956							9 000	8 000	12 000			
B	NW396 Letawe-Teyateyaneng	14 977	15 595	16 248								6 000	12 000			
B	NW397 Kagisano-Molopo	30 539	32 121	33 793									12 000			
C	DC 39 - Dr Ruth Segamane Mopani District Municipality	140 903	149 327	158 218	182 000	157 000	77 986	111 557			105 000	32 000	62 196	2 439	2 568	2 714
Total: Dr Ruth Segamane Mopani District Municipality																
B	NW40 City of Mafikeng	89 041	94 251	99 749				14 000			14 000	10 000	10 000			
B	NW41 Mopani Hills	28 646	30 112	31 659				27 000			10 000	10 000	10 000			
B	NW45 Venterdorp-Tlokweng	67 550	71 746	75 858												
C	DC 40 - Dr Kenneth Kgama District Municipality	185 537	196 109	207 366				41 000			29 000	20 000	25 000	2 451	2 651	2 708
Total: Dr Kenneth Kgama District Municipality																
Total: North West Municipalities																
Total: North West Municipalities																
Total: North West Municipalities																

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART D1 OF 2)

Category	Municipality	Municipal Infrastructure Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant			Integrated National Electrification Programme (Municipal Grant)			Rural Roads Asset Management System Grant		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
WESTERN CAPE																
A	CPT - City of Cape Town															
B	WC11 - Matieland	21 614	22 644	23 731				10 000	10 000	10 000	5 000	19 000				
B	WC12 - Cederberg	15 867	16 541	17 252	4 613			10 000	10 000	10 000	3 000	8 000				
B	WC13 - Bergamier	14 727	15 300	15 867				10 000	10 000	10 000	4 000	3 000				
B	WC14 - Saldanha Bay	19 687	20 597	21 558							3 000	3 000				
B	WC15 - Swartland	21 698	22 637	23 724							3 000	3 000				
C	DC1 - West Coast District Municipality															
	Total West Coast Municipalities	95 503	97 949	102 532	4 613			20 000	20 000	22 000	13 000	11 000	26 000	2 553	2 715	2 869
B	WC22 - Witzenberg	22 739	23 838	24 999	13 372	10 000	20 000				4 000	6 000				
B	WC23 - Drakenstein	35 709	37 612	39 621							4 000	4 000				
B	WC24 - Stellenbosch	36 358	38 302	40 353							4 000	4 000				
B	WC25 - Breede Valley	35 007	36 867	38 850							8 000	2 000				
B	WC26 - Langeberg	37 302	39 375	41 507							1 000	1 000				
C	DC2 - Cape Winelands District Municipality															
	Total Cape Winelands Municipalities	167 115	169 994	168 310	13 372	10 000	20 000				17 000	17 000	21 000	2 683	2 931	3 097
B	WC31 - Theewaterskloof	26 633	28 186	29 645							3 000	7 000				
B	WC32 - Overberg	22 530	23 604	24 638							4 000	4 000				
B	WC33 - Cape Agulhas	11 118	11 497	11 897							1 000	1 000				
B	WC34 - Saldanha	12 067	12 506	12 968							2 000	2 000				
C	DC3 - Overberg District Municipality															
	Total Overberg Municipalities	72 348	75 893	79 018							10 000	15 000	36 000	2 643	2 716	2 868
B	WC41 - Knersvlank	10 370	10 703	11 055							8 000	13 000				
B	WC42 - Hessequa	13 813	14 360	14 936							1 000	2 000				
B	WC43 - Mossel Bay	24 464	25 671	26 944							8 000	7 000				
B	WC44 - George	40 764	42 981	45 321							18 048	32 000				
B	WC45 - Oudshoorn	22 062	23 120	24 236				10 000	10 000	10 000	3 000	9 000				
B	WC47 - Bitter	33 458	34 917	36 428							10 000	8 000				
B	WC48 - Knysna	25 408	26 673	28 008							3 000	4 000				
C	DC4 - Eden District Municipality															
	Total Eden Municipalities	170 339	164 925	172 928				10 000	10 000	22 000	51 048	75 000	101 743	2 420	2 663	2 814
B	WC51 - Langebaan	6 654	6 757	6 856							2 000	4 000				
B	WC52 - Prince Albert	7 609	7 771	7 942							1 000	4 000				
B	WC53 - Beaufort West	14 140	14 707	15 305												
C	DC5 - Central Karoo District Municipality															
	Total Central Karoo Municipalities	28 403	29 235	30 103							3 000	8 000	30 000	1 917	2 117	2 232
	Total Western Cape Municipalities	531 798	537 496	542 891	17 985	10 000	20 000	30 000	30 000	22 000	99 048	131 500	233 743	12 316	13 142	13 800
	Unallocated															
	National Total	15 891 542	16 787 086	17 733 211	1 866 000	2 060 000	2 175 540	3 329 464	3 329 464	3 757 319	2 087 048	2 204 477	3 327 928	107 309	113 533	119 891

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B12 OF 2)

Municipality	Urban Settlements Development Grant				Public Transport Network Grant				Neighbourhood Development Partnership (Capital) Grant				Integrated City Development Grant				SUB-TOTAL: INFRASTRUCTURE			
	2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)	
	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)
EASTERN CAPE																				
A	BUF	Buffalo City	768 128	806 857	852 385	1 011 773	1 011 773	1 011 773	170 530	10 000	20 000	25 000	20 000	6 956	11 457	12 099	865 953	1 029 547	1 090 014	1 343 105
A	NMA	Nelson Mandela Bay	9 11 751	957 731	55 869	273 297	234 390	247 874	15 000	15 000	20 000	20 000	20 000	7 308	17 478	18 438	1 237 366	1 274 569	1 343 105	1 343 105
B	EC11	Dr Beyers Naude															27 902	28 887	32 928	32 928
B	EC12	Blits-Cunne Route															31 496	31 496	23 705	23 705
B	EC14	MaKana															24 764	30 990	37 283	37 283
B	EC15	Ndlambe															35 715	38 123	40 609	40 609
B	EC16	Sundays River Valley															39 000	40 302	41 676	41 676
B	EC18	Kouga															36 274	38 965	45 749	45 749
B	EC19	Koo-Kamma															18 592	20 249	26 942	26 942
B	DC1	Cacadu District Municipality															2 235	2 349	2 485	2 485
Total: Cacadu Municipalities																				
B	EC21	Mbhashe															75 027	87 500	93 165	93 165
B	EC22	Mquma															68 693	78 201	81 171	81 171
B	EC23	Great Kei															15 371	16 765	22 182	22 182
B	EC24	Amathini															33 574	33 086	41 578	41 578
B	EC26	Nqunqun															24 935	24 935	24 935	24 935
B	EC27	Ngqushwa															40 877	47 039	54 321	54 321
B	EC28	Port St Johns															54 452	56 346	59 622	59 622
Total: Amathole Municipalities																				
B	EC31	Intshaba Yehemba															25 313	29 014	40 154	40 154
B	EC35	Intshaba Yehu															48 235	51 137	55 671	55 671
B	EC36	Emadjeni															34 061	40 862	44 764	44 764
B	EC37	Engobo															52 156	61 273	63 508	63 508
B	EC38	Sahlsizwe															32 948	19 282	25 161	25 161
B	EC39	Enoch Mgijima															65 036	79 138	73 411	73 411
B	DC13	Chris Hani District Municipality															584 062	552 801	465 528	465 528
Total: Chris Hani Municipalities																				
B	EC41	Elandini															69 587	76 731	71 149	71 149
B	EC42	Sesqu															44 115	41 230	48 462	48 462
B	EC45	Walter Sisulu															38 954	20 009	28 934	28 934
B	DC14	Jos Gqabi District Municipality															232 405	281 830	305 767	305 767
Total: Jos Gqabi Municipalities																				
B	EC53	Nquruzi Hill															69 937	71 564	74 863	74 863
B	EC54	Port St Johns															52 897	56 751	58 707	58 707
B	EC55	Nyandeni															76 894	85 421	94 143	94 143
B	EC56	Mhlonolo															58 989	62 468	70 084	70 084
B	EC57	King Sabata Dalindyebo															102 808	107 941	133 339	133 339
B	DC15	O.F. Tembe District Municipality															1 099 649	1 292 532	1 143 045	1 143 045
Total: O.F. Tembe District Municipality																				
B	EC41	Mantlale															130 088	142 883	145 832	145 832
B	EC42	Umtiriyazi															80 190	85 803	92 546	92 546
B	EC43	Mthunzi															95 170	76 916	88 806	88 806
B	EC44	Ntabeleni															67 531	78 983	80 458	80 458
B	DC24	Alfred Nzo District Municipality															495 274	513 875	533 740	533 740
Total: Alfred Nzo Municipalities																				
Total: Eastern Cape Municipalities																				
			1 679 889	1 764 588	1 864 188	1 864 188	1 864 188	1 864 188	418 404	40 000	40 000	45 000	40 000	14 264	28 935	30 557	6 688 481	7 400 325	7 400 325	7 400 325

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capitol) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE					
		2017/18 (R'000)		2018/19 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2019/20 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2019/20 (R'000)	
FREE STATE																			
A	MAN - Mangang		761 307	799 692	844 816	231 637	158 641	164 616	15 000	70 000	67 000	8 224	11 339	11 974	1 036 168	1 048 672	1 088 406		
B	FS161 Letsameg														46 877	92 145	63 954		
B	FS162 Kopanong														54 533	88 814	87 850		
B	FS163 Mokohe														68 236	99 556	99 922		
Total: Xhariep Municipalities															171 791	282 782	254 124		
B	FS181 Masibiyana														43 768	54 931	76 159		
B	FS182 Tokologo														27 771	21 501	27 271		
B	FS183 Tsoelopele														26 704	17 400	18 195		
B	FS184 Mphahabeng														156 216	163 245	144 023		
B	FS185 Nala														39 482	39 665	41 308		
Total: Lepellekwa District Municipality															2 276	2 400	2 538		
Total: Lefelekwa Municipalities															296 217	299 172	309 494		
B	FS191 Seoto														88 097	95 662	94 426		
B	FS192 Duthong														3 291	4 676	4 676		
B	FS193 Maseru														30 752	32 042	32 049		
B	FS194 Maseru-Plofong														215 723	215 692	216 210		
B	FS195 Phaledisa														40 954	42 364	51 434		
B	FS196 Maseru														35 252	45 398	57 196		
Total: Thabo Mofutsanyana District Municipality															2 400	2 510	2 672		
Total: Thabo Mofutsanyana Municipalities															468 371	530 097	550 310		
B	FS21 Mochaka														65 840	58 061	69 406		
B	FS23 Nyanthe														90 078	85 001	101 465		
B	FS24 Metsimholo														70 398	57 902	63 545		
B	FS25 Mafike														32 080	30 874	37 037		
Total: Ficksburg District Municipality															2 183	2 308	2 437		
Total: Ficksburg Municipalities															260 579	234 146	273 890		
Total: Free State Municipalities			761 307	799 692	844 816	231 637	158 641	164 616	15 000	70 000	67 000	8 224	11 339	11 974	2 233 126	2 394 869	2 496 224		
GAUTENG																			
A	EKU Ekurhuleni		1 985 010	2 085 094	2 202 750	700 718	671 906	710 650	82 000	55 000	55 000	48 646	48 221	50 921	2 856 374	2 905 221	3 064 772		
A	JHB City of Johannesburg		1 864 731	1 958 751	2 069 277	918 187	1 141 563	1 207 389	79 523	46 867	46 867	82 182	67 281	71 048	2 984 623	3 259 462	3 439 581		
A	TSH City of Tshwane		1 616 415	1 697 914	1 793 723	900 239	732 309	774 536	20 000	30 000	45 000	38 429	44 322	46 804	2 605 083	2 544 545	2 700 063		
B	GT41 Enlileni								30 000	50 000	50 000				249 645	260 407	283 336		
B	GT42 Midwal														55 289	57 981	87 766		
B	GT43 Lesedi														66 915	53 158	74 585		
Total: Sediberg District Municipality									30 000	50 000	50 000				2 431	2 500	2 703		
Total: Sediberg Municipalities									30 000	50 000	50 000				374 280	374 105	443 990		
B	GT481 Mamello City								20 000	40 000	40 000				160 195	196 274	223 745		
B	GT484 Marfong City														97 428	117 298	140 382		
B	GT485 Rand West City														144 948	170 217	208 590		
B	GT488 West Rand District Municipality								10 000	10 000					12 589	12 645	2 793		
Total: West Rand Municipalities									30 000	50 000	40 000				424 160	496 434	575 770		
Total: Gauteng Municipalities			5 466 156	5 741 759	6 065 750	2 510 144	2 545 778	2 692 576	241 533	231 867	236 867	169 257	159 824	168 773	9 244 520	9 579 768	10 228 577		

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capitol) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
KWAZULU-NATAL																
A	ETH - eThekweni	1 980 109	2 079 946	2 197 311	917 130	857 231	906 683	50 000	65 000	65 000	39 111	52 224	55 148	3 021 370	3 090 921	3 279 142
B	KZN212 uMfolozi												39 161	40 783	45 494	
B	KZN213 uMzantsi												44 624	46 460	48 398	
B	KZN214 uMzantsi												27 685	29 843	26 065	
B	KZN216 Rys Nkoyeni												76 615	80 616	79 956	
C	DC21 Ugu District Municipality												298 509	338 183	374 074	
Total: Ugu Municipalities																
B	KZN221 uMhlabathini												42 016	32 443	35 949	
B	KZN222 uMgweni												28 379	29 518	25 720	
B	KZN223 uMfolozi												17 164	15 608	21 076	
B	KZN224 uMgweni												11 845	17 269	17 717	
B	KZN225 uMgweni				210 014	115 527	122 189	40 000	30 000	30 000			489 344	430 823	429 317	
B	KZN226 uMhlabathini												24 285	24 984	25 722	
B	KZN227 Richmond												26 695	24 544	28 440	
C	DC22 uMgweni District Municipality				210 014	115 527	122 189	40 000	30 000	30 000			169 292	215 332	229 250	
Total: uMgweni District Municipality																
B	KZN235 uMhlabathini												41 742	30 214	31 767	
B	KZN237 uMhlabathini												53 276	49 338	49 515	
B	KZN238 Alfred Duma												77 749	74 329	77 107	
C	DC23 uMhlabathini District Municipality												367 339	394 261	371 340	
Total: uMhlabathini Municipalities																
B	KZN241 eNdameni												24 402	26 047	26 728	
B	KZN242 Ngqweni												66 691	53 346	55 092	
B	KZN244 uMgweni												62 032	60 080	62 241	
B	KZN245 uMgweni												45 269	46 835	48 488	
C	DC24 uMgweni District Municipality												371 842	354 943	363 307	
Total: uMgweni District Municipality																
B	KZN252 Newcastle												218 604	221 398	233 568	
B	KZN253 eMahlangueni												21 423	19 697	24 987	
B	KZN254 Dannhauser												22 081	23 140	24 258	
C	DC25 Amajuba District Municipality												113 917	124 309	136 843	
Total: Amajuba Municipalities																
B	KZN261 eDumbe												376 025	398 544	419 656	
B	KZN262 uPhongolo												42 292	44 116	44 986	
B	KZN263 uMhlabathini												37 741	41 212	46 768	
B	KZN265 uMhlabathini												52 740	54 769	56 911	
B	KZN266 uMhlabathini												58 378	44 075	45 866	
B	KZN267 uMhlabathini												37 388	53 023	49 730	
C	DC26 Zululand District Municipality												409 830	516 049	411 012	
Total: Zululand Municipalities																
B	KZN271 uMhlabathini												60 481	57 370	59 346	
B	KZN272 uMhlabathini												53 003	60 049	62 206	
B	KZN275 uMhlabathini												46 253	46 943	45 725	
B	KZN276 uMhlabathini												35 664	36 697	41 788	
C	DC27 uMhlabathini District Municipality												271 529	299 852	325 030	
Total: uMhlabathini District Municipality																
B	KZN281 uMfolozi												39 623	37 964	45 378	
B	KZN282 uMhlabathini												152 742	171 173	201 960	
B	KZN284 uMhlabathini												49 045	51 280	60 638	
B	KZN285 uMhlabathini												26 278	27 102	34 970	
B	KZN286 uMhlabathini												23 170	39 296	40 485	
C	DC28 King Cetshwayo District Municipality												352 871	364 856	381 228	
Total: King Cetshwayo District Municipality																
B	KZN291 Mandeni												643 729	691 671	764 659	
B	KZN292 KwaDukuza												57 118	52 858	57 882	
B	KZN293 uMhlabathini												62 562	73 510	88 622	
B	KZN294 uMhlabathini												55 275	40 842	43 672	
C	DC29 uMhlabathini District Municipality												37 646	33 740	34 894	
Total: uMhlabathini District Municipality																
B	KZN313 Greater Kosi												27 550	48 328	64 149	
B	KZN314 uMhlabathini												47 330	48 714	55 175	
B	KZN315 uMhlabathini												59 095	68 519	74 076	
B	KZN316 uMhlabathini												41 566	38 985	50 441	
C	DC31 uMhlabathini District Municipality												394 086	427 023	425 331	
Total: uMhlabathini District Municipality																
B	KZN317 uMhlabathini												570 397	651 151	673 172	
Total: KwaZulu-Natal Municipalities																
		1 980 109	2 079 946	2 197 311	1 127 164	972 778	1 028 872	151 178	130 000	130 000	39 111	52 224	55 148	8 801 179	9 074 437	9 422 343

