

<b>National Health Insurance Indirect Grant: Health Facility Revitalisation Component</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Build and demonstrate the capacity necessary to manage this grant</li> <li>• Ensure alignment between the IPMP and the annual performance plan</li> <li>• Undertake the infrastructure development cycle to the extent agreed with the provinces in the implementation protocol agreements</li> <li>• Convene progress review committees with appropriate reporting and invite National Treasury and Provinces</li> <li>• 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 on a monthly basis</li> <li>• Meet with National Treasury to review grant performance on a quarterly basis</li> <li>• Collaboration and coordination with provincial departments of health for the full development cycle of infrastructure development in respect of projects funded by this grant</li> <li>• In instances where the capacity of the DoH and the provincial department are deemed insufficient, DoH is entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for the appointment of service providers are followed. In those cases, service level agreements between DoH and the implementing agent must be in place</li> <li>• 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</li> <li>• Provide provincial departments of health with progress of the projects under this grant for inclusion in provincial annual reports</li> <li>• DoH must submit quarterly infrastructure reports to National Treasury, according to the agreed template between National Treasury and DoH, within 45 days after the end of each quarter</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Provinces must ensure that the completed projects are included in the asset registers of the provincial departments of public works</li> <li>• 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</li> <li>• 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</li> <li>• 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</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of a draft IPMP to the National Treasury by 31 August 2020</li> <li>• Submission of the final IPMP to the National Treasury by 31 March 2021</li> <li>• Submission of signed implementation protocol by 25 June 2021</li> </ul>

<b>National Health Insurance Indirect Grant: Non-Personal Services Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 18)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To strengthen the public healthcare system in preparation for National Health Insurance (NHI)</li> <li>• To strengthen the design of NHI through innovative testing of new reforms</li> <li>• To improve the quality of services at primary health care facilities</li> <li>• To improve the quality of services in health care facilities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To expand the alternative models for the dispensing and distribution of chronic medication</li> <li>• To develop and roll out new health information systems in preparation for NHI, including human resource for health information systems</li> <li>• To enable the health sector to address the deficiencies in primary health care facilities systematically and to yield fast results through the implementation of the Ideal Clinic programme</li> <li>• To implement a quality improvement plan</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved access to and quality of healthcare through: <ul style="list-style-type: none"> <li>◦ expansion of the alternative dispensing and distribution model for chronic medication</li> <li>◦ improved quality health services in all primary health care facilities through the Ideal Clinic programme</li> <li>◦ building and implementation of the enterprise architecture design for national health insurance digital information systems</li> <li>◦ development and implementation of systems for medicines stock management and procurement</li> <li>◦ certification of all public health facilities by Office of Health Standards Compliance (OHSC)</li> </ul> </li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Alternative chronic medicine dispensing and distribution model implemented</li> <li>• Intern Community Service Programme (ICSP) system maintained and improvements effected</li> <li>• Number of new and number of total patients registered in the programme, broken down by the following: <ul style="list-style-type: none"> <li>◦ antiretroviral treatment</li> <li>◦ antiretroviral with co-morbidities</li> <li>◦ non-communicable diseases</li> <li>◦ number of pickup points (state and non-state)</li> </ul> </li> <li>• Number and percentage of primary healthcare facilities peer reviewed against the Ideal Clinic standards</li> <li>• Number and percentage of primary healthcare facilities achieving an ideal status</li> <li>• Number of public health facilities implementing the health patient registration system</li> <li>• Number and percentage of the population registered on the health patient registration system</li> <li>• National data centre hosting environment for NHI information systems established</li> <li>• Number of primary healthcare facilities implementing an electronic stock monitoring system</li> <li>• Number of hospitals implementing an electronic stock management system</li> <li>• Number of fixed health establishments reporting medicines availability to the national surveillance centre</li> <li>• Number of Quality Learning Centres established</li> <li>• Number of facilities improving their baseline OHSC scores (or other approved quality metrics)</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Input, output indicators and outcome indicators</li> <li>• Milestones with projected dates when this will be achieved</li> <li>• Description of how the project will be managed including the roles and responsibilities of national and provincial departments</li> <li>• Key activities and resource schedule</li> <li>• Monitoring and evaluation plan</li> <li>• Risk management plans and cash flow projections</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Completion of a business plan by the national Department of Health (DoH) signed by the transferring officer by 31 March 2020 and submitted to the National Treasury by 31 March 2020</li> <li>• 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</li> <li>• No more than 3 per cent of this grant component may be used for grant administration</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The alternative chronic care medication dispensing and distribution model allocations will be based on the volume of patients per province</li> <li>• Ideal clinic sub-component allocation is based on the number of identified facilities and their needs in each province</li> <li>• Information systems sub-component is not allocated per province and will be utilised towards the development and making sure that implementation is standardised across provinces, districts and public health facilities, and towards the establishment of unified health information and management of health commodities for the country</li> <li>• R25 million is allocated for quality improvement activities, the Department of Health must submit a breakdown of how much of this will be spent in each province to National Treasury by 1 July 2020</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The importance of central coordination in the development of models and the establishment of NHI to inform ongoing NHI designs</li> <li>• Ideal Clinic is a key national priority and requires a systematic implementation to achieve quality health care services</li> <li>• In line with the National Health Act sections 74(1) and 74(2), the national department has to develop and coordinate all Health Information Systems in the country. This is a complex programme with many facets</li> </ul>

<b>National Health Insurance Indirect Grant: Non-Personal Services Component</b>	
	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
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the R700 million made available, R500 million was spent (71 per cent) for the 2018/19 financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Alternative chronic medicines dispensing and distribution model implemented (2 554 662 patients)</li> <li>372 240 new patients</li> <li>2 554 662 total patients registered in the programme, of which 907 836 are patients on ART, 161 102 are patients with co-morbidities on ARVs, and 345 271 are patients taking chronic medication for non-communicable diseases</li> <li>3 318 state and 1 133 non-state pick-up-points</li> <li>569 (16%) of PHC facilities peer reviewed</li> <li>1920 (55%) of PHC facilities achieving an ideal health status</li> <li>3 035 PHC facilities and 6 hospitals implementing the Health Patient Registration System</li> <li>39 794 082 patients registered on the HPRS (NHI beneficiaries registered)</li> <li>3 099 primary health care facilities implementing an electronic stock replenishment system</li> <li>507 hospitals implementing an electronic stock replenishment system</li> <li>Risk capitation model for reimbursement of PHC facilities developed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Subject to policy developments that will be finalised as part of the implementation of NHI</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R740 million, 2021/22: R727 million and 2022/23: R734 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans from the service providers</li> <li>Monthly instalments which may be altered at the discretion of National Treasury based on invoices paid</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>To establish contracts with service providers for the delivery of goods and services as necessary in the four sub-components outlined above</li> <li>Establish the necessary organisational structures and build capacity within the DoH to implement, oversee and monitor the execution of all approved projects using the 3 per cent administrative costs provision</li> <li>Manage, monitor and support provincial programme planning and implementation</li> <li>Meet with the National Treasury to review the performance of the grant on a quarterly basis</li> <li>Strengthen the capacity of provinces to realise and maintain Ideal Clinic status</li> <li>Maintain the Ideal Clinic software</li> <li>Evaluate the impact of quality improvement activities and submit preliminary reports on progress to National Treasury and the Presidency by 31 July 2020 and 1 December 2020 and a final report by 31 May 2021</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>Facilitate the achievement of grant outputs</li> <li>Delegate a person responsible for managing the Ideal Clinic programme, health patient registration system programme, medicines information systems and Central Chronic Medicine Dispensing and Distribution (CCMDD), respectively</li> <li>Provinces are responsible for ensuring medicines availability to service providers for the CCMDD programme aligned to the medicines formulary</li> <li>Ensure compliance with all reporting requirements and adherence to the provisions of service level agreements</li> <li>Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems (storage space for filing cabinets etc.)</li> <li>Include performance indicators related the four sub-components in the provincial annual performance plans</li> <li>Provinces must develop draft implementation plans to assume responsibility for the centralised chronic medicines dispensing and distribution, Ideal Clinic and information systems</li> <li>Submit quarterly performance reports to national DoH</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	Submission of the business plan signed by the transferring officer on 31 March 2021 to National Treasury

<b>National Health Insurance Indirect Grant: Personal Services Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 18)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To achieve universal health access through the phased implementation of National Health Insurance (NHI) and to improve access to quality healthcare services</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Implementation of the strategic purchasing platform for healthcare providers</li> <li>• Screen learners and deliver primary care services where appropriate</li> <li>• Finalisation of a risk-adjusted capitation model for the reimbursement of primary healthcare (PHC) services</li> <li>• Implement community-based mental healthcare services</li> <li>• Enhance access to healthcare services for obstetric and cancer patients</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of health professionals contracted (total and by discipline)</li> <li>• Number of health professionals contracted through capitation arrangements</li> <li>• Number of patients screened and treated for mental health problems</li> <li>• Percentage reduction in the backlog of forensic mental observations</li> <li>• Percentage reduction in radiation oncology backlog</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Number of health professionals to be contracted, including: <ul style="list-style-type: none"> <li>◦ process of accreditation of providers</li> <li>◦ performance monitoring requirements</li> <li>◦ processes for the management and reimbursement of health professionals</li> </ul> </li> <li>• Output indicators, including: <ul style="list-style-type: none"> <li>◦ target population</li> <li>◦ number of patients to access care</li> <li>◦ elimination of backlogs</li> <li>◦ key milestones with projected dates when these will be achieved</li> </ul> </li> <li>• Key activities and resource schedule</li> <li>• Monitoring and evaluation plan</li> <li>• Risk management plans</li> <li>• Cash flow projections</li> <li>• The project will be managed by the national department and will report to the National Health Council, via the National Health Council's technical advisory committee</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The funding will be used for the following services: <ul style="list-style-type: none"> <li>◦ addressing oncology backlogs. Provincial health departments to supply verified data on oncology backlogs and all costs of drugs, consumables and laboratory tests to be covered by the provincial health department</li> <li>◦ contracting of the national health laboratory services for pathology related services including supply of test kits</li> </ul> </li> <li>• Submission of completed and signed-off business plan and implementation framework by the national transferring authority by 30 March 2020 to the National Treasury</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• As identified in the business plan, allocations will be based on the following criteria: <ul style="list-style-type: none"> <li>◦ prevalence of identified conditions</li> <li>◦ provinces with greatest needs will be prioritised</li> <li>◦ number of health professionals contracted</li> <li>◦ defined reduction in specified backlogs</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The principle of a single fund is articulated in the Cabinet approved White Paper on National Health Insurance. This situation calls for dedicated funding which will allow for institutionalisation over time as a single NHI Fund</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Of the R892 million made available, R589 million (66 per cent) was spent</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• Number of health professionals contracted (total and by discipline): 247</li> <li>• Number of health professionals contracted through capitation arrangements: capitation model was only completed at year-end and no contracting had started yet</li> <li>• Improved identification and management of high risk pregnancies: funds reprioritised – not achieved</li> <li>• Improved care of women during labour with management of complications: funds reprioritised – not achieved</li> <li>• Number of patients screened and treated for mental health problems: contract for contracting of providers finalised in quarter 4 but subsequently cancelled – not achieved</li> <li>• Percentage reduction in the backlog of forensic mental observations: contract for contracting of providers finalised in quarter 4 but subsequently cancelled – not achieved</li> <li>• Number of learners who have been referred by school health services for further assessment and management to audiologists, optometrists, speech therapists and others: funds reprioritised – not achieved</li> <li>• Number of learners equipped with required assistive devices through school health services: funds reprioritised – not achieved</li> <li>• Percentage reduction in radiation oncology backlog: contract for contracting of providers finalised in quarter 4 but subsequently cancelled – not achieved</li> </ul>



<b>National Health Insurance Indirect Grant: Personal Services Component</b>	
	<ul style="list-style-type: none"> <li>• Number of Human Papillomavirus Vaccine (HPV) DNA tests rendered: service level agreement with National Health Laboratory Services (NHLS) only concluded during last quarter – not achieved</li> <li>• Number of patients confirmed to have cervical cancer screened by HPV DNA: SLA with NHLS only concluded during last quarter – not achieved</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Remain in place until the NHI Fund is created through legislation passed by Parliament</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R255 million; 2021/22: R339 million and 2022/23: R341 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Payments will be made according to verified invoices or advance payments in line with approved programme implementation plans with the service providers</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• The national Department of Health (DoH) will be responsible for the creation of the interim structures until the NHI Fund is fully established</li> <li>• A committee comprising of national DoH and National Treasury officials has been established, with specific terms of reference to set up the NHI Fund</li> <li>• Establishment of a steering committee comprising of the national DoH and the National Treasury to oversee the implementation and progress of the NHI Fund</li> <li>• Submission of quarterly financial and non-financial performance reports to the National Health Council and the National Treasury</li> </ul>
	<b>Responsibilities for the interim structures prior to the establishment of the NHI Fund</b> <ul style="list-style-type: none"> <li>• The interim structures, prior to the establishment of the NHI Fund will be responsible for feasibility testing of contracting and strategic purchasing of personal health services from appropriately accredited health care providers on behalf of the covered population</li> <li>• The interim structure will be responsible for the following functions: <ul style="list-style-type: none"> <li>○ develop mechanisms for purchasing of services funded by NHI</li> <li>○ develop mechanisms for procuring of goods including drugs, medical equipment and technology on behalf of providers that will be contracted for NHI</li> <li>○ develop payment strategies for contracted providers at various levels of care</li> <li>○ process utilisation transactions received from contracted service providers</li> <li>○ collate utilisation data, and implement information management systems</li> <li>○ develop contracting and payment policies</li> <li>○ supervise the actual contracting with hospitals at provincial and central levels</li> </ul> </li> <li>• Submission of quarterly financial and non-financial performance reports to the national DoH</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Facilitate the achievement of grant outputs</li> <li>• Ensure that the provision and funding of existing programmes and services continues and is not substituted by the implementation of this grant</li> <li>• Submission of quarterly financial and non-financial performance reports to the national DoH with respect to the continuation of provision and funding of existing programmes and services</li> <li>• Provincial health departments must provide the national DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems</li> </ul>
	<ul style="list-style-type: none"> <li>• Submission of signed business plan by the transferring officer to the National Treasury by 31 March 2020</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	

<b>National Tertiary Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 18)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• Ensure the provision of tertiary health services in South Africa</li> <li>• To compensate tertiary facilities for the additional costs associated with the provision of these services</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Modernised and transformed tertiary services that allow for improved access and equity to address the burden of disease</li> <li>• Accelerated modernisation of tertiary services in developmental provinces (Eastern Cape, Limpopo, Mpumalanga, Northern Cape and North West)</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of inpatient separations</li> <li>• Number of day patient separations</li> <li>• Number of outpatient first attendances</li> <li>• Number of outpatient follow-up attendances</li> <li>• Number of inpatient days</li> <li>• Average length of stay by facility (tertiary)</li> <li>• Bed utilisation rate by facility (all levels of care)</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses business plans which are signed between the national Department of Health (DoH) and each province and contain the following: <ul style="list-style-type: none"> <li>○ provincial and institutional allocations</li> <li>○ tertiary services specifications (approved YES list) funded by the grant, by facility by province</li> <li>○ annual targets for inpatient separations, inpatient days, day patient separations, outpatient first visits, outpatient follow up visits per facility per province per year</li> <li>○ monitoring and reporting responsibilities</li> <li>○ validation and revision of data</li> <li>○ deviations or changes to tertiary services</li> <li>○ referral responsibilities</li> <li>○ approved business plan</li> <li>○ approved specialists funded from the grant (approved specialist detail list)</li> <li>○ national guidelines on definitions of tertiary services that may be funded by the grant</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national DoH by 28 February 2020, and the National Treasury by 31 March 2020</li> <li>• The grant allocation to each central/provincial tertiary facility must not exceed a maximum of 65 per cent of the total facility budget</li> <li>• To facilitate the acceleration of modernisation of tertiary services in developmental provinces, up to 10 per cent of the provincial grant allocation should be used for the development of tertiary services currently not provided in the province or expansion of critical services where there is currently a backlog of untreated patients, where an existing service requires the appointment of a Health Professionals Council of South Africa registered specialist and in accordance with nationally approved business plans</li> <li>• An additional R44 million has been allocated for the developmental portion for four provinces. The breakdown per province is as follows: <ul style="list-style-type: none"> <li>○ Eastern Cape: R22 million</li> <li>○ Limpopo: R10 million</li> <li>○ Mpumalanga: R5 million</li> <li>○ North West: R7 million</li> </ul> </li> <li>• All developmental provinces must ring-fence the developmental allocation and report on their implementation progress</li> <li>• Cost of administration of the grant must not exceed one per cent of the total grant allocation</li> <li>• The following amounts in the allocation to Gauteng are earmarked to fund the operations of the Nelson Mandela Children's Hospital: <ul style="list-style-type: none"> <li>○ R317 million in 2020/21</li> <li>○ R334 million in 2021/22</li> <li>○ R350 million in 2022/23</li> </ul> </li> <li>• Total remuneration packages for the staff at the Nelson Mandela Children's Hospital, paid from this grant and any other sources, may not exceed Department of Public Service and Administration approved remuneration rates; total remuneration packages must be captured and submitted to both the provincial, and the national departments of Health</li> <li>• The services offered by the Nelson Mandela Children's Hospital should be integrated into the service delivery platform in collaboration with relevant provinces, particularly Gauteng</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Based on historical allocations and spending patterns, with additional allocations for four developmental provinces</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• There are significant cross-boundary flows associated with tertiary services that are not affected by provincial boundaries due to their specialised nature</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R12.4 billion to provinces, of which R12.2 billion (98.4 per cent) was spent by the end of the national financial year</li> </ul>

<b>National Tertiary Services Grant</b>	
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• 391 364 day patient separations</li> <li>• 1 141 765 outpatient first attendances</li> <li>• 2 883 174 outpatient follow up attendances</li> <li>• 3 916 211 inpatient days</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Support for tertiary services will continue because of the need to sustain and modernise tertiary services</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R14.1 billion; 2021/22: R14.7 billion and 2022/23: R15.3 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per the payment schedule approved by National Treasury except for the Nelson Mandela Children's Hospital where the first payment will be made in April 2020. Additional payments will be made in July and October 2020 based on evidence of satisfactory performance</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Convene at least one annual meeting of national, provincial and facility programme managers</li> <li>• Monitor expenditure by economic classification, and patient activity and provide on-site support to facilities/complexes and provinces</li> <li>• Conduct a minimum of two site visits to provinces and a minimum of one site visit to facilities/complexes. Provincial visits to include facilities</li> <li>• Identify the national need for service delivery and facilitate the development of those services through business plan planning processes</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Completion of a provincial service level agreement/memorandum of understanding signed by the receiving officer and the benefiting institution by 30 March 2020 and submission to the national DoH by 28 April 2020 (due date for Nelson Mandela Children's Hospital is 27 March 2020)</li> <li>• Provinces must provide the allocated amounts for individual funded facilities/clusters to the relevant provincial treasury for gazetting as per the number of agreed-upon business plans per province and facility/cluster by 24 April 2020</li> <li>• Provinces must maintain a separate budget for each benefiting facility</li> <li>• The receiving officer must supply the head of each benefiting facility/complex with a budget letter which includes their equitable share allocation by 30 April 2020</li> <li>• Conduct a minimum of two site visits to each budgeted facility/complex per annum and submit reports of these site visits to the national DoH</li> <li>• Submission of updated specialist details funded by the equitable share at facility level by 30 November 2020</li> <li>• Submission of updated specialist details funded by the grant at facility level by 30 November 2020</li> <li>• Submission of service specifications funded at each facility (new YES list) by 30 November 2020</li> <li>• Submission of quarterly reports in the approved expenditure areas in the prescribed format</li> <li>• Provide patient utilisation data (inpatient separations, inpatient days, day case separations, outpatient first visits, outpatient follow up visits and patient-day equivalents) average length of stay (tertiary) and bed utilisation rates (all levels of care) as per the prescribed format</li> <li>• Provide the number of inpatient separations for intensive care units (ICU) and neonatal ICU quarterly</li> <li>• Provide the number of inpatient days for ICU and neonatal ICU quarterly</li> <li>• Provinces intending to develop a new service area need to submit a separate business plan outlining the investment case to the national DoH for approval</li> <li>• Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted no later than 15 October 2020. This will be the only time that provinces can request amendments to their approved business plan. Revised plans will be approved by 30 October 2020</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of draft business plans (provincial and facility) by 30 October 2020</li> <li>• Completion of a business plan, in the prescribed format, signed by each receiving officer by 29 January 2021 and by the transferring officer by 31 March 2021</li> </ul>