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capitol) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
LIMPOPO																
B	LIM31	Greater Giyani												81 736	75 253	78 964
B	LIM32	Greater Letaba												61 162	61 920	65 427
B	LIM33	Greater Tzaneen												120 942	116 980	127 529
B	LIM34	Bo-Phalaborwa												48 619	37 242	55 043
B	LIM35	Maruleng												27 223	28 600	30 054
C	DC33	Mogotleng District Municipality												559 950	600 454	633 533
		Total: Mpumali Municipalities												899 632	920 049	990 550
B	LIM31	Greater Giyani												47 468	40 984	52 585
B	LIM32	Greater Letaba												141 159	142 119	153 410
B	LIM33	Greater Tzaneen												116 669	121 510	147 147
B	LIM34	Bo-Phalaborwa												101 480	95 345	106 479
C	DC34	Vhembe District Municipality												559 082	603 890	642 999
		Total: Vhembe Municipalities												965 388	1 005 848	1 102 620
B	LIM51	Bloeberg												52 090	54 575	57 198
B	LIM53	Molemole												35 718	41 622	42 632
B	LIM54	Potleng												84 488	92 041	1 230 276
C	DC35	Lejweletse District Municipality												127 124	132 046	136 245
		Total: Capricorn Municipalities												1 319 398	1 404 514	1 859 932
B	LIM61	Thabazimbi												33 759	35 542	37 423
B	LIM62	Lejhadle												106 370	86 810	124 386
B	LIM66	Beha-Bela												86 304	87 625	109 019
B	LIM67	Mogalakwena												222 266	243 829	263 921
B	LIM68	LIM 368												127 190	126 309	143 546
C	DC36	Waterberg District Municipality												2 129	2 231	2 358
		Total: Waterberg Municipalities												578 018	582 346	680 653
B	LIM71	Ehlayeni												44 810	35 775	37 670
B	LIM72	Elias Motsoaledi												70 860	69 013	86 340
B	LIM73	Makhotlong												76 196	66 804	70 611
B	LIM76	LIM 476												95 863	140 875	136 165
C	DC37	Sibubane District Municipality												581 328	581 146	617 632
		Total: Sibubane Municipalities												809 057	893 613	948 418
		Total: Limpopo Municipalities												4 632 049	4 904 370	5 582 180
MPUMALANGA																
B	MP11	Albert Luthuli												130 616	123 799	144 269
B	MP12	Makhaleng												74 608	73 621	89 801
B	MP13	Mokhotlong												127 215	110 347	129 235
B	MP14	Pottery Kg Sene												46 257	48 690	57 898
B	MP15	Ditshoang												49 292	48 799	70 348
B	MP16	Ditshoang												36 676	34 949	32 570
B	MP17	Govan Mbeki												72 796	74 131	90 650
C	DC3	Greater Sibabane District Municipality												121 827	186 034	361 895
		Total: Great Sibabane Municipalities												676 758	700 860	856 716
B	MP11	Vicor Klumpe												25 286	31 544	40 871
B	MP12	Emahlileni												192 139	204 400	202 843
B	MP13	Succo-Falwetse												50 557	61 381	79 362
B	MP14	Emakhaseni												55 484	41 309	48 202
B	MP15	Thembisile Hani												176 562	180 137	193 030
B	MP16	Dr JS Moroka												132 371	147 957	155 962
C	DC31	Nkangala District Municipality												2 175	2 280	2 408
		Total: Nkangala Municipalities												634 574	669 008	722 678
B	MP21	Thabo Chwen												106 179	95 856	118 681
B	MP24	Nkomazi												278 857	288 101	322 768
B	MP25	Bushbuckridge												512 080	465 299	508 887
B	MP26	City of Mbombela												662 612	611 113	664 988
C	DC32	Ehlangeni District Municipality												2 347	2 475	2 614
		Total: Ehlangeni Municipalities												1 562 075	1 462 835	1 617 918
		Total: Mpumalanga Municipalities												2 873 407	2 833 703	3 297 312

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capitol) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE			
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
NORTHERN CAPE																	
B	NC61	Rieteveld													20 382	25 529	31 529
B	NC62	Nama Kloof													24 774	18 380	51 945
B	NC64	Kamiesberg													11 601	7 762	8 932
B	NC65	Hantam													72 142	59 397	20 976
B	NC66	Karoo Hoogland													13 145	38 340	35 546
B	NC67	Khale-Ma													13 825	10 000	9 185
C	DC6	Namaqualand District Municipality													2 898	3 018	3 187
		Total: Namaqualand Municipalities													158 767	162 426	161 300
B	NC71	Uitenhage													15 063	13 377	12 209
B	NC72	Umsobomvu													17 612	17 021	13 954
B	NC73	Erasmusburg													32 292	44 744	18 978
B	NC74	Koegebing													43 095	55 111	8 490
B	NC75	Rensselaersburg													20 527	28 683	30 849
B	NC76	Thembelihle													14 533	9 814	10 110
B	NC77	Siyathamba													9 920	10 225	11 047
B	NC78	Siyancuma													36 693	19 559	19 333
C	DC7	Port Elizabeth District Municipality													14 181	14 131	14 131
		Total: Port Elizabeth District Municipality													192 738	201 797	128 326
B	NC82	IKel/Geelhout													35 744	25 844	55 004
B	NC84	IKheis													18 298	11 158	19 537
B	NC85	Toussaintsburg													19 740	21 406	27 109
B	NC86	Kroonstad													12 099	10 291	23 638
B	NC87	David Kupfer													49 468	27 737	80 076
C	DC8	Siyanda District Municipality													2 860	3 001	3 169
		Total: Siyanda District Municipality													138 209	99 437	208 533
B	NC91	Sol Plaatje													161 003	92 005	126 805
B	NC92	Dikgatlong													22 800	22 718	23 286
B	NC93	Magareng													26 279	36 669	62 079
B	NC94	Phokwane													54 665	59 008	70 425
C	DC9	Frances Baard District Municipality													2 516	2 635	2 785
		Total: Frances Baard District Municipality													267 263	213 035	285 380
B	NC451	Joe Muroloong													106 060	161 535	204 203
B	NC452	Ge-Sigoyana													94 211	137 262	195 481
B	NC453	Gungahla													46 982	79 002	147 871
C	DC45	John Thabo Gaseewe District Municipality													1 979	2 072	2 198
		Total: John Thabo Gaseewe District Municipality													249 232	379 871	549 753
		Total: Northern Cape Municipalities													1 006 209	1 056 476	1 333 292
NORTH WEST																	
B	NW371	Maricopa													103 845	107 776	217 546
B	NW372	Matieland													301 005	326 486	357 935
B	NW373	Roosburg													628 592	486 340	563 945
B	NW374	Koedoesburg													46 239	52 556	68 946
B	NW375	Mosselkoms													207 415	211 553	231 197
C	DC37	Botshabelo District Municipality													2 359	2 459	2 599
		Total: Botshabelo District Municipality													1 379 455	1 277 172	1 442 168
B	NW381	Rafolua													29 859	31 400	33 026
B	NW382	Tswaing													29 730	34 263	35 881
B	NW383	Marikong													62 288	70 840	79 587
B	NW384	Dibobobela													55 133	46 125	44 227
B	NW385	Ramothabane													60 033	44 790	43 933
C	DC38	Sephele District Municipality													307 575	326 297	346 077
		Total: Sephele District Municipality													544 618	553 715	582 731
B	NW392	Naledi													35 205	27 961	31 956
B	NW393	Marmosa													15 897	16 572	17 285
B	NW394	Greater Tzaneen													63 406	59 096	78 936
B	NW396	Lekwa-Teemane													23 977	23 595	28 248
B	NW397	Kapisa-Molopo													30 539	38 122	45 793
C	DC39	Dr Ruth Segomotsi Mompati District Municipality													403 328	429 452	395 932
		Total: Dr Ruth Segomotsi Mompati District Municipality													572 352	585 798	604 150
B	NW43	City of Mafikeng													178 041	139 251	144 749
B	NW44	Maquassi Hills													47 646	30 112	37 559
B	NW45	Venterburg													104 830	81 446	85 838
C	DC4	Dr Kenneth Kaunda District Municipality													332 992	282 762	270 872
		Total: Dr Kenneth Kaunda District Municipality													332 992	282 762	270 872
		Total: North West Municipalities													2 829 417	2 670 447	2 893 923

ANNEXURE WS
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)2 OF 2

Category	Municipality	Urban Settlements Development Grant			Public Transport Network Grant			Neighbourhood Development Partnership (Capitol) Grant			Integrated City Development Grant			SUB-TOTAL: INFRASTRUCTURE		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
WESTERN CAPE																
A	CPT - City of Cape Town	1 484 786	1 570 152	1 658 751	999 524	807 422	853 981	2 109	30 000	58 093	61 263	56 740	59 917	2 562 652	2 469 314	2 649 742
B	WC11 Matrzikama													34 614	35 144	41 731
B	WC12 Cederberg													34 480	29 541	37 252
B	WC13 Bergvliet													14 727	18 330	20 967
B	WC14 Saldanha Bay													22 687	23 597	26 558
B	WC15 Swartland													24 608	22 637	23 724
B	WC1 West Coast District Municipality													2 553	2 715	2 869
	Total: West Coast Municipalities													133 669	131 964	151 101
B	WC22 Wizenberg													36 111	39 838	51 999
B	WC23 Dikensstein													39 709	41 612	43 621
B	WC24 Stellenbosch													40 338	42 302	47 333
B	WC25 Breede Valley													43 007	38 867	41 830
B	WC26 Langeberg													38 302	24 375	24 597
	Total: Cape Winelands District Municipality													2 683	2 931	3 092
	Total: Cape Winelands Municipalities													200 170	189 255	212 407
B	WC31 Theewaterskloof													29 833	35 186	40 615
B	WC32 Overberg													26 330	27 406	35 534
B	WC33 Cape Agulhas													12 118	13 497	18 897
B	WC34 Swellendam													14 067	14 506	19 968
	Total: Overberg District Municipality													2 643	2 716	2 868
	Total: Overberg Municipalities													84 991	93 309	117 886
B	WC41 Kamalind													18 370	23 703	29 851
B	WC42 Hessequa													14 813	16 360	17 936
B	WC43 Mossel Bay													32 464	32 671	50 891
B	WC44 George				210 362	27 104	28 667							269 174	102 085	88 988
B	WC45 Oudshoorn													35 062	32 120	37 236
B	WC47 Bitou													43 458	29 417	37 428
B	WC48 Knysna								10 000	10 000				38 488	40 673	41 008
C	DC4 Eden District Municipality													2 420	2 663	2 814
	Total: Eden Municipalities				210 362	27 104	28 667		10 000	10 000				454 169	479 692	506 152
B	WC51 Langesburg													8 654	10 757	13 856
B	WC52 Prince Albert													8 609	11 771	15 942
B	WC53 Beaufort West													14 140	14 707	30 305
C	DC5 Central Karoo District Municipality													1 917	2 117	2 232
	Total: Central Karoo Municipalities													33 320	39 352	63 335
	Total: Western Cape Municipalities	1 484 786	1 570 152	1 658 751	1 219 886	834 526	882 648	12 119	40 000	58 093	61 263	56 740	59 917	3 409 001	3 203 556	3 501 623
Unallocated																
	National Total	11 382 247	11 956 137	12 630 736	6 159 489	6 982 609	6 963 248	663 330	701 867	741 172	292 119	309 062	326 509	41 777 388	44 274 486	47 774 800

ANNEXURE W6

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

(National and Municipal Financial Years)

**ANNEXURE V6
ALLOCATIONS-GRANT TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

Category	Municipality	Integrated National Electrification Programme (Ekoma Grant)				Neighbourhood Development Partnership Grant (Technical Assistance)				Water Services Infrastructure Grant				Regional Bulk Infrastructure Grant				Municipal Systems Improvement Grant				SUB-TOTAL: INDIRECT National and Municipal Financial Year			
		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)	
		2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19		
EASTERN CAPE																									
A	BUF	21 546	21 546	22 818	1 200	1 200	1 200	1 200													22 746	22 746	24 018	186 200	
A	NMA																				93 359	161 200			
B	EC11	2 339	2 339	2 475																	34 339	29 339	7 975		
B	EC12	4 110	4 110	4 348	600																65 710	55 871	42 348		
B	EC14	522	522	553																	25 522	25 522	553		
B	EC15	8 526	8 526	9 020																	15 314	19 526	13 020		
B	EC18	1 521	1 521	1 588																	1 521	1 521	1 588		
B	EC19	1 922	1 922	2 033																	6 922	5 922	3 033		
C	DC1				600																	3 123			
Total: Eastern Cape Municipalities		18 940	18 940	20 017	600	1 200	1 200	1 200	1 200	10 000	95 000	46 500	185 000	185 000	788	3 884	2 000	2 000	2 000	2 000	149 238	115 824	68 517	68 517	
B	EC121	49 153	49 153	52 005																	49 153	49 153	52 005		
B	EC122	70 813	70 813	74 920																	70 813	70 813	74 920		
B	EC123	10 818	10 818	11 445																	10 818	10 818	12 445		
B	EC124	2 379	2 379	2 806																	18 279	19 279	7 806		
B	EC125	18 645	18 645	19 725																	65 564	52 614	38 123		
C	DC12																								
Total: Northern Cape Municipalities		156 808	156 808	165 902							51 000	38 193	62 163	62 163	3 001	1 434	1 000	1 000	1 000	222 172	210 003	205 095	205 095		
B	EC131	41 905	41 905	34 336																	788	41 905	1 000		
B	EC135	16 398	16 398	17 349																	16 398	16 398	17 349		
B	EC137	21 816	21 816	23 081																	21 816	21 816	23 081		
B	EC138	14 045	14 045	14 869																	14 045	14 045	14 869		
B	EC139	8 765	8 765	9 275																	9 553	8 765	9 275		
C	DC13																								
Total: Chris Hani District Municipality		102 929	102 929	98 910							51 000	38 193	62 163	62 163	3 001	2 195	1 000	1 000	1 000	106 141	102 929	99 910	99 910		
B	EC141	67 055	67 055	55 178																	67 055	67 055	55 178		
B	EC142	26 956	26 956	28 519																	26 956	26 956	29 519		
B	EC145																								
C	DC14																								
Total: Joe Gqabi District Municipality		94 011	94 011	83 697																	95 648	94 011	84 697	84 697	
B	EC153	77 143	77 143	87 487																	77 143	77 143	88 487		
B	EC154	33 909	33 909	35 876																	34 697	33 909	35 876		
B	EC155	28 548	28 548	30 204																	28 548	28 548	31 204		
B	EC156	7 311	7 311	7 735																	7 311	7 311	8 735		
B	EC157	43 949	43 949	46 498																	45 314	45 314	46 498		
C	DC15																								
Total: OR Tambo District Municipality		193 860	193 860	207 800																	196 011	193 728	210 800	210 800	
B	EC241	56 023	56 023	60 224																	56 023	56 023	60 224		
B	EC242	87 211	87 211	85 242																	87 211	87 211	87 242		
B	EC243	45 256	45 256	47 886																	45 256	46 023	47 886		
B	EC244	121 098	121 098	129 281																	121 098	121 098	129 281		
C	DC24																								
Total: Alfred Duma District Municipality		310 493	310 493	324 733							68 000	68 000	40 000	40 000	2 425	761	2 425	2 425	2 425	352 918	394 695	392 733	392 733		
Total: Eastern Cape Municipalities		895 587	895 587	923 877	3 154	2 400	2 400	2 400	10 000	313 968	387 441	337 693	1 621 7	1 621 7	10 469	8 000	8 000	8 000	8 000	1 238 326	1 295 897	1 271 970	1 271 970		

ANNEXURE V6
ALLOCATIONS-GRANT TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Integrated National Electrification Programme (Ekomi) Grant		Neighbourhood Development Partnership Grant (Technical Assistance)		Water Services Infrastructure Grant		Regional Bulk Infrastructure Grant		Municipal Systems Improvement Grant		SUB-TOTAL: INDIRECT National and Municipal Financial Year	
	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2017/18 (R'000)	2018/19 (R'000)
FREE STATE												
A. MAN. Mangung	488	699	740	1 200	1 200	1 200	93 141	109 000	274 832		110 899	276 772
B. FS161 Lesemeng		69	73								69	1 073
B. FS162 Kopanong		33	35								33	1 035
B. FS163 Mokokere		36	102								1 721	1 108
C. DC16 Xhaxhe District Municipality		36	204	216			4 685		1 636		204	3 216
B. FS181 Masilonyama	96	88	93				1 500	13 493	20 000	1 365	15 015	20 093
B. FS182 Tokologo	96	87	92			13 500	55 240	43 507	50 000		68 836	51 092
B. FS183 Tswelopele	34	50	53				25 000	20 000			25 004	10 053
B. FS184 Matlhabeng	29 680	4 908	5 193				3 000	5 138	50 000	788	33 468	10 046
B. FS185 Nala		248	262				1 000			1 365	2 365	2 62
C. DC18 Lepelatswana District Municipality												3 123
Total: Lepelatswana Municipalities	29 916	5 381	5 693			13 500	85 740	82 138	120 000	3 518	93 510	127 093
B. FS191 Sechoa	169	4 055	4 290			31 000	167 299	25 000			198 468	4 290
B. FS192 Dullabeng		2 464	17 397				13 000	10 000	20 000	1 365	10 263	22 797
B. FS193 Nkomo	114	4 356	4 696			20 000	49 000	40 000			13 888	49 000
B. FS194 Phuthi-Profing	18	5 211	5 512				30 000	40 000	40 000	2 151	32 171	45 512
B. FS195 Phuthi-Phuthi	238	4 949	5 234				43 500	23 000			45 103	29 832
B. FS196 Maraisburg	9 825	64	68			1 000	1 000	20 000	1 000		10 825	5 236
C. DC19 Thabo Mofutsanyana District Municipality												2 068
Total: Thabo Mofutsanyana Municipalities	10 364	33 489	35 430			51 000	324 865	183 000	101 000	6 248	392 417	137 430
B. FS21 Mochaba	8 265	3 429	3 606				20 000	25 000	25 000	1 365	28 265	3 606
B. FS23 Nwetsho		26	28				19 938	25 000	25 000		21 303	26 460
B. FS24 Merafelo		13	14				35 000	3 000	3 000		35 000	3 013
B. FS25 Mafube		13	14				35 000	30 000	20 000	1 365	36 434	20 014
C. DC2 Ezile Dabi District Municipality												3 123
Total: Ezile Dabi Municipalities	8 265	3 481	3 662				110 007	88 000	45 000	27 300	121 002	49 662
Total: Free State Municipalities	49 059	43 254	45 741	420	1 200	64 500	618 378	432 138	540 832	14 132	746 489	594 773
GAUTENG												
A. Eku Ekurhuleni	2 095	3 623	3 832			5 504	7 200				6 505	9 127
A. JHB City of Johannesburg	35 068	13 362	14 137			1 200	1 000				36 068	14 562
A. TSH - City of Tshwane	15 912	11 386	12 046			2 549	2 410				18 322	13 935
B. GT421 Embleton	4 131	17 167	18 162			1 200	2 021	278 338	288 651		173 935	297 486
B. GT422 Midvaal								65 000	7 000		73 000	65 000
B. GT423 Lesedi											1 265	1 431
C. DC42 Sedibone District Municipality												3 123
Total: Sedibone Municipalities	4 131	17 167	18 162			1 200	2 021	343 338	295 651	1 365	248 300	307 024
B. GT481 Mamelodi City	10 118	893	945			1 200					11 724	2 143
B. GT484 Magerijie City		893	945								1 165	2 526
B. GT485 Rand West City								124 200	334 400	1 365	59 011	124 200
C. DC48 West Rand District Municipality						200					1 636	2 000
Total: West Rand Municipalities	10 118	1 786	1 890			1 400	59 011	124 200	334 400	3 001	73 756	128 869
Total: Gauteng Municipalities	67 324	47 324	50 067	11 197	11 903	14 021	300 044	467 558	634 051	4 366	382 931	533 535