<b>Statutory Human Resources, Training and Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 18)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>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</li> <li>Effective implementation of the human resources for health strategy, and health workforce capacity development for sustainable service delivery</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To appoint statutory positions in the health sector for systematic realisation of the human resources for health strategy and the phase-in of National Health Insurance</li> <li>Support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Progressive realisation of the national human resource plan for health</li> <li>Clinical training and supervision capacity established in designated developmental provinces (Northern Cape, North West, Limpopo, Mpumalanga and Eastern Cape)</li> <li>Enhanced access to healthcare services, by addressing critical skills shortages in underserved communities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number and percentage of statutory posts funded from this grant (per category and discipline) and other funding sources</li> <li>Number and percentage of registrars posts funded from this grant (per discipline) and other funding sources</li> <li>Number and percentage of specialists posts funded from this grant (per discipline) and other funding sources</li> <li>Number of posts needed per funded category</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Non-financial business plan – number of specialists, registrars, medical officers, clinical supervisors/tutors per category in nursing, emergency medical services, allied health, pharmacy and grant administration staff funded from the grant</li> <li>Financial business plan – allocation by economic classification to each category of clinical trainer/supervisor</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Submission of an approved business plan in the prescribed format signed by the provincial Head of Department to the national Department of Health by 28 February 2020, and to the National Treasury by 31 March 2020</li> <li>Cost of administration of the grant must not exceed 1 per cent of the total grant allocation</li> <li>This grant has two components</li> </ul> <p><b>Statutory Human Resources Component</b></p> <ul style="list-style-type: none"> <li>The statutory human resources component must only be utilised for funding of statutory posts</li> </ul> <p><b>Training and Development Component</b></p> <ul style="list-style-type: none"> <li>The training and development component must prioritise all registrar posts and the balance of the allocation may be utilised for specialist (supervisors) and other approved categories</li> <li>A total of R16 million has been allocated for the developmental portion and the breakdown per province is as follows: <ul style="list-style-type: none"> <li>Eastern Cape R5 million</li> <li>Limpopo R3 million</li> <li>Mpumalanga R2 million</li> <li>Northern Cape R2 million</li> <li>North West R2 million</li> </ul> </li> <li>The developmental allocation will be withheld and transferred to other developmental provinces if a province fails to spend these funds. Developmental allocations are only applicable to the training and development component</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Training and development component is based on historical allocations and spending patterns</li> <li>Statutory Human Resources component allocations are based on the following criteria: <ul style="list-style-type: none"> <li>provinces with greatest needs have been prioritised</li> <li>number of statutory posts</li> <li>future projections of professional production versus need</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Provinces give effect to the national human resource strategy through the clinical training and supervision of health science trainees on the public health service platform</li> <li>National coordination is needed for health science training</li> <li>To ensure that the additional human resources funded through this component address unmet health needs as opposed to perpetuating historical allocation patterns</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Statutory Human Resources Component: New Grant</li> <li>Training and Development Component: Allocated and transferred R2.8 billion to provinces, of which R2.8 billion (100 per cent) was spent by the end of the national financial year</li> </ul>
	<p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Statutory Human Resources Component: <ul style="list-style-type: none"> <li>New Grant</li> </ul> </li> <li>Training and Development Component: <ul style="list-style-type: none"> <li>380 specialists</li> <li>1287 registrars</li> <li>230 medical officers</li> <li>990 clinical supervisors/trainers per category in nursing, emergency medical services and allied health and pharmacy</li> <li>13 grant administration staff employed</li> </ul> </li> </ul>

<b>Statutory Human Resources, Training and Development Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is subject to review at the end of the 2020 MTEF. Its projected life will be guided by the need for health science trainees to be trained and supervised on the public health service platform</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>Total Allocation is 2020/21: R4.2 billion; 2021/22: R4.3 billion and 2022/23: R4.5 billion of which               <ul style="list-style-type: none"> <li>Training and Development Component - 2020/21: R3.1 billion; 2021/22: R3.2 billion and 2022/23: R3.4 billion</li> <li>Statutory Human Resources Component - 2020/21: R1.1 billion; 2021/22: R1.1 billion and 2022/23: R1.1 billion</li> </ul> </li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments as per approved payment schedule</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Convene at least one annual meeting of national, provincial and facility programme managers</li> <li>Monitor the number of health science trainers/clinical supervisors that are responsible for health science training on the public health service delivery platform</li> <li>Conduct a minimum of one site visits to provinces and site visits to selected facilities on a rotational basis</li> <li>Submission of quarterly financial and non-financial performance reports to the National Treasury</li> <li>Meet with National Treasury to review the performance of the grant</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>Provinces are encouraged to maintain a separate budget for each benefiting facility/cluster</li> <li>Monitor the implementation of the grant and report quarterly to national DoH</li> <li>Provincial health departments must provide DoH with full and unrestricted access to all records and data related to the programme and to facilities to implement systems</li> <li>All developmental provinces must ring-fence the developmental allocation and report on the implementation progress</li> <li>To report on the number of clinical supervisors associated with clinical training and supervision of students, funded on the public health service delivery platform:               <ul style="list-style-type: none"> <li>number of specialists</li> <li>number of registrars</li> <li>number of medical officers</li> <li>number of clinical associates</li> <li>number of postgraduates</li> <li>number of clinical supervisors/trainers per category in nursing, emergency medical services (EMS) and allied health and pharmacy</li> <li>number of grant administration staff</li> </ul> </li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Draft business plans for 2020/21 must be submitted in the approved format by 31 October 2020</li> <li>Completion of an approved business plans, in the prescribed format, signed by each receiving officer by 29 January 2021 and the transferring officer by 31 March 2021</li> </ul>



## HUMAN SETTLEMENTS GRANTS

Human Settlements Development Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The creation of sustainable and integrated human settlements that enable improved quality of household life</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements</li> <li>To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The facilitation and provision of adequate housing opportunities and improved quality living environments</li> <li>A functionally equitable and integrated residential property market</li> <li>Enhanced institutional capabilities for effective coordination of spatial investment decisions</li> </ul> <p><b>Upgrading Informal Settlements Programme (UISP) component</b></p> <ul style="list-style-type: none"> <li>The Human Settlements Development Grant (HSDG) includes a component for informal settlements upgrading that:             <ul style="list-style-type: none"> <li>promotes integrated sustainable urban settlements and improved quality living environment as per the National Housing Code 2009, which includes tenure security, health and security, and empowerment</li> <li>serves as a planning and preparation platform towards the introduction of a new informal settlements upgrading grant</li> </ul> </li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of housing opportunities created may include the following:             <ul style="list-style-type: none"> <li>number of residential units delivered in relevant housing programmes</li> <li>number of serviced sites delivered in relevant housing programmes</li> </ul> </li> <li>Number of households in informal settlements provided with access to basic services</li> <li>Number of informal settlements upgraded in situ and/or relocated</li> <li>Number of title deeds registered to beneficiaries post 31 March 2014</li> <li>Hectares of well-located land acquired for development of housing opportunities</li> <li>Hectares of well-located land acquired (and zoned)</li> <li>Number of socio-economic amenities delivered in human settlements</li> <li>Number of integrated residential development projects planned, approved, funded and implemented</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>Programmatic province-wide informal settlements upgrading strategy</li> <li>Number of approved individual informal settlement upgrading plans prepared, aligned to the National Upgrading Support Programme (NUSP) methodology</li> <li>Number of social compacts concluded with communities and/or community resource organisations outlining their role in the upgrading process</li> <li>Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework (SDF) and Spatial Planning and Land Use Management Act (SPLUMA) and municipal by-laws enacted in this regard</li> <li>Number of households provided with secure tenure</li> <li>Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity (grid and non-grid))</li> <li>Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, stormwater, refuse removal and bulk connections for water, sanitation and electricity)</li> <li>Hectares of land acquired for relocation of category B2 and category C settlements (categories in terms of NUSP methodology)</li> <li>Hectares of land acquired for in situ upgrading for category B1 settlements</li> <li>Number of in situ individually serviced sites developed</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Medium-term strategic framework targets, outputs and outcomes</li> <li>Project planning and facilitation</li> <li>Outputs and targets</li> <li>Cash flow projections (payment schedule)</li> <li>Quarterly reporting</li> <li>Project information</li> <li>Project readiness matrix</li> <li>Title deeds project pipeline matrix</li> <li>Planned projects and spending per priority mining town</li> <li>Infrastructure reporting model</li> <li>Professional fees and pre-planning</li> <li>Number of job opportunities to be created</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>This component requires the submission of a UISP business plan in the prescribed format, with informal settlement upgrading plans for each settlement to be upgraded, which include:             <ul style="list-style-type: none"> <li>project description</li> <li>settlement name and GIS coordinates</li> </ul> </li> </ul>

<b>Human Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>○ category of settlement</li> <li>○ project institutional arrangements (including list of stakeholders and departments responsible)</li> <li>○ sustainable livelihood implementation plans</li> <li>○ outputs and targets for services to be delivered</li> <li>○ cash flow projections (payment schedule)</li> <li>○ details of the support plan</li> <li>○ risk management plan</li> <li>○ prioritisation certificate issued by the MEC in consultation with relevant mayors</li> </ul> <ul style="list-style-type: none"> <li>• For those settlements where upgrading plans have not yet been completed, an interim plan with clear deliverables in terms of the UISP phases contained in the Housing Code must be submitted</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Funds for this grant should be utilised for the priorities set out in the 2019-2024 Medium Term Strategic Framework for human settlements</li> <li>• The transfer of the first tranche of funds is conditional upon the national Department of Human Settlements (DHS) approving provincial business plans consistent with the provisions of the Housing Act, 2020 Division of Revenue Act (DoRA) and in compliance with the National Housing Code</li> <li>• The transfer of subsequent tranches is conditional on provinces capturing the targets and budget, delivery statistics, and expenditure monthly on the Housing Subsidy System (HSS) and the Basic Accounting System (BAS) at a sub-programme level and project level, and submitting monthly reconciliations within the required time frames</li> <li>• Provinces must ensure reconciliation and alignment of financial and non-financial outputs between the HSS and BAS on a monthly basis</li> <li>• 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, where applicable. In pilot areas for the District Development Model, business plans must be aligned to the One Plan</li> <li>• Draft and final business plans must be aligned to provincial annual performance plans</li> <li>• Provincial Heads of Departments (HoDs) must sign-off and confirm that projects captured in their business plans are assessed and approved for implementation in the 2020/21 financial year</li> <li>• Provinces may utilise up to a maximum of 5 per cent of the provincial allocation for the operational capital budget programme to support the implementation of the projects contained in the business plan</li> <li>• Provinces must indicate budget allocations consistent with provincial and related municipal backlogs for adequate housing</li> <li>• Provinces must gazette planned expenditure for three years for the accredited municipalities in terms of the 2020 DoRA by no later than 29 May 2020. This should also specify the amount of operational funding to be transferred to accredited municipalities</li> <li>• 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</li> <li>• Provinces may utilise a maximum of 2 per cent of the Human Settlements Development Grant (HSDG) for the provision of 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 municipalities in their IDP and municipal budget for provision of such bulk and other infrastructure with Municipal Infrastructure Grant funding. Prior approval of the transferring officer is required for this spending</li> <li>• Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted between 14 August and 15 October 2020. This will be the only time that provinces can request an amendment to the approved business plan. Revised plans will be approved by 30 October 2020</li> <li>• The payment schedules should be derived from the cash flows contained in the approved business plan</li> <li>• 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 project readiness status</li> <li>• At least 2 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</li> <li>• Provinces should ensure that the allocation for land acquisition and related purposes is included in the business plans</li> <li>• Provinces must agree with municipalities on a plan for the provision of basic services to all households served in new housing developments</li> </ul> <p><b>Disaster recovery component</b></p> <ul style="list-style-type: none"> <li>• R400 million is earmarked within this grant for the reconstruction and rehabilitation of infrastructure damaged by natural disasters in KwaZulu-Natal. These funds 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)</li> <li>• Business plans for the allocated disaster funds must be in line with the post-disaster verification assessment reports submitted to the NDMC</li> <li>• 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</li> <li>• Quarterly performance reports on disaster allocations must be submitted to the national Department of Human Settlements and the NDMC</li> </ul>

<b>Human Settlements Development Grant</b>	
	<p><b>Distressed mining towns component</b></p> <ul style="list-style-type: none"> <li>The following ring-fenced funds are earmarked to support the development of integrated human settlements in municipalities with distressed mining communities as approved in the provincial business plans. The following funds are ring-fenced within provincial allocations and may only be utilised to fund projects and related infrastructure (including bulk in terms of the Housing Code) for housing and integrated human settlements developments within prioritised mining towns: <ul style="list-style-type: none"> <li>Free State: R30 million</li> <li>Gauteng: R68 million</li> <li>Limpopo: R80 million</li> <li>Mpumalanga: R121 million</li> <li>Northern Cape: R90 million</li> <li>North West: R155 million</li> </ul> </li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>The following ring-fenced funds per province may only be used for projects contained in the approved informal settlement upgrading plans of each province. These plans must be submitted as an annexure to the business plan, in format prescribed by DHS and aligned to the NUSP methodology. These funds are subject to the conditions and requirements specified for this component: <ul style="list-style-type: none"> <li>Eastern Cape: R270 million</li> <li>Free State: R143 million</li> <li>Gauteng: R694 million</li> <li>KwaZulu-Natal: R447 million</li> <li>Limpopo: R159 million</li> <li>Mpumalanga: R162 million</li> <li>Northern Cape: R48 million</li> <li>North West: R224 million</li> <li>Western Cape: R286 million</li> </ul> </li> <li>Where there are no upgrading plans and spending is approved in terms of an interim plan, funding will only be transferred to provinces provided that confirmation is provided to the national department that individual upgrading plans are being developed for these projects and will be completed by 2021/22</li> <li>Provinces should include in their UISP consolidated (provincial and municipal) business plan only the prioritised settlements to be upgraded</li> <li>The ring-fenced amounts for this component are minimum amounts and provinces may choose to spend a larger portion of their HSDG allocation in compliance with the requirements of this component</li> <li>The transfer of the first tranche of funds is conditional upon approval by the national Department of Human Settlements (DHS) of provincial business plans which are consistent with the provisions of the Housing Act, 2020 DoRA, NUSP methodology and in compliance with the National Housing Code</li> <li>Provinces must report quarterly on projects funded through this component using the template prescribed by DHS. Reporting must include financial and non-financial performance on progress against UISP plans</li> <li>All projects to be funded from this component should be registered on HSS and allocated HSS number as per the Upgrading Plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated through the HSDG allocation formula approved by the Human Settlements MINMEC and Budget Council. The formula is based primarily on the share of inadequate housing in each province but also accounts for population size and the extent of poverty in each province. Further details of the formula are set out in Annexure W1 to the Division of Revenue Bill</li> <li>The allocation of the UISP ring-fenced funding within the HSDG is 15 per cent of the allocation for each province</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>A conditional grant enables the national department to provide effective oversight and ensure compliance with the National Housing Code</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the R18.4 billion made available, R18.3 billion (100 per cent) was transferred, of which R18.1 billion was spent by the end of the financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>77 584 housing units completed</li> <li>48 034 serviced sites completed</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This is a long term grant as government must assist the poor with the provision of human settlements in terms of the Constitution</li> <li>The UISP component is intended to become a separate conditional grant in 2021/22, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R16.6 billion; 2021/22: R13.6 billion and 2022/23: R13.9 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments as per the payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>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</li> <li>Approve the final national and provincial business plans and issue national compliance certificates</li> <li>Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein</li> <li>Ensure that provinces align financial and non-financial information in terms of reporting in BAS, HSS, provincial business plans and provincial quarterly reports</li> <li>Monitor provincial financial and non-financial grant performance and control systems related to the HSDG</li> </ul>

<b>Human Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>• Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input</li> <li>• Provide support to provinces and accredited municipalities with regard to human settlements delivery as may be required</li> <li>• Undertake structured and other visits to provinces and metropolitan municipalities as necessary</li> <li>• Facilitate regular interaction between DHS and provincial departments of human settlements and accredited municipalities</li> <li>• Submit an annual evaluation report for 2019/20 on the financial and non-financial performance of the grant to National Treasury by 27 July 2020</li> <li>• Evaluate the audited provincial annual reports for submission to National Treasury by 14 December 2020</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Provide systems including HSS that support the administration of the human settlements delivery process</li> <li>• Comply with the responsibilities of the transferring officer outlined in the 2020 DoRA</li> <li>• Ensure provinces only implement programmes that are contained in the approved business plans</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>• Develop a clear business plan template</li> <li>• Receive, assess and approve the business plans of provinces</li> <li>• Assess and make recommendations on the credibility of provincial business plans and the readiness of projects captured therein</li> <li>• Maintain the policy and programme, and assist with interpretation of the policy, business plans and individual upgrading plans</li> <li>• Develop a reporting template for provinces on UISP outputs and publish it by 29 May 2020</li> <li>• Monitor and evaluate provincial financial and non-financial grant performance and control systems including quarterly summary reports on performance related to the component</li> <li>• Provide implementation assistance support to provinces as may be required</li> <li>• Undertake structured and other visits to projects as necessary</li> <li>• Facilitate regular interaction between DHS and provinces</li> <li>• Submit a report on the status of informal settlements and their categorisation (in terms of the NUSP methodology) to National Treasury by 31 July 2020</li> <li>• Identify lessons from the preparation and implementation of this component and use these to inform the design of the proposed new grant for informal settlement upgrading</li> </ul>
	<p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces must conclude implementation protocols with the Housing Development Agency (HDA)</li> <li>• for the preparation and programme management of catalytic projects</li> <li>• Submit 2019/20 annual evaluation reports to DHS by 29 May 2020</li> <li>• Submit 2019/20 audited annual reports to the DHS by 28 September 2020</li> <li>• Prioritise funds in order to build houses to meet the quota set for military veterans</li> <li>• Support accredited municipalities in carrying out delegated functions as per the accreditation framework</li> <li>• Provinces must utilise the HSS for the administration and related performance reporting of all the human settlement delivery programmes and processes</li> <li>• Projects to be funded and included in the business plan must be registered on the HSS and the HSS project number must be included in the business plan</li> <li>• Any malicious use of, or non-compliance to the HSS will result in funds being withheld or stopped in terms of the 2020 DoRA</li> <li>• 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</li> <li>• Ensure effective and efficient utilisation of and access to the HSS by municipalities</li> <li>• Comply with the Housing Act, 2020 DoRA, Housing Code and the national delivery agreements that have been concluded</li> <li>• The monthly expenditure report, as contemplated in section 12(3) of the 2020 DoRA and section 40(4)(c) of the Public Finance Management Act, must be submitted by the 15th of every month for the preceding month with work in progress inclusive of expenditure, monthly BAS and HSS reconciliation as stipulated on the Practice Note dated 24 April 2015</li> <li>• Monthly expenditure and quarterly reports must be signed by both the human settlements HoD and the relevant provincial treasury HoD</li> <li>• Submit the reports on the outputs as mentioned above by the 15th of every month for the preceding month</li> <li>• There should be an alignment of the business plan with the gazetted allocations to accredited municipalities</li> <li>• Provinces should ensure that they only implement the programmes in the approved business plans</li> <li>• Provinces are allowed to implement the Finance Linked Individual Subsidy Programme within the Integrated Residential Reporting Programme</li> <li>• Provinces should prioritise revitalisation of the distressed mining towns programme within their funding</li> <li>• Consult with municipalities on the programme and projects submitted for approval in terms of the HSDG business plan</li> <li>• Ensure all projects to be implemented are contained in the municipal IDP and Spatial Development Frameworks of municipalities</li> <li>• Ensure that the relevant amounts to be applied and transferred to municipalities are gazetted by no later than 29 May 2020</li> </ul>



<b>Human Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>• Provinces to align their business plan with provincial annual performance plans</li> <li>• On completion of units for military veterans, provincial departments should forward the claims to Department of Military Veterans for the top-up, as agreed in terms of the memorandum of understanding between national Department of Military Veterans and DHS</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>• Agree with municipalities which informal settlements will be upgraded by the province, and if applicable how the province will support any upgrading projects implemented by a municipality, including funds to be transferred to the municipality</li> <li>• Initiate, plan and formulate applications for projects relating to the upgrading of informal settlements, which in the case of municipalities that are not accredited must be in collaboration with the relevant provincial department</li> <li>• Work with municipalities to fast track the planning approval processes for informal settlements upgrading projects</li> <li>• Agree with municipalities on how settlement areas developed under this programme will be managed, operated and maintained</li> <li>• Coordinate with municipalities and facilitate the provision of bulk and connector engineering services</li> <li>• Submit a report on the status of informal settlements in their provincial area and their categorisation (in terms of the NUSP methodology) to the national Department of Human Settlements by 1 April 2020</li> <li>• Identify lessons from the implementation of this component and share these with the DHS</li> <li>• Update municipal information on HSS</li> <li>• Coordinate and facilitate UISP planning forums</li> <li>• Ensure alignment of HSDG business plan with the UISP business plan</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Draft Consolidated provincial business plans for 2021/22 financial year, project readiness matrix and multi-year housing development plan (aligned with the business plan and project readiness matrix) to be submitted to the national department by 31 August 2020</li> <li>• Submit final consolidated provincial business plans, project readiness matrix, multi-year housing development plan (including cash flow projections and compliance certificates for 2021/22 financial year) to the DHS by 8 February 2021</li> <li>• Specific approval from the transferring officer should be sought for rectification (pre- and post-1994), IDP chapters, blocked projects, community residential units (upgraded), project linked, consolidation subsidies (blocked projects) and allocations for these must appear in the draft and final business plans</li> <li>• Programmes that require ministerial approval (in terms of ministerial directives) must be submitted in the first draft of the business plan</li> </ul> <p><b>UISP component/new grant</b></p> <ul style="list-style-type: none"> <li>• Provinces must prepare a Provincial Informal Settlement Upgrading Strategy that is aligned to municipal SDFs and sets out the province's approach to informal settlement upgrading and management and how settlements are categorised and will be prioritised for upgrading</li> <li>• A draft of this plan must be submitted to DHS by 30 October 2020. DHS will provide comments by 30 November 2020. A final plan must be submitted by 29 January 2021</li> <li>• Only upgrading projects with completed upgrading plans will be funded in 2021/22</li> <li>• Final business plans must be submitted by 26 February 2021</li> </ul>



<b>Provincial Emergency Housing Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 7, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act, 2002)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding to provinces for provision of temporary shelter assistance to households affected by disasters or a housing emergency</li> <li>To provide funding to provinces to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Households accommodated in adequate temporary shelter following a disaster</li> <li>Repair damaged houses following a disaster for low income households</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Emergency and short term assistance to households affected and/or impacted by disasters, through: <ul style="list-style-type: none"> <li>provision of temporary shelter</li> <li>temporary relocation of households to safer accommodation and/or shelter</li> <li>repairs to damaged houses following a disaster</li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Applications for funding from this grant use the Emergency Housing Grant application form which includes the following: <ul style="list-style-type: none"> <li>details of the disaster, municipal ward, the impact thereof and number of temporary shelters required as well as the number of households affected</li> <li>total funds required for disaster response</li> <li>implementation plan</li> <li>summary of the projects</li> <li>register of beneficiaries</li> <li>consolidated project cash flow for three months, as an annexure to the implementation plan</li> <li>a copy of the province's emergency procurement policy</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provinces must submit an application to the national Department of Human Settlements (DHS) within 14 days of the agreement by the Member of the Executive Council responsible for Human Settlements that a housing emergency exists in terms of section 2.3.1 (a), (b) of the Emergency Housing Programme</li> <li>The relevant provincial disaster management centre must be informed of the application in writing by the provincial department for human settlements</li> <li>Provincial heads of departments (HoDs) must sign-off and confirm information in the application</li> <li>Shelter solutions funded from the grant must comply with the National Housing Code</li> <li>The approval of funding to repair damages caused by disasters must be subject to the assessment</li> <li>The flow of the first instalment of funds is conditional on approval by the national DHS</li> <li>The flow of the second instalment is subject to the province spending at least 80 per cent of the first instalment and submitting detailed non-financial and financial reports indicating progress to date, signed-off by the accounting officer</li> <li>Funds must only be spent on items and activities included in the application approved by the transferring officer of the national DHS</li> <li>Provincial officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national DHS until the funds are fully utilised</li> <li>The emergency procurement system as guided by the Public Finance Management Act (PFMA) and Treasury Regulations must be invoked to ensure immediate assistance to the affected communities</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>This grant funding is intended to address the housing needs of households who, for reasons beyond their control, find themselves in an emergency housing need such as: <ul style="list-style-type: none"> <li>existing shelter destroyed or damaged by a disaster</li> <li>displaced following a disaster</li> <li>relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster</li> </ul> </li> <li>The grant is allocated to provinces on application and approval thereof by the transferring officer</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>A conditional grant enables the national department to respond to disasters as they arise</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The grant was allocated R260 million and R205 million was transferred to provinces, of which R68 million (33 per cent of transferred funds) was spent by provinces</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>A total of 1 050 temporary shelters and damaged houses were provided and repaired in Western Cape and Mpumalanga provinces</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R295 million; 2021/22: R311 million and 2022/23: R326 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Advise and guide provinces about the existence of the Provincial Emergency Housing Grant and how it can be accessed</li> <li>Develop and publish the Provincial Emergency Housing Grant application form template, in consultation</li> </ul>

<b>Provincial Emergency Housing Grant</b>	
	<p>with National Treasury and the National Disaster Management Centre (NDMC)</p> <ul style="list-style-type: none"> <li>• Monitor programme implementation including establishing and maintaining a register or database of housing emergencies and human settlements-related disasters</li> <li>• Support provinces to plan for potential disasters and housing emergencies. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters</li> <li>• Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required</li> <li>• Facilitate a coordinated housing assistance intervention response in circumstances where disasters affect more than one province</li> <li>• Coordinate assistance with the NDMC to ensure there is no duplication of funding with the provincial and municipal disaster relief grants</li> <li>• Request National Treasury's approval for the disbursement of funds to provinces within 10 days of receipt of an application for funding from this grant</li> <li>• Notify the relevant provinces and provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after notification</li> <li>• Transfer funds to the provincial administration with a clear stipulation of the purpose of the funds</li> <li>• Provide National Treasury with written notification of the transfer within 10 days of a transfer</li> <li>• Undertake oversight visits together with the province for verifications of reported performance</li> <li>• Submit financial and non-financial reports to National Treasury 20 days after the end of each month</li> <li>• Provide a performance report, within 45 days after 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</li> <li>• Together with the provinces, monitor the implementation of funded projects</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>• Provinces are responsible for providing the first response in the immediate aftermath of a housing emergency</li> <li>• Together with the national DHS, conduct initial assessments of disaster impacts to verify the applications for funding within five days following the occurrence of a reported incident that meets the conditions</li> <li>• Upon approval of the application by national DHS and receipt of funding, implement the intended relief measure (emergency housing solutions) in respect of the affected households and communities</li> <li>• Manage implementation of emergency interventions including establishing and maintaining a register or database of human settlements disasters and emergencies in the province</li> <li>• Plan disaster mitigation measures in collaboration with the relevant PDMC, these include public awareness and community outreach initiatives in respect of disaster mitigation</li> <li>• Plan for potential disaster incidents, this work includes identifying communities/households that reside on land posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters</li> <li>• Facilitate identified and prioritised communities and/or households that are relocated and properly housed in formalised townships that comply with human settlement development norms and standards</li> <li>• Ensure that shelter solutions comply with the Housing Code</li> <li>• Monitor the planning and priority development for communities/households residing in unhealthy and life-threatening circumstances and provide implementation assistance where required</li> <li>• Provide financial and non-financial reports to national DHS within 15 days after the end of each month (include evidence (invoices and pictures of the projects) as annexures)</li> <li>• Ensure contingency plans are in place to facilitate the provision of emergency shelter in the immediate aftermath of a housing emergency. These plans should include having standby contracts in place that allow for the rapid deployment of emergency shelter and/or identifying safe sites for temporary shelter</li> <li>• Ensure that emergency procurement policies in line with the PFMA and Treasury Regulations are in place</li> <li>• Conduct assessments of disaster impacts together with the affected municipalities, to verify applications for funding, within 35 days of the incident while adhering to the requirements of the emergency housing programme</li> <li>• Provide a performance report which includes evidence on progress with implementation of the projects to the national DHS within 30 days after the end of the quarter in which funds are spent</li> <li>• Identify communities and/or households for temporary relocation due to an imminent disaster event</li> <li>• Monitor the implementation of funded disaster projects by sectors</li> <li>• Maintain a register of the beneficiaries</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<b>Title Deeds Restoration Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The creation of security of tenure and a well-functioning, equitable residential property market</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding for the eradication of the pre-2014 title deeds registration backlog</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Tenure security for all recipients of government-subsidised houses</li> <li>Improved functioning of the secondary property market</li> <li>Improved quality of life</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of title deeds registered in favour of beneficiaries of government subsidised housing (pre-1994 and post-1994) for projects completed by 31 March 2014</li> <li>Number of township registers opened</li> <li>Number of beneficiaries confirmed as legitimate in registered townships</li> <li>Number of ownership disputes resolved</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Medium-term strategic framework, medium-term expenditure framework targets, outputs and outcomes</li> <li>Implementation agreement between national, provincial and local government</li> <li>Proof of joint planning with municipalities</li> <li>Annual and quarterly outputs and targets</li> <li>Cash flow projections (payment schedule)</li> <li>Quarterly reporting</li> <li>Procurement plan, confirming the appointment of requisite service providers</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>These funds cannot be used to fund title deeds for housing for projects completed after 31 March 2014</li> <li>Provinces must submit implementation business plans approved by the transferring officer by 7 February 2020</li> <li>The transfer of the first tranche of funds to be paid at the beginning of the financial year is conditional on approval by the national Department of Human Settlements (DHS) of provincial business plans</li> <li>The transfer of subsequent tranches is conditional on provinces submitting a detailed report on the delivery and expenditure on the previous transfer. The said report is to include: <ul style="list-style-type: none"> <li>agreed deliverables supported by evidence</li> <li>actual expenditure against the planned cash flows for the same period</li> <li>compliance with the housing subsidy system</li> <li>cash flows for the remainder of the year</li> </ul> </li> <li>Provinces must capture the targets and budget and delivery statistics and expenditure monthly on the housing subsidy system (HSS), the basic accounting system, and agreed reporting templates</li> <li>Provincial heads of departments (HoDs) for Human Settlements must sign-off and confirm that projects captured in the implementation plans are assessed and approved for implementation in the 2020/21 financial year</li> <li>Provinces may only spend funds in line with the approved business plans</li> <li>Provinces must submit monthly and quarterly financial and non-financial reports to the national DHS</li> <li>Provinces which do not spend 60 per cent of their transferred funds by the end of each quarter, may have subsequent transfers stopped and reallocated in terms of sections 19 and 20 of the 2020 Division of Revenue Act</li> <li>Provinces may request, in writing to the transferring officer, approval to amend their approved business plan. Requests must be submitted between 14 August and 15 September 2020. Revised plans will be approved by 30 October 2020</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated per province on the basis of a comprehensive business plan informed by the confirmed title deed backlog per province</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Funds were previously ring-fenced within the Human Settlements Development Grant</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the R518 million allocated, R518 million (100 per cent) was transferred to provinces. R343 million (66 per cent) was spent by the end of the financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>5 411 pre-1994 titles deeds transferred</li> <li>40 422 post-1994 titles transferred</li> <li>108 661 beneficiaries verified</li> <li>187 disputes resolved</li> <li>74 townships established</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant will end at the end of 2020/21 (title deeds are funded as part of the Human Settlements Development Grant)</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R578 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments as per the payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Assess and make recommendations on the credibility of the provincial business plans for implementation and the readiness of projects therein</li> </ul>

<b>Title Deeds Restoration Grant</b>	
	<ul style="list-style-type: none"> <li>• Ensure that provinces align financial and non-financial information in terms of reporting in the Basic Accounting System (BAS), Housing Subsidy System (HSS), provincial business plans and provincial quarterly reports</li> <li>• Monitor provincial financial and non-financial grant performance as well as control systems related to the grant</li> <li>• Draft an institutional enhancement capacity plan and submit it to the National Treasury by 30 September 2020</li> <li>• Provide technical and advisory support</li> <li>• Ensure provinces comply with the reporting requirements for the HSS in terms of frequency and quality of the input</li> <li>• Undertake structured and other visits to provinces and metropolitan municipalities when necessary</li> <li>• Submit quarterly performance reports to National Treasury</li> <li>• Verify the number of title deeds registrations reported by provincial departments, on a quarterly basis</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• 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</li> <li>• Submit the monthly expenditure report, as contemplated in section 12(3) of the 2020 Division of Revenue Act (DoRA) and section 40(4)(c) of the Public Finance Management Act</li> <li>• The monthly DoRA expenditure and quarterly financial and non-financial reports must be signed by both the human settlements HoD and the relevant provincial treasury HoD</li> <li>• Ensure that a Portfolio of Evidence, confirming performance and expenditure, as provided for in the Compliance and Reporting Framework, is submitted by the 15<sup>th</sup> of every month for the preceding month</li> <li>• Submit the reports on the outputs as mentioned in this framework by the 15<sup>th</sup> of every month for the preceding month</li> <li>• Facilitate regular interaction between DHS and provincial departments of human settlements and municipalities</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## PUBLIC WORKS AND INFRASTRUCTURE GRANTS

<b>Expanded Public Works Programme Integrated Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works and Infrastructure (Vote 13)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To provide funding for job creation efforts in specific focus areas, where labour intensive delivery methods can be optimised</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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"> <li>road maintenance and the maintenance of buildings</li> <li>low traffic volume roads and rural roads</li> <li>other economic and social infrastructure</li> <li>tourism and cultural industries</li> <li>sustainable land based livelihoods</li> <li>waste management</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved quality of life of poor people and increased social stability through engaging the previously unemployed in paid and productive activities</li> <li>Reduced level of poverty</li> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> <li>Number of full-time equivalents (FTEs) to be created through the grant</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: Economic transformation and Job creation</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>The programme is implemented through provinces using grant agreements that contain project lists and targets for eligible provincial departments on the creation of full-time equivalents (FTEs) and work opportunities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by Department of Public Works and Infrastructure (DPWI) and the Ministerial Determination for EPWP workers</li> <li>Eligible provincial departments must sign a funding agreement with their signed-off EPWP project list attached, before the first planned disbursement of the grant</li> <li>Provincial departments must report quarterly on all projects via DPWI's EPWP reporting system</li> <li>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</li> <li>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</li> <li>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</li> <li>To receive the first planned grant disbursement, eligible provincial departments must:               <ul style="list-style-type: none"> <li>submit a signed-off EPWP project list by 28 April 2020</li> <li>sign a grant agreement with DPWI</li> </ul> </li> <li>Subsequent grant disbursements are conditional upon eligible provincial departments:               <ul style="list-style-type: none"> <li>reporting on EPWP performance quarterly within the required time frames</li> <li>reporting on all EPWP Integrated Grant funded projects</li> <li>implementing their approved EPWP projects on the project list as planned towards the agreed job creation targets</li> <li>submitting, on a quarterly basis, non-financial reports by the timelines stipulated in the clauses of the 2020 Division of Revenue Act</li> <li>reporting on EPWP Integrated Grant expenditure monthly, within the required time frames</li> </ul> </li> <li>EPWP branding must be included as part of the project cost in line with the corporate identity manual</li> <li>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 DPWI for data quality assessment tests</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an EPWP grant allocation in 2020/21, a provincial department must have reported at least 26 FTEs in either the infrastructure or environment and culture sector in the 2018/19 financial year</li> <li>Newly reporting provincial departments must have reported 2019/20 EPWP performance (in either the infrastructure or environment and culture sector) by 30 October 2019</li> <li>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</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to fund expansion in specific focus areas as well as incentivise increased EPWP performance</li> <li>The grant is based on performance, the potential to expand and the need for EPWP work in key focus areas</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the total grant allocation of R416 million, 100 per cent was transferred to provinces. R415 million (100 per cent) of the transferred funds was spent by the end of the financial year</li> </ul>



<b>Expanded Public Works Programme Integrated Grant for Provinces</b>	
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• 223 193 work opportunities reported and 81 190 FTEs created</li> <li>• Average duration of the work opportunities created has increased to 91 days</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R421 million; 2021/22: R440 million and 2022/23: R456 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Three instalments per annum: 25 per cent, 15 May 2020; 45 per cent, 14 August 2020 and 30 per cent, 13 November 2020</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Determine eligibility and set grant allocations and FTE targets for eligible provincial departments</li> <li>• 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 for EPWP workers</li> <li>• 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</li> <li>• Monitor the performance and spending of provincial departments and assess progress towards their implementation of EPWP project lists</li> <li>• Disburse the grant to eligible provincial departments that comply with the DoRA requirements</li> <li>• Report to National Treasury progress against FTE targets and spending against the grant allocation on a quarterly basis</li> <li>• Conduct data quality assessments on a continuous basis to support good governance and identify areas for administrative improvement</li> <li>• Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions</li> <li>• Support the sector to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Develop and submit an EPWP project list to DPWI by 28 April 2020</li> <li>• Sign the standard grant agreement with DPWI by 30 April 2020, agreeing to comply with the conditions of the grant before receiving any grant disbursement</li> <li>• Agree on the areas requiring technical support from DPWI upon signing the grant agreement</li> <li>• Register and report all EPWP projects on the EPWP reporting system and update progress quarterly in accordance with the reporting requirements and timelines stipulated in the grant agreement</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Provincial departments must report on performance of EPWP projects for the 2019/20 financial year by 28 April 2020 or report on 2020/21 performance by 30 October 2020 to be eligible for a grant allocation</li> <li>• Provincial departments must submit draft 2021/22 EPWP project lists to DPWI by 28 April 2021</li> <li>• Eligible provincial departments must sign the standard funding agreement with an approved 2021/22 EPWP project list by 28 April 2021</li> </ul>

<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works and Infrastructure (Vote 13)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To increase job creation through the expansion of the social sector Expanded Public Works Programme (EPWP)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise provincial social sector departments, identified in the social sector EPWP log-frame, to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved service delivery to communities by expanding the reach and quality of social services</li> <li>Contribute towards increased levels of employment</li> <li>Strengthened capacity of non-government delivery partners through increased access to funds for wages and administration</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>9 590 Full-Time Equivalents (FTEs) funded through the grant</li> <li>A minimum of 11 028 people employed and receiving income through the EPWP grant</li> <li>A minimum average duration of 200 person days for work opportunities created</li> <li>A minimum of 10 000 households provided with social services</li> <li>A minimum of 150 000 beneficiaries provided with social services</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: Economic transformation and job creation</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial departments must report EPWP expenditure on the monthly in-year management, monitoring and reporting tool in accordance with section 32 of the Public Finance Management Act</li> <li>Financial and non-financial performance must be reported onto the EPWP reporting system</li> <li>Provincial departments must adhere to the audit requirements stipulated in the social sector EPWP incentive grant manual</li> <li>The incentive grant allocation must be used to expand job creation programmes in the social sector</li> <li>The incentive grant allocation must be used to fund the following priority areas: <ul style="list-style-type: none"> <li>to provide stipends to unpaid volunteers at EPWP minimum wage rate as per the Ministerial Determination for EPWP Workers and the prescripts of the Department of Labour</li> <li>to expand social sector EPWP programmes as identified in the EPWP social sector log-frame for creation of additional work opportunities</li> </ul> </li> <li>A minimum of 80 per cent of the total incentive allocation must be used to pay stipends or wages</li> <li>The balance of the overall incentive allocation must be used for administration and capacity-building at the implementation level</li> <li>To receive the first grant disbursement, eligible provincial departments must: <ul style="list-style-type: none"> <li>submit a signed business plan by 31 March 2020</li> <li>submit a compliant signed project list by 31 March 2020</li> <li>sign a grant agreement with the Department of Public Works and Infrastructure (DPWI) by 31 March 2020</li> </ul> </li> <li>Subsequent grant disbursements are conditional upon eligible provincial departments: <ul style="list-style-type: none"> <li>reporting grant funded projects in the EPWP reporting system</li> <li>reporting expenditure of at least 25 per cent and 50 per cent (of the transferred amount) for the second and third tranches, respectively</li> </ul> </li> <li>Provincial departments must submit quarterly non-financial reports in the prescribed template as per the timelines stipulated in the clauses of the 2020 Division of Revenue Act</li> <li>EPWP branding must be included as part of the project cost as per the corporate identity manual</li> <li>Provincial departments must comply with audit requirements by maintaining beneficiary and payroll records as specified in the audit requirements of the EPWP grant manual</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To receive an incentive allocation in 2020/21, a provincial department must have reported performance in 2018/19 and the first two quarters of 2019/20 into the EPWP reporting system by 15 October 2019</li> <li>To be eligible for an incentive allocation in 2020/21, a provincial department must have reported performance of at least 50 per cent against their sector plan FTE target for 2018/19</li> <li>FTEs reported in the last 18 months are used to determine the allocations for the provincial departments. Allocations are divided into two parts calculated based on: <ul style="list-style-type: none"> <li>provincial department's contribution towards the total FTEs reported over 18 months</li> <li>FTE achievement and compliance to sector standards (for persons with disability, women, youth, training days, duration and wages)</li> </ul> </li> <li>The following penalties are applied where there was non-compliance to conditions of the grant in 2018/19: <ul style="list-style-type: none"> <li>1 per cent for non-compliance in submission of planning documents</li> <li>0.5 per cent for late submission for each quarterly non-financial report</li> <li>0.5 per cent for each tranche withheld</li> <li>1 per cent for less than 100 per cent expenditure reported in the assessment period</li> <li>1 per cent for non-achievement of FTE target in the assessment period</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>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</li> </ul>

<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the total grant allocation of R408 million, 100 per cent was transferred to provincial departments of which R397 million (97 per cent) of was reported spent by provinces</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>16 333 FTEs were created</li> <li>22 845 work opportunities created</li> <li>Average duration of 178 person days for work opportunities created</li> <li>85 238 beneficiaries received social services</li> <li>5 320 households received social services</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R414 million; 2021/22: R432 million and 2022/23: R447 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments per annum: 25 per cent, 15 April 2020; 45 per cent, 31 July 2020 and 30 per cent, 30 October 2020</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Determine the eligibility of provincial departments, set job creation targets and performance measures and calculate incentive allocations</li> <li>Revise the 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</li> <li>Develop an incentive agreement outlining the requirements of the incentive grant and ensure that each provincial department signs the agreement by 31 March 2020</li> <li>Reach agreements with national sector departments on their roles in ensuring effective implementation of the incentive grant by 31 March 2020</li> <li>Support provincial departments to develop plans to meet job creation targets</li> <li>Support sector departments to collect the required data, align monitoring and reporting frameworks and to report on key outputs on the EPWP reporting system</li> <li>Monitor the performance of provincial departments on the use of the incentive grant against the conditions in the framework and report to National Treasury on a monthly and quarterly basis</li> <li>Evaluate the final performance of provincial departments after the end of the financial year</li> <li>Issue guidelines to provincial departments on how to report expenditure, by 31 March 2020</li> <li>Identify anomalies in reported data</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>Compile and sign business plans and project lists on how they will achieve the incentive grant targets by 31 March 2020</li> <li>By 31 March 2020, sign the standard incentive agreement with national DPWI agreeing to comply with the conditions and obligations of the grant before receiving any incentive payment</li> <li>Report EPWP performance onto the EPWP reporting system and update progress monthly in accordance with the reporting requirements in the incentive agreement</li> <li>Submit financial and non-financial reports on the use of the incentive grant on a monthly and quarterly basis in the format and manner prescribed by National Treasury and DPWI</li> <li>Submit an annual evaluation report on the use of the incentive grant in the format and manner prescribed by National Treasury and DPWI</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Provincial departments must have reported EPWP performance by 30 April 2020 to be eligible for an allocation</li> <li>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</li> <li>DPWI to distribute the incentive agreements for endorsement by provincial Heads of Departments by the end of February every year</li> <li>Provincial Heads of Departments to sign the incentive agreement with DPWI by 30 March 2021 and agree to comply with the conditions and obligations of the incentive grant</li> </ul>