ANNEXURE V6
ALLOCATIONS-GRANT TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Integrated National Electrification Programme (Ekomo) Grant			Neighbourhood Development Partnership Grant (Technical Assistance)			Water Services Infrastructure Grant			Regional Bulk Infrastructure Grant			Municipal Systems Improvement Grant			SUB-TOTAL: INDIRECT National and Municipal Financial Year			
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
NORTHERN CAPE																			
B NC61 Richtersveld																	15 761	21 782	1 000
B NC62 Nama Klot																	3 700	2 790	1 000
B NC64 Kamiesberg																	76	2 637	2 790
B NC65 Hanam																	76	761	1 000
B NC66 Karoo Hoogland																	3 123	3 123	2 000
B NC67 Kūh-Ma																	2 000	44	475
B NC71 Uburu																	2 000	20 000	7 796
B NC72 Unsubomu																	3 000	3 000	1 000
B NC73 Embanjeni																	247	10 484	16 559
B NC74 Kereberg																	33 284	22 710	3 124
B NC75 Renostersberg																	76 621	15 000	1 000
B NC76 Theunskille																	5 150	21 237	1 000
B NC77 Stylabank																	12 771	41 237	3 124
B NC78 Stylabank																	800	10 000	1 000
B NC82 Keki-Gaib																	4 800	787	1 000
B NC84 Kkhis																	25 000	21 422	1 000
B NC85 Tanshane																	34 100	30 000	1 000
B NC86 Kariyapete																	34 900	31 422	3 000
B NC87 David Kniper																	800	10 000	1 000
B NC88 Sivadina District Municipality																	800	10 000	1 000
Total: Northern Cape Municipalities	11 059	10 718	11 335	800	1 200	1 200	29 800	31 422	31 422	31 422	31 422	31 422	1 574	1 365	1 433	1 365	14 707	9 758	787
B NC91 Sol Plantjie																	14 707	9 758	787
B NC92 Dikgatlong																	9 758	787	1 918
B NC93 Magereng																	24 465	2 939	4 557
B NC94 Phokwane																	800	1 200	1 200
B NC95 Frances Baard District Municipality																	800	1 200	1 200
Total: Northern Cape Municipalities	8 896	8 932	54 459	800	1 200	1 200	29 800	31 422	31 422	31 422	31 422	31 422	1 574	1 365	1 433	1 365	14 707	9 758	787
B NC451 Joe Molebeng																	12 880	12 880	13 628
B NC452 Ga-Segonyana																	98 362	74 408	71 723
B NC453 Gungahama																	99 149	74 408	118 468
B NC454 John Tshepo Gaseewe District Municipality																	99 149	74 408	118 468
Total: John Tshepo Gaseewe District Municipality	117 985	205 756	209 073														1 637	1 637	2 010 731
Total: Northern Cape Municipalities	138 497	229 965	279 691	800	1 200	1 200	70 500	75 000	75 000	75 000	75 000	75 000	7 724	15 450	8 000	289 657	332 852	363 801	
NORTHWEST																			
B NW371 Merende																	14 457	18 331	10 182
B NW372 Mafeking																	86 729	59 271	70 090
B NW373 Roshanville																	24 229	80 181	80 832
B NW374 Kgatleng																	800	1 200	1 200
B NW375 Moseke																	247	143	151
B NW376 Moseke																	372 441	14 237	15 063
B NW377 Botswana District Municipality																	372 441	14 237	15 063
Total: Botswana District Municipality	158 903	172 161	182 229	800	1 200	1 200	60 000	143 270	143 270	143 270	143 270	143 270	3 002	2 194	2 000	351 624	461 232	486 099	
B NW381 Rofoto																	11 580	14 645	15 494
B NW382 Tswaing																	8 857	5 825	6 163
B NW383 Mafeking																	29 811	15 683	16 593
B NW384 Dibeobola																	4 598	7 046	7 454
B NW385 Ramotshabane District Municipality																	1 516	8 513	9 007
B NW386 Ramotshabane District Municipality																	1 516	8 513	9 007
Total: Ramotshabane District Municipality	70 014	51 712	54 711	100 000	210 000	210 000	100 000	114 586	114 586	114 586	114 586	114 586	1 637	1 433	1 000	262 890	377 721	395 944	
B NW392 Naledi																	4 490	2 406	2 545
B NW393 Mamma																	25 855	23 213	24 559
B NW394 Greater Tzaneen																	14 458	15 347	17 661
B NW396 Lekwa-Terme																	147	107	113
B NW397 Kgaisano-Molopo																	28 995	33 639	34 574
B NW398 Kgaisano-Molopo																	28 995	33 639	34 574
Total: Kgaisano-Molopo District Municipality	70 945	70 952	76 452	420	1 200	1 200	40 000	40 000	40 000	40 000	40 000	40 000	1 637	3 789	2 193	77 734	76 145	80 452	
B NW43 City of Mafikeng																	739	3 287	5 678
B NW44 Mafikeng Hills																	530	3 270	4 459
B NW45 Venterdorp-Tlokweng																	564	310	328
B NW46 Venterdorp-Tlokweng																	564	310	328
Total: Kgaisano-Molopo District Municipality	1 833	6 867	7 265	420	1 200	1 200	40 000	40 000	40 000	40 000	40 000	40 000	1 637	3 789	2 193	34 340	31 191	10 465	
Total: North West Municipalities	304 695	304 694	325 627	1 220	2 400	2 400	160 000	333 175	333 175	333 175	333 175	333 175	12 154	8 944	7 000	216 288	966 299	973 560	

ANNEXURE V6
ALLOCATIONS-GRANT TO MUNICIPALITIES
(SCHEDULE 6, PART B)

Category	Municipality	Integrated National Electrification Programme (Ekomo) Grant				Neighbourhood Development Partnership Grant (Technical Assistance)				Water Services Infrastructure Grant				Regional Bulk Infrastructure Grant				Municipal Systems Improvement Grant				SUB-TOTAL: INDIRECT National and Municipal Financial Year					
		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)		2017/18 (R'000)		2018/19 (R'000)			
		2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19		
WESTERN CAPE																											
A	CPT - City of Cape Town	59 747	37 646	44 698	1 200	564	1 200																				
B	WC11 Matieland	10 695	66	69																							
B	WC12 Cederberg	4 691	2 588	17 389																							
B	WC13 Bergvliet	1 116	810	857																							
B	WC14 Saldanha Bay	1 116	810	857																							
B	WC15 Swartland	1 116	810	857																							
C	DC1 - West Coast District Municipality	16 502	26 921	19 480																							
Total: West Coast Municipalities																											
B	WC22 Wittenberg			123																							
B	WC23 Drakenstein			130																							
B	WC24 Stellenbosch			13 669																							
B	WC25 Breede Valley			25																							
B	WC26 Langeberg			25																							
C	DC2 - Cape Winelands District Municipality	12 663	22 371	13 669																							
Total: Cape Winelands Municipalities																											
B	WC31 Theewaterskloof	2 926	4 905	5 191																							
B	WC32 Oos-Kaap			285																							
B	WC33 Overberg			25																							
B	WC34 Swellendam			27																							
C	DC3 - Overberg District Municipality	2 926	5 215	5 218																							
Total: Overberg Municipalities																											
B	WC41 Kamalind			123																							
B	WC42 Hessequa			1 585																							
B	WC43 Mossel Bay			98																							
B	WC44 George			323																							
B	WC45 Oudshoorn			124																							
B	WC47 Bliou																										
B	WC48 Kroyana																										
C	DC4 - Eden District Municipality	2 622	2 253	2 253																							
Total: Eden Municipalities																											
B	WC51 Langesig	38	25	25																							
B	WC52 Prince Albert			26																							
B	WC53 Beaufort West			302																							
C	DC5 - Central Karoo District Municipality	38	352	371																							
Total: Central Karoo Municipalities																											
Total: Western Cape Municipalities																											
Unallocated		94 498	94 906	84 845	564	1 200	1 200																				
National Total		3 846 154	3 962 031	4 182 453	2 774	29 353	30 997	608 175	642 233	2 775 530	2 880 922	3 037 295	102 240	1 15 116	102 240	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116	1 15 116

SUB-TOTAL: INDIRECT		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
National and Municipal Financial Year		60 311	38 846	45 898
Total: Western Cape Municipalities		109 376	211 719	252 045
Unallocated		7 337 808	7 595 597	8 014 540

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

(National and Municipal Financial Years)

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
EASTERN CAPE								
A	BUF	Buffalo City	705 277	779 473	841 980	1 610 788	1 844 566	1 970 529
A	NMA	Nelson Mandela Bay	844 287	942 772	1 028 922	2 196 263	2 395 875	2 576 456
B	EC11	Dr Beyers Naude	77 494	83 203	88 039	153 910	147 884	135 657
B	EC12	Blue Crane Route	45 700	48 917	51 426	79 896	73 956	77 346
B	EC14	Makana	79 569	85 530	90 751	173 188	174 791	173 042
B	EC15	Ndlambe	82 084	88 192	93 638	146 221	128 992	137 215
B	EC16	Sundays River Valley	65 367	71 933	77 618	123 026	134 361	135 174
B	EC18	Kouga	102 637	113 277	123 252	143 132	155 718	172 544
B	EC19	Kou-Kamma	42 375	45 402	48 090	70 789	73 728	80 480
C	DC1	Cacadu District Municipality	84 825	88 177	91 012	89 310	94 649	94 497
Total: Cacadu Municipalities			580 051	624 631	663 826	979 472	984 079	1 005 955
B	EC121	Mbhashe	218 025	224 474	227 832	348 141	363 082	375 217
B	EC122	Mnquma	227 129	233 395	236 441	370 651	384 109	394 232
B	EC123	Great Kei	34 997	37 805	39 333	53 976	57 170	64 115
B	EC124	Amahlathi	95 446	96 836	96 852	142 927	142 645	153 090
B	EC126	Ngushwa	73 615	75 217	75 760	110 703	109 135	111 531
B	EC129	Raymond Mhlaba	149 375	155 353	158 899	227 925	225 854	237 262
C	DC12	Amathole District Municipality	757 132	787 007	839 363	1 369 725	1 401 787	1 475 308
Total: Amathole Municipalities			1 555 719	1 610 087	1 674 480	2 624 048	2 683 782	2 810 755
B	EC131	Inxuba Yethemba	37 704	39 437	40 691	67 029	70 851	84 505
B	EC135	Intsika Yethu	147 333	147 638	145 371	242 138	243 080	237 778
B	EC136	Emalahleni	115 992	115 768	113 113	170 104	175 628	178 086
B	EC137	Engcobo	134 108	135 843	135 622	211 171	220 632	223 911
B	EC138	Sakhisizwe	59 593	61 476	62 498	109 394	96 503	104 228
B	EC139	Enoch Mgijima	160 117	164 355	166 282	254 187	260 358	257 428
C	DC13	Chris Hani District Municipality	507 459	525 397	543 249	1 104 694	1 079 448	1 010 027
Total: Chris Hani Municipalities			1 162 306	1 189 914	1 206 826	2 158 717	2 146 500	2 095 963
B	EC141	Elundini	134 116	137 949	139 913	275 107	283 435	267 940
B	EC142	Senqu	132 828	136 038	137 402	207 135	205 924	217 083
B	EC145	Walter Sisulu	49 030	52 514	55 125	98 414	77 785	88 560
C	DC14	Joe Gqabi District Municipality	239 160	258 757	273 460	476 679	542 092	580 992
Total: Joe Gqabi Municipalities			555 134	585 258	605 900	1 057 335	1 109 236	1 154 575
B	EC153	Ngquza Hill	210 127	225 694	235 124	360 787	376 101	400 174
B	EC154	Port St Johns	125 772	134 678	140 105	216 767	227 493	237 103
B	EC155	Nyandeni	223 248	233 307	239 669	331 681	348 976	366 716
B	EC156	Mhlontlo	159 379	165 019	168 081	229 441	237 398	249 500
B	EC157	King Sabata Dalindyebo	267 710	290 205	304 787	434 895	457 329	498 903
C	DC15	O.R. Tambo District Municipality	728 270	793 525	857 040	1 837 776	1 926 781	2 002 385
Total: O.R. Tambo Municipalities			1 714 506	1 842 428	1 944 806	3 411 347	3 574 078	3 754 781
B	EC441	Matatiele	185 808	205 402	215 237	377 299	406 908	422 993
B	EC442	Umzimvubu	175 236	191 102	199 217	346 874	366 073	381 079
B	EC443	Mbizana	197 681	227 226	238 082	341 969	352 564	377 174
B	EC444	Ntabankulu	99 613	107 864	112 067	292 503	310 098	324 221
C	DC44	Alfred Nzo District Municipality	437 586	511 925	557 420	997 754	1 122 691	1 161 809
Total: Alfred Nzo Municipalities			1 095 924	1 243 519	1 322 023	2 356 399	2 558 334	2 667 276
Total: Eastern Cape Municipalities			8 213 204	8 818 082	9 288 763	16 394 369	17 296 450	18 036 290

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
FREE STATE							
A	MAN Mangaung	630 908	685 968	741 097	1 776 965	1 848 884	2 129 620
B	FS161 Letsemeng	49 189	57 899	61 783	98 966	152 268	129 225
B	FS162 Kopanong	67 330	77 579	82 637	127 563	168 126	173 222
B	FS163 Mohokare	56 055	61 606	66 009	128 912	163 419	169 454
C	DC16 Xhariep District Municipality	33 307	40 418	41 856	39 338	44 190	46 019
Total: Xhariep Municipalities		205 881	237 502	252 285	394 779	528 003	517 920
B	FS181 Masilonyana	89 814	106 815	113 792	144 443	183 916	217 199
B	FS182 Tokologo	44 274	49 254	52 554	143 781	116 504	133 332
B	FS183 Tswelopele	59 702	66 780	71 163	114 340	106 415	92 566
B	FS184 Matjhabeng	393 631	459 418	498 537	586 460	635 109	700 413
B	FS185 Nala	100 124	110 692	117 408	145 316	154 639	161 838
C	DC18 Lejweleputswa District Municipality	115 472	120 945	125 096	119 998	127 468	128 634
Total: Lejweleputswa Municipalities		803 017	913 904	978 550	1 254 338	1 324 051	1 433 982
B	FS191 Setsoto	157 656	173 593	185 530	448 710	300 010	286 206
B	FS192 Dihlabeng	129 764	147 888	161 256	203 110	230 137	251 040
B	FS193 Nketoana	79 880	87 430	93 708	202 820	204 616	187 050
B	FS194 Maluti-a-Phofung	493 768	537 563	573 326	749 035	832 303	867 708
B	FS195 Phumelela	61 603	67 933	72 638	151 005	142 279	132 168
B	FS196 Mantsopa	68 314	74 700	79 840	117 536	142 562	141 764
C	DC19 Thabo Mofutsanyana District Municipality	101 909	106 990	110 846	113 701	120 148	121 283
Total: Thabo Mofutsanyana Municipalities		1 092 894	1 196 097	1 277 144	1 985 917	1 972 055	1 987 219
B	FS21 Moqhaka	164 092	185 011	200 251	261 342	248 901	275 663
B	FS23 Ngwathe	160 606	174 200	186 068	281 132	294 061	321 221
B	FS24 Metsimaholo	142 709	163 582	181 267	250 807	226 452	248 041
B	FS25 Mafube	78 462	86 124	92 261	150 321	151 044	152 172
C	DC2 Fezile Dabi District Municipality	144 321	149 130	153 678	147 754	155 561	157 115
Total: Fezile Dabi Municipalities		690 190	758 047	813 525	1 091 356	1 076 019	1 154 212
Total: Free State Municipalities		3 422 890	3 791 518	4 062 601	6 503 355	6 749 012	7 222 953
GAUTENG							
A	EKU Ekurhuleni	2 719 861	3 154 062	3 503 013	5 640 508	6 085 410	6 599 817
A	JHB City of Johannesburg	3 666 637	4 241 872	4 722 485	6 729 559	7 542 196	8 208 223
A	TSH City of Tshwane	2 132 788	2 404 666	2 661 272	4 779 294	4 965 546	5 377 981
B	GT421 Emfuleni	633 240	709 076	772 614	1 061 217	1 268 519	1 366 594
B	GT422 Midvaal	86 316	97 438	107 839	217 274	221 969	205 155
B	GT423 Lesedi	104 923	119 389	132 215	182 077	181 530	213 350
C	DC42 Sedibeng District Municipality	254 779	258 764	266 791	260 950	265 697	270 744
Total: Sedibeng Municipalities		1 079 258	1 184 667	1 279 459	1 721 518	1 937 715	2 055 843
B	GT481 Mogale City	323 938	370 843	410 961	517 324	575 810	645 401
B	GT484 Merafong City	163 084	186 186	203 851	265 047	307 510	347 138
B	GT485 Rand West City	239 112	275 335	303 044	455 510	575 308	857 289
C	DC48 West Rand District Municipality	193 187	197 803	204 516	209 662	211 648	208 309
Total: West Rand Municipalities		919 321	1 030 167	1 122 372	1 447 543	1 670 276	2 058 137
Total: Gauteng Municipalities		10 517 865	12 015 434	13 288 601	20 318 422	22 201 143	24 300 002