## SOCIAL DEVELOPMENT GRANTS

<b>Early Childhood Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Social Development (Vote 19)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To increase access to quality early childhood development (ECD) services for poor children</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To increase the number of poor children accessing subsidised ECD services through partial care facilities</li> <li>• To support ECD providers delivering an ECD programme to meet basic health and safety requirements for registration</li> <li>• To pilot the construction of new low-cost ECD centres</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The provision of ECD services to poor children contributing towards universal access</li> <li>• Improving health and safety conditions in which stimulation and early learning takes place</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• This grant has two components with detailed outputs, conditions and responsibilities for each component specified in separate frameworks. The two components are: <ul style="list-style-type: none"> <li>○ infrastructure component</li> <li>○ subsidy component</li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components which contains the following: <ul style="list-style-type: none"> <li>○ project background</li> <li>○ project objectives</li> <li>○ scope of the work</li> <li>○ deliverables and outputs to be achieved</li> <li>○ risk assessment with mitigation plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Conditional grant funding cannot be used to replace funding that provinces have previously allocated for ECD subsidies</li> <li>• Each province may use a maximum of R4.14 million of their total conditional grant allocation (subsidy plus infrastructure components) for administrative management of the grant which includes capacity to manage the grant and funding for assessments of ECDs. Provinces may choose to use this amount from the allocation for either one of the components or both</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• As specified in the two grant component frameworks</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• 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 by ensuring that the delivery and maintenance of any capital investment is coordinated in an efficient manner that is consistent with norms, standards and guidelines</li> <li>• ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Of the total grant allocation of R491 million, 100 per cent was transferred to provinces R458 million (93 per cent) was spent by the end of the financial year</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• As specified in the grant frameworks for the two components</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Given the nature of the programme and the drive to expand provision of ECD services, the grant will be needed for the medium term expenditure framework (MTEF) period, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R915 million; 2021/22: R1.1 billion and 2022/23: R1.2 billion allocated as follows: <ul style="list-style-type: none"> <li>○ ECD subsidies: 2020/21: R826 million; 2021/22: R963 million and 2022/23: R1.1 billion</li> <li>○ ECD maintenance improvements: 2020/21: R89 million; 2021/22: R94 million and 2022/23: R98 million</li> </ul> </li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Quarterly instalments based on the approved payment schedule</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Review the standardised reporting framework and monitoring tool</li> <li>• Review the standardised format for the business plans</li> <li>• Assist the provincial DSDs with their planning</li> <li>• Assess and approve the business plans submitted by provinces</li> <li>• Monitor project progress and compliance to conditional grant framework</li> <li>• Provide continuous monitoring and support to provinces</li> <li>• Submit a monthly financial report to National Treasury 20 days after the end of the reporting month</li> <li>• Consolidate and submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Monitor the utilisation of the grant against the set outcomes and take appropriate action in cases of non-compliance with the framework</li> <li>• Submit an annual evaluation report four months after the end of the 2020/21 financial year</li> <li>• Facilitate approval of the payment schedule and approval of in-year adjustments to the payment schedule</li> <li>• Review and update subsidy guidelines</li> </ul>

<b>Early Childhood Development Grant</b>	
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Submit approved business plans signed-off by the head of department (HoD) to the DSD by 2 March 2020</li> <li>• Implement the business plan as approved by the DSD</li> <li>• Ensure that claims are submitted to national DSD to allow for the transfer of funds by national DSD in line with the payment schedule approved by the National Treasury</li> <li>• Submit monthly financial reports to national DSD 15 days after the end of the reporting month</li> <li>• Provinces must upload all ECD maintenance projects on the infrastructure reporting model and update it monthly</li> <li>• Submit quarterly performance reports to national DSD within 30 days after the end of each quarter</li> <li>• Submit an evaluation report two months after the end of the 2020/21 financial year</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Engagement with provincial departments on submission of business plans between September 2020 and February 2021</li> <li>• Submit final provincial business plan, including cash flow projections and compliance certificates signed-off by HoDs for 2021/22 financial year to national DSD by 15 February 2021</li> <li>• The transferring officer must approve provincial business plans by 1 April 2021</li> </ul>



<b>Early Childhood Development Grant: Infrastructure Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Social Development (Vote 19)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To increase access to quality early childhood development (ECD) services for poor children</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To support ECD providers delivering an ECD programme to meet basic health and safety requirements for registration</li> <li>• To pilot the construction of new low-cost ECD centres</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The provision of ECD services to poor children contributing towards universal access</li> <li>• Improving health and safety conditions in which stimulation and early learning takes place</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of ECD centres assessed for infrastructure support</li> <li>• Number of ECD centres whose registration status improved as a result of the infrastructure component within 24 months of receiving the grant</li> <li>• Number of low-cost ECD centres constructed</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components (subsidy and infrastructure) which contains the following: <ul style="list-style-type: none"> <li>○ project background</li> <li>○ project objectives</li> <li>○ scope of the work</li> <li>○ deliverables and outputs to be achieved</li> <li>○ risk assessment with mitigation plan</li> </ul> </li> </ul>
<b>Conditions</b>	<p><b>Maintenance and upgrading</b></p> <ul style="list-style-type: none"> <li>• This allocation may be used: <ul style="list-style-type: none"> <li>○ for unregistered ECD centres to do minor infrastructure maintenance works and upgrades to enable conditional registration</li> <li>○ for conditionally registered ECD centres to do minor infrastructure maintenance works and upgrades to enable them to improve their registration status</li> </ul> </li> <li>• The following conditions apply in respect of the above: <ul style="list-style-type: none"> <li>○ all ECD centres whether conditionally registered or unregistered may only benefit from this fund if they are eligible as per the requirements in the guideline issued by the national DSD</li> <li>○ all projects must be selected, planned and implemented in a manner consistent with the guideline issued by the national DSD</li> <li>○ provinces must conduct assessments of conditionally registered and eligible unregistered ECD centres and cost them in order to qualify for funding in 2021/22 and submit these assessments to the national DSD by 30 September 2020</li> <li>○ for unregistered centres, a maximum amount of R100 000 per ECD centre may be spent for maintenance improvements, inclusive of all costs</li> <li>○ for conditionally registered centres a maximum amount of R250 000 per ECD centre may be spent for maintenance improvement and upgrades, inclusive of all costs</li> <li>○ prior approval for any amount exceeding either of the maximum amounts per centre listed above should be obtained from the Head of Department (HoD) and Chief Financial Officer with a detailed assessment and cost analysis to justify the additional amount</li> <li>○ all projects must be recorded on the infrastructure reporting model</li> </ul> </li> </ul> <p><b>New centre construction</b></p> <ul style="list-style-type: none"> <li>• New centre construction funding is for the construction of new low-cost ECD centres where existing structures have to be replaced or to address new demand in areas where the need is the greatest</li> <li>• A maximum of R2.5 million per province may be used for the construction of new ECD centres, inclusive of all costs</li> <li>• The construction of centres must be consistent with the guideline issued by the national DSD</li> <li>• Every province must construct at least one ECD centre in 2020/21. If this is not possible, the Accounting Officer of the province must write to the Accounting Officer of the national DSD and provide reasons for this by 30 April 2020</li> <li>• Each province must include the number of ECD centres to be constructed and the costs for the construction in their 2020/21 business plan</li> <li>• All projects must be recorded on the infrastructure reporting model</li> </ul> <p><b>General conditions</b></p> <ul style="list-style-type: none"> <li>• The national DSD, in consultation with the National Treasury, will develop guidelines for each of the areas listed above that provinces must adhere to. These guidelines must be issued to provinces by 27 March 2020</li> <li>• Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The provincial infrastructure allocations are determined based on: <ul style="list-style-type: none"> <li>○ the number of ECD centres assessed in each province that meet the criteria for the maintenance/upgrading conditional registration package</li> <li>○ the amount for low-cost construction of ECD centres is a standard allocation for each province</li> </ul> </li> </ul>

<b>Early Childhood Development Grant: Infrastructure Component</b>	
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To allow DSD to manage the expansion of ECD in the country and to facilitate compliance to the National Integrated ECD Policy approved by Cabinet on 9 December 2015, ensuring that the delivery of capital investment is coordinated in an efficient manner that is consistent with norms, standards and guidelines</li> <li>ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>Of the maintenance grant allocation of R66 million, 100 per cent was transferred to provinces. R63 million (95 per cent) was spent by the end of the financial year</li> </ul>
	<b>2018/19 service delivery performance</b> 539 ECD centres benefited from the grant
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Given the nature of the programme and the drive to expand provision of ECD services, the grant will be needed for the medium term expenditure framework period, subject to review</li> </ul>
<b>MTEF allocations</b>	2020/21: R89 million; 2021/22: R94 million and 2022/23: R98 million
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Quarterly instalments according to approved payment schedule</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>The national DSD will develop ECD infrastructure grant guidelines in consultation with the National Treasury for each of the two areas listed above that must be issued to the provinces by 27 March 2020</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>Provinces must submit a list of all eligible ECD centres that have been assessed to benefit from the grant in 2021/22 to DSD by 30 September 2020</li> <li>Provinces must provide a procurement plan on how they will implement their projects in the 2021/2022 financial year by 30 November 2020</li> <li>The reasons for the centre being unregistered or conditionally registered including the Environmental Health Report must be kept in the file for each ECD centre by the ECD programme manager</li> <li>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</li> <li>Maintain a database of all ECD centres that have been assisted through the infrastructure component of the grant by the ECD infrastructure project manager</li> <li>The ECD programme manager must maintain a database of all ECD centres that have improved their registration status</li> <li>Provinces must record all infrastructure projects on the National Treasury's infrastructure reporting model</li> <li>Provinces must adhere to the requirements in the ECD infrastructure grant guidelines issued by national DSD in the implementation of the grant</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Engagement with provincial departments on submission of business plans between September 2020 and February 2021</li> <li>Submit final provincial business plan, including cash flow projections and compliance certificate signed-off by HoDs for 2021/22 financial year to the DSD by 12 February 2021</li> <li>The transferring officer must approve provincial business plans by 1 April 2021</li> </ul>

<b>Early Childhood Development Grant: Subsidy Component</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Social Development (Vote 19)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To increase access to quality early childhood development (ECD) services for poor children</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To increase the number of poor children accessing subsidised ECD services through centre and non-centre based modalities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The provision of ECD services to poor children</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Number of eligible children subsidised, as agreed in the service level agreements (SLA)</li> <li>• Number of all children attending registered ECD services in fully registered centres</li> <li>• Number of all children attending ECD services in conditionally registered centres</li> <li>• Number of children that benefit from the subsidy component of the conditional grant in fully registered centres</li> <li>• Number of children that benefit from the subsidy component of the conditional grant in conditionally registered centres</li> <li>• Number of days subsidised for centre based programmes</li> <li>• Number of children benefiting from the subsidy in registered non-centre based ECD programmes</li> <li>• Number of ECD practitioners and other staff employed in in registered ECD centres benefiting from the conditional grant</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 2: Education, skills and health</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• The provincial departments will use a single business plan issued by the national Department of Social Development (DSD) for the two grant components (i.e. subsidy and infrastructure) which contains the following: <ul style="list-style-type: none"> <li>○ project background</li> <li>○ project objectives</li> <li>○ scope of the work</li> <li>○ deliverables and outputs to be achieved</li> <li>○ risk assessment with mitigation plan</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Fully registered and conditionally registered ECD programmes will be eligible for the subsidy in both centre and non-centre based modalities</li> <li>• The subsidy is targeted for children in ECD services from birth until six years of age</li> <li>• The provincial DSD and ECD service providers will enter into SLAs which stipulate the purpose of the subsidy, the amount of the subsidy, conditions of the subsidy and obligations of both provincial DSD and ECD service providers with regards to the payment of the subsidy and reporting requirements</li> <li>• The value of the subsidy paid to each ECD centre will be calculated as follows: <ul style="list-style-type: none"> <li>○ R17.00 multiplied by the number of days (264), multiplied by the number of qualifying children attending the ECD centre as agreed to in the SLA</li> </ul> </li> <li>• The value of the subsidy paid to each registered non-centre based ECD programme will be calculated as follows: <ul style="list-style-type: none"> <li>○ R6.00 multiplied by the number of sessions, multiplied by the number of qualifying children attending as agreed to in the SLA</li> </ul> </li> <li>• 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</li> <li>• Once funds are transferred to ECD service providers the department may not pre-approve how the funds are to be utilised other than what is stipulated in the SLA</li> <li>• All allocations must be aligned to the number of children registered and eligible for the subsidy as per the SLA and can only be reduced as per the process outlined in the SLA. Allocations may not be changed in-year, based on attendance</li> <li>• The subsidy must target ECD centres and non-centre based programmes or qualifying children in line with the process set out below: <ul style="list-style-type: none"> <li>○ an ECD centre and non-centre based programme is eligible to be subsidised if it is located in a designated municipal ward that has been identified for universal targeting of subsidies</li> <li>○ children attending these ECD centres and non-centre based programmes will not be subject to an individual means test and all children in these centres must be taken into account when calculating the subsidy for the ECD centre or non-centre based programme</li> <li>○ if the child is attending an ECD centre or non-centre based programme falling outside of those municipal wards that have been identified for universal targeting of the subsidy, the subsidy will be targeted to an individual child using the means test criteria outlined below</li> </ul> </li> </ul> <p><b>Income based means test:</b></p> <ul style="list-style-type: none"> <li>• Income of parents or caregivers may not exceed the means test values applied for receipt of the child support grant for a single parent and married parents as gazetted by national DSD in 2020. This is updated each year with the increase in the grant value</li> <li>• In the case of children receiving a child related social assistance grant the 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 must be submitted</li> <li>• In the case of children who are not beneficiaries of a child related grant the following must be submitted: <ul style="list-style-type: none"> <li>○ proof of income of parents (or caregivers)</li> <li>○ three months' bank statement of parents or guardians</li> <li>○ affidavit declaring status of income</li> </ul> </li> </ul>

<b>Early Childhood Development Grant: Subsidy Component</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The provincial subsidy allocations are determined based on the following: <ul style="list-style-type: none"> <li>increasing the conditional grant funded subsidy rate from R15.00 to R17.00, multiplied by the number of children targeted using the 2019/20 subsidy budget for the conditional grant</li> <li>topping-up the equitable share funded subsidies to R17.00 using the actual number of children subsidised through equitable share as at end of March 2019</li> </ul> </li> <li>For the 2020/21 expansion, the targeted number of children is based on the 2019/20 subsidy budget for the conditional grant</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>To allow DSD to better facilitate expansion of ECD in the country</li> <li>ECD is a national priority and requires uniform implementation in order to achieve the minimum coverage of 60 per cent of all poor children and to have the desired impact of achieving universal access by 2030</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the subsidy expansion grant allocation of R400 million, 100 per cent was transferred to provinces and R375 million (94 per cent) was spent by the end of the financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>107 153 children benefitted from the subsidy</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will be allocated over the 2020 medium term expenditure framework period, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R826 million; 2021/22: R963 million and 2022/23 R1.1 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Quarterly instalments according to approved payment schedule</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Review standardised SLAs to be entered into between provincial DSDs and ECD service providers</li> <li>Review and update the subsidy guidelines that must be issued to provinces by 27 March 2020 in consultation with the National Treasury</li> </ul> <p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>Conclude SLAs with ECD service providers in a format prescribed by the DSD</li> <li>Ensure that payments are made in line with the payment schedule as per the SLAs with ECD service providers</li> <li>Subsidies must be made into the ECD service providers designated bank accounts, which must be with a registered deposit taking institution in the Republic of South Africa</li> <li>Subsidies may only be reduced in cases of non-compliance as outlined in the prescribed SLA</li> <li>Use the information reported in the quarterly reports from ECD service providers to develop and maintain a master list of all children benefitting from the ECD subsidy</li> <li>Maintain a database on the status of full and conditional registration of all ECD centres and non-centre based programmes in the province that includes the following basic information: <ul style="list-style-type: none"> <li>registration status</li> <li>capacity of the centre</li> <li>number of children in attendance</li> <li>number of children subsidised</li> <li>number of children with disabilities subsidised</li> <li>number of children with disabilities in attendance</li> </ul> </li> <li>Maintain a database of all ECD staff in centres benefitting from the equitable share and conditional grant</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Engagement with provincial departments on submission of business plans between September 2020 and February 2021</li> <li>Submit final provincial business plans for 2020/21, including cash flow projections and compliance certificates signed-off by Heads of Departments to the DSD by 15 February 2021</li> <li>The transferring officer must approve provincial business plans by 1 April 2021</li> </ul>

## SPORTS, ARTS AND CULTURE GRANTS

<b>Community Library Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Sports, Arts and Culture (Vote 37)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To enable the South African society to gain access to knowledge and updated information that will improve their socio-economic status</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• 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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved coordination and collaboration between national, provincial and local government on library services</li> <li>• Equitable access to transformed library and information services delivered to all rural and urban communities</li> <li>• Improved library infrastructure and services that meet the specific needs of the communities they serve</li> <li>• Improved staff capacity at urban and rural libraries to respond appropriately to community knowledge and information needs</li> <li>• Improved culture of reading and literacy development</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• 430 000 items of library materials (books, periodicals, toys etc.) purchased</li> <li>• Library information and communication technology infrastructure and systems software installed and maintained in all provinces</li> <li>• New services established for the visually impaired at 30 identified community libraries in all provinces</li> <li>• 19 new library structures completed</li> <li>• 10 new library services established for dual-purpose libraries</li> <li>• 17 upgraded library structures</li> <li>• 23 maintained library structures</li> <li>• 1 956 existing contract library staff maintained in all provinces</li> <li>• 25 new staff appointed for dual-purpose libraries</li> <li>• 50 new staff appointed at public libraries to support the shifting of the function to provinces</li> <li>• Capacity building programmes for public librarians</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 5: Social cohesion and safe communities</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Output indicators</li> <li>• Inputs</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The provincial business plans must be developed in accordance with identified priority areas</li> <li>• Provincial departments may only request (in writing, to the transferring officer) to amend the business plan by the end of October 2020</li> <li>• Provinces should notify the transferring officer should there be variation orders exceeding 10 per cent within 30 days</li> <li>• Provinces may not exceed the 20 per cent threshold provided for variation orders on infrastructure projects without the approval of the transferring officer</li> <li>• To qualify for allocations in 2021/22 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 process must be completed by the end of the 2020 Medium Term Expenditure Framework (MTEF) period</li> <li>• Grant funding must not be used to replace funding for items that provinces have previously allocated to community libraries</li> <li>• Provinces may use a maximum of 5 per cent of the total amount allocated to them for capacity building and provincial management of the grant at the provincial department and the details of how these funds will be used must be included in their respective business plans</li> <li>• Provinces must include in their business plans, the scope of work for upgrades, including the budget to be committed to the upgrading of existing libraries</li> <li>• Provinces must include in their business plans the budget for maintenance of projects</li> <li>• 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 2020/21 to address the Schedule 5 function shift imperative in category B municipalities. At least 20 per cent of the earmarked allocations must be used to establish and sustain dual purpose service points in collaboration with provincial departments of basic 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"> <li>○ Eastern Cape: R68 million</li> <li>○ Free State: R87 million</li> <li>○ Gauteng: R93 million</li> <li>○ KwaZulu-Natal: R84 million</li> <li>○ Limpopo: R29 million</li> </ul> </li> </ul>



<b>Community Library Services Grant</b>	
	<ul style="list-style-type: none"> <li>○ Mpumalanga: R65 million</li> <li>○ Northern Cape: R58 million</li> <li>○ North West: R71 million</li> <li>○ Western Cape: R84 million</li> <li>• Service level agreements (SLAs) determining reporting protocols must be signed with receiving municipalities within two months after the 2020 Division of Revenue Act (DoRA) takes effect</li> <li>• 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</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are based on an evaluation report for 2018/19 conducted by the national Department of Sports, Arts and Culture (DSAC) which identified community library needs and priorities</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This funding is intended to address backlogs and disparities in the provision and maintenance of community library services across provinces, and enable the DSAC to provide strategic guidance and alignment with national priorities</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Allocated R1.4 billion and 100 per cent of the allocation was transferred to provinces. R1.4 billion was spent by provinces by the end of the financial year, 97.5 per cent of the total after including provincial roll-overs</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• 33 new libraries built</li> <li>• 77 libraries upgraded</li> <li>• 51 new staff appointed</li> <li>• 566 196 library materials procured</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The projected life will be informed by evaluation reports. Allocations should become part of the provincial equitable share in 2022/23 if provinces have completed the function shift and completed a process that leads to the full funding of the service</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R1.5 billion; 2021/22: R1.6 billion and 2022/23: R1.7 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments: 17 April 2020; 17 July 2020; 16 October 2020; and 22 January 2021</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Finalise a framework for planning the allocation of library funding at the provincial level by 10 February 2021 that must prescribe minimum norms and standards for the provision of public libraries</li> <li>• Establish an intergovernmental forum with provinces that meets at least twice a year to discuss issues related to the provision of community library services</li> <li>• Participate in at least one intergovernmental forum meeting per province between provinces and municipalities per year</li> <li>• Identify challenges and risks and prepare mitigation strategies</li> <li>• Monitor and evaluate implementation</li> <li>• 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</li> <li>• Submit monthly financial and quarterly performance reports to the National Treasury</li> <li>• Determine outputs and targets for 2021/22 with provincial departments</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• 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</li> <li>• Provincial departments must establish capacity to monitor and evaluate SLAs with municipalities</li> <li>• Provinces must maintain the number of staff appointed using this conditional grant</li> <li>• Submit evaluation reports to the DSAC within two months after the end of the financial year</li> <li>• Submit signed monthly financial reports of provinces to DSAC within 15 days after the end of every month</li> <li>• Submit quarterly performance reports to the DSAC within 30 days after the end of the quarter</li> <li>• Provinces must complete the conversion of contract staff to permanent staff by end of June 2023</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces must submit a draft function shift progress report to DSAC for comment by 7 August 2020. A final progress report must be submitted by 2 October 2020</li> <li>• Progress reports must detail at least the following: <ul style="list-style-type: none"> <li>○ criteria that will be used to evaluate the capacity of municipalities to administer the function on behalf of the province</li> <li>○ a policy framework for funding municipalities that administer the service with details of this funding for a three-year time period</li> </ul> </li> <li>• Provinces to submit draft business plans to DSAC by 10 September 2020. Business plans must be aligned to their strategies for full funding of the function</li> <li>• DSAC to evaluate provincial business plans and provide feedback to provinces by 30 September 2020</li> <li>• Provinces to submit final provincial business plans to DSAC by 29 January 2021</li> <li>• DSAC approves business plans and submits them to National Treasury by 31 March 2021</li> </ul>

<b>Mass Participation and Sport Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Sports, Arts and Culture (Vote 37)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Increasing citizens' access to sport and recreation activities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Increased and sustained participation in sport and active recreation</li> <li>• Improved sector capacity to deliver sport and active recreation</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• <b>School sport</b> <ul style="list-style-type: none"> <li>○ learners supported to participate in the National School Sport Championships</li> <li>○ learners participating in school sport tournaments at a provincial level</li> <li>○ learners participating in school sport tournaments at a district level</li> <li>○ people trained</li> <li>○ schools provided with equipment and/or attire</li> <li>○ school sport coordinators remunerated</li> <li>○ school sport structures supported</li> </ul> </li> <li>• <b>Community sport and active recreation</b> <ul style="list-style-type: none"> <li>○ <b>Active recreation (Siyadlala)</b> <ul style="list-style-type: none"> <li>○ youth participating in the National Youth Camp</li> <li>○ active recreation events organised and implemented</li> <li>○ people actively participating in organised sport and active recreation events</li> <li>○ indigenous games clubs supported to participate in Indigenous Games Tournaments</li> <li>○ hubs provided with equipment and/or attire</li> <li>○ active recreation coordinators remunerated</li> </ul> </li> <li>○ <b>Club development</b> <ul style="list-style-type: none"> <li>○ local leagues supported</li> <li>○ people trained (active recreation and sport academies)</li> <li>○ club coordinators remunerated</li> <li>○ clubs participating in the Rural Sport Development Programme</li> <li>○ clubs provided with equipment and or attire</li> </ul> </li> </ul> </li> <li>• <b>Sport academies</b> <ul style="list-style-type: none"> <li>○ athletes supported by the sport academies</li> <li>○ sport academies supported (equipment and personnel)</li> <li>○ sport focus schools supported</li> </ul> </li> <li>• <b>National training centre in Free State</b> <ul style="list-style-type: none"> <li>○ construction of the national training centre</li> </ul> </li> <li>• <b>Netball World Cup 2023</b> <ul style="list-style-type: none"> <li>○ preparations for Netball World Cup 2023 supported</li> </ul> </li> <li>• <b>Transversal matters</b> <ul style="list-style-type: none"> <li>○ sport and active recreation projects implemented by the provincial sports confederation</li> <li>○ provincial programmes implemented</li> <li>○ branding material procured as per specifications</li> <li>○ sports bus maintained and operational</li> </ul> </li> <li>• <b>Management</b> <ul style="list-style-type: none"> <li>○ administration standards met</li> <li>○ staff appointed on a long-term contract</li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 5: Social cohesion and safe communities</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Grant purpose</li> <li>• Outcome indicators</li> <li>• Grant outputs</li> <li>• Output indicators</li> <li>• Key activities</li> </ul>
<b>Conditions</b>	<p><b>Provincial compliance</b></p> <ul style="list-style-type: none"> <li>• Provinces must ensure that: <ul style="list-style-type: none"> <li>○ all structures at all levels are aligned to the 16 Department of Sports, Arts and Culture (DSAC) priority codes to contribute to seamless service delivery</li> <li>○ 50 per cent of hubs and clubs supported must be from rural and farm areas</li> <li>○ performance evidence must be timeously submitted, irrespective of the status of the project, as per the technical indicator descriptors</li> <li>○ 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 transferring officer</li> </ul> </li> <li>• The provincial allocation must be utilised as follows: <ul style="list-style-type: none"> <li>○ school sport: 40 per cent</li> <li>○ community sport and active recreation: 39 per cent</li> <li>○ sport academies: 9 per cent</li> <li>○ transversal matters: 4 per cent</li> <li>○ management: 8 per cent</li> </ul> </li> <li>• Provinces, based on their provincial dynamics, may apply to the transferring officer to change the above sub-allocations</li> </ul>

<b>Mass Participation and Sport Development Grant</b>	
	<p><b>School sport: 40 per cent</b></p> <ul style="list-style-type: none"> <li>Provinces must ring-fence R10 million to provide transport, attire and delivery of provincial teams to the various segments of the national school sport championships. The allocation to the host province will consider the funds required for hosting the national championships and will include accommodation, meals and other costs associated with staging of the championships</li> <li>The remaining school sport allocation must be allocated as follows: <ul style="list-style-type: none"> <li>10 per cent for training of people to deliver school sport</li> <li>20 per cent to purchase equipment and or attire for schools below quintile 3 identified through participation in leagues</li> <li>40 per cent to deliver district and provincial competitions</li> <li>15 per cent to remunerate coordinators who coordinate, support, monitor and evaluate school sport at district and local levels</li> <li>15 per cent to support school sport structures</li> </ul> </li> </ul> <p><b>Community sport and active recreation: 39 per cent</b></p> <p><b>Active recreation: 19 per cent</b></p> <ul style="list-style-type: none"> <li>Provinces must ring-fence R3 million per province for the National Youth Camp to provide transport, accommodation, meals, attire security, public liability, medical support, stationery, and the costs associated with plenary meetings</li> <li>The remaining active recreation allocation must be allocated as follows: <ul style="list-style-type: none"> <li>50 per cent for tournament support, such as organising, implementing, transport and catering</li> <li>30 per cent to purchase equipment and attire</li> <li>5 per cent for remuneration of community sport coordinators</li> <li>15 per cent for ministerial outreach programmes</li> </ul> </li> </ul> <p><b>Club development: 20 per cent</b></p> <ul style="list-style-type: none"> <li>The portion of the grant ring-fenced for club development must be allocated as follows: <ul style="list-style-type: none"> <li>25 per cent to support the clubs that are in the rural sport development programme</li> <li>15 per cent for accredited training in sport administration, team management, coaching and technical officiating (active recreation, sport academies)</li> <li>40 per cent for leagues</li> <li>15 per cent to purchase sport equipment and attire</li> <li>5 per cent for remuneration of club development coordinators</li> </ul> </li> </ul> <p><b>Sport academies: 9 per cent</b></p> <ul style="list-style-type: none"> <li>The allocation must be used for the support and resourcing of district and provincial academies in line with sport academies framework and guidelines of DSAC <ul style="list-style-type: none"> <li>40 per cent for resourcing of district and provincial academies (equipment and remuneration of personnel)</li> <li>45 per cent for athlete support as documented in the academy framework</li> <li>15 per cent for sport focus schools</li> </ul> </li> <li>The allocation must be used to provide support to accredited sport focus schools that meet the specified requirements outlined in the sport academies framework. Provision of support to schools includes: <ul style="list-style-type: none"> <li>upgrading sport facilities</li> <li>resourcing them with a gymnasium</li> <li>establishing a basic medical facility/room with basic equipment</li> <li>providing sport code specific equipment</li> </ul> </li> </ul> <p><b>Transversal matters: 4 per cent</b></p> <p><b>Provincial sport confederation: 2 per cent</b></p> <ul style="list-style-type: none"> <li>Provinces may transfer funds to the provincial sport confederation provided: <ul style="list-style-type: none"> <li>a transfer plan has been developed and submitted together with a signed business plan approved by DSAC</li> <li>a service level agreement has been entered into between the provincial department and the provincial sport confederation stating clearly what is expected of the provincial sport confederation</li> <li>a monitoring mechanism is in place to monitor expenditure and performance by the sport confederation as per the SLA</li> </ul> </li> </ul> <p><b>Provincial programmes: 1 per cent</b></p> <ul style="list-style-type: none"> <li>These are specific provincial programmes that contribute to the main purpose of the grant</li> </ul> <p><b>Branding: 1 per cent</b></p> <ul style="list-style-type: none"> <li>The allocation must be used to provide branding for programmes that are funded through the conditional grant, including any dedicated allocation to specified branding material (including for the sports bus)</li> <li>The DSAC corporate identity manual must be utilised for all matters relating to programming and branding</li> </ul> <p><b>Management: 8 per cent</b></p> <p><b>Appointing staff: 7 per cent</b></p> <ul style="list-style-type: none"> <li>Provinces are expected to utilise this portion of the allocation for the appointment of staff</li> <li>Staff must be appointed on a three-year contract to implement conditional grant programmes. The allocation is not for support staff in programmes such as finance, planning, monitoring and evaluation or research</li> </ul> <p><b>Administration: 1 per cent</b></p> <ul style="list-style-type: none"> <li>Provinces are expected to use this portion of the allocation to ensure that all their submissions are packaged properly (including business plans project implementation plan monthly, quarterly and annual reports)</li> </ul>

<b>Mass Participation and Sport Development Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Each province is allocated a baseline of R20 million, thereafter the equitable share formula proportions are applied to determine the remaining amount</li> <li>R30 million from the total conditional grant allocation is ring-fenced towards the preparation and delivery of the 2023 Netball World Cup and allocated to the Western Cape province</li> <li>10 per cent from each province has been reallocated to the Free State for the National Training Centre</li> <li>The Northern Cape's allocation is increased due to a need to increase participation in the rural areas, R2 million and R3 million has been deducted from Gauteng and KwaZulu-Natal respectively to fund this</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The conditional grant is assisting the sport sector in implementing the National Sport and Recreation Plan objectives</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>R587 million was allocated and R587 million (100 per cent) was transferred to provinces. R650 million was available for provinces to spend (including provincial roll-over of R63 million). R515 million (79 per cent) was spent by provinces</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>451 996 people actively participating in organised sport and active recreation events</li> <li>120 345 learners participating in school sport tournaments at district level</li> <li>2 963 schools, hubs and clubs provided with equipment and/ or attire</li> <li>5 548 athletes supported by the sport academy</li> <li>55 sport academies supported</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R597 million; 2021/22: R621 million; 2022/23: R640 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments: 29 May 2020; 28 August 2020; 27 November 2020 and 29 January 2021</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Evaluate annual reports for the 2019/20 grants for submission to the National Treasury by 31 July 2020</li> <li>Agree on outputs and targets with provincial departments in line with grant objective for 2021/22 by 21 August 2020</li> <li>Provide the guidelines and criteria for the development and approval of business plans</li> <li>Monitor implementation and provide support</li> <li>Submit approved business plan for 2020/21 to the National Treasury by 30 April 2020</li> <li>Submit quarterly performance reports to National Treasury 45 days after the end of each quarter</li> <li>Ensure that all the conditional grant practice notes issued by National Treasury are adhered to</li> <li>Desktop monitoring: analysis of monthly and quarterly reports received by provinces</li> <li>Physical verification visits to the provinces to verify what has been reported in the monthly and quarterly reports</li> <li>Hold quarterly review sessions with all conditional grant role players from the provinces</li> <li>May implement internal mechanisms to manage the quarterly disbursements of the grant where there is non-compliance with the conditions of the grant. This may include withholding and reallocation of tranche payments</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>Submit the 2019/20 annual evaluation report to DSAC by 29 May 2020</li> <li>Submit monthly reports as per the requirements contained in the 2020 Division of Revenue Act</li> <li>Monitor progress of programmes delivered through the conditional grant</li> <li>Western Cape province must report on progress with preparatory work for the 2023 Netball World Cup so that spending and progress on these activities can be separated from the performance of the rest of the grant</li> <li>Ensure that conditional grant managers attend all national conditional grant meetings</li> <li>Ensure that capacity exists to manage the grant and that there is a grant manager responsible for the grant framework, planning, implementation and reporting</li> <li>Ensure organisational capacity to deliver on the programmes that are implemented through the grant</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Provinces submit draft business plan to DSCA by 30 October 2020</li> <li>DSAC evaluates draft business plans by 20 November 2020</li> <li>Comments sent to provinces by 30 November 2020</li> <li>Provinces submit revised business plans to DSAC by 12 February 2021</li> <li>Head of Department approves business plan by 12 March 2021</li> <li>DSAC submits business plans to National Treasury by 30 March 2021</li> </ul>

## TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 40)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4, Part A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework for South Africa in line with the S'hamba Sonke road programme and other related road infrastructure asset management programmes</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance)</li> <li>To ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa (RISFSA) and the technical recommendations for highways, and the Road Classification and Access Management guidelines</li> <li>To implement and maintain road asset management systems (RAMS)</li> <li>To supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidents including natural disasters</li> <li>To improve road safety with a special focus on pedestrian safety in rural areas</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improve the condition and lifespan of provincial roads and level of service backed by a periodic five year review of the road network conditions</li> <li>Improved rates of employment and community participation through labour-intensive construction methodologies and skills development through the delivery of roads infrastructure projects</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Final road asset management plan (RAMP) and tabled project list for the 2020 medium term expenditure framework (MTEF) in a table B5 format finalised by 30 March 2020</li> <li>Network condition assessment and determination of priority projects list from the road asset management systems (RAMS)</li> <li>The following actual delivery related measures against 2020/21 targets defined in the final road asset management plan (RAMP) and annual performance plan (APP) for each province: <ul style="list-style-type: none"> <li>number of m<sup>2</sup> of surfaced roads rehabilitated (quarterly)</li> <li>number of m<sup>2</sup> of surfaced roads resurfaced (overlay or reseal)</li> <li>number of m<sup>2</sup> of blacktop patching (including pothole repairs)</li> <li>number of kilometres of gravel roads re-gravelled</li> <li>number of kilometres of gravel roads bladed</li> <li>number of kilometres of gravel roads upgraded (funded from provincial equitable share)</li> </ul> </li> <li>The following performance, based on national job creation indicators: <ul style="list-style-type: none"> <li>number of jobs created</li> <li>number of full time equivalents created</li> <li>number of youths employed (age 18 – 35)</li> <li>number of women employed</li> <li>number of people living with disabilities employed</li> </ul> </li> <li>Number of small, medium micro enterprises contracted on the provinces' contractor development programme</li> <li>Updated road condition data (paved and unpaved) including instrumental/automated road survey data, traffic data, safety audit report and bridge conditions</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: Economic transformation and job creation</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a road asset management plan (RAMP), which contains the following details: <ul style="list-style-type: none"> <li>network hierarchy</li> <li>performance management framework</li> <li>gap analysis</li> <li>information and systems, and lifecycle planning</li> <li>current and future demand</li> <li>financial plan</li> <li>monitoring, reviewing and continual improvements</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>This grant funds routine, periodic and special maintenance</li> <li>Provinces must show commitment by budgeting from the provincial equitable share to match or exceed grant allocations</li> <li>Improvements, upgrading from gravel to surface roads and new facilities must be funded from the provincial equitable share</li> <li>Provinces may use a maximum of 25 per cent of the allocation for rehabilitation activities</li> <li>The framework must be read in conjunction with the practice note as agreed with National Treasury</li> <li>The payment of the first instalment is dependent upon submission to the national Department of Transport (DoT) and the relevant provincial treasury of the following: <ul style="list-style-type: none"> <li>planning for the infrastructure reporting model (IRM) for 2020 MTEF by 23 April 2020</li> <li>final road asset management plan (RAMP) and tabled project list for the 2020 MTEF in a table B5 format by 30 March 2020</li> <li>submission to DoT of the third quarter performance report for the 2020/21 financial year</li> </ul> </li> <li>Payment of subsequent instalments is dependant upon the submission of monthly infrastructure reporting model (IRM) and quarterly performance reports</li> </ul>



<b>Provincial Roads Maintenance Grant</b>	
	<ul style="list-style-type: none"> <li>In order to ensure efficient usage of grant funds, the Department of Transport in consultation with National Treasury can instruct that provinces utilise national transversal appointments for project implementation</li> <li>For RISFSA Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> <li>visual condition data according to technical methods for highway (TMH) 9 for pavements no older than two years, and TMH 19 for bridges no older than five years</li> <li>instrumental pavement data for roughness, rut depth and macro texture according to TMH 13 no older than two years</li> <li>instrumental pavement data for deflections according to TMH 13 no older than five year</li> <li>traffic data according to TMH 3, TMH 8 and TMH 14 no older than three years</li> </ul> </li> <li>Provinces must submit into a central repository, updated road condition data, (for paved and unpaved) including instrumental/ automated road survey data, traffic data, safety audit report and bridge conditions by 30 September 2020</li> <li>The Provincial Road Maintenance Grant (PRMG) allocation can be allocated to the following projects as identified and prioritised through the provincial road asset management systems (RAMS): <ul style="list-style-type: none"> <li>routine maintenance (opex): includes 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 regravelling, and blading</li> <li>periodic maintenance (opex): includes periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays &lt; 50 mm in thickness. For gravel roads it includes re-gravelling up to 100 mm thick</li> <li>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 &lt; 50 mm. Also includes reinstatement of slope stability, repairs to existing structures and the repair of damage caused by floods or accidents</li> <li>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 &gt; 80mm thick and upgrading or block paving of gravel roads with more than 300 vehicles per day. These rehabilitation activities are however limited to a maximum of 25 per cent of the PRMG allocation</li> </ul> </li> <li>The PRMG allocation cannot be allocated to the following projects: <ul style="list-style-type: none"> <li>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 to 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</li> <li>the upgrading of gravel roads to surface roads, the construction of new roads and new interchanges do not qualify for funding under this grant</li> <li>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 four-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</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on the Provincial Roads Maintenance Grant 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</li> <li>Unallocated amounts in 2021/22 and 2022/23 will be allocated as an incentive based on the level of service efficiency achieved in road project investments undertaken</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to ensure that provinces give priority to road infrastructure and promote efficiency in road investment</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the R10.8 billion allocated, R10.8 billion, (100 per cent) was spent by provinces by the end of the national financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>8 723 692.91 m<sup>2</sup> of roads re-sealed</li> <li>4 165 km of roads re-gravelled</li> <li>2 031 045 m<sup>2</sup> of roads patched</li> <li>437 169.7 km bladed</li> <li>4 388 843.9 km rehabilitated</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is ongoing, but will be subject to periodic review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R11.6 billion; 2021/22: R12 billion and 2022/23 R12.5 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Submit quarterly performance reports to National Treasury 45 days after the end of each quarter</li> <li>Submit a grant evaluation report to National Treasury four months after the end of the financial year</li> <li>Review the performance based allocation mechanism for use in determining future allocations</li> <li>Confirm the correctness of data submitted by provinces by assessing a representative sample</li> <li>Ensure that road asset management plan (RAMP), project list and infrastructure reporting model (IRM) are aligned</li> </ul>

<b>Provincial Roads Maintenance Grant</b>	
	<ul style="list-style-type: none"> <li>• Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in section 18 of the DoRA. If matters are still unresolved, this may result in the stopping and reallocation of tranche payments in terms of sections 19 and 20 of DoRA</li> <li>• Upload submitted road condition data into a central repository</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Provincial departments must submit monthly infrastructure reports that comply with the IRM to DoT and the relevant provincial treasury</li> <li>• Provinces must align the RAMP, project list and IRM</li> <li>• Submit completed quarterly performance report templates 30 days after the end of each quarter</li> <li>• Provincial departments must implement their projects in line with the S'hamba Sonke and the Expanded Public Works Programme guidelines</li> <li>• Ensure that approved grant funded projects are published as part of the Estimates of Provincial Revenue and Expenditure through the provincial legislative processes</li> <li>• Ensure projects are selected using RAMS as the primary source of information</li> <li>• Design and implement projects in compliance with the S'hamba Sonke Principles and Expanded Public Works Programme guidelines</li> <li>• Submit updated road condition data (for paved and unpaved roads) including instrumental/ automated road survey data, traffic data, safety audit report and bridge condition data by 30 September 2020</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Provinces must submit a draft 2021/22 RAMP with a minimum of five years of planned projects selected using RAMS as the primary source, by 28 September 2020</li> <li>• RAMPs, including 2021 MTEF prioritised project lists, must be reviewed by DoT and feedback provided by 29 January 2021</li> <li>• Provinces to submit final 2021/22 RAMP to DoT, relevant provincial treasury and National Treasury by 30 March 2021</li> </ul>