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
KWAZULU-NATAL							
A	ETH eThekweni	2 582 776	2 902 498	3 183 088	5 721 903	6 064 908	6 541 378
B	KZN212 uMdoni	113 579	118 193	121 233	162 551	194 367	203 909
B	KZN213 uMzombe	119 070	120 221	119 566	246 872	238 418	243 752
B	KZN214 uMuziwabantu	79 670	82 268	83 753	110 261	114 011	111 718
B	KZN216 Ray Nkonyeni	175 566	184 983	191 993	269 876	297 998	306 019
C	DC21 Ugu District Municipality	411 676	436 655	463 376	715 572	776 888	839 500
Total: Ugu Municipalities		899 561	942 320	979 921	1 505 132	1 621 682	1 704 898
B	KZN221 uMshwathi	87 377	91 504	94 392	157 527	127 303	133 766
B	KZN222 uMngeni	54 448	60 089	64 801	85 527	91 562	92 476
B	KZN223 Mpofana	29 225	31 803	33 407	55 289	66 708	73 687
B	KZN224 iMpendle	31 475	32 554	33 192	46 680	51 723	53 069
B	KZN225 Msunduzi	468 430	507 022	544 706	1 018 881	983 874	1 013 553
B	KZN226 Mkhambathini	51 173	55 191	57 951	80 032	82 330	86 088
B	KZN227 Richmond	59 253	62 275	64 446	89 291	88 719	94 786
C	DC22 uMgungundlovu District Municipality	457 680	484 563	526 441	631 287	700 898	757 691
Total: uMgungundlovu Municipalities		1 239 061	1 325 001	1 419 336	2 164 514	2 193 117	2 305 116
B	KZN235 Okhahlamba	102 863	110 010	114 395	150 416	143 680	150 708
B	KZN237 iNkosi Langalibalele	143 450	154 726	162 118	213 422	219 419	227 655
B	KZN238 Alfred Duma	190 231	205 367	215 338	330 592	335 964	342 348
C	DC23 uThukela District Municipality	361 568	398 405	433 175	737 427	795 644	806 320
Total: uThukela Municipalities		798 112	868 508	925 026	1 431 857	1 494 707	1 527 031
B	KZN241 eNdameni	37 228	41 425	44 516	64 548	69 427	73 459
B	KZN242 Nquthu	115 616	121 634	125 529	203 911	219 669	236 692
B	KZN244 uMsinga	136 937	144 789	150 233	256 777	210 616	217 639
B	KZN245 uMvoti	104 498	112 328	118 226	167 594	172 490	170 375
C	DC24 uMzinyathi District Municipality	291 519	325 764	353 929	668 692	682 212	719 001
Total: uMzinyathi Municipalities		685 798	745 940	792 433	1 361 522	1 354 414	1 417 166
B	KZN252 Newcastle	318 176	341 372	362 646	591 488	604 080	639 752
B	KZN253 eMadlangeni	25 391	27 122	28 210	49 714	49 735	55 612
B	KZN254 Dannhauser	78 831	81 935	83 825	105 532	110 476	113 687
C	DC25 Amajuba District Municipality	137 965	148 751	159 832	262 807	279 815	303 690
Total: Amajuba Municipalities		560 363	599 180	634 513	1 009 541	1 044 106	1 112 741
B	KZN261 eDumbe	61 570	65 830	68 538	117 349	119 395	123 656
B	KZN262 uPhongolo	107 146	118 558	125 240	151 465	161 925	174 420
B	KZN263 Abaqulusi	117 393	129 314	137 095	201 872	206 681	218 073
B	KZN265 Nongoma	128 137	135 743	140 597	189 454	226 136	235 343
B	KZN266 Ulundi	132 566	142 381	148 121	198 292	210 153	211 840
C	DC26 Zululand District Municipality	382 571	425 804	465 143	1 026 048	942 853	878 415
Total: Zululand Municipalities		929 383	1 017 630	1 084 734	1 884 480	1 867 143	1 841 747
B	KZN271 uMhlabayalingana	133 848	144 660	152 220	282 033	354 625	341 014
B	KZN272 Jozini	146 284	158 617	166 461	414 739	329 346	325 903
B	KZN275 Mtubatuba	132 131	142 546	150 138	212 723	218 187	226 100
B	KZN276 Big Five Hlabisa	84 732	93 374	98 617	141 168	154 314	166 078
C	DC27 uMkhanyakude District Municipality	330 020	375 654	412 729	725 444	676 536	743 019
Total: uMkhanyakude Municipalities		827 015	914 851	980 165	1 776 107	1 733 008	1 802 114
B	KZN281 uMfolozi	107 114	114 299	119 356	152 799	154 163	166 634
B	KZN282 uMhlathuze	292 009	326 318	355 898	518 941	520 243	581 657
B	KZN284 uMlalazi	156 999	164 545	169 641	236 573	263 875	282 002
B	KZN285 Mthonjaneni	67 317	70 509	72 424	102 091	101 061	110 879
B	KZN286 Nkandla	82 435	86 214	88 386	133 126	146 410	151 118
C	DC28 King Cetshwayo District Municipality	453 730	477 540	516 964	814 520	843 396	900 452
Total: King Cetshwayo Municipalities		1 159 604	1 239 425	1 322 669	1 958 050	2 029 148	2 192 742
B	KZN291 Mandeni	134 192	145 837	154 162	241 695	254 193	291 532
B	KZN292 KwaDukuza	131 541	147 634	160 991	197 468	226 759	255 238
B	KZN293 Ndwedwe	118 243	128 677	135 070	224 601	243 038	261 770
B	KZN294 Maphumulo	75 284	80 395	83 175	189 446	195 973	204 544
C	DC29 iLembe District Municipality	419 734	469 828	518 484	835 512	876 040	920 960
Total: iLembe Municipalities		878 994	972 371	1 051 882	1 688 722	1 796 003	1 934 044
B	KZN433 Greater Kokstad	47 250	55 133	58 136	87 860	105 261	124 085
B	KZN434 uBuhlebezwe	95 443	98 915	101 013	167 735	153 110	161 862
B	KZN435 uMzimkhulu	160 817	168 285	173 323	282 699	257 815	270 518
B	KZN436 Dr Nkosazana Dlamini Zuma	101 241	110 135	115 314	153 050	168 955	186 527
C	DC43 Harry Gwala District Municipality	285 028	318 779	345 521	692 399	755 404	780 852
Total: Harry Gwala Municipalities		689 779	751 247	793 307	1 383 743	1 440 545	1 523 844
Total: KwaZulu-Natal Municipalities		11 250 446	12 278 971	13 167 074	21 885 571	22 638 781	23 902 821

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year			National and Municipal Financial Year			
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
LIMPOPO								
B	LIM331	Greater Giyani	234 578	251 584	262 868	373 988	423 329	422 991
B	LIM332	Greater Letaba	222 508	242 595	254 930	323 833	331 010	348 264
B	LIM333	Greater Tzaneen	311 977	336 443	353 706	461 084	508 188	539 475
B	LIM334	Ba-Phalaborwa	120 392	131 531	139 114	189 325	194 873	220 086
B	LIM335	Maruleng	99 298	108 493	114 231	149 975	159 314	167 684
C	DC33	Mopani District Municipality	759 547	843 149	923 013	1 776 336	1 743 286	1 628 856
Total: Mopani Municipalities			1 748 300	1 913 795	2 047 862	3 274 541	3 360 000	3 327 356
B	LIM341	LIM341	104 327	122 782	133 307	169 063	201 933	226 132
B	LIM343	LIM343	361 798	388 695	407 408	583 151	559 564	591 137
B	LIM344	Makhado	294 079	314 649	329 245	438 398	476 504	518 173
B	LIM345	LIM 345	304 695	325 128	339 170	469 483	422 818	447 994
C	DC34	Vhembe District Municipality	824 760	913 077	999 217	1 467 060	1 632 765	1 704 526
Total: Vhembe Municipalities			1 889 659	2 064 331	2 208 347	3 127 155	3 293 584	3 487 962
B	LIM351	Blouberg	161 111	167 031	170 559	260 843	256 077	264 080
B	LIM353	Molemole	122 614	127 590	130 623	179 973	196 477	201 952
B	LIM354	Polokwane	752 064	831 889	903 461	1 765 844	2 070 700	2 481 790
B	LIM355	Lepele-Nkumpi	212 142	221 852	228 112	300 483	302 425	313 135
C	DC35	Capricorn District Municipality	522 352	548 624	588 367	880 772	939 351	1 031 371
Total: Capricorn Municipalities			1 770 283	1 896 986	2 021 122	3 387 915	3 765 030	4 292 328
B	LIM361	Thabazimbi	68 976	86 282	93 908	135 230	197 731	228 301
B	LIM362	Lephalale	109 248	130 420	144 652	281 138	318 152	393 583
B	LIM366	Bela-Bela	74 939	81 992	88 513	168 842	173 923	201 184
B	LIM367	Mogalakwena	369 653	394 585	415 836	788 472	921 183	987 042
B	LIM368	LIM 368	93 384	100 825	107 303	232 710	251 513	299 267
C	DC36	Waterberg District Municipality	117 373	122 646	127 038	123 388	125 877	131 396
Total: Waterberg Municipalities			833 573	916 750	977 250	1 729 780	1 988 379	2 240 773
B	LIM471	Ephraim Mogale	123 766	129 255	132 946	189 034	176 242	182 599
B	LIM472	Elias Motosoaledi	223 019	236 259	245 626	322 326	317 281	344 013
B	LIM473	Makhuduthamaga	233 368	240 823	244 910	405 631	377 499	389 332
B	LIM476	LIM 476	333 002	359 356	378 699	513 291	543 950	561 129
C	DC47	Sekhukhune District Municipality	658 580	713 194	771 374	1 479 880	1 485 845	1 700 771
Total: Sekhukhune Municipalities			1 571 735	1 678 887	1 773 555	2 910 162	2 900 817	3 177 844
Total: Limpopo Municipalities			7 813 550	8 470 749	9 028 136	14 429 553	15 307 810	16 526 263
MPUMALANGA								
B	MP31	Albert Luthuli	254 241	277 989	296 235	401 199	423 596	461 962
B	MP32	Msuligwa	134 855	154 428	169 675	235 189	239 908	270 627
B	MP33	Mkhondo	186 451	209 114	226 372	363 930	363 894	402 738
B	MP34	Pixley Ka Seme	96 312	107 189	114 486	156 633	150 709	157 890
B	MP35	Lekwa	93 948	107 311	117 044	166 002	171 826	214 994
B	MP36	Dipaleseng	58 388	64 426	69 280	105 050	112 944	164 835
B	MP37	Govan Mbeki	218 181	258 160	286 526	322 261	364 808	431 415
C	DC3	Gert Sibande District Municipality	278 576	282 338	290 911	411 612	478 095	659 614
Total: Gert Sibande Municipalities			1 320 952	1 460 955	1 570 529	2 161 876	2 305 780	2 764 075
B	MP311	Victor Khanye	79 745	87 215	94 208	146 011	160 437	149 829
B	MP312	Emalaheni	288 802	326 821	362 607	499 078	554 821	584 310
B	MP313	Steve Tshwete	156 759	179 975	201 936	217 750	246 627	286 776
B	MP314	Emakhazeni	55 222	58 515	61 560	117 383	103 289	113 563
B	MP315	Thembisile Hani	338 477	363 538	385 423	661 544	675 131	759 384
B	MP316	Dr JS Moroka	328 528	344 913	358 572	486 259	517 045	540 258
C	DC31	Nkangala District Municipality	339 056	343 843	354 394	346 663	350 246	357 802
Total: Nkangala Municipalities			1 586 589	1 704 820	1 818 700	2 474 688	2 607 596	2 791 922
B	MP321	Thaba Chweu	124 393	132 815	140 835	243 596	248 770	279 037
B	MP324	Nkomazi	483 144	515 601	544 585	807 244	919 717	996 635
B	MP325	Bushbuckridge	683 632	719 537	750 699	1 350 464	1 375 586	1 445 018
B	MP326	City of Mbombela	608 678	662 052	712 545	1 392 268	1 365 249	1 490 359
C	DC32	Ehlanzeni District Municipality	229 690	238 711	246 531	239 529	242 436	250 395
Total: Ehlanzeni Municipalities			2 129 537	2 268 716	2 395 195	4 033 101	4 151 758	4 461 444
Total: Mpumalanga Municipalities			5 037 078	5 434 491	5 784 424	8 669 665	9 065 134	10 017 441

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
NORTHERN CAPE							
B	NC61 Richtersveld	14 115	15 455	16 574	37 397	58 900	72 300
B	NC62 Nama Khoi	40 403	43 940	47 044	72 022	64 720	102 649
B	NC64 Kamiesberg	19 362	20 714	21 763	34 308	31 076	33 555
B	NC65 Hantam	21 047	22 830	24 360	96 165	87 019	50 281
B	NC66 Karoo Hoogland	18 198	20 222	21 775	36 243	66 478	64 736
B	NC67 Khâi-Ma	16 391	17 411	18 334	33 116	29 566	30 934
C	DC6 Namakwa District Municipality	38 744	47 106	48 603	43 892	54 752	53 555
Total: Namakwa Municipalities		168 260	187 678	198 453	353 143	392 511	408 010
B	NC71 Ubuntu	28 192	31 083	33 249	48 155	46 615	47 873
B	NC72 Umsobomvu	39 760	44 147	47 543	60 316	63 772	64 127
B	NC73 Emthanjani	37 094	40 758	43 710	74 172	107 202	72 184
B	NC74 Kareeberg	20 397	21 975	23 282	66 392	79 241	34 187
B	NC75 Renosterberg	20 182	22 162	23 589	47 054	53 445	57 298
B	NC76 Thembelihle	20 915	22 925	24 394	39 040	35 339	37 364
B	NC77 Siyathemba	27 526	29 807	31 754	51 275	42 632	45 661
B	NC78 Siyanema	41 384	45 255	47 871	114 686	90 124	86 623
C	DC7 Pixley Ka Seme District Municipality	39 862	47 696	49 345	45 115	55 498	54 466
Total: Pixley Ka Seme Municipalities		275 312	305 808	324 737	546 205	573 868	499 783
B	NC82 !Kai !Garib	63 164	77 174	83 485	112 911	106 312	153 079
B	NC84 !Kheis	21 454	23 106	24 330	43 097	36 864	47 727
B	NC85 Tsantsabane	32 206	35 403	38 344	60 916	69 241	78 715
B	NC86 Kgatelopele	18 974	20 479	21 904	35 205	33 370	48 142
B	NC87 Dawid Kruiper	70 769	78 081	84 564	195 271	145 311	200 826
C	DC8 Siyanda District Municipality	55 770	65 988	68 213	60 880	73 113	72 382
Total: Siyanda Municipalities		262 337	300 231	320 840	508 280	464 211	600 871
B	NC91 Sol Plaatjie	150 982	172 904	189 209	325 245	274 042	343 989
B	NC92 Dikgatlong	66 982	75 726	81 312	115 599	109 976	117 917
B	NC93 Magareng	37 698	41 562	44 094	77 422	80 386	133 588
B	NC94 Phokwane	85 242	94 174	100 096	144 970	155 582	173 181
C	DC9 Frances Baard District Municipality	112 317	116 144	119 678	117 251	122 903	123 463
Total: Frances Baard Municipalities		453 221	500 510	534 389	780 487	742 889	892 138
B	NC451 Joe Morolong	121 603	128 209	133 609	240 501	305 024	354 100
B	NC452 Ga-Segonyana	129 580	141 621	152 362	326 085	355 691	422 226
B	NC453 Gamagara	28 558	33 116	37 442	88 328	232 541	311 990
C	DC45 John Taolo Gaetsewe District Municipality	71 799	85 203	88 273	80 865	91 775	95 427
Total: John Taolo Gaetsewe Municipalities		351 540	388 149	411 686	735 779	985 031	1 183 743
Total: Northern Cape Municipalities		1 510 670	1 682 376	1 790 105	2 923 894	3 158 510	3 584 545
NORTH WEST							
B	NW371 Moretele	284 500	305 804	322 408	535 410	594 813	645 066
B	NW372 Madibeng	567 442	625 845	681 745	1 069 467	1 199 493	1 326 895
B	NW373 Rustenburg	526 072	607 549	680 253	1 181 642	1 176 970	1 328 931
B	NW374 Kgetlengrivier	70 879	81 401	88 722	161 072	166 700	161 679
B	NW375 Moses Kotane	357 438	385 729	408 142	606 159	614 652	656 102
C	DC37 Bojanala Platinum District Municipality	313 057	321 870	333 726	320 050	325 329	337 325
Total: Bojanala Platinum Municipalities		2 119 388	2 328 198	2 514 996	3 873 800	4 077 957	4 455 998
B	NW381 Ratlou	102 876	110 675	115 357	148 212	158 620	165 777
B	NW382 Tswaing	92 403	101 649	107 070	135 304	144 337	151 974
B	NW383 Mafikeng	198 796	224 700	238 967	306 271	318 623	346 807
B	NW384 Ditsobotla	98 339	111 601	118 756	162 788	168 605	173 097
B	NW385 Ramotshere Moiloa	137 639	151 772	159 888	216 076	207 475	216 228
C	DC38 Ngaka Modiri Molema District Municipality	616 267	698 707	766 482	1 116 573	1 351 640	1 455 102
Total: Ngaka Modiri Molema Municipalities		1 246 320	1 399 104	1 506 520	2 085 224	2 349 300	2 508 985
B	NW392 Naledi	43 507	47 075	49 602	91 491	85 830	91 318
B	NW393 Mamusa	47 502	50 036	51 877	93 631	92 421	96 581
B	NW394 Greater Taung	170 353	175 330	178 014	251 871	252 373	277 471
B	NW396 Lekwa-Teemane	41 695	44 556	46 677	69 152	70 658	78 698
B	NW397 Kagisano-Molopo	103 799	108 496	111 421	169 634	183 562	195 136
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	308 448	338 013	361 371	719 505	759 970	759 068
Total: Dr Ruth Segomotsi Mompati Municipalities		715 304	763 506	798 962	1 395 284	1 444 814	1 498 272
B	NW43 City of Matlosana	354 377	393 806	427 110	537 968	539 944	580 197
B	NW44 Maquassi Hills	102 111	115 250	123 571	178 432	151 032	168 249
b	NW45 Ventersdorp/Tlokwe	209 740	234 327	257 001	342 720	365 684	352 748
C	DC4 Dr Kenneth Kaunda District Municipality	173 676	179 905	185 575	178 673	186 682	189 283
Total: Dr Kenneth Kaunda Municipalities		839 904	923 288	993 257	1 237 793	1 243 342	1 290 477
Total: North West Municipalities		4 920 916	5 414 096	5 813 735	8 592 101	9 115 413	9 753 732

ANNEXURE W7
EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
WESTERN CAPE							
A	CPT City of Cape Town	2 292 908	2 582 306	2 835 569	4 951 527	5 123 099	5 554 474
B	WC11 Matzikama	47 561	52 454	56 696	85 131	98 214	120 046
B	WC12 Cederberg	40 873	45 113	48 716	89 405	102 347	106 422
B	WC13 Bergrivier	37 144	41 503	45 359	55 022	62 234	67 972
B	WC14 Saldanha Bay	71 511	80 637	88 800	101 939	105 850	117 977
B	WC15 Swartland	70 560	82 301	92 184	99 238	107 298	118 315
C	DC1 West Coast District Municipality	84 972	88 303	91 217	89 875	95 142	100 086
Total: West Coast Municipalities		352 621	390 311	422 972	520 610	571 085	630 818
B	WC22 Witzenberg	70 412	84 872	93 510	109 558	126 383	147 189
B	WC23 Drakenstein	120 821	137 935	151 671	165 901	182 530	196 842
B	WC24 Stellenbosch	110 631	124 544	137 145	164 595	178 396	199 048
B	WC25 Breede Valley	98 097	109 299	118 836	157 410	172 847	175 885
B	WC26 Langeberg	65 384	73 248	79 403	107 102	99 198	106 486
C	DC2 Cape Winelands District Municipality	222 739	225 200	231 860	227 672	232 255	235 957
Total: Cape Winelands Municipalities		688 084	755 098	812 425	932 238	991 609	1 061 407
B	WC31 Theewaterskloof	77 911	87 508	95 078	113 991	129 299	143 584
B	WC32 Overstrand	84 223	96 165	105 986	114 403	125 119	143 074
B	WC33 Cape Agulhas	25 190	27 645	29 808	39 989	42 977	51 255
B	WC34 Swellendam	26 201	29 045	31 507	43 259	46 291	53 457
C	DC3 Overberg District Municipality	57 286	67 781	70 043	62 321	74 621	73 911
Total: Overberg Municipalities		270 811	308 144	332 422	373 963	418 307	465 281
B	WC41 Kannaland	24 023	25 909	27 321	58 487	112 012	136 572
B	WC42 Hessequa	37 497	40 959	44 087	54 893	58 992	63 703
B	WC43 Mossel Bay	78 472	85 985	92 943	114 777	121 791	147 061
B	WC44 George	122 613	137 809	151 044	411 060	256 042	257 438
B	WC45 Oudtshoorn	62 683	67 877	72 405	102 206	122 885	152 048
B	WC47 Bitou	74 039	82 976	91 226	121 279	114 067	130 204
B	WC48 Knysna	70 833	78 409	85 140	112 206	120 632	128 698
C	DC4 Eden District Municipality	146 055	151 130	155 816	151 005	157 917	159 630
Total: Eden Municipalities		616 215	671 054	719 982	1 125 913	1 064 338	1 175 354
B	WC51 Laingsburg	13 572	14 948	15 908	25 095	28 290	31 589
B	WC52 Prince Albert	17 652	19 274	20 588	28 961	32 770	39 256
B	WC53 Beaufort West	51 060	56 567	60 766	74 559	84 060	113 156
C	DC5 Central Karoo District Municipality	22 599	28 426	29 394	26 861	34 667	32 626
Total: Central Karoo Municipalities		104 883	119 215	126 656	155 476	179 787	216 627
Total: Western Cape Municipalities		4 325 522	4 826 128	5 250 026	8 059 727	8 348 225	9 103 961
Unallocated					300 281	2 716 476	2 876 465
National Total		57 012 141	62 731 845	67 473 465	108 076 937	116 596 955	125 324 472

1. Includes equitable share formula allocations, RSC levies replacement and special contribution towards councillor remuneration, but excludes the sharing of the general fuel levy with metropolitan municipalities. (See Appendix W1)

APPENDIX W1

APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES

**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR
REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL
MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

(National and Municipal Financial Years)

APPENDIX VI
 APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES
 + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES

Category	Municipality	Equitable Share Formula				RSC Levies Replacement				Special Support for Councillor Remuneration and Ward Committees				BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES				
		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)
KWAZULU-NATAL																		
A	ETH - eThekweni	2.582.776	2.902.498	3.183.088														
B	KZN212 uMkomo	106.285	110.536	113.211														
B	KZN213 uMkomo	111.670	111.670	110.003														
B	KZN214 uMkomo	75.743	79.433	79.433														
B	KZN216 Rep Nkomo	175.566	184.083	191.093														
DC21	Upe District Municipality	342.776	361.451	381.540	68.000	75.204	81.836											
Total Upe Municipalities		846.785	876.780	876.780	68.000	75.204	81.836											
B	KZN221 uMshwati	82.046	85.908	88.530														
B	KZN222 uMgeni	49.902	55.318	59.803														
B	KZN223 uMfolozi	27.323	29.807	31.316														
B	KZN224 uMfolozi	29.876	30.875	31.432														
B	KZN225 uMshinga	468.430	507.022	544.706														
B	KZN226 uMshinga	48.424	52.305	54.927														
B	KZN227 uMshinga	56.504	59.389	61.422														
DC22	uMshinga District Municipality	271.424	241.433	234.153														
Total uMshinga District Municipality		924.247	1.062.157	1.134.113														
B	KZN235 uMshinga	97.139	104.002	104.002														
B	KZN237 uMshinga	134.419	145.543	152.181														
B	KZN238 uMshinga	190.231	205.967	215.338														
DC23	uMshinga District Municipality	304.535	336.327	351.700														
Total uMshinga District Municipality		726.324	790.699	841.424														
B	KZN241 uMshinga	34.646	38.715	41.678														
B	KZN242 uMshinga	109.107	114.801	118.771														
B	KZN244 uMshinga	129.449	136.923	141.987														
B	KZN245 uMshinga	99.167	106.732	112.864														
DC24	uMshinga District Municipality	257.604	281.302	305.763														
Total uMshinga District Municipality		630.063	678.073	720.163														
B	KZN252 Newcastle	318.176	341.372	362.646														
B	KZN253 uMdlange	23.073	24.689	25.660														
B	KZN254 uMdlange	73.893	76.751	78.395														
DC25	uMdlange District Municipality	66.837	71.116	75.351														
Total uMdlange District Municipality		481.979	513.928	542.052														
B	KZN261 eMame	58.429	62.532	65.082														
B	KZN262 uMphongolo	101.423	112.550	118.946														
B	KZN263 uMphongolo	117.393	129.314	137.095														
B	KZN265 uMphongolo	119.891	127.083	131.524														
B	KZN266 uMphongolo	123.308	137.968	147.918														
DC26	uMphongolo District Municipality	320.221	348.230	369.028														
Total uMphongolo District Municipality		850.274	922.673	973.521														
B	KZN271 uMkhayaligama	126.846	137.145	144.530														
B	KZN272 uMkhayaligama	138.631	150.371	157.621														
B	KZN275 uMkhayaligama	124.738	134.300	141.498														
B	KZN276 uMkhayaligama	79.902	87.882	92.861														
DC27	uMkhayaligama District Municipality	295.575	330.645	343.515														
Total uMkhayaligama District Municipality		764.732	840.613	900.561														
B	KZN281 uMkhayaligama	100.220	107.059	111.767														
B	KZN282 uMkhayaligama	292.009	326.318	355.898														
B	KZN284 uMkhayaligama	146.397	153.413	157.976														
B	KZN285 uMkhayaligama	62.087	65.017	66.668														
B	KZN286 uMkhayaligama	77.104	80.618	82.524														
DC28	uMkhayaligama District Municipality	211.987	245.581	261.743														
Total uMkhayaligama District Municipality		889.804	960.650	1.020.714														
B	KZN291 uMkhayaligama	138.392	146.872	154.522														
B	KZN292 uMkhayaligama	147.634	160.991	170.141														
B	KZN293 uMkhayaligama	110.517	120.863	129.545														
B	KZN294 uMkhayaligama	70.965	75.860	79.423														
DC29	uMkhayaligama District Municipality	341.227	384.139	425.238														
Total uMkhayaligama District Municipality		781.540	866.788	937.789														
B	KZN403 Greater Kosiab	43.400	51.186	54.002														
B	KZN404 uMkhayaligama	90.112	95.151	100.191														
B	KZN405 uMkhayaligama	152.345	159.291	164.004														
DC34	uMkhayaligama District Municipality	254.200	275.728	288.297														
Total uMkhayaligama District Municipality		660.258	726.374	766.504														
B	KZN406 uMkhayaligama	101.839	108.524	114.839														
B	KZN407 uMkhayaligama	114.839	122.116	128.401														
B	KZN408 uMkhayaligama	128.401	136.178	143.955														
DC35	uMkhayaligama District Municipality	344.669	366.828	387.195														
Total uMkhayaligama District Municipality		1.029.756	1.094.545	1.154.390														
B	KZN409 uMkhayaligama	114.839	122.116	128.401														
B	KZN410 uMkhayaligama	128.401	136.178	143.955														
B	KZN411 uMkhayaligama	143.955	152.116	160.277														
DC36	uMkhayaligama District Municipality	387.195	400.411	413.627														
Total uMkhayaligama District Municipality		1.074.490	1.151.116	1.226.254														
B	KZN412 uMkhayaligama	128.401	136.178	143.955														
B	KZN413 uMkhayaligama	143.955	152.116	160.277														
B	KZN414 uMkhayaligama	160.277	168.438	176.600														
DC37	uMkhayaligama District Municipality	413.627	426.843	440.059														
Total uMkhayaligama District Municipality		1.146.256	1.220.564	1.294.871														
B	KZN415 uMkhayaligama	128.401	136.178	143.955														
B	KZN416 uMkhayaligama	143.955	152.116	160.277														
B	KZN417 uMkhayaligama	160.277	168.438	176.600														
DC38	uMkhayaligama District Municipality	440.059	453.275	466.491														
Total uMkhayaligama District Municipality		1.172.692	1.247.000	1														

APPENDIX W2

APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

(National and Municipal Financial Years)

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

		Schedule 5, Part B		
		Breakdown of MIG allocations for district municipalities authorised for services		
		National and Municipal Financial Year		
Category	Municipality	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE				
B	EC121 Mbashe	161 101	171 087	181 627
B	EC122 Mnquma	149 755	159 039	168 835
B	EC123 Great Kei	9 104	9 669	10 264
B	EC124 Amahlathi	35 795	38 014	40 356
B	EC126 Ngqushwa	29 375	31 196	33 118
B	EC129 Raymond Mhlaba	46 308	49 179	52 208
C	DC12 Amathole District Municipality			
Total: Amathole Municipalities		431 438	458 184	486 408
B	EC131 Inxuba Yethemba	5 078	5 393	5 725
B	EC135 Intsika Yethu	90 606	96 222	102 150
B	EC136 Emalahleni	45 457	48 275	51 248
B	EC137 Engcobo	83 919	89 121	94 611
B	EC138 Sakhisizwe	20 179	21 430	22 751
B	EC139 Enoch Mgijima	42 101	44 711	47 465
C	DC13 Chris Hani District Municipality			
Total: Chris Hani Municipalities		287 340	305 152	323 950
B	EC141 Elundini	85 286	90 573	96 152
B	EC142 Senqu	58 552	62 182	66 013
B	EC145 Walter Sisulu	10 887	11 562	12 274
C	DC14 Joe Gqabi District Municipality			
Total: Joe Gqabi Municipalities		154 725	164 317	174 439
B	EC153 Ngquza Hill	144 881	153 862	163 340
B	EC154 Port St Johns	82 356	87 461	92 849
B	EC155 Nyandeni	148 243	157 432	167 130
B	EC156 Mhlontlo	93 013	98 778	104 863
B	EC157 King Sabata Dalindyebo	171 725	182 370	193 604
C	DC15 O.R. Tambo District Municipality			
Total: O.R.Tambo Municipalities		640 218	679 903	721 786
B	EC441 Matatiele	91 798	97 488	103 493
B	EC442 Umzimvubu	93 211	98 989	105 086
B	EC443 Mbizana	135 574	143 978	152 847
B	EC444 Ntabankulu	57 407	60 966	64 721
C	DC44 Alfred Nzo District Municipality			
Total: Alfred Nzo Municipalities		377 990	401 421	426 147
Total: Eastern Cape Municipalities		1 891 711	2 008 977	2 132 730
KWAZULU-NATAL				
B	KZN212 uMdoni	43 928	46 651	49 524
B	KZN213 uMzumbhe	78 251	83 101	88 220
B	KZN214 uMuziwabantu	35 028	37 199	39 490
B	KZN216 Ray Nkonyeni	83 273	88 435	93 883
C	DC21 Ugu District Municipality			
Total: Ugu Municipalities		240 480	255 386	271 117
B	KZN221 uMshwathi	27 635	29 348	31 156
B	KZN222 uMngeni	18 289	19 423	20 619
B	KZN223 Mpozana	7 280	7 731	8 207
B	KZN224 iMpindle	10 627	11 285	11 981
B	KZN225 Msunduzi			
B	KZN226 Mkhambathini	18 027	19 144	20 323
B	KZN227 Richmond	16 911	17 959	19 065
C	DC22 uMgungundlovu District Municipality			
Total: uMgungundlovu Municipalities		98 769	104 890	111 351

APPENDIX W2

APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

		Schedule 5, Part B		
		Breakdown of MIG allocations for district municipalities authorised for services		
		National and Municipal Financial Year		
Category	Municipality	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
B	KZN235 Okhahlamba	44 005	46 733	49 611
B	KZN237 iNkosi Langalibalele	59 379	63 060	66 945
B	KZN238 Alfred Duma	78 920	83 812	88 975
C	DC23 uThukela District Municipality			
Total: uThukela Municipalities		182 304	193 605	205 531
B	KZN241 eNdumeni	9 039	9 599	10 191
B	KZN242 Nquthu	47 984	50 958	54 097
B	KZN244 uMsinga	79 377	84 297	89 490
B	KZN245 uMvoti	50 541	53 674	56 980
C	DC24 uMzinyathi District Municipality			
Total: uMzinyathi Municipalities		186 941	198 528	210 758
B	KZN252 Newcastle			
B	KZN253 eMadlangeni	10 234	10 868	11 538
B	KZN254 Dannhauser	26 483	28 125	29 857
C	DC25 Amajuba District Municipality			
Total: Amajuba Municipalities		36 717	38 993	41 395
B	KZN261 eDumbe	15 617	16 585	17 606
B	KZN262 uPhongolo	44 640	47 407	50 327
B	KZN263 AbaQulusi	47 910	50 880	54 014
B	KZN265 Nongoma	70 088	74 433	79 018
B	KZN266 Ulundi	46 470	49 350	52 390
C	DC26 Zululand District Municipality			
Total: Zululand Municipalities		224 725	238 655	253 355
B	KZN271 uMhlabuyalingana	60 110	63 836	67 769
B	KZN272 Jozini	71 924	76 383	81 088
B	KZN275 Mtubatuba	53 998	57 345	60 878
B	KZN276 Big Five Hlabisa	27 877	29 605	31 429
C	DC27 uMkhanyakude District Municipality			
Total: uMkhanyakude Municipalities		213 909	227 169	241 164
B	KZN281 uMfolozi	32 281	34 282	36 394
B	KZN282 uMhlathuze			
B	KZN284 uMlalazi	73 535	78 093	82 904
B	KZN285 Mthonjaneni	28 204	29 952	31 797
B	KZN286 Nkandla	34 918	37 083	39 367
C	DC28 King Cetshwayo District Municipality			
Total: King Cetshwayo Municipalities		168 938	179 410	190 462
B	KZN291 Mandeni	41 707	44 292	47 021
B	KZN292 KwaDukuza	62 478	66 351	70 438
B	KZN293 Ndwedwe	43 691	46 400	49 258
B	KZN294 Maphumulo	43 249	45 930	48 760
C	DC29 iLembe District Municipality			
Total: iLembe Municipalities		191 125	202 973	215 477
B	KZN433 Greater Kokstad	10 333	10 974	11 650
B	KZN434 uBuhlebezwe	47 029	49 944	53 021
B	KZN435 uMzimkhulu	96 707	102 702	109 028
B	KZN436 Dr Nkosazana Dlamini Zuma	45 475	48 294	51 269
C	DC43 Harry Gwala District Municipality			
Total: Harry Gwala Municipalities		199 544	211 914	224 968
Total: KwaZulu-Natal Municipalities		1 743 452	1 851 523	1 965 578

APPENDIX W2
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Category		Municipality		Schedule 5, Part B		
				Breakdown of MIG allocations for district municipalities authorised for services		
				National and Municipal Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)		
LIMPOPO						
B	LIM331	Greater Giyani	114 760	121 874	129 381	
B	LIM332	Greater Letaba	90 845	96 476	102 420	
B	LIM333	Greater Tzaneen	180 970	192 188	204 027	
B	LIM334	Ba-Phalaborwa	32 244	34 243	36 352	
B	LIM335	Maruleng	38 929	41 342	43 889	
C	DC33	Mopani District Municipality				
Total: Mopani Municipalities			457 748	486 123	516 069	
B	LIM341	LIM341	28 106	29 848	31 687	
B	LIM343	LIM343	189 422	201 164	213 556	
B	LIM344	Makhado	161 774	171 802	182 385	
B	LIM345	LIM 345	140 058	148 740	157 902	
C	DC34	Vhembe District Municipality				
Total: Vhembe Municipalities			519 360	551 554	585 530	
B	LIM351	Blouberg	81 125	86 154	91 461	
B	LIM353	Molemole	54 123	57 478	61 018	
B	LIM354	Polokwane				
B	LIM355	Lepele-Nkumpi	94 789	100 664	106 865	
C	DC35	Capricorn District Municipality				
Total: Capricorn Municipalities			230 037	244 296	259 344	
B	LIM471	Ephraim Mogale	47 552	50 500	53 611	
B	LIM472	Elias Motsaedi	114 817	121 934	129 445	
B	LIM473	Makhuduthamaga	131 041	139 164	147 737	
B	LIM476	LIM 476	185 632	197 139	209 283	
C	DC47	Sekhukhune District Municipality				
Total: Sekhukhune Municipalities			479 042	508 737	540 076	
Total: Limpopo Municipalities			1 686 187	1 790 710	1 901 019	
NORTH WEST						
B	NW381	Ratlou	49 287	52 342	55 566	
B	NW382	Tswaing	38 085	40 446	42 937	
B	NW383	Mafikeng	110 136	116 964	124 169	
B	NW384	Ditsobotla	45 556	48 380	51 361	
B	NW385	Ramotshere Moiloa	56 976	60 507	64 235	
C	DC38	Ngaka Modiri Molema District Municipality				
Total: Ngaka Modiri Molema Municipalities			300 040	318 639	338 268	
B	NW392	Naledi	11 716	12 443	13 209	
B	NW393	Mamusa	9 999	10 619	11 273	
B	NW394	Greater Taung	72 942	77 463	82 235	
B	NW396	Lekwa-Teemane	4 045	4 296	4 560	
B	NW397	Kagisano-Molopo	37 200	39 506	41 940	
C	DC39	Dr Ruth Segomotsi Mompati District Municipality				
Total: Dr Ruth Segomotsi Mompati Municipalities			135 902	144 327	153 217	
Total: North West Municipalities			435 942	462 966	491 485	
National Total			5 757 292	6 114 176	6 490 812	