<b>Public Transport Operations Grant</b>													
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 40)</li> </ul>												
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4, Part A</li> </ul>												
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidised road based public transport services</li> </ul>												
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide supplementary funding towards public transport services provided by provincial departments of transport</li> </ul>												
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The provision of public transport services in terms of contracts which are kilometre based and affordable to the users of the services</li> <li>Improved efficiencies in public transport spending</li> </ul>												
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of vehicles subsidised</li> <li>Number of vehicles subsidised (cumulative annual number)</li> <li>Number of scheduled trips</li> <li>Number of trips operated</li> <li>Number of passengers</li> <li>Number of kilometres</li> <li>Number of employees</li> </ul>												
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: Economic transformation and job creation</li> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>												
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>												
<b>Conditions</b>	<ul style="list-style-type: none"> <li>This conditional grant provides supplementary funding to subsidise service contracts entered into between the provincial departments of transport and public transport operators for the provision of affordable subsidised transport services</li> <li>If the contracting function is devolved to any municipality before the 2020/21 adjustment budget, the appropriate portion of the grant will also be devolved to the municipality. The implementation of the devolution should be managed in terms of section 17 of the 2020 Division of Revenue Act (DoRA)</li> <li>Where contracts are not devolved, provinces must continue performing the contracting function until this function is assigned to a municipality in terms of the provisions of the National Land Transport Act (NLTA – Act 5 of 2009). The municipality and province will have to make transitional arrangements to ensure payments to operators to meet contractual commitments. A service level agreement between the province and the municipality must be signed and funds must flow in line with 2020 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</li> <li>In cases where a contract, or part thereof, is transferred in terms of any applicable legislation or legal provision as part of the integrated public transport network (IPTN) of the municipality, the funds allocated to such a contract or part thereof must be ring-fenced and transferred to the municipality taking over the contract from the province</li> <li>For the purpose of planning, provinces must share relevant information with municipalities relating to this grant, where services link to integrated public transport networks</li> <li>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 NLTA, the functions of the two committees must be consolidated to ensure integration of planning, services and modes</li> <li>Provinces must ensure that PTICs are established and functional and that no new contracts are paid from the Grant if they are not considered by the PTIC</li> <li>In order to ensure efficient usage of grant funds, the DoT in consultation with the National Treasury can instruct that contracting authorities utilise national transversal appointment for items such as professional services for service design, vehicles and information technology (including automated fare collection), and vehicle tracking</li> <li>Arrangements for the IC52/97 (Moloto Road Bus Contract): Part of Gauteng's allocation is ring-fenced for the introduction of a new contract to replace IC52/97 (Moloto Road Bus Contract) in 2020/21 as determined by National Treasury after consultation with the national DoT and the province</li> </ul>												
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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 their provincial budget</li> </ul>												
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Subsidies are earmarked for the provision of public transport services</li> </ul>												
<b>Past performance</b>	<p><b>2018/19 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R5.7 billion to provinces of which R5.5 billion was spent by the end of the national financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <table> <tr> <td>• Number of vehicles subsidised</td><td>6 456</td></tr> <tr> <td>• Number of kilometres subsidised</td><td>228 362 487</td></tr> <tr> <td>• Subsidy per passenger</td><td>R 20.25</td></tr> <tr> <td>• Subsidy per kilometre operated</td><td>R 25. 27</td></tr> <tr> <td>• Passengers per vehicle</td><td>3 678</td></tr> <tr> <td>• Passengers per trip operated</td><td>50</td></tr> </table>	• Number of vehicles subsidised	6 456	• Number of kilometres subsidised	228 362 487	• Subsidy per passenger	R 20.25	• Subsidy per kilometre operated	R 25. 27	• Passengers per vehicle	3 678	• Passengers per trip operated	50
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<b>Public Transport Operations Grant</b>	
	<ul style="list-style-type: none"> <li>• Employees per vehicle 2.1</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• As provided for in the National Land Transport Act 5 of 2009</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R6.7 billion; 2021/22: R7.1 billion and 2022/23: R7.1 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments according to a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Disburse allocations to provinces</li> <li>• Collect and evaluate operational and financial data from provinces and consolidate for submission to National Treasury</li> <li>• Maintain national database with key performance indicators of public transport services as per data received from provinces</li> <li>• Submit quarterly and annual reports to National Treasury in line with DoRA requirements and time frames</li> <li>• Advise provinces/contracting authorities regarding the design of contracted services</li> <li>• In the event that a service level agreement is signed between Gauteng province and the national department for the management of the IC52/97 contract, the service level agreement must include provision for capacity and resources needed to administer the contract</li> <li>• Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in section 18 of the DoRA. If matters are still unresolved, this may result in the stopping and reallocation of tranche payments in terms of sections 19 and 20 of DoRA</li> </ul>
	<b>Responsibilities of provincial departments</b> <ul style="list-style-type: none"> <li>• Any contractual agreement entered into in relation to this grant will be the responsibility of the contracting authority</li> <li>• Provincial departments remain responsible for funding any shortfall experienced on this grant from their provincial equitable share</li> <li>• Ensure that contracted operators' certified claims are paid within 30 days from the date of receipt</li> <li>• Provinces must monitor and verify the correctness of the operators' claims in terms of the kilometres of service provided and provide a monthly summary report to the transferring officer</li> <li>• Certify and submit monthly performance reports to DoT within 25 days after the end of the month, and quarterly performance reports within 30 days after the end of each quarter using the reporting format developed by DoT</li> <li>• Provinces must inform the transferring officer of any disputes or challenges that may lead to service disruptions</li> <li>• Provinces must ensure that PTIC are established and functional and that no new contracts are paid from the grant if they are not considered by the PTIC for approval</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## **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 2020 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(ties) 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
- 2020 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2021/22

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 Division of Revenue Bill, 2020 is enacted, these frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2020/21 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 GRANTS

<b>Integrated Urban Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance (Vote 3)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To support spatially aligned public infrastructure investment that will lead to functional and efficient urban spaces and ultimately unlock growth</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure</li> <li>To ensure that public investments are spatially aligned and to promote the sound management of the assets delivered</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved access to municipal infrastructure</li> <li>Improved quality of municipal services through infrastructure that is in better condition</li> <li>Improved spatial integration</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of new water connections meeting minimum standards</li> <li>Number of new sewer connections meeting minimum standards</li> <li>Number of dwellings provided with connections to the main electricity supply by the municipality</li> <li>Percentage of known informal settlements receiving integrated waste handling services during the financial year</li> <li>Additional square meters of parks provided during the financial year</li> <li>Additional square meters of outdoor sports facilities provided during the financial year</li> <li>Additional square meters of public open space provided during the financial year</li> <li>Number of additional community halls provided during the financial year</li> <li>Number of additional libraries provided during the financial year</li> <li>Percentage of unsurfaced roads graded within the financial year</li> <li>Percentage of surfaced municipal road lanes which has been resurfaced and resealed</li> <li>Length of non-motorised transport paths built over the financial year</li> <li>Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses a three-year capital programme that is aligned with a 10-year Capital Expenditure Framework</li> <li>The three-year capital programme must demonstrate alignment with the Capital Expenditure Framework</li> <li>The three-year capital programme must provide the following detail for each sub-programme that is partially or fully funded by the Integrated Urban Development Grant (IUDG): <ul style="list-style-type: none"> <li>classification of sub-programme as informal settlement upgrading, other new infrastructure or renewal</li> <li>anticipated outputs</li> <li>indication of the proportion of outputs that will be delivered in priority areas as identified in the Spatial Development Framework</li> <li>indication of the proportion of outputs that will benefit low income households, high income households or non-residential customers</li> </ul> </li> <li>The three-year capital programme must demonstrate appropriate co-funding for the portion of the programme that does not benefit low income households</li> <li>This grant uses the Municipal Infrastructure Grant-Management Information System (MIG-MIS) registration requirements for ongoing projects that were previously funded from the Municipal Infrastructure Grant</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>IUDG funds may only be spent on: <ul style="list-style-type: none"> <li>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</li> <li>new infrastructure, upgrading existing infrastructure or renewing existing infrastructure</li> <li>maintenance of roads infrastructure mainly serving the poor</li> </ul> </li> <li>Before newly participating municipalities can receive their first tranche, their three-year capital programme and 10-year Capital Expenditure Framework must have been approved through processes led by the Department of Cooperative Governance (DCoG)</li> <li>The second transfer will only be released to municipalities that have spent at least 50 per cent of their first tranche</li> <li>A maximum of 5 per cent of a municipality's IUDG allocations may be used for programme management costs related to grant funded projects, only if a business plan for their Programme Management Unit is approved by the transferring officer before the start of the municipal financial year. If these funds (5 per cent) are not planned or spent for this purpose they must revert back to capital projects in the IUDG</li> <li>Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including maintenance</li> <li>IUDG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data</li> <li>Ring-fenced sport infrastructure allocation:</li> </ul>

<b>Integrated Urban Development Grant</b>	
	<ul style="list-style-type: none"> <li>o 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 the Department of Sports, Arts and Culture (DSAC)</li> <li>o municipalities must make use of framework contracts approved by DSAC when implementing projects funded from this allocation unless an exemption from this requirement is approved by DSAC</li> <li>o initial transfers of funds from the ring-fenced funds will be subject to signing of a memorandum of understanding between DSAC and the beneficiary municipalities</li> <li>o subsequent transfers funded through the ring-fenced amount will also be subject to approval by DSAC</li> <li>• Municipalities that are already part of the IUDG but do not continue to meet all of the qualification criteria for the grant must adopt and implement a Performance Improvement Plan (PIP) and meet the qualification criteria in the next financial year if they are to remain part of this grant. By the 31st of March 2020/21 Polokwane Local Municipality and Sol Plaatje Local Municipality must have adopted PIPs, which must: <ul style="list-style-type: none"> <li>o be agreed with DCoG</li> <li>o set out measurable indicators to improve performance on the gaps in the municipality's performance on IUDG qualification criteria</li> <li>o address how the audit action plan will be implemented</li> <li>o be adopted by the municipal council</li> </ul> </li> <li>• Municipalities implementing a PIP must submit monthly reports on its progress to DCoG</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are focused on municipalities whose circumstances align with the IUDG's criteria, these include: higher urban population densities and high economic activity</li> <li>• The IUDG includes a base component, a performance-based component and a once-off planning component</li> <li>• Most of the total IUDG allocation is the base allocation derived from the Municipal Infrastructure Grant (MIG) formula explained in part five of annexure W1 of the 2020 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data</li> <li>• A portion of the total IUDG allocation is allocated as a performance incentive. The performance-based component is also weighted according to the allocations in the MIG formula. This allocation is then adjusted based on performance against the following weighted indicators: <ul style="list-style-type: none"> <li>o non-grant capital as a percentage of total capital expenditure (40 per cent)</li> <li>o repairs and maintenance expenditure (30 per cent)</li> <li>o asset management plan (30 per cent)</li> <li>o land use applications in priority areas (0 per cent - this factor is dormant in 2020/21)</li> <li>o building plan applications in priority areas (0 per cent - this factor is dormant in 2020/21)</li> </ul> </li> <li>• An equivalent of 3 per cent of the MIG formula allocation for participating municipalities is allocated to undertake specified planning activities, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> <li>o a detailed three-year capital programme and a 10-year Capital Expenditure Framework</li> <li>o property market empirical and diagnostic studies</li> <li>o integrated infrastructure and spatial planning for identified integration zones</li> <li>o investment pipeline development</li> <li>o municipal systems and/or measures to improve ease of doing business such as construction permits and land use applications</li> <li>o asset management plan</li> <li>o identified priority areas for spatial transformation in line with the Spatial Development Framework and Capital Expenditure Framework</li> <li>o development of infrastructure financing strategies and instruments</li> <li>o implementation of an agreed performance improvement plan</li> <li>o private sector engagement strategy and programme indicating how the municipality will partner with different stakeholders on the delivery of the Capital Expenditure Framework</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<ul style="list-style-type: none"> <li>• New grant introduced in 2019/20</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme will continue up to 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R948 million; 2021/22: R1 billion and 2022/23: R1.1 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• The grant will be paid in three instalments: July 2020, December 2020 and March 2021, in line with the payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national departments</b></p> <ul style="list-style-type: none"> <li>• DCoG administers the IUDG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> <li>o monitor expenditure and non-financial performance in collaboration with provincial departments of cooperative governance</li> <li>o coordinate overall programme implementation</li> </ul> </li> <li>• The Municipal Infrastructure Support Agent must support municipalities that have been identified collaboratively by DCoG and its provincial counterparts as needing assistance</li> <li>• In addition to the sector-specific support and advice, the Department of Water and Sanitation, Department of Environment, Forestry and Fisheries, Department of Transport, Department of Mineral Resources and Energy and DSAC will be expected to: <ul style="list-style-type: none"> <li>o provide sector policies and plans to municipalities as informants to the preparation of Capital Expenditure Frameworks</li> </ul> </li> </ul>

<b>Integrated Urban Development Grant</b>	
	<ul style="list-style-type: none"> <li>○ participate in processes to approve the 10-year Capital Expenditure Framework and three-year capital programme</li> <li>○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs. National sector departments will be invited to participate in IUDG in-year monitoring meetings in order to facilitate this role</li> </ul>
	<p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>● Provincial departments responsible for local government must: <ul style="list-style-type: none"> <li>○ coordinate technical support to municipalities</li> <li>○ provide assistance to municipalities in managing municipal infrastructure projects</li> <li>○ participate in processes to approve the 10-year Capital Expenditure Framework and three-year capital programme</li> <li>○ participate in in-year monitoring meetings</li> <li>○ verify outputs and outcomes reported by municipalities on a sample of projects annually</li> </ul> </li> <li>● Provincial treasuries must: <ul style="list-style-type: none"> <li>○ participate in processes to approve the 10-year Capital Expenditure Framework and three-year capital programme</li> <li>○ participate in in-year monitoring meetings</li> </ul> </li> </ul>
	<p><b>Responsibilities of the municipalities</b></p> <ul style="list-style-type: none"> <li>● Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the Integrated Development Plan, three-year capital programme and the 10-year Capital Expenditure Framework</li> <li>● Municipalities must monitor projects during the year and use this monitoring to inform reporting to DCoG</li> <li>● Municipalities must report monthly, quarterly and at the end of the financial year in the prescribed format(s) and timelines</li> <li>● Monthly, quarterly and annual reports must be signed-off by the Accounting Officer or the delegated official and submitted directly to provincial coordinators of DCoG</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>● Eligibility for the IUDG and minimum conditions for qualification are outlined in Annexure W1 to the 2020 Division of Revenue Bill</li> <li>● If a Category B municipality wishes to apply for the IUDG for 2021/22 and is not already classified as an intermediate city municipality, it must submit an application to be classified as an intermediate city municipality by the end of April 2020. The municipality will receive notification of the outcome of its application by the end of June 2020</li> <li>● Category B municipalities that have been classified as intermediate city municipalities and who wish to be considered for qualification for the IUDG must submit an application form indicating compliance with minimum conditions by 31 July 2020</li> <li>● Municipalities must submit a first draft of the three-year capital programme and 10-year Capital Expenditure Framework to the transferring officer by 31 March 2020 and the final versions of the three-year capital programme and 10-year Capital Expenditure Framework must be adopted by respective councils by 29 May 2020</li> <li>● The adopted three-year capital programme and 10-year Capital Expenditure Framework must be submitted to the Department of Cooperative Governance with council resolution no later than 10 days after adoption by council</li> </ul>

<b>Municipal Disaster Relief Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance (Vote 3)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 7, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To enable a timely response to immediate needs after a disaster has occurred</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide for the immediate release of funds for disaster response</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Immediate consequences of disasters are mitigated</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Emergency repair of critical infrastructure</li> <li>Emergency provision of goods and services</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>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"> <li>copy of the applicable contingency plan and emergency procedures in use by the municipality (Section 49(1)(d) of the Disaster Management Act)</li> <li>copy of the classification letter in terms of the Disaster Management Act</li> <li>copy of the declaration of a state of disaster in terms of the Disaster Management Act</li> <li>number of people affected and the extent of damage and losses</li> <li>sectors affected</li> <li>total funds required for disaster response</li> <li>resources (both financial and in-kind) allocated by the municipality to respond and mitigate the effects of the disaster</li> <li>resources (both financial and in-kind) committed by other role players, including provinces, the private sector, national departments and non-government organisations</li> <li>consolidated project cash flow as an annexure</li> <li>intervention and mitigation strategies as per the disaster management plan</li> <li>cost-benefit analysis of the projects to be implemented</li> </ul> </li> <li>An implementation plan with the following: <ul style="list-style-type: none"> <li>details of the projects to be repaired including Global Positioning System (GPS) coordinates</li> <li>costs of the project</li> <li>consolidated projects cash flow over a three-month period as an annexure to the implementation plan</li> </ul> </li> <li>An application for a funding contribution may be based on the rapid assessment and verification (draft versions of the supporting documentation required above may be accepted for the initial application)</li> <li>Specifics on the rapid response capacity to implement the projects</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Copies of the disaster declaration and classification letter in terms of the Disaster Management Act</li> <li>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 own legislation/guidelines and resources</li> <li>Municipalities must fund a portion of the costs of the disaster response from their own budget, if unable to do so, proof must be provided</li> <li>Funds from this grant may be utilised to reimburse municipalities for expenditure incurred which could not be accommodated within the municipality's own budget. In cases where municipalities require reimbursement of funds spent, municipalities are to consult the NDMC through the relevant Provincial Disaster Management Centre (PDMC) for approval prior to spending the funds. Proof of expenditure in the form of invoices must be availed to the relevant PDMC and NDMC in case reimbursement is required. Items purchased must fall within the competency of municipalities</li> <li>Funds may only be used in line with the approved implementation plan. Any amendments to the implementation plan must be supported and recommended by the PDMC and approved by the NDMC and copies of the approved amendments shared with National Treasury</li> <li>Funds from this grant must be utilised within six calendar months following the date of the transfer of the funds to the municipality</li> <li>A municipality may request the NDMC through the PDMC to apply to the National Treasury to approve that an allocation be utilised more than six calendar months after the date of transfer, in terms of section 26(3)(d) of the 2020 Division of Revenue Act</li> <li>The emergency procurement system provided for in Treasury Regulations should be invoked to ensure immediate assistance by the affected municipalities</li> <li>A copy of the contingency plan for the relevant hazard is to be submitted with the funding request</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant is allocated for declared and classified disasters, based on reports from assessments conducted by the NDMC and PDMC and affected sectors of immediate disaster relief needs. This should include implementation of Section 56 and 57 of the Disaster Management Act, 2002 (Act 57 of 2002). Additionally, it must be established that there are immediate disaster relief needs that cannot be met by the municipality through the contingency arrangements already in place. The Accounting Officer for the relevant organ of state must indicate in their application that the total funds required from the grant for disaster response exceed the available resources and/ or resources already allocated for disaster relief</li> <li>Funding may be released in tranches, with the first tranche being based on an initial assessment and verification of the disaster relief needs. The next tranches will be released once proof is submitted that the first tranche has been fully spent or committed</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant provides funding for responding to and providing relief for unforeseeable and unavoidable disasters</li> </ul>



<b>Municipal Disaster Relief Grant</b>	
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>No MDRG funds were transferred to municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>No MDRG funds were transferred to municipalities</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term, and will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R354 million; 2021/22: R373 million and 2022/23: R391 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the National Disaster Management Centre</b> <ul style="list-style-type: none"> <li>Advise and guide municipalities and PDMCs about the existence of the grant and how grant funding can be applied for and the criteria to qualify for the grant</li> <li>Conduct a preliminary damage assessment and cost verification and submit this to the National Treasury, for disasters that meet criteria for funding, within 14 days following receipt of the written initial funding request from the PDMC and municipalities</li> <li>Together with the affected municipalities and provinces, conduct assessments of disaster impacts to verify the applications for funding within 35 days following the receipt of written funding requests and as per the requirements of the Disaster Management Act</li> <li>Submit funding request to National Treasury for consideration within 35 days following the receipt of the written funding request from the municipalities through the PDMCs</li> <li>Confirm what support national sector departments are providing and ensure there is no duplication of support</li> <li>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</li> <li>Notify the relevant municipality of a transfer at least one day before the transfer is made and transfer the funds no later than five days after notification</li> <li>Notify the relevant PDMC together with the relevant sector departments, National Treasury and the relevant provincial treasury of a transfer and reason for transfer within five days of the transfer of funds to municipalities</li> <li>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</li> <li>Provide National Treasury and the relevant provincial treasury with written notification of the transfer within 14 days of a transfer of this grant</li> <li>Provide expenditure reports to National Treasury in line with the 2020 Division of Revenue Act and the Public Finance Management Act (PFMA) within 20 days after the end of each month</li> <li>Provide a performance report to National Treasury in the disaster allocation monitoring template agreed to with the National Treasury within 45 days after the end of the quarter in which funds are spent, with invoices as annexures to the report</li> <li>Together with the relevant PDMC monitor the implementation of disaster projects</li> </ul>
	<b>Responsibilities of the Provincial Disaster Management Centres</b> <ul style="list-style-type: none"> <li>Together with the affected municipalities and the relevant sector departments, conduct initial assessments to verify the impact of the disaster for applications for funding within 14 days following the occurrence of the incident</li> <li>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 disaster and as per the requirements of the Disaster Management Act</li> <li>Confirm what support provincial sector departments are providing and ensure there is no duplication of support</li> <li>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</li> <li>Coordinate, analyse and submit expenditure reports signed-off by the head of the PDMC 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</li> <li>Coordinate, analyse and submit performance reports signed-off by the head of the PDMC, which include 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</li> <li>The PDMC should establish a project task team comprising of affected municipalities and sector departments</li> <li>Monitor the implementation of disaster funds</li> </ul>
	<b>Responsibilities of the municipalities</b> <ul style="list-style-type: none"> <li>Cooperate with the NDMC, relevant PDMC and provincial and national sector departments to conduct damage assessment and cost verification</li> <li>Submit disaster assessment reports and funding requests signed-off by the Accounting Officer to the PDMC within 14 days following the declaration and classification of a disaster</li> <li>Municipalities must invoke emergency procurement processes provided for within the Treasury Regulations when spending the funds allocated, to ensure immediate assistance to the affected areas and must provide proof that measures were put in place to mitigate the occurrence in the form of a contingency plan for the specific hazard</li> <li>Municipalities must implement all projects approved and ensure that the funds allocated are spent for their intended purposes</li> </ul>