APPENDIX W3

**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY
(National and Municipal Financial Years)**

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

Category	Municipality	Project	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE					
B	EC129	Raymond Mhlaba	Upgrading of sports facilities and install irrigation system and security booth	5 000	
Total: Amathole Municipalities			5 000		
B	EC138	Sakhisizwe	Construction of sports facilities, multi-purpose sports courts, irrigation system and a pavilion	12 500	
Total: Chris Hani Municipalities			12 500		
B	EC145	Walter Sisulu	Construction of sports facilities, multi-purpose sports courts, irrigation system and installation of floodlights	10 821	
Total: Joe Gqabi Municipalities			10 821		
B	EC443	Mbizana	Construction of sports facilities, multi-purpose sports courts, multi-purpose hall and install irrigation system and security booth	12 000	
Total: Alfred Nzo Municipalities			12 000		
Total: Eastern Cape Municipalities			40 321		
FREE STATE					
B	FS162	Kopanong	Construction and rehabilitation of sports facilities and multi-purpose sports courts	9 200	
Total: Xhariep Municipalities			9 200		
B	FS185	Nala	Upgrading of sports facilities and sport parks	4 373	
Total: Lejweleputswa Municipalities			4 373		
B	FS195	Phumelela	Construction of sports facilities, a pavilion, caretaker house and change rooms	9 604	
Total: Thabo Mofutsanyana Municipalities			9 604		
B	FS23	Ngwathe	Construction of sports facilities and multi-purpose sports courts	7 412	
B	FS25	Mafube	Upgrading of sports facilities	4 308	
Total: Fezile Dabi Municipalities			11 720		
Total: Free State Municipalities			34 897		
GAUTENG					
B	GT421	Emfuleni	Upgrading of sports facilities, pavilion, installation of underground water supply pipes and construction of the security booth	9 593	
B	GT423	Lesedi	Construction of sports facilities, multi-purpose sports courts, community centre, irrigation system and installation of floodlights	15 108	
Total: Sedibeng Municipalities			24 702		
B	GT485	Rand West City	Construction of sports facilities, a multi-purpose sport and recreation community centre and security upgrades	8 172	
Total: West Rand Municipalities			8 172		
Total: Gauteng Municipalities			32 873		
KWAZULU-NATAL					
B	KZN221	uMshwathi	Construction of sports facilities, multi-purpose sports courts, community centre, irrigation system and installation of floodlights	11 000	
Total: uMgungundlovu Municipalities			11 000		
B	KZN242	Nquthu	Construction of sports facilities, multi-purpose sports courts, community centre, irrigation system, installation of floodlights and security booth	11 000	
Total: uMzinyathi Municipalities			11 000		
B	KZN265	Nongoma	Construction of sports facilities, multi-purpose sports courts, irrigation system and repairing floodlights	11 000	
Total: Zululand Municipalities			11 000		
B	KZN293	Ndwedwe	Upgrading of sports facilities, multi-purpose sports courts and children's play area	11 000	
Total: iLembe Municipalities			11 000		
Total: KwaZulu-Natal Municipalities			44 000		
LIMPOPO					
B	LIM332	Greater Letaba	Construction multi-purpose sports courts, guardhouse and connection to municipal services	2 564	
B	LIM334	Ba-Phalaborwa	Construction and refurbishment of sports facilities and multi-purpose sports courts	7 084	
Total: Mopani Municipalities			9 648		
B	LIM354	Polokwane	Construction of artificial sports facilities, irrigation system and installation of floodlights	7 764	
B	LIM355	Lepele-Nkumpi	Construction of sports and ablution facilities, irrigation system and installation of floodlights	5 137	
Total: Capricorn Municipalities			12 901		
B	LIM471	Ephraim Mogale	Construction of multi-purpose sports courts, parking area and refurbishment of sports facilities	10 832	
Total: Sekhukhune Municipalities			10 832		
Total: Limpopo Municipalities			33 381		

APPENDIX W3
APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT
RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY

Category	Municipality	Project	Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
			National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
MPUMALANGA					
B	MP33 Mkhondo	Refurbishment of multi-purpose sports courts	2 500		
B	MP34 Pixley Ka Seme	Construction of multi-purpose sports courts	2 500		
Total: Gert Sibande Municipalities			5 000		
B	MP315 Thembisile Hani	Construction of sports facilities, multi-purpose sports courts and community centre	5 904		
Total: Nkangala Municipalities			5 904		
B	MP324 Nkomazi	Construction of sports facilities and multi-purpose sports courts	4 654		
B	MP325 Bushbuckridge	Construction and upgrading of sports facilities and multi-purpose sports courts	13 096		
Total: Ehlanzeni Municipalities			17 750		
Total: Mpumalanga Municipalities			28 654		
NORTHERN CAPE					
B	NC65 Hantam	Construction of sports facilities and multi-purpose sports courts	6 867		
Total: Namakwa Municipalities			6 867		
B	NC78 Siyancuma	Construction of sports facilities and multi-purpose sports courts	6 867		
Total: Pixley Ka Seme Municipalities			6 867		
B	NC91 Sol Plaatjie	Construction of sports facilities and multi-purpose sports courts	6 867		
Total: Frances Baard Municipalities			6 867		
Total: Northern Cape Municipalities			20 600		
NORTH WEST					
B	NW371 Moretele	Construction of sports facilities, multi-purpose sports courts and clubhouse	15 000		
Total: Bojanala Platinum Municipalities			15 000		
B	NW385 Ramotshere Moiloa	Upgrading of sports facilities	7 274		
Total: Ngaka Modiri Molema Municipalities			7 274		
B	NW394 Greater Taung	Construction of sports and ablution facilities, multi-purpose sports courts and clubhouse	15 000		
Total: Dr Ruth Segomotsi Mompati Municipalities			15 000		
Total: North West Municipalities			37 274		
WESTERN CAPE					
B	WC26 Langeberg	Upgrading of sports facilities and multi-purpose sports courts	15 000		
Total: Cape Winelands Municipalities			15 000		
B	WC47 Bitou	Construction of sports and ablution facilities, a pavilion and a clubhouse	13 000		
Total: Eden Municipalities			13 000		
Total: Western Cape Municipalities			28 000		
Unallocated				300 000	300 000
National Total			300 000	300 000	300 000

APPENDIX W4

**APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT
FOR MUNICIPALITIES**

(National and Municipal Financial Years)

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2017/18	National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE					
A	BUF Buffalo City	1 589	4 952		
A	NMA Nelson Mandela Bay	1 879	4 807		
B	EC11 Dr Beyers Naude	51	1 383		
B	EC12 Blue Crane Route	36	1 000		
B	EC14 Makana	57	1 000		
B	EC15 Ndlambe	63	1 000		
B	EC16 Sundays River Valley	60	1 000		
B	EC18 Kouga	72	1 000		
B	EC19 Kou-Kamma	38	1 000		
C	DC1 Cacadu District Municipality	7	1 000		
Total: Cacadu Municipalities		384	8 383		
B	EC121 Mbashe	151	4 236		
B	EC122 Mquma	145	2 316		
B	EC123 Great Kei	31	1 263		
B	EC124 Amahlathi	67	1 389		
B	EC126 Ngqushwa	56	1 531		
B	EC129 Raymond Mhlaba	92	1 662		
C	DC12 Amathole District Municipality	905	1 527		
Total: Amathole Municipalities		1 447	13 924		
B	EC131 Inxuba Yethemba	40	1 079		
B	EC135 Intsika Yethu	105	2 520		
B	EC136 Emalahleni	78	1 308		
B	EC137 Engcobo	88	1 391		
B	EC138 Sakhisizwe	44	1 108		
B	EC139 Enoch Mgijima	144	4 889		
C	DC13 Chris Hani District Municipality	670	10 037		
Total: Chris Hani Municipalities		1 169	22 332		
B	EC141 Elundini	98	2 649		
B	EC142 Senqu	89	1 536		
B	EC145 Walter Sisulu	50	1 619		
C	DC14 Joe Gqabi District Municipality	343	2 227		
Total: Joe Gqabi Municipalities		580	8 031		
B	EC153 Ngquza Hill	125	1 880		
B	EC154 Port St Johns	81	1 501		
B	EC155 Nyandeni	134	1 291		
B	EC156 Mhlontlo	100	1 417		
B	EC157 King Sabata Dalindyebo	202	3 584		
C	DC15 O.R. Tambo District Municipality	1 353	4 811		
Total: O.R.Tambo Municipalities		1 995	14 484		
B	EC441 Matatiele	120	2 780		
B	EC442 Umzimvubu	112	2 537		
B	EC443 Mbizana	110	1 704		
B	EC444 Ntabankulu	71	2 311		
C	DC44 Alfred Nzo District Municipality	853	10 280		
Total: Alfred Nzo Municipalities		1 266	19 612		
Total: Eastern Cape Municipalities		10 309	96 525		

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2017/18	National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
FREE STATE					
A	MAN Mangaung	1 593	7 629		
B	FS161 Letsmeng	43	1 000		
B	FS162 Kopanong	50	1 000		
B	FS163 Mohokare	44	1 000		
C	DC16 Xhariep District Municipality	7	1 000		
Total: Xhariep Municipalities		144	4 000		
B	FS181 Masilonyana	55	1 000		
B	FS182 Tokologo	41	1 000		
B	FS183 Tswelopele	41	1 000		
B	FS184 Matjhabeng	252	1 000		
B	FS185 Nala	68	1 000		
C	DC18 Lejweleputswa District Municipality	7	1 000		
Total: Lejweleputswa Municipalities		464	6 000		
B	FS191 Setsoto	110	1 889		
B	FS192 Dihlabeng	86	1 000		
B	FS193 Nketoana	59	1 000		
B	FS194 Maluti-a-Phofung	370	5 219		
B	FS195 Phumelela	50	1 000		
B	FS196 Mantsopa	48	1 000		
C	DC19 Thabo Mofutsanyana District Municipality	14	2 142		
Total: Thabo Mofutsanyana Municipalities		737	13 250		
B	FS21 Moqhaka	90	1 000		
B	FS23 Ngwathe	93	1 000		
B	FS24 Metsimaholo	99	1 000		
B	FS25 Mafube	53	1 000		
C	DC2 Fezile Dabi District Municipality				
Total: Fezile Dabi Municipalities		335	4 000		
Total: Free State Municipalities		3 273	34 879		
GAUTENG					
A	EKU Ekurhuleni	4 321	44 718		
A	JHB City of Johannesburg	3 895	17 421		
A	TSH City of Tshwane	3 412	20 451		
B	GT421 Emfuleni	367	2 847		
B	GT422 Midvaal	72	1 119		
B	GT423 Lesedi	63	1 324		
C	DC42 Sedibeng District Municipality	17	2 490		
Total: Sedibeng Municipalities		519	7 780		
B	GT481 Mogale City	244	4 917		
B	GT484 Merafong City	176	1 470		
B	GT485 Rand West City	137	2 673		
C	DC48 West Rand District Municipality	7	1 000		
Total: West Rand Municipalities		564	10 060		
Total: Gauteng Municipalities		12 711	100 430		

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2017/18	National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
KWAZULU-NATAL					
A	ETH eThekweni	4 459	66 792		
B	KZN212 uMdoni	70	1 000		
B	KZN213 uMzumbane	79	1 291		
B	KZN214 uMuziwabantu	55	1 006		
B	KZN216 Ray Nkonyeni	149	3 306		
C	DC21 Ugu District Municipality	519	1 956		
Total: Ugu Municipalities		872	8 559		
B	KZN221 uMshwathi	71	2 065		
B	KZN222 uMngeni	54	1 000		
B	KZN223 Mpofana	32	1 000		
B	KZN224 iMpindle	34	1 460		
B	KZN225 Msunduzi	470	8 022		
B	KZN226 Mkhambathini	40	1 089		
B	KZN227 Richmond	48	1 443		
C	DC22 uMgungundlovu District Municipality	225	1 428		
Total: uMgungundlovu Municipalities		974	17 507		
B	KZN235 Okhahlamba	84	3 911		
B	KZN237 iNkosi Langalibalele	111	5 133		
B	KZN238 Alfred Duma	149	3 347		
C	DC23 uThukela District Municipality	412	3 724		
Total: uThukela Municipalities		756	16 115		
B	KZN241 eNdumeni	39	1 218		
B	KZN242 Nquthu	71	1 003		
B	KZN244 uMsinga	109	4 775		
B	KZN245 uMvoti	68	1 007		
C	DC24 uMzinyathi District Municipality	410	2 444		
Total: uMzinyathi Municipalities		697	10 447		
B	KZN252 Newcastle	264	4 166		
B	KZN253 eMadlangeni	26	1 000		
B	KZN254 Dannhauser	52	1 000		
C	DC25 Amajuba District Municipality	98	1 789		
Total: Amajuba Municipalities		440	7 955		
B	KZN261 eDumbe	46	1 389		
B	KZN262 uPhongolo	89	4 678		
B	KZN263 Abaqulusi	86	1 505		
B	KZN265 Nongoma	72	1 039		
B	KZN266 Ulundi	83	2 995		
C	DC26 Zululand District Municipality	512	5 760		
Total: Zululand Municipalities		888	17 366		
B	KZN271 uMhlabuyalingana	100	4 165		
B	KZN272 Jozini	98	3 156		
B	KZN275 Mtubatuba	75	1 558		
B	KZN276 Big Five Hlabisa	58	2 051		
C	DC27 uMkhanyakude District Municipality	457	1 008		
Total: uMkhanyakude Municipalities		788	11 938		
B	KZN281 uMfolozi	64	1 418		
B	KZN282 uMhlathuze	253	4 143		
B	KZN284 uMlalazi	103	2 985		
B	KZN285 Mthonjaneni	52	2 222		
B	KZN286 Nkandla	69	3 210		
C	DC28 King Cetshwayo District Municipality	392	5 032		
Total: King Cetshwayo Municipalities		933	19 010		
B	KZN291 Mandeni	88	2 285		
B	KZN292 KwaDukuza	116	1 565		
B	KZN293 Ndwedwe	73	1 768		
B	KZN294 Maphumulo	56	1 529		
C	DC29 iLembe District Municipality	412	1 000		
Total: iLembe Municipalities		745	8 147		
B	KZN433 Greater Kokstad	42	1 000		
B	KZN434 uBuhlebezwe	62	1 000		
B	KZN435 uMzimkhulu	102	1 923		
B	KZN436 Dr Nkosazana Dlamini Zuma	69	1 877		
C	DC43 Harry Gwala District Municipality	432	1 718		
Total: Harry Gwala Municipalities		707	7 518		
Total: KwaZulu-Natal Municipalities		12 259	191 354		

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2017/18	National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
LIMPOPO					
B	LIM331 Greater Giyani	154	4 364		
B	LIM332 Greater Letaba	135	2 384		
B	LIM333 Greater Tzaneen	227	4 918		
B	LIM334 Ba-Phalaborwa	73	1 000		
B	LIM335 Maruleng	63	1 124		
C	DC33 Mopani District Municipality	964	1 725		
Total: Mopani Municipalities		1 616	15 515		
B	LIM341 LIM341	67	1 013		
B	LIM343 LIM343	222	2 543		
B	LIM344 Makhado	198	2 048		
B	LIM345 LIM 345	176	1 000		
C	DC34 Vhembe District Municipality	1 088	1 316		
Total: Vhembe Municipalities		1 751	7 920		
B	LIM351 Blouberg	101	1 562		
B	LIM353 Molemole	79	1 000		
B	LIM354 Polokwane	748	4 978		
B	LIM355 Lepele-Nkumpi	119	1 160		
C	DC35 Capricorn District Municipality	517	5 080		
Total: Capricorn Municipalities		1 564	13 780		
B	LIM361 Thabazimbi	69	1 008		
B	LIM362 Lephale	90	1 215		
B	LIM366 Bela-Bela	56	1 000		
B	LIM367 Mogalakwena	309	1 093		
B	LIM368 LIM 368	80	1 160		
C	DC36 Waterberg District Municipality	7	1 000		
Total: Waterberg Municipalities		611	6 476		
B	LIM471 Ephraim Mogale	79	1 447		
B	LIM472 Elias Motsoaledi	123	1 444		
B	LIM473 Makhuduthamaga	136	1 158		
B	LIM476 LIM 476	183	1 279		
C	DC47 Sekhukhune District Municipality	1 000	1 085		
Total: Sekhukhune Municipalities		1 521	6 413		
Total: Limpopo Municipalities		7 063	50 104		
MPUMALANGA					
B	MP31 Albert Luthuli	189	1 477		
B	MP32 Msukaligwa	118	1 458		
B	MP33 Mkhondo	183	3 350		
B	MP34 Pixley Ka Seme	66	1 759		
B	MP35 Lekwa	66	1 013		
B	MP36 Dipaleseng	50	1 706		
B	MP37 Govan Mbeki	147	4 244		
C	DC3 Gert Sibande District Municipality	30	4 459		
Total: Gert Sibande Municipalities		849	19 466		
B	MP311 Victor Khanye	66	2 275		
B	MP312 Emalahleni	259	1 717		
B	MP313 Steve Tshwete	137	5 270		
B	MP314 Emakhazeni	46	1 290		
B	MP315 Thembisile Hani	271	2 560		
B	MP316 Dr JS Moroka	280	3 246		
C	DC31 Nkangala District Municipality	28	4 182		
Total: Nkangala Municipalities		1 087	20 540		
B	MP321 Thaba Chweu	112	1 909		
B	MP324 Nkomazi	517	7 174		
B	MP325 Bushbuckridge	841	9 355		
B	MP326 City of Mbombela	742	6 714		
C	DC32 Ehlanzeni District Municipality	29	4 355		
Total: Ehlanzeni Municipalities		2 241	29 507		
Total: Mpumalanga Municipalities		4 177	69 513		