<b>Municipal Disaster Relief Grant</b>	
	<ul style="list-style-type: none"> <li>• Establish project task teams during the implementation of disaster projects at a municipal level</li> <li>• Submit expenditure reports signed-off by the Accounting Officer which include evidence (such as purchase invoices) of implementation progress on the projects to the relevant PDMC within 10 days after the end of each month in which funds are spent</li> <li>• Submit a performance report signed-off by the Accounting Officer which includes evidence of implementation progress on the projects to the PDMC within 30 days after the end of the quarter in which funds are spent</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<b>Municipal Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance (Vote 3)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidise the capital costs of providing basic services to poor households</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, microenterprises and social institutions servicing poor communities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved access to basic services infrastructure for poor communities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of poor households impacted through the construction of new infrastructure and the upgrading and renewal of existing infrastructure for:             <ul style="list-style-type: none"> <li>basic water and sanitation services</li> <li>central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites</li> <li>sport and recreation facilities</li> <li>street and community lighting</li> <li>public facilities</li> </ul> </li> <li>Number of kilometres of municipal roads developed, upgraded and maintained servicing the poor</li> <li>Number of specialised vehicles for waste management (as referenced in annexures A and B of the norms and standards for specialised waste vehicles) purchased for servicing the poor</li> <li>Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Municipal Infrastructure Grant (MIG) registration form as agreed with sector departments, which includes:             <ul style="list-style-type: none"> <li>project title</li> <li>sector</li> <li>time frames for implementation</li> <li>cost of the project</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>To receive the first tranche, municipalities must have followed the process for approval of 2020/21 projects and have confirmed by 30 April 2020 with the Department of Cooperative Governance (DCoG), their programme, project planning and implementation readiness in the form of a council approved implementation plan that includes cash flow projections</li> <li>Municipal allocations must be fully committed to registered projects prior to the year of implementation and be informed by the Integrated Development Plans (IDPs) and three-year capital plans which are aligned to the relevant One Plan of districts areas developed under the District Development Model</li> <li>MIG priorities set by municipalities (as stated in their MIG implementation plans) can only be changed in-year with other MIG registered projects, after municipal council approval and DCoG</li> <li>Projects not implemented within three years of approval by the relevant appraisal committee will be deregistered</li> <li>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</li> <li>Municipalities must prioritise MIG funds for infrastructure that services eligible beneficiaries, such as:             <ul style="list-style-type: none"> <li>basic residential infrastructure for the poor for water, sanitation, roads and stormwater, waste management, street lighting and community facilities</li> <li>new or upgrading of municipal bulk infrastructure to support existing areas, the formalisation of informal settlements and to support economic development</li> <li>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</li> <li>maintenance of roads infrastructure mainly servicing the poor</li> <li>specialised waste management vehicles servicing the poor</li> </ul> </li> <li>Municipalities must spend at least 60 per cent of their first transfer and comply with reporting provisions before the second and subsequent tranches are transferred</li> <li>By 31 December 2020, municipalities must spend:             <ul style="list-style-type: none"> <li>at least 40 per cent of their total MIG allocation, where allocations are equal or less than R100 million</li> <li>at least 45 per cent of their total MIG allocation, where allocations are more than R100 million</li> </ul> </li> <li>Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes</li> <li>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</li> <li>MIG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data</li> <li>Ring-fenced sport infrastructure allocation:             <ul style="list-style-type: none"> <li>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 the Department of Sports, Arts and Culture (DSAC)</li> <li>municipalities must make use of framework contracts approved by DSAC when implementing projects</li> </ul> </li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<p>funded from this allocation unless an exemption from this requirement is approved by DSAC</p> <ul style="list-style-type: none"> <li>○ initial transfers of funds from the ring-fenced sport infrastructure allocation to identified projects will be subject to signing of a memorandum of understanding between DSAC and the beneficiary municipalities</li> <li>○ subsequent transfers for projects funded through the ring-fenced amount will also be subject to approval by DSAC</li> </ul> <ul style="list-style-type: none"> <li>• Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> <li>○ municipalities must submit technical reports for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects</li> </ul> </li> <li>• All sport infrastructure plans and technical reports must be submitted as part of the normal MIG planning process but will be reviewed and approved by DSAC to ensure they comply with norms and standards before construction can begin</li> <li>• Municipalities must ensure compliance to EPWP infrastructure guidelines in aligning their projects and reporting the work opportunities created on the EPWP reporting system</li> <li>• Municipalities using MIG funding to purchase specialised vehicles for waste management must complete a Technical Assessment Report (TAR) which must comply with the norms and standards for specialised waste management vehicles. The TAR must demonstrate that MIG funds will only be used for the expansion of waste management services to poor households not previously serviced. The purchase will only be done through the National Treasury's transversal contract RT57 and the TAR must include a recommendation from the Provincial Department of Environment, Forestry and Fisheries (DEFF) and a final approval from the National DEFF before being appraised for registration. Vehicles may not be purchased with MIG funds for other purposes</li> <li>• 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</li> <li>• Municipalities must submit monthly and quarterly reports in the prescribed national template and signed-off by the Municipal Manager or delegated official</li> <li>• Municipalities must utilise the Municipal Infrastructure Grant Management Information System (MIG-MIS) to facilitate programme and project management and reporting</li> <li>• The cost for the Project Management Unit (PMU) is determined by a sliding scale that will not exceed 5 per cent of a municipality's MIG allocation and may be used for programme/project management costs related to all schedule 5, part B grant-funded projects and only if a business plan for the PMU is approved by 30 April 2020. If these funds are not committed for this purpose or spent for this purpose they must revert back for MIG capital projects</li> <li>• At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor</li> <li>• Withholding or stopping of transfers and reallocation or conversion of MIG allocations will be instituted where municipalities do not comply with the conditions above</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Part 5 of Annexure W1 to the 2020 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data</li> <li>• The funds ring-fenced for sport infrastructure are allocated based on estimated costs of projects that: <ul style="list-style-type: none"> <li>○ fill identified gaps and are confirmed with the provincial departments responsible for sport and the municipalities</li> <li>○ align to the National Sport and Recreation Plan, National Sport Facilities Plan and transformation imperatives</li> <li>○ align to priority sport codes</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The MIG programme was allocated R15.9 billion in the 2018/19 financial year. The full amount was transferred and 92 per cent of this was spent</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 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"> <li>○ 141 067 households provided with basic water and 112 422 households provided with sanitation services</li> <li>○ 45 715 households provided with street and community lighting</li> </ul> </li> <li>• Community infrastructure constructed (new infrastructure and upgrading and renewal of existing infrastructure): <ul style="list-style-type: none"> <li>○ 23 central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites developed</li> <li>○ 115 sport and recreation facilities developed</li> <li>○ 127 public facilities developed</li> </ul> </li> <li>• 1 431 kilometres of municipal roads developed</li> <li>• 161 116 FTEs created using the EPWP guidelines for the above outputs</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R14.7 billion; 2021/22: R15.9 billion and R2022/23: R16.9 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>

<b>Municipal Infrastructure Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national departments</b></p> <ul style="list-style-type: none"> <li>• DCoG administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> <li>○ report to sector departments on outputs</li> <li>○ monitor expenditure and non-financial performance in collaboration with provincial DCoGs</li> <li>○ coordinate overall programme implementation</li> <li>○ provide support to municipalities in the utilisation of the MIG-MIS</li> </ul> </li> <li>• The Municipal Infrastructure Support Agent (MISA) must: <ul style="list-style-type: none"> <li>○ provide technical support and advice to municipalities that have been identified collaboratively with DCoG and its provincial counterparts as needing assistance</li> <li>○ on behalf of and in collaboration with national and provincial DCoG's, conduct detailed municipal assessments of the municipalities identified for assistance, including investigative lifecycle assessments of MIG projects, municipal MIG and sector performance, and municipal project management functions, to identify detailed reasons for challenges affecting the implementation of MIG</li> <li>○ report all findings and recommendations for improvement to the identified municipalities, national and provincial DCOGs</li> <li>○ assist the municipal manager of each identified municipality, in collaboration with appropriate structures, including sector departments, to implement recommendations identified by MISA, for improvement, and supply formal progress reports</li> <li>○ recommendations may include improvements to municipal processes for planning, project prioritisation and selection. Recommendations may also include detailed planning, scoping, designing, scheduling, costing and procurement implementation</li> <li>○ provide and facilitate assistance, technical advice and expertise to identified municipalities for the use of alternative technology and good practices for MIG projects, including for feasibility studies, operations and maintenance and integrated infrastructure asset management</li> </ul> </li> <li>• In addition to their sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> <li>○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal IDPs</li> <li>○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>○ evaluate reports and provide final recommendations to the municipality by 30 September 2020</li> <li>○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes</li> <li>○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects</li> <li>○ advise which sphere (provincial or national - even if different across provinces) should sign-off MIG projects and participate in MIG workflow processes</li> <li>○ sign-off on project close-out reports, thereby acknowledging the projects have been completed as intended</li> </ul> </li> <li>• Department of Water and Sanitation must: <ul style="list-style-type: none"> <li>○ support and monitor municipalities to prepare and implement water services development plans</li> <li>○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant</li> <li>○ for the MIG funding stream, monitor and oversee progress on water and sanitation projects implemented through the MIG</li> </ul> </li> <li>• Department of Environment, Forestry and Fisheries: <ul style="list-style-type: none"> <li>○ must support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector</li> <li>○ the Provincial DEFFs will be responsible for providing recommendations on the TAR for the purchasing of specialised waste management vehicles and national DEFF will provide final approval before submitting projects for registration in the MIG appraisal process</li> </ul> </li> <li>• Department of Mineral Resources and Energy must support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>• Department of Transport must 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</li> <li>• Department of Sports, Arts and Culture must: <ul style="list-style-type: none"> <li>○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula</li> <li>○ establish framework contracts for procurement of services for sport infrastructure</li> <li>○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>○ approve any exemptions to framework contract by 31 July 2020, if there are good grounds for an exemption</li> <li>○ review, approve and sign-off all MIG projects before recommendation by the provincial sports departments to the MIG appraisal committee</li> </ul> </li> <li>• Department of Public Works and Infrastructure must: <ul style="list-style-type: none"> <li>○ monitor compliance with the EPWP infrastructure guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches</li> <li>○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute</li> </ul> </li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<p>towards EPWP and assist municipalities in meeting their set targets</p> <ul style="list-style-type: none"> <li>o ensure that municipalities register their projects on the EPWP reporting system and monitor compliance with norms and standards applicable to this sector</li> </ul>
	<p><b>Responsibilities of provincial departments</b></p> <ul style="list-style-type: none"> <li>• Coordinate technical support to municipalities</li> <li>• Monitor performance of municipal Programme/Project Management Units and recommend relevant sanctions for under-performance to DCoG</li> <li>• Provide assistance to municipalities in managing municipal infrastructure projects</li> <li>• Provide support to municipalities in the utilisation of the MIG-MIS</li> <li>• Monitor and reconcile reported expenditure with proof of payment signed-off by the municipality</li> <li>• Monitor the accuracy of project registration forms and coordinate monthly, quarterly and annual reports from municipalities and forward them to DCoG</li> <li>• Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited</li> <li>• Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG</li> <li>• Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG and capture site visit reports on MIG-MIS</li> <li>• Monitor compliance with provincial legislation and alignment to provincial growth and development strategies through project registration</li> </ul>
	<p><b>Responsibilities of provincial sector departments</b></p> <ul style="list-style-type: none"> <li>• Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>• Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project</li> <li>• Participate in district appraisal and progress committee meetings</li> <li>• Evaluate and provide recommendations on sector technical reports before projects are appraised</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• 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 programme</li> <li>• Municipalities must certify compliance to the provision of DoRA after the schedule of transfers has been communicated by DCOG and before the first transfer is made to the municipality by DCoG</li> <li>• Municipalities must have appropriate capacity to implement the MIG, this must be supported by the human resource plan of the municipality</li> <li>• Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered on the MIG-MIS</li> <li>• 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</li> <li>• Utilise the MIG-MIS to inform the content of the reports mentioned above</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 31 July 2020 for all projects to be implemented in 2021/22</li> <li>• The responsible sector department must evaluate reports and provide final recommendations to the municipality by 30 September 2020</li> <li>• When projects are registered for 2021/22, the municipality must identify how each MIG infrastructure project is aligned to and/or supports their local economic development strategy</li> <li>• The municipality must submit all project registration forms by 1 October 2020, for the projects to be implemented in 2021/22, to the provincial department responsible for local government</li> <li>• The provincial departments must provide final recommendations to municipalities by 30 November 2020</li> <li>• Municipalities must submit to DCoG by 29 January 2021, detailed project implementation plans for all the projects to be implemented in the 2021/22 and 2022/23 financial years</li> <li>• 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</li> <li>• Municipalities must submit updated implementation plans (as described above) by 30 April 2021, justifying any changes from the 29 January 2021 submission</li> </ul>



<b>Municipal Systems Improvement Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance (Vote 3)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>An efficient and developmental sphere of government capable of delivering services to local communities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A responsive, accountable, effective and efficient local government</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Support municipalities through the implementation of the Integrated Urban Development Framework</li> <li>Support municipalities on municipal tariff data management and related matters</li> <li>Support municipalities in the improvement of their data management, records management and ICT infrastructure</li> <li>Support and monitor municipalities in the implementation of the district development model</li> <li>Support municipalities in the rollout of staffing regulations and competency frameworks</li> <li>Support municipalities in the preparation of an institutional recovery plan and the implementation thereof, where appropriate (including assisting municipalities to review and prepare: organograms, policies and bylaws)</li> <li>Support municipalities through the rollout and implementation of simplified revenue plans</li> <li>Conduct impact assessments of municipalities supported through the rollout and implementation of the simplified revenue plan project</li> <li>Support municipalities to implement the Municipal Property Rates Act</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Back to Basics support plan which identifies governance and institutional weaknesses in municipalities which are planned to be addressed through the grant allocation</li> <li>This grant also uses a memorandum of understanding (MoU). The MoU has an appendix which details: <ul style="list-style-type: none"> <li>roles and responsibilities</li> <li>outcome indicators</li> <li>output indicators</li> <li>key activities</li> <li>inputs</li> <li>details of how the systems and practices developed will be sustained over the long-term</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The Department of Cooperative Governance and the benefitting municipality must sign a memorandum of understanding that includes details of the activities and deliverables being funded, responsibilities of each stakeholder, protocols for engagements and feedback, the budget for each activity, and timeframes for implementation</li> <li>Funds from this grant may be spent on building the capacity of municipalities with respect to the purpose and outputs listed for this grant</li> <li>ICT infrastructure bought with this grant must be compatible with the minimum standards for the municipal Standard Chart of Accounts (mSCOA)</li> <li>Technical support to municipalities must include the transfer of skills to municipal officials</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Activities listed in the first six outputs of this grant have been funded in the initial allocations per municipality for the 2020 Medium Term Expenditure Framework. Other outputs may be funded through reallocations or in future years</li> <li>Priority is given to municipalities classified as distressed/dysfunctional in terms of Back to Basics</li> <li>Priority is given to municipalities with challenges/shortcomings in processes, procedures and systems to effectively implement the Municipal Systems Act and related local government legislation including municipalities with institutional challenges and municipal tariff data management challenges; and non-metropolitan municipalities with large outstanding debts owed to creditors</li> <li>Intermediate cities are targeted for programmes in support of the Integrated Urban Development Framework</li> <li>Unallocated funds in 2021/22 and 2022/23 will be allocated to projects during 2020, including to some municipalities not reached in 2020/21</li> <li>Funds may be reallocated if a memorandum of understanding is not signed</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of the R115 million allocated, R23 million was converted to direct allocations, transferred and spent by municipalities. of the remaining allocation of R91 million, 75 per cent was spent</li> </ul>
	<p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>A municipal specific revenue plan has been implemented in 30 municipalities. Detailed close out reports on each of the 30 municipalities supported was also developed and approved. The project focused on the revenue value chain and looked at resolving the following: performing an as is assessment, addressing billing system challenges; credit control; indigent management; and meter auditing</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R128 million; 2021/22: R135 million and 2022/23: R140 million</li> </ul>

<b>Municipal Systems Improvement Grant</b>	
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 6 grant, payments to the service provider made in accordance with the signed service level agreement, implementation plan and project milestones or deliverables</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Management, monitoring and reporting of the programme</li> <li>• Agree and sign a memorandum of understanding with participating municipalities</li> <li>• Coordinate with the National Treasury to ensure that the capacity building activities of the two departments are complimentary</li> <li>• Participate in the review of the municipal capacity support system during 2020/21</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Agree and sign a memorandum of understanding with the transferring officer</li> <li>• Identify municipal officials that will be recipients of skills transfer</li> <li>• Ensure that municipal officials participate actively in all activities funded through this grant</li> <li>• Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality</li> <li>• Municipalities must submit a detailed report upon the completion of the project, in the format prescribed</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Targeted municipalities must sign a memorandum of understanding in support of this Municipal Systems Improvement Grant programme</li> </ul>

## MINERAL RESOURCES AND ENERGY GRANTS

<b>Energy Efficiency and Demand Side Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Mineral Resources and Energy (Vote 34)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce electricity consumption by promoting energy efficient practices</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Reduced demand for electricity</li> <li>Increased awareness of energy saving</li> <li>Skills development in energy efficiency</li> <li>Energy management capability enhanced</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Amount of electricity saved in kilowatt hours (KWh)</li> <li>Number of energy efficient street lights installed</li> <li>Number of energy efficient traffic lights installed</li> <li>Number of buildings retrofitted</li> <li>Number of units of water services infrastructure retrofitted</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Projected energy savings</li> <li>Key activities</li> <li>Inputs</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Funds can only be used to implement electricity saving projects in municipal infrastructure</li> <li>The focus for implementation of energy efficiency interventions is limited to municipal buildings, streetlights, traffic lights, waste water treatment works and pump stations</li> <li>Municipalities must determine a detailed and extended electricity consumption baseline in line with South African Standards (SANS 5002 and SANS 50010)</li> <li>Municipalities must respond to the request for proposals issued by the Department of Mineral Resources and Energy (DMRE) in the format provided</li> <li>Municipalities must commit to energy savings (in KWh) to be achieved through the retrofits to the DMRE</li> <li>A performance agreement with specific conditions shall be entered into between the municipality and the DMRE</li> <li>The municipality shall prepare a project work plan and business plan in the templates provided by the DMRE</li> <li>The municipality shall procure the street light luminaires as per the standardized technical specifications developed by the transferring officer</li> <li>A municipality may apply to the transferring officer, by no later than 30 August 2020 to utilise a maximum of 15 per cent of the total annual allocation to undertake specified planning activities for the purposes of embedding the Vertically Nationally Appropriated Mitigation Action project, provided that these conform to the list of eligible activities identified by the transferring officer, including: <ul style="list-style-type: none"> <li>investment pipeline development (excluding direct project preparation)</li> <li>development of infrastructure financing strategies and instruments</li> <li>utilisation of a minimum of 50 per cent capital expenditure as co-funding for the Vertically Nationally Appropriated Mitigation Action projects</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The following criteria are used for selecting municipalities to receive allocations from the grant: <ul style="list-style-type: none"> <li>municipalities that have responded to the request for proposals as issued by the DMRE</li> <li>municipalities with higher electricity consumption and higher electricity saving potential</li> <li>municipalities with clearly defined objectives on energy efficiency improvements</li> <li>proposals that use proven energy efficient technologies with low pay-back periods</li> <li>municipalities that are participating in the Vertically Nationally Appropriated Mitigation Action Support Project of South Africa</li> <li>municipalities that show readiness and capacity to implement EEDSM projects</li> <li>good past performance if a municipality has previously participated in the programme</li> <li>quality, viability and financial feasibility of proposed projects</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional transfer in support of the EEDSM programme</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>R215 million was allocated and transferred to participating municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>A total electricity saving of 19 724 MWh per annum was reported by municipalities against the total projected electricity consumption baseline of 31 883 MWh per annum</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R218 million; 2021/22: R230 million and 2022/23: R243 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by the National Treasury</li> </ul>

<b>Energy Efficiency and Demand Side Management Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Monitoring and evaluation of the EEDSM programme including measurement and verification of energy savings</li> <li>• Provide municipalities with guidance and support through capacity building workshops on best practices and pricing for EEDSM projects</li> <li>• Communicate to municipalities the process and requirements for obtaining EEDSM grant funds in 2021/22</li> <li>• Develop a fair and open process to accredit and establish a panel of competent service providers with technical expertise and suppliers of energy efficient technology to support municipalities during the implementation of EEDSM projects</li> <li>• Provide technical support to municipalities participating in the Vertically Nationally Appropriated Mitigation Action Support Project of South Africa</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Submit proposals as per the request for proposals issued by DMRE</li> <li>• Ensure that proposals are in the format and template provided by DMRE</li> <li>• Implement the EEDSM programme as per the framework and contractual agreement</li> <li>• In the implementation of EEDSM projects, use service providers and/or energy efficient technology suppliers accredited by DMRE</li> <li>• Submit to the DMRE detailed energy consumption baseline data and a business plan signed by the municipal manager before the start of the 2020/21 municipal financial year</li> <li>• Submit to the DMRE the monthly and quarterly reports approved by the municipal manager</li> <li>• In a case where a municipality delegates the implementation of the programme to its entity (i.e. Johannesburg City Power, Mangaung CENTLEC, etc.) such an entity shall enter into an implementation contract with the municipality for the purposes of reporting and accountability. A copy of this implementation contract must be shared with DMRE</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Allocations for 2021/22 will be based on the proposals submitted in line with the request for proposal issued by the DMRE</li> <li>• Proposals must be submitted by 30 September 2020 and shall be evaluated against the criteria set out in this framework and the request for proposals issued by DMRE</li> </ul>