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

Category		Municipality	Expanded Public Works Programme Integrated Grant for Municipalities			
			FTE Target for 2017/18	National and Municipal Financial Year		
				2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
NORTHERN CAPE						
B	NC61	Richtersveld	22	1 000		
B	NC62	Nama Khoi	37	1 000		
B	NC64	Kamiesberg	22	1 000		
B	NC65	Hantam	27	1 000		
B	NC66	Karoo Hoogland	23	1 000		
B	NC67	Khâi-Ma	23	1 000		
C	DC6	Namakwa District Municipality	7	1 000		
Total: Namakwa Municipalities			161	7 000		
B	NC71	Ubuntu	27	1 000		
B	NC72	Umsobomvu	30	1 000		
B	NC73	Emthanjeni	32	1 086		
B	NC74	Kareeberg	23	1 000		
B	NC75	Renosterberg	22	1 000		
B	NC76	Thembelihle	26	1 000		
B	NC77	Siyathemba	27	1 000		
B	NC78	Siyancuma	41	1 000		
C	DC7	Pixley Ka Seme District Municipality	7	1 000		
Total: Pixley Ka Seme Municipalities			235	9 086		
B	NC82	!Kai !Garib	53	1 000		
B	NC84	!Kheis	29	1 000		
B	NC85	Tsantsabane	39	1 000		
B	NC86	Kgatelopele	23	1 000		
B	NC87	Dawid Kruiper	59	1 161		
C	DC8	Siyanda District Municipality	7	1 000		
Total: Siyanda Municipalities			210	6 161		
B	NC91	Sol Plaatjie	134	4 762		
B	NC92	Dikgatlong	47	1 000		
B	NC93	Magareng	30	1 000		
B	NC94	Phokwane	61	1 000		
C	DC9	Frances Baard District Municipality	8	1 168		
Total: Frances Baard Municipalities			280	8 930		
B	NC451	Joe Morolong	132	1 000		
B	NC452	Ga-Segonyana	118	1 000		
B	NC453	Gamagara	33	1 158		
C	DC45	John Taolo Gaetsewe District Municipality	7	1 000		
Total: John Taolo Gaetsewe Municipalities			290	4 158		
Total: Northern Cape Municipalities			1 176	35 335		
NORTH WEST						
B	NW371	Moretele	233	1 544		
B	NW372	Madibeng	556	2 591		
B	NW373	Rustenburg	461	4 249		
B	NW374	Kgetlengrivier	58	1 362		
B	NW375	Moses Kotane	296	1 000		
C	DC37	Bojanala Platinum District Municipality	12	1 747		
Total: Bojanala Platinum Municipalities			1 616	12 493		
B	NW381	Ratlou	73	1 997		
B	NW382	Tswaing	68	1 182		
B	NW383	Mafikeng	169	6 444		
B	NW384	Ditsobotla	83	1 208		
B	NW385	Ramotshere Moiloa	83	1 091		
C	DC38	Ngaka Modiri Molema District Municipality	638	1 299		
Total: Ngaka Modiri Molema Municipalities			1 114	13 221		
B	NW392	Naledi	50	2 224		
B	NW393	Mamusa	40	1 245		
B	NW394	Greater Taung	107	1 309		
B	NW396	Lekwa-Teemane	38	1 188		
B	NW397	Kagisano-Molopo	84	3 225		
C	DC39	Dr Ruth Segomotsi Mompati District Municipality	324	4 842		
Total: Dr Ruth Segomotsi Mompati Municipalities			643	14 033		
B	NW43	City of Matlosana	195	2 246		
B	NW44	Maquassi Hills	65	1 000		
b	NW45	Ventersdorp/Tlokwe	163	3 868		
C	DC4	Dr Kenneth Kaunda District Municipality	9	1 292		
Total: Dr Kenneth Kaunda Municipalities			432	8 406		
Total: North West Municipalities			3 805	48 153		

APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2017/18	National and Municipal Financial Year		
			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
WESTERN CAPE					
A	CPT City of Cape Town	3 123	14 183		
B	WC11 Matzikama	53	1 406		
B	WC12 Cederberg	44	1 807		
B	WC13 Bergrivier	41	1 601		
B	WC14 Saldanha Bay	50	1 500		
B	WC15 Swartland	53	1 404		
C	DC1 West Coast District Municipality	7	1 100		
Total: West Coast Municipalities		248	8 818		
B	WC22 Witzenberg	56	1 485		
B	WC23 Drakenstein	88	2 456		
B	WC24 Stellenbosch	106	4 820		
B	WC25 Breede Valley	85	2 093		
B	WC26 Langeberg	58	1 866		
C	DC2 Cape Winelands District Municipality	7	1 000		
Total: Cape Winelands Municipalities		400	13 720		
B	WC31 Theewaterskloof	65	1 621		
B	WC32 Overstrand	60	2 300		
B	WC33 Cape Agulhas	30	1 131		
B	WC34 Swellendam	33	1 291		
C	DC3 Overberg District Municipality	8	1 142		
Total: Overberg Municipalities		196	7 485		
B	WC41 Kannaland	28	1 000		
B	WC42 Hessequa	35	1 033		
B	WC43 Mossel Bay	64	2 291		
B	WC44 George	109	4 001		
B	WC45 Oudtshoorn	65	2 911		
B	WC47 Bitou	56	2 232		
B	WC48 Knysna	60	1 415		
C	DC4 Eden District Municipality	9	1 280		
Total: Eden Municipalities		426	16 163		
B	WC51 Laingsburg	20	1 031		
B	WC52 Prince Albert	22	1 000		
B	WC53 Beaufort West	40	1 659		
C	DC5 Central Karoo District Municipality	7	1 095		
Total: Central Karoo Municipalities		89	4 785		
Total: Western Cape Municipalities		4 482	65 154		
Unallocated					
National Total		59 255	691 447		

APPENDIX W5

**APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER
PROJECT**

(National and Municipal Financial Years)

APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Schedule 5, Part B					Schedule 6, Part B					
			Water Service Authority		Benefiting Municipality			National and Municipal Financial Year					
			Nelson Mandela Bay Metropolitan Municipality		Nelson Mandela Bay Metropolitan Municipality			2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE													
	Noogedag Bulk Water Supply	A, NMA	Nelson Mandela Bay Metropolitan Municipality		Nelson Mandela Bay Metropolitan Municipality						92 005	160 000	185 000
			Total: Nelson Mandela Bay Metropolitan Municipality								92 005	160 000	185 000
ECR042	Ikezi Bulk Water Supply	B	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality						5 000	17 000	2 000
ECR041	Misgund Bulk Water Supply	B	EC109	Koukamma Local Municipality	Koukamma Local Municipality						5 000	4 000	1 000
ECR047	James Klopans Bulk Water Supply (BWS)	B	EC104	Makana Local Municipality	Makana Local Municipality						25 000	25 000	15 000
EC NEW	Belmont Waste Water Treatment Works (WWTW)	B	EC104	Makana Local Municipality	Makana Local Municipality						9 000	6 000	15 000
BEP	Makana Bulk Sewer	B	EC104	Makana Local Municipality	Makana Local Municipality						12 000		
EC NEW	Mayfield Waste Water Treatment Works	B	EC104	Makana Local Municipality	Makana Local Municipality						5 000	20 000	8 000
ECR038	Graaf-Reinet Emergency Water Supply Scheme (WSS)	B	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality						25 000	10 000	3 500
ECR037	Ndlambe Dam/ Albany Coast BWS (Grahamstown & Port Alfred Augmentation)	B	EC105	Ndlambe Local Municipality	Ndlambe Local Municipality						25 000		
ECR024	Sundays River - Paterson Bulk Water Supply	B	EC106	Sundays River Valley Local Municipality	Sundays River Valley Local Municipality						1 000		
ECR043	Kirkwood Water Treatment Works	B	EC106	Sundays River Valley Local Municipality	Sundays River Valley Local Municipality						5 000		
ECR039	Steylerville Water Supply Scheme	B	EC101	Dr Beyers Naude Local Municipality	Dr Beyers Naude Local Municipality						2 000	11 000	2 000
			Total: Sarah Baartman Municipalities								119 000	93 000	46 500
ECR015	Xhosa East Water Supply	C	DC12	Amahole District Municipality	Mbashe Local Municipality						53 363	26 000	3 193
ECR006	Sundwana Water Supply	C	DC12	Amahole District Municipality	Mbashe Local Municipality						5 000	20 000	15 000
	Ibika Water Supply	C	DC12	Amahole District Municipality	Mbashe Local Municipality						4 000	5 000	20 000
	Nqunakhehe Bulk Water Supply	C	DC12	Amahole District Municipality	Mbashe Local Municipality						4 000	5 000	20 000
			Total: Amahole Municipalities								62 363	51 000	38 193
ECR033	Cluster 4 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality	Engobo Local Municipality						45 000	8 000	
ECR028	Cluster 6 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality	Engobo Local Municipality						35 000	5 000	
ECR029	Cluster 9 CHDM Bulk Water Supply	C	DC13	Chris Hani District Municipality	Engobo Local Municipality						75 000	7 000	
ECR002	Xonxa Bulk Water Supply	C	DC13	Chris Hani District Municipality	Engobo Local Municipality						7 000	5 000	
	Middleburg Ground Water Supply	C	DC13	Chris Hani District Municipality	Enoch Mgijima Local Municipality						6 000	3 000	
ECR005	Hofmeyr Ground Water Supply	C	DC13	Chris Hani District Municipality	Enoch Mgijima Local Municipality						1 500		
			Total: Chris Hani Municipalities								208 500	132 000	25 000
ECR046	Lady Grey Bulk Water Supply	C	DC14	Joe Gqabi District Municipality	Senqo Local Municipality						3 000	10 000	
	Serkspruit Waste Water Treatment Works	C	DC14	Joe Gqabi District Municipality	Senqo Local Municipality						3 000	20 000	
			Total: Joe Gqabi Municipalities								6 000	23 000	40 000
ECR019	O.R. Tambo, Mhatha, King Sabata Dalindyebo Water Supply	C	DC15	O.R. Tambo District Municipality	King Sabata Dalindyebo Local Municipality						2 500	7 000	
ECR045	O.R. Tambo, Mhatha, King Sabata Dalindyebo Sanitation	C	DC15	O.R. Tambo District Municipality	King Sabata Dalindyebo Local Municipality						325 000	334 533	300 000
			Total: O.R. Tambo Municipalities								327 500	341 533	313 000
ECR001	Matatiele Bulk Water Supply Scheme	C	DC44	Alfred Nzo District Municipality	Matatiele Local Municipality						20 000	2 000	8 000
EC NEW	Kinira Regional BWS	C	DC44	Alfred Nzo District Municipality	Matatiele Local Municipality						2 000	2 000	2 000
ECR 044	Niabankulu Bulk Water Supply	C	DC44	Alfred Nzo District Municipality	Niabankulu Local Municipality						2 000	2 000	10 000
EC NEW	Mount Ayiff Bulk Peri Urban Water Supply	C	DC44	Alfred Nzo District Municipality	Umtzavubu Local Municipality						15 000	75 441	35 000
EC NEW	Mkemma Regional Bulk WSS	C	DC44	Alfred Nzo District Municipality	Umtzavubu Local Municipality						1 000	2 000	15 000
			Total: Alfred Nzo Municipalities								40 000	83 441	68 000
			Total: Eastern Cape Municipalities								542 000	496 533	378 000
			Total: Eastern Cape Municipalities								313 368	387 441	337 693

**APPENDIX W5
 APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Schedule 5, Part B				Schedule 6, Part B			
			Water Service Authority		Benefiting Municipality		National and Municipal Financial Year		2019/20	
			2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2019/20	2019/20
			(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
FREE STATE										
FSR002	Welbedacht Pipeline	A MAN	Mangung Metropolitan Municipality					90 000	109 000	274 832
FSR005	Devetsdorp Outfall Sewer Line	A MAN	Mangung Metropolitan Municipality					3 141	109 000	274 832
		Total: Mangung Metro						93 141	109 000	274 832
FSR001	Jagersfontein / Fauresmith Bulk Water Supply	B FSI162	Kopanong Local Municipality					3 000		
FSR005	Rouxville / Smithfield / Zastron Bulk Water Supply	B FSI163	Mohaleke Local Municipality	20 000	30 000	20 000	20 000			
	Rouxville Outfall Sewer	B FSI163	Mohaleke Local Municipality	20 000	30 000	20 000	20 000			
		Total: Xhariep Municipalities						4 685		
FSR011	Masiloayana Bulk Water Supply	B FSI181	Masiloayana Local Municipality	15 000	30 000	50 000	50 000	1 500	13 493	20 000
FSR040	Masiloayana Bulk Sewer (Brandfontein/Winburg)	B FSI181	Masiloayana Local Municipality					45 000	40 000	50 000
FSR008	Tokologo Regional Water Supply 2	B FSI182	Tokologo Local Municipality					8 500		
BEP	Deaterville Construction of a sewer Mains- 200mm	B FSI182	Tokologo Local Municipality					1 740		
BEP	Herzogsville Outfall Sewer + Pumpstation	B FSI182	Tokologo Local Municipality						225	
BEP	Boshoff Outfall Sewer	B FSI182	Tokologo Local Municipality						3 282	
BEP	Herzogsville Outfall Sewer	B FSI182	Tokologo Local Municipality					25 000	20 000	
BEP	Herzogsville Bulk Water Supply	B FSI183	Tswelopele Local Municipality					3 000	5 138	50 000
FSR038	Tswelopele Bulk Water Supply	B FSI184	Matjhabeng Local Municipality					1 000		
BEP	Matjhabeng Bulk Sewer (Welkom)	B FSI185	Nala Local Municipality							
	Nala Bulk Sewer	B FSI185	Nala Local Municipality							
		Total: Lejweletswena Municipalities						15 000	85 740	120 000
FSR013	Setosoto Bulk Water Supply	B FSI191	Setosoto Local Municipality	20 000	20 000	10 000	10 000	70 000		
BEP	Cloofaan Construction of Sewer Main (200mm-400mm)	B FSI191	Setosoto Local Municipality					50 000		
BEP	Senskal Construction of a Sewer Mains (200mm-400mm)	B FSI191	Setosoto Local Municipality						25 000	
BEP	Senskal Construction of a Pumpstation	B FSI191	Setosoto Local Municipality					47 299		
FSR003	Ficksburg Outfall Sewer and Pumpstation	B FSI192	Ditlabeng Local Municipality					15 000	10 000	20 000
FSR012	Ditlabeng Bulk Water Supply	B FSI193	Nketoana Local Municipality					30 000	40 000	40 000
FSR031	Nketoana Regional Water Supply	B FSI196	Mantsopa Local Municipality					1 000	20 000	1 000
BEP	Mantsopa Bulk Sewer (Ladybrand)	B FSI193	Nketoana Local Municipality					5 000		
BEP	RS128-Reitz and Lindley Cons Grey PL	B FSI193	Nketoana Local Municipality					5 947		
BEP	Perus Sign Refurbishment of a Package Plant	B FSI193	Nketoana Local Municipality					27 059		
BEP	Perus Sign Outfall Sewer	B FSI193	Nketoana Local Municipality						25 000	
BEP	Arlington Grey Water Package Plant	B FSI193	Nketoana Local Municipality					30 000	40 000	40 000
FSR007	Maluti-a-Phofung BWS Phase 2	B FSI194	Maluti-a-Phofung Local Municipality					40 000	23 000	
FSR006	Phumelela Bulk Water Supply	B FSI195	Phumelela Local Municipality					40 000		
BEP	Memel Refurbishment WWTW and Sewer	B FSI195	Phumelela Local Municipality					3 500		
FSR015	Mantsopa-Tweespruit, Excelsior, Hobhouse Bulk Water Supply	B FSI196	Mantsopa Local Municipality	15 000	20 000	30 000	30 000			
		Total: Thabo Mofutsanyana Municipalities						35 000	40 000	101 000
FSR010	Mochlaka Bulk Water Supply	B FS201	Mochlaka Local Municipality					20 000		
BEP	Helbron Sewer and Pumpstation	B FS203	Ngwathe Local Municipality					9 938		
FSR009	Ngwathe Bulk Water Supply Phase 1 (Vredetort)	B FS203	Ngwathe Local Municipality					10 000	25 000	25 000
	Ngwathe Bulk Water Supply Phase 2	B FS203	Ngwathe Local Municipality							
FSR039	Upgrading of Deneysville WWTW	B FS204	Metsemahole Local Municipality	15 000	30 000	40 000	40 000	35 000	3 000	20 000
FSR021	Frankfort Bulk Sewer	B FS205	Matibe Local Municipality					20 000	30 000	
BEP	Tweeling Sewer Pumpstation	B FS205	Matibe Local Municipality					7 459		
BEP	Frankfort Rising Main	B FS205	Matibe Local Municipality					7 610		
		Total: Fezile Dabi Municipalities						15 000	30 000	45 000
		Total: Free State Municipalities						85 000	130 000	540 832

**APPENDIX W5
 APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	Schedule 5, Part B				Schedule 6, Part B				
					National and Municipal Financial Year				National and Municipal Financial Year				
					2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
					(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
GAUTENG													
GPR001	Sediberg Regional Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality	Emfuleni, Midvaal and City of Johannesburg						2 500	87 658	197 800
GPR005	Sehlabeng Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality	Emfuleni Local Municipality						165 533	190 700	90 851
GPR008	Robelone pump station and rising main	B	GT422	Midvaal Local Municipality	Midvaal Local Municipality						18 000	19 500	
GPR006	Meyerton Waste Water Treatment Works	B	GT422	Midvaal Local Municipality	Midvaal Local Municipality						55 000	45 500	7 000
Total: Sediberg Municipalities											241 033	343 358	295 651
GPR002	Westonaria Regional Bulk Sanitation (Zuurbeekom)	B	GT485	Rand West City Local Municipality	Rand West City Local Municipality						55 251	80 500	190 900
GPR009	Mohlakeng pump station and sewer outfall	B	GT485	Rand West City Local Municipality	Rand West City Local Municipality						3 760	45 700	147 500
Total: West Rand Municipalities											59 011	124 200	338 400
Total: Gauteng Municipalities											300 044	467 558	634 051
KWAZULU-NATAL													
KNR010	Spioenkop to Ladysmith BWS	C	DC23	uThukela District Municipality	Alfred Duma Local Municipality	85 052	100 000	50 000					
	Driefontein Indaka Bulk Water Supply	C	DC23	uThukela District Municipality	Alfred Duma Local Municipality	10 000							
Total: Uthukela Municipalities								100 000	50 000				
KNR008	Greytown Regional Bulk Scheme	C	DC24	uMzinyathi District Municipality	uMvoti Local Municipality	98 933	60 000	40 000					
Total: Umnzinyathi Municipalities								60 000	40 000				
KNR001	Nongoma Bulk Water Scheme	C	DC26	Zululand District Municipality	Nongoma Local Municipality	70 000	65 170						
KNR002	Mandlakaazi Bulk Water Supply	C	DC26	Zululand District Municipality	uPhongolo & Nongoma Local Municipalities	40 000	89 713	50 000					
Total: Zululand Municipalities								110 000	154 883	50 000			
KNR015	Pongolapoort Bulk Water Scheme	C	DC27	Umbhanyakade District Municipality	Izoni Local Municipality						119 000		
KNR014	Dakwadakwe Resettlement	C	DC27	Umbhanyakade District Municipality	Mthabatha Big Five Habisa Local Municipalities						1 000		
Total: Umbhanyakade Municipalities											120 000		
KNR005	Greater Mthonjaneni Bulk Water Supply	C	DC28	King Ceshwayo District Municipality	Mthonjaneni/ Nkandla Local Municipalities	36 410	50 000	40 000					
KNR016	Middeldrif (Nkandla) Regional Bulk Water Supply	C	DC28	King Ceshwayo District Municipality	Nkandla Local Municipality	30 000	54 830	50 000					
Total: King Ceshwayo Municipalities								104 830	90 000				
KNR011	Ngebo Regional Water Bulk (Lower Tugela)	C	DC29	iLembe District Municipality	Maphumulo Local Municipality	145 000	90 000	65 000					
Total: iLembe Municipalities								90 000	65 000				
KNR007	Greater Bulwer Donnybrook Water Scheme	C	DC43	Harry Gwala District Municipality	Dr-Nkomozana Dlamini Zama and uBuhlebezwe Local N	90 000	100 000	97 923					
Total: Sisonke Municipalities								90 000	100 000	97 923			
Total: KwaZulu-Natal Municipalities								605 395	609 713	392 923	120 000		

**APPENDIX W5
APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT
BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT**

Project Code	Project Name	Category	Water Service Authority	Benefiting Municipality	Schedule 5, Part B National and Municipal Financial Year					Schedule 6, Part B	
					2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
WESTERN CAPE											
WCR018	Vandynsloep Raw Water	B	WC011	Matzikama Local Municipality	Matzikama Local Municipality					5 000	10 000
WCR019	Kloof Bulk Water	B	WC011	Matzikama Local Municipality	Matzikama Local Municipality					4 000	10 000
WCR020	Citrusdal Waste Water Treatment Plant and Desalination	B	WC012	Cederberg Local Municipality	Cederberg Local Municipality						
WCR021	Claarwilliam/Lambertsbaai Regional Water Supply and Desalination	B	WC012	Cederberg Local Municipality	Cederberg Local Municipality	613					
	West Coast Desalination	B	DC1	Saldanha Bay Local Municipality	Saldanha Bay Local Municipality	4 000					5 000
			Total: West Coast Municipalities			4 613				9 000	25 000
WCR022	Tulbagh Bulk Water Supply	B	WC022	Wirzenberg Local Municipality	Wirzenberg Local Municipality	13 372	10 000	20 000			
WCR023	Paarl Bulk Sewer	B	WC023	Drakenstein Local Municipality	Drakenstein Local Municipality						
	Stellenbosch Waste Water Treatment Works	B	WC024	Stellenbosch Local Municipality	Stellenbosch Local Municipality			20 000			
			Total: Cape Winelands Municipalities			13 372	10 000	20 000			
WCR009	Grabouw Waste Water Treatment Plant	B	WC031	Theewaterskloof Local Municipality	Theewaterskloof Local Municipality						
			Total: Overberg Municipalities								
WCR015	Kannaland Dam Relocation	B	WC041	Kannaland Local Municipality	Kannaland Local Municipality				7 949	30 000	50 000
WCR014	Galitzdorp & Ladismith Waste Water Treatment Works	B	WC041	Kannaland Local Municipality	Kannaland Local Municipality				5 000	30 000	27 000
WCR017	Outdshoorn Groundwater	B	WC045	Outdshoorn Local Municipality	Outdshoorn Local Municipality					20 000	40 000
			Total: Eden Municipalities						12 949	80 000	117 000
WCR024	Beaufort West Bulk Water	B	WC053	Beaufort West Local Municipality	Beaufort West Local Municipality					5 000	15 000
			Total: Central Karoo Municipalities							5 000	15 000
			Total: Western Cape Municipalities			17 985	10 000	20 000	12 949	94 000	157 000
National Total						1 865 000	2 060 000	2 175 360	2 773 539	2 880 922	3 037 295

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

(National and Municipal Financial Years)

APPENDIX W6

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF EPWP INTEGRATED GRANT FOR PROVINCES: TARGETS AND ALLOCATIONS PER PROVINCIAL DEPARTMENTS

Province/Provincial Department	Expanded Public Works Programme Incentive Integrated Grant for Provinces			
	FTE Target for 2017/18	Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE				
Cooperative Governance and Traditional Affairs	14	2 036		
Economic Development, Environmental Affairs And Tourism	17	2 554		
Education	16	2 411		
Health	1 129	2 000		
Human Settlement	18	2 639		
Roads and Public Works	3 325	89 771		
Rural Development and Agrarian Reform	36	2 000		
Social Development	13	2 000		
Sport, Recreation, Arts and Culture	13	2 000		
Transport	33	4 924		
Total: Eastern Cape	4 614	112 335	-	-
FREE STATE				
Agriculture and Rural Development	25	2 000		
Economic And Small Business Development, Tourism And Environmental Affairs	13	2 000		
Education	13	2 000		
Health	988	2 000		
Human Settlement	13	2 000		
Police, Roads and Transport	2 716	5 666		
Public Works and Infrastructure	73	10 900		
Sport, Arts, Culture and Recreation	13	2 000		
Total: Free State	3 854	28 566	-	-
GAUTENG				
Agriculture and Rural Development	28	2 684		
Cooperative Governance and Traditional Affairs	13	2 000		
Education	17	2 537		
Health	1 684	2 000		
Human Settlement	94	14 055		
Infrastructure Development	129	19 192		
Roads and Transport	1 112	6 504		
Social Development	13	2 000		
Sport, Arts, Culture and Recreation	15	2 206		
Total: Gauteng	3 105	53 178	-	-
KWAZULU-NATAL				
Agriculture and Rural Development	80	8 466		
Arts and Culture	13	2 000		
Co-operative Governance And Traditional Affairs	22	3 338		
Economic Development, Tourism and Environmental Affairs	41	6 149		
Education	13	2 000		
Health	2 259	8 400		
Human Settlement	38	5 625		
Public Works	44	6 588		
Sport and Recreation	13	2 000		
Transport	4 323	33 645		
Total: KwaZulu-Natal	6 846	78 211	-	-
LIMPOPO				
Agriculture and Rural Development	45	3 731		
Cooperative Governance, Human Settlement and Traditional Affairs	13	2 000		
Economic Development, Environment and Tourism	17	2 567		
Education	13	2 000		
Public Works, Roads and Infrastructure	2 158	5 897		
Sports, Arts and Culture	13	2 000		
Safety, Security and Liaison	13	2 000		
Total: Limpopo	2 272	20 195	-	-
MPUMALANGA				
Agriculture, Rural Development, Land and Environmental Affairs	37	3 605		
Co-operative Governance and Traditional Affairs	13	2 000		
Culture, Sport and Recreation	13	2 000		
Economic Development and Tourism	23	3 505		
Education	17	2 597		
Health	682	2 000		
Public Works, Roads & Transport	1 895	16 729		
Social Development	13	2 000		
Total: Mpumalanga	2 693	34 436	-	-

Province/Provincial Department	Expanded Public Works Programme Incentive Integrated Grant for Provinces			
	FTE Target for 2017/18	Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
NORTHERN CAPE				
Agriculture, Land Reform and Rural Development	30	2 044		
Cooperative Governance, Human Settlement and Traditional Affairs	13	2 000		
Economic Development and Tourism	13	2 000		
Education	14	2 083		
Environment and Nature Conservation	15	2 182		
Health	1 001	2 000		
Roads and Public Works	1 873	3 834		
Sport, Arts and Culture	13	2 000		
Transport, Safety and Liaison	13	2 000		
Total: Northern Cape	2 985	20 143	-	-
NORTH WEST				
Education and Sports Development	13	2 000		
Health	765	2 000		
Local Government and Human Settlement	16	2 437		
Public Works and Roads	1 948	3 186		
Rural, Environment and Agricultural Development	38	2 760		
Social Development	13	2 000		
Total: North West	2 793	14 383	-	-
WESTERN CAPE				
Education	14	2 149		
Agriculture	23	2 062		
Cultural Affairs and Sport	22	3 237		
Environmental Affairs and Development Planning	29	4 385		
Health	1 188	2 473		
Human Settlements	23	3 374		
Transport and Public Works	1 878	16 452		
Total: Western Cape	3 177	34 132	-	-
Unallocated	-	-	416 036	451 505
Grand Total	32 339	395 579	416 036	451 505

APPENDIX W7

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES:
ALLOCATIONS PER PROVINCIAL DEPARTMENT**

(National and Municipal Financial Years)

APPENDIX W7

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF SOCIAL SECTOR EPWP INCENTIVE GRANT FOR PROVINCES: ALLOCATIONS PER PROVINCIAL DEPARTMENT

Province/Provincial Department	Social Sector Expanded Public Works Programme Incentive Grant for Provinces			
	FTE Target for 2017/18	Financial Year		
		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
EASTERN CAPE				
Education	206	5 022		
Health	192	4 662		
Safety and Liaison	76	1 856		
Social Development	61	1 496		
Sport, Recreation, Arts and Culture	60	1 467		
Total: Eastern Cape	595	14 503	-	-
FREE STATE				
Education	69	1 679		
Health	183	4 453		
Police, Roads and Transport	69	1 693		
Social Development	569	13 823		
Sport, Arts, Culture and Recreation	62	1 519		
Total: Free State	952	23 167	-	-
GAUTENG				
Community Safety	60	1 463		
Education	403	9 791		
Health	109	2 663		
Social Development	386	9 384		
Sport, Recreation, Arts and Culture	61	1 496		
Total: Gauteng	1 019	24 797	-	-
KWAZULU-NATAL				
Community Safety and Liaison	61	1 487		
Education	198	4 808		
Health	1 938	47 058		
Social Development	803	19 498		
Sport and Recreation	501	12 165		
Total: KwaZulu-Natal	3 501	85 016	-	-
LIMPOPO				
Education	118	2 888		
Health	1 240	30 113		
Social Development	369	8 978		
Total: Limpopo	1 727	41 979	-	-
MPUMALANGA				
Community Safety, Security and Liaison	61	1 482		
Culture, Sport and Recreation	127	3 083		
Education	123	3 008		
Health	1 668	40 498		
Social Development	1 116	27 109		
Total: Mpumalanga	3 095	75 180	-	-
NORTHERN CAPE				
Education	83	2 017		
Health	1 245	30 229		
Social Development	803	19 497		
Sport, Arts and Culture	96	2 341		
Transport, Safety and Liaison	103	2 510		
Total: Northern Cape	2 330	56 594	-	-
NORTH WEST				
Community Safety and Transport Management	76	1 854		
Education and Sport Development	146	3 557		
Health	901	21 882		
Social Development	194	4 715		
Total: North West	1 317	32 008	-	-
WESTERN CAPE				
Community Safety	137	3 328		
Cultural Affairs and Sport	61	1 496		
Education	339	8 243		
Health	137	3 334		
Social Development	656	15 938		
Total: Western Cape	1 330	32 339	-	-
Unallocated	-	-	407 948	430 793
Grand Total	15 866	385 583	407 948	430 793

APPENDIX W8

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W8

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Health (Vote 16)	National Health Insurance Indirect Grant		
	National Financial Year		
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Province/Components			
Total Per Province			
Eastern Cape	434 534	153 753	413 677
Free State	181 903	128 884	167 474
Gauteng	130 818	137 776	144 565
KwaZulu-Natal	115 271	65 830	69 516
Limpopo	186 260	420 010	185 299
Mpumalanga	78 253	157 555	79 136
Northern Cape	13 539	13 619	28 616
North West	41 578	25 134	26 541
Western Cape	44 968	21 532	22 738
Unallocated	435 914	640 767	726 129
Total	1 663 037	1 764 859	1 863 691
<i>of which:</i>			
Health Facility Revitalisation Grant Component			
Eastern Cape	346 187	98 188	355 000
Free State	132 699	93 397	130 000
Gauteng	33 157	51 215	53 157
KwaZulu-Natal	-	-	-
Limpopo	132 803	375 032	137 803
Mpumalanga	34 224	119 760	39 224
Northern Cape	-	-	14 234
North West	-	-	-
Western Cape	-	-	-
Unallocated	269 914	250 767	314 289
Total	948 984	988 359	1 043 707
Human Papillomavirus Vaccine Grant Component			
Eastern Cape	39 120	-	-
Free State	17 320	-	-
Gauteng	17 481	-	-
KwaZulu-Natal	56 002	-	-
Limpopo	13 760	-	-
Mpumalanga	10 055	-	-
Northern Cape	1 484	-	-
North West	18 731	-	-
Western Cape	26 047	-	-
Unallocated	-	-	-
Total	200 000	-	-
Health Professionals Contracting Component			
Eastern Cape	43 503	46 026	48 604
Free State	29 002	30 684	32 402
Gauteng	77 338	81 824	86 406
KwaZulu-Natal	54 137	57 277	60 484
Limpopo	34 802	36 821	38 882
Mpumalanga	30 935	32 729	34 562
Northern Cape	10 634	11 251	11 881
North West	21 268	22 502	23 762
Western Cape	16 434	17 387	18 361
Unallocated	-	-	-
Total	318 053	336 500	355 344
Information Systems Component			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Unallocated	166 000	390 000	411 840
Total	166 000	390 000	411 840
Ideal Clinics Component			
Eastern Cape	5 724	9 539	10 073
Free State	2 882	4 803	5 072
Gauteng	2 842	4 737	5 002
KwaZulu-Natal	5 132	8 553	9 032
Limpopo	4 895	8 157	8 614
Mpumalanga	3 039	5 066	5 350
Northern Cape	1 421	2 368	2 501
North West	1 579	2 632	2 779
Western Cape	2 487	4 145	4 377
Unallocated	-	-	-
Total	30 000	50 000	52 800

APPENDIX W9

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT: ALLOCATIONS
PER PROVINCE**

(National Financial Years)

APPENDIX W9

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS
GRANT: ALLOCATIONS PER PROVINCE

Basic Education (Vote 14)	Schools Infrastructure Backlogs Grant		
	National Financial Year		
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Province			
Eastern Cape	1 574 120	-	-
Free State	656 578	-	-
Gauteng	-	-	-
KwaZulu-Natal	15 000	-	-
Limpopo	317 000	-	-
Mpumalanga	15 000	-	-
Northern Cape	-	-	-
North West	17 000	-	-
Western Cape	-	-	-
Unallocated	-	-	-
Total	2 594 698	-	-

APPENDIX W10

**APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED DISASTER:
ALLOCATIONS FOR PROVINCES PER GRANT**

(National Financial Years)

APPENDIX W10

APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED
DISASTER: ALLOCATIONS FOR PROVINCES PER GRANT

Province/Grant Name	Ring-fenced disaster allocation per province		
	National Financial Year		
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Comprehensive Agriculture Support Programme Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	5 000	-	-
Mpumalanga	5 326	-	-
Northern Cape	111 538	-	-
North West	-	-	-
Western Cape	17 207	-	-
Total	139 071	-	-
Education Infrastructure Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Health Facility Revitalisation Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	-	-
Human Settlements Development Grant			
Eastern Cape	134 261	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	134 261	-	-
Provincial Roads Maintenance Grant			
Eastern Cape	90 000	80 000	66 188
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	130 000	130 000	140 000
Mpumalanga	50 000	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	270 000	210 000	206 188
Grand Total	543 332	210 000	206 188

APPENDIX W11

**APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX W11

APPENDIX TO SCHEDULE 5, PART A: BREAKDOWN OF THE EARLY CHILDHOOD DEVELOPMENT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Social Development (Vote 17) Province/Components	Early Childhood Development Grant		
	National Financial Year		
	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Total Per Province			
Eastern Cape	56 365	86 968	91 830
Free State	18 398	25 903	27 347
Gauteng	38 489	61 883	65 344
KwaZulu-Natal	71 879	112 347	118 629
Limpopo	41 085	62 414	65 901
Mpumalanga	25 799	39 989	42 223
Northern Cape	13 761	18 127	19 139
North West	32 686	51 692	54 582
Western Cape	19 150	31 477	33 235
Total	317 612	490 800	518 228
<i>of which:</i>			
Maintenance Component			
Eastern Cape	12 364	14 167	14 956
Free State	9 039	10 358	10 934
Gauteng	3 567	4 088	4 315
KwaZulu-Natal	12 955	14 845	15 671
Limpopo	10 984	12 586	13 287
Mpumalanga	5 382	6 167	6 510
Northern Cape	9 106	10 435	11 015
North West	4 751	5 445	5 747
Western Cape	572	655	692
Total	68 720	78 746	83 127
Subsidy Component			
Eastern Cape	44 001	72 801	76 874
Free State	9 359	15 545	16 413
Gauteng	34 922	57 795	61 028
KwaZulu-Natal	58 924	97 501	102 958
Limpopo	30 101	49 827	52 614
Mpumalanga	20 417	33 822	35 713
Northern Cape	4 654	7 693	8 123
North West	27 935	46 247	48 834
Western Cape	18 578	30 822	32 543
Total	248 892	412 054	435 101