<b>Integrated National Electrification Programme (Eskom) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Mineral Resources and Energy (Vote 34)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 6, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce electrification backlogs through funding of household connections and bulk infrastructure (substations and lines) to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to Eskom to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licenced areas</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A reduction in household electrification backlogs</li> <li>Universal access to electricity and improvement in distribution infrastructure reliability</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of household connections per annum</li> <li>The number of substations completed</li> <li>Kilometres of bulk lines completed</li> <li>Implementation of labour intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Inputs</li> <li>Output indicators</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Plans need to have undergone pre-engineering and project feasibility and be approved by the Director-General of the Department of Mineral Resources and Energy (DMRE) prior to implementation</li> <li>Projects must be prioritised by municipalities in their Integrated Development Plans (IDPs) before being approved for INEP (Eskom) Grant funding</li> <li>Eskom must submit to DMRE letters signed by municipal accounting officers to demonstrate that the municipalities are in agreement with the projects to be undertaken</li> <li>Eskom to comply with the DMRE's requirements to provide approved bulk projects in their business plans</li> <li>All assets constructed through this grant must be ring-fenced on Eskom's asset register as government assets. Eskom is responsible for the operations and maintenance of these assets</li> <li>Eskom must adhere to labour-intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching and planting of poles</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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"> <li>high backlogs</li> <li>rural bias</li> <li>integration with other programmes such as 44 priority district municipalities, the National Development Plan and other infrastructure programmes like catalytic projects and mining towns</li> <li>the cost of a project is within benchmarked norms and standards</li> <li>the project is aligned with the IDP for a particular municipality</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer for electrification of households and bulk infrastructure</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>The grant was allocated R3.3 billion and the entire amount was transferred to Eskom, of which R2.2 billion (60 per cent) was spent by the end of the financial year</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>191 585 connections were completed at the end of the financial year (includes connections funded from roll-overs)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R3 billion; 2021/22: R3 billion and 2022/23: R3.7 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Payments are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Review and approve Eskom's outputs and targets</li> <li>Continuously monitor implementation</li> <li>Provide central coordination for bulk infrastructure</li> <li>Approve submissions for refurbishment of critical infrastructure</li> </ul>
	<b>Responsibilities of Eskom</b> <ul style="list-style-type: none"> <li>The maximum size of supply is 2.4 kVA, after diversity maximum demand, 20 Amp per household connection, in line with the Suite of Supply Policy (2018)</li> <li>Report to the DMRE and the National Treasury on monthly and quarterly expenditure for the grant</li> <li>Report accurately and timeously on EPWP information</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Eskom and the DMRE must ensure that all planned projects are in line with municipal IDPs and priority lists</li> <li>Eskom and the DMRE must ensure that planned projects are feasible and have gone through the pre-engineering process by 30 October 2020</li> </ul>



<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Mineral Resources and Energy (Vote 34)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To reduce electrification backlogs through funding of household connections and bulk infrastructure (substations and lines) to ensure constant supply of electricity</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To implement the Integrated National Electrification Programme (INEP) by providing capital subsidies to municipalities to address the electrification backlog of all existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>A reduction in household electrification backlogs</li> <li>Universal access to electricity</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The number of connections to households per annum</li> <li>The number of substations completed</li> <li>Kilometres of bulk lines completed</li> <li>Implementation of labour-intensive methods on electrification projects and the number of jobs created</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Inputs (resources)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Municipalities must register electrification business plans for bulk infrastructure with INEP and abide by the advice or guidance of the Department of Mineral Resources and Energy (DMRE) regarding the central planning and co-ordination for such bulk infrastructure</li> <li>Municipalities must provide the DMRE with a project implementation plan during the first quarter of the municipal financial year (by the end of September 2020)</li> <li>Bulk infrastructure can only be funded for infrastructure serving poor households (where infrastructure serves tariff-funded areas and poor households, costs should be shared)</li> <li>INEP funds may be used for the refurbishment of critical infrastructure, only upon approval of a business plan submitted to the DMRE</li> <li>Municipalities must utilise their own funding if the subsidy is insufficient</li> <li>Projects should be implemented as per the contract agreed between the DMRE and the municipality, any deviations from the contract must be communicated to the DMRE for approval</li> <li>The project schedule should be attached to the contract by end of March 2020</li> <li>If all the annexures are not attached to the contract by end March 2020 the contract will rendered invalid</li> <li>No reimbursement will be made for projects that have been implemented without the prior approval by the DMRE</li> <li>Municipalities must spend at least 60 per cent of their previous transfer and comply with reporting provisions before the second and subsequent transfers are made</li> <li>The maximum size of supply is 2.4 kVA after diversity maximum demand, standard installation of 20 Amp per household connection, in line with the Suite of Supply Policy (2018)</li> <li>Municipalities may utilise up to R1.5 million of their total allocation for service fees (pre-engineering) if approved by the DMRE in their business plan</li> <li>Municipalities must adhere to labour intensive construction methods in terms of the Expanded Public Works Programme (EPWP) guidelines for activities such as trenching and the planting of poles, amongst others</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on an assessment of applications from local municipalities based on: <ul style="list-style-type: none"> <li>high backlogs</li> <li>rural bias</li> <li>number of planned households per project</li> <li>past performance</li> <li>integration with other programmes such as the district development model, the National Development Plan, catalytic projects, and mining towns</li> <li>the financial, technical and staff capabilities to distribute electricity and expand and maintain networks</li> <li>consultation with communities through the Integrated Development Plan (IDP) process</li> <li>ensuring that universal access objectives are fast-tracked</li> <li>connecting informal settlements where service delivery has been prioritised</li> <li>new and upgrading of bulk infrastructure projects that support future electrification needs, and for refurbishment projects, where distribution network reliability adversely impacts economic activity and cannot sustain current electrification</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a specific conditional capital transfer for electrification of households</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>R1.9 billion was allocated and transferred to municipalities</li> </ul>
<b>Projected life</b>	<b>2018/19 service delivery performance</b>
	<ul style="list-style-type: none"> <li>51 320 households were connected including connections funded from roll-overs</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R1.9 billion; 2021/22: R2 billion and 2022/23: R2.1 billion</li> </ul>

<b>Integrated National Electrification Programme (Municipal) Grant</b>	
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Agree with municipalities on outputs and targets</li> <li>• Continuously monitor implementation and provide support to municipalities</li> <li>• Verify reports from municipalities</li> <li>• Ensure that the payment schedule is aligned to the timelines for projected expenditure on each project</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Ensure that projects are implemented in line with what is reflected in the IDP of the municipality</li> <li>• Report accurately and timeously on the management of this grant and include invoices and EPWP information on their monthly reports, when reporting to the DMRE</li> <li>• Appoint service providers during the first quarter of the municipality financial year (July – September 2020) to implement their projects</li> <li>• Maintain and operate electricity infrastructure in line with licence conditions</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Application forms are sent to municipalities and the evaluation of all applications and business plan proposals received from municipalities is completed by 30 October 2020</li> </ul>

## HUMAN SETTLEMENTS GRANTS

<b>Municipal Emergency Housing Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 7, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To ensure improved quality of household life following a disaster (as defined in the Disaster Management Act)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding to municipalities for provision of temporary shelter assistance to households affected by disasters or a housing emergency</li> <li>To provide funding to municipalities to repair the damage to housing for low-income households following a disaster or housing emergency if the costs of repairs are less than the cost of relocation and provision of temporary shelter</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Households accommodated in adequate temporary shelter following a disaster</li> <li>The safety of houses for low income households, damaged following a disaster restored</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Emergency and short term assistance to households affected and/or impacted by disasters, through:             <ul style="list-style-type: none"> <li>provision of temporary shelter</li> <li>temporary relocation of households to safer accommodation and/or shelter</li> <li>repair to damaged houses following a disaster</li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Applications for funding from this grant use the Municipal Emergency Housing Grant (MEHG) application form which includes the following:             <ul style="list-style-type: none"> <li>details of the disaster, municipal ward, the impact thereof and number of temporary shelters required as well as the number of households affected</li> <li>specification of the shelter to be provided and total funds required for disaster response</li> <li>implementation plan</li> <li>summary of the projects including GPS coordinates</li> <li>register of beneficiaries</li> <li>consolidated project cash flow over a three-month period as an annexure to the implementation plan</li> <li>a copy of the municipality's emergency procurement policy</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Municipalities must submit an application to the national Department of Human Settlements (DHS) within 14 days of the agreement by the Mayor that a housing emergency exists in terms of section 2.3.1 (a) and (b) of the Emergency Housing Programme</li> <li>The relevant Provincial Disaster Management Centre must be informed of the application in writing by the municipality</li> <li>The municipal manager must sign-off and confirm the information captured in the application</li> <li>Shelter solutions funded from the grant must comply with the National Housing Code</li> <li>The approval of funding to repair damage caused by disasters must be subjected to the assessment report</li> <li>The flow of the first tranche of funds is conditional on approval by the national DHS</li> <li>The flow of the second tranche is subject to the municipality spending at least 80 per cent of the first instalment and submitting detailed non-financial and financial reports indicating progress to date signed-off by the accounting officer</li> <li>Funds may only be spent on items and activities included in the application approved by the Accounting Officer of the national DHS</li> <li>Municipal officers must submit a report within 30 days after the end of the quarter in which the funds are spent, outlining expenditure of the funds and documentary proof of services rendered. Thereafter monthly reports shall be submitted to the national DHS until the funds are fully utilised</li> <li>The emergency procurement system as guided by Public Finance Management Act, Municipal Finance Management Act and Treasury Regulations must be invoked to ensure immediate assistance to the affected communities</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>This grant funding is intended to address the housing needs of households who for reasons beyond their control, find themselves in need of emergency housing, such as:             <ul style="list-style-type: none"> <li>existing shelter destroyed or damaged by a disaster</li> <li>displaced following a disaster</li> <li>relocation due to prevailing material (i.e. physical) conditions posing an immediate threat to the adequacy and safety of their existing housing as a result of a disaster</li> </ul> </li> <li>The grant is allocated to municipalities on application and approval thereof by the accounting officer of the national DHS</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a conditional grant with a specific purpose to provide for a rapid response to disasters as they arise</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>The grant was allocated R140 million and R37.8 million was transferred to municipalities of which R4 million was spent by municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>69 temporary shelters provided at Bitou Municipality</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is expected to continue over the medium term and will be subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R159 million; 2021/22: R168 million and 2022/23: R175 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>

<b>Municipal Emergency Housing Grant</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Advise and guide municipalities about the existence of the MEHG and how it can be accessed</li> <li>• Develop and publish the MEHG application form template in consultation with National Treasury and the National Disaster Management Centre</li> <li>• Monitor programme implementation including establishing and maintaining a register or database of human settlements disasters</li> <li>• Support municipalities to plan for potential disasters. This includes identifying communities/households that reside in unsafe conditions posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters</li> <li>• Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required</li> <li>• Facilitate a coordinated housing assistance intervention response in circumstances where disasters affect more than one municipality</li> <li>• Coordinate assistance with the National Disaster Management Centre to ensure there is no duplication of funding with the provincial and municipal disaster relief grants and the Provincial Emergency Housing Grant</li> <li>• Request National Treasury's approval for the disbursement of funds to municipalities within 10 days of receipt of an application for funding from this grant</li> <li>• Notify the municipality and the relevant provincial treasury of a transfer at least two days before the transfer of funds. Funds must be transferred no later than five days after the notification</li> <li>• Transfer funds to the municipalities with a clear stipulation of the purpose of the funds</li> <li>• Provide the National Treasury with written notification of the transfer within 10 days after a transfer of the funds</li> <li>• Undertake over sight visits together with the municipality for verifications of reported performance</li> <li>• Submit financial and non-financial reports to the National Treasury 20 days after the end of each month</li> <li>• Provide a performance report within 45 days after the end of the quarter in which the funds were spent, to the National Treasury, using the disaster allocation monitoring template agreed with the National Treasury</li> <li>• Together with the municipalities monitor the implementation of funded projects</li> <li>• Support municipalities in accessing the MEHG</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Municipalities are responsible for providing the first response in the immediate aftermath of a housing emergency</li> <li>• Prepare and submit a complete application with all supporting documents for the MEHG in the event of disaster incidents occurring within their jurisdiction</li> <li>• Together with the national DHS conduct initial assessments of disaster impacts to verify the applications for funding within five days following the occurrence of a reported incident that meets the conditions</li> <li>• Upon approval of the application by the national DHS and receipt of funding, implement the intended relief measure (emergency housing solutions) in respect of the affected households and communities</li> <li>• Manage implementation of emergency interventions including establishing and maintaining a register or database of human settlements disasters and emergencies in the municipality</li> <li>• Plan disaster mitigation measures in collaboration with the relevant Local Disaster Management Centre; these include public awareness and community outreach initiatives in respect of disaster mitigation</li> <li>• Facilitate the release of municipal owned land for emergency housing and resettlement purposes</li> <li>• Plan for potential disaster incidents. This includes identifying communities/households that reside on inadequate land posing a threat to health and safety as well as households who live in areas prone to flooding and/or other disasters</li> <li>• Facilitate that identified and prioritised communities and/or households are relocated and properly housed in formalised townships that comply with human settlement development norms and standards</li> <li>• Ensure that the shelter solutions comply with the Housing Code</li> <li>• Monitor the planning and priority development for communities/households residing in unhealthy and life threatening circumstances and provide implementation assistance where required</li> <li>• Provide financial and non-financial reports to national DHS within 15 days after the end of each month</li> <li>• Ensure contingency plans are in place to facilitate the provision of emergency shelter in the immediate aftermath of a housing emergency. These plans could include having standby contracts in place that allow for the rapid deployment of emergency shelter and/or identifying safe sites for temporary shelter</li> <li>• Ensure that emergency procurement policies in line with the Public Finance Management Act (PFMA) and Treasury Regulations are in place</li> <li>• Provide a performance report which includes evidence on progress with implementation of the projects to the national DHS within 30 days after the end of the quarter in which funds are spent</li> <li>• Identify communities and/or households for temporary relocation due to an imminent disaster event</li> <li>• Monitor the implementation of funded disaster projects by sectors</li> <li>• Maintain a register of the beneficiaries</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

<b>Urban Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The creation of sustainable and integrated human settlements that enable improved quality of household life</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development</li> <li>To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>The outcomes to be realised in order to promote integrated sustainable urban settlements and improved quality of living environments are as follows: <ul style="list-style-type: none"> <li>supporting inclusive densification and transit-oriented urban development, integrating existing and new urban developments</li> <li>provision of adequate bulk and link infrastructure for mixed-income and mixed-use urban developments</li> <li>provide opportunities for leveraging of public funding within partnerships that promote integrated mixed-income and mixed-use urban development projects and funding for broader urban development</li> </ul> </li> </ul> <p><b>Upgrading Informal Settlements Programme (UISP) component</b></p> <ul style="list-style-type: none"> <li>Promote integrated sustainable urban settlements and improved quality living environment as per the National Housing Code 2009 which includes tenure security, health and security as well as empowerment</li> <li>Serve as a planning and preparation platform towards the introduction of a new informal settlements upgrading grant</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> <li>increase in bulk and link infrastructure</li> <li>construction/ provision of internal engineering services</li> <li>increase in the number of serviced sites</li> <li>increase in the provision of individual connections</li> <li>increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments</li> <li>increase in access to public and socio-economic amenities</li> <li>increase in the number of interim basic services</li> </ul> </li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>Programmatic municipality-wide informal settlements upgrading strategy</li> <li>Number of approved individual informal settlements upgrading plans aligned to the National Upgrading Support Programme (NUSP) methodology</li> <li>Number of social compacts concluded with communities and/or community resource organisations outlining their role in the upgrading process</li> <li>Number of informal settlements designated for upgrading in terms of the municipal Spatial Development Framework (SDF) and Spatial Planning and Land Use Management Act (SPLUMA) and by-laws enacted in this regard</li> <li>Number of households provided with secure tenure</li> <li>Number of households provided with individual municipal engineering services (water services, sanitation solutions and electricity – grid and non-grid)</li> <li>Number of informal settlements provided with interim and permanent municipal engineering services (public lighting, roads, storm water, refuse removal and bulk connections for water, sanitation and electricity)</li> <li>Hectares of land acquired for relocation of Categories B2 and C settlements (categories in terms of the NUSP methodology)</li> <li>Hectares of land acquired for in situ upgrading for B1 settlements</li> <li>Number of in situ individually serviced sites developed</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the USDG plan (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 USDG plan is an annexure to the Built Environment Performance Plan (BEPP) for cities that complete a BEPP. The USDG plan is consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plan (SDBIP) of the receiving municipality</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>This component requires that cities use the human settlements chapter of their IDP to prioritise informal settlements for upgrading in 2020/21</li> <li>This component requires the submission of a UISP business plan in the prescribed format, with informal settlement upgrading plans for each settlement to be upgraded which include: <ul style="list-style-type: none"> <li>project description</li> <li>settlement name and GIS coordinates</li> <li>category of settlement</li> <li>project institutional arrangements (including list of stakeholders and departments responsible)</li> <li>sustainable livelihood implementation plans</li> </ul> </li> </ul>



<b>Urban Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>o outputs and targets for services to be delivered</li> <li>o cash flow projections (payment schedule)</li> <li>o details of the support plan</li> <li>o risk management plan</li> <li>o prioritisation certificate issued by the MEC in consultation with relevant Mayors</li> <li>• For those settlements where upgrading plans have not yet been completed, an interim plan with clear deliverables in terms of the UISP phases contained in the Housing Code must be submitted</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit a USDG plan (as an annexure to the BEPP, or separately) that is aligned to the SDBIP, IDP and the One Plan in pilot areas for the District Development Model to the national Department of Human Settlements (DHS) and National Treasury</li> <li>• The annual USDG plan must contain a project list with project names, project descriptions, classification of infrastructure, 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</li> <li>• The flow of the first instalment is subject to: <ul style="list-style-type: none"> <li>o submission of the 2019/20 third quarter report, signed-off by the municipal Accounting Officer including the performance matrix with non-financial information</li> <li>o submission of a USDG plan (as an annexure to the annual BEPP for 2020/21, for municipalities that prepare BEPPs) that is aligned to the municipal IDP, SDBIP and national priorities by 29 May 2020</li> </ul> </li> <li>• The flow of the second instalment will be conditional upon the: <ul style="list-style-type: none"> <li>o submission of the 2019/20 fourth quarter report signed-off by the accounting officer of the municipality including the performance matrix with non-financial information</li> <li>o submission of 2020/21 first quarter performance information, in line with the requirements of Municipal Finance Management Act (MFMA) circular 88</li> </ul> </li> <li>• The flow of the third instalment will be conditional upon submission of second quarter performance information, in line with the requirements of MFMA circular 88</li> <li>• A maximum of 3 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 DHS</li> <li>• Municipalities must indicate the amounts of their annual allocations for spending on the identified catalytic projects in their BEPPs as approved by the municipal council</li> <li>• Municipalities must also report their non-financial performance in terms of the requirements set out in MFMA circular 88 or any further circular issued in this regard</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>• The following ring-fenced funds per municipality may only be used for projects contained in the UISP business plan of each municipality that is submitted as an annexure to the USDG business plan, in the format prescribed by the Department and aligned to the NUSP methodology and subject to the conditions and requirements specified for this component: <ul style="list-style-type: none"> <li>o Buffalo City: R152 million</li> <li>o Nelson Mandela Bay: R181 million</li> <li>o Mangaung: R151 million</li> <li>o City of Ekurhuleni: R394 million</li> <li>o City of Johannesburg: R370 million</li> <li>o City of Tshwane: R320 million</li> <li>o eThekweni: R393 million</li> <li>o City of Cape Town: R296 million</li> </ul> </li> <li>• Where there are no upgrading plans and spending is approved in terms of an interim plan, funding will only be transferred to a metro provided that confirmation is provided to the national department that individual upgrading plans are being developed for these projects and will be completed by 2021/22</li> <li>• The ring-fenced amounts for this component are minimum amounts and municipalities may choose to spend a larger portion of their USDG allocation in compliance with the requirements of this component</li> <li>• A social compact must be concluded as part of each individual informal settlement upgrading plan. A maximum of three per cent of the project cost may be used for community/social facilitation</li> <li>• The transfer of the first tranche of funds is conditional upon approval by the DHS of a municipal business plan which is consistent with the provisions of the Housing Act, 2020 Division of Revenue Act and in compliance with the National Housing Code</li> <li>• Cities must report quarterly on projects funded through this component using the template prescribed by DHS. Reporting must include financial and non-financial performance on progress against UISP plans</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant is allocated to all metropolitan municipalities</li> <li>• The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2020 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data</li> <li>• The allocation of the Upgrading of Informal Settlements Partnership component ring-fenced within the USDG is 20 per cent of the allocation for each municipality. These funds are also determined through the USDG allocation formula</li> </ul>
<b>Reasons not incorporated in equitable share</b>	This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) different to those of the equitable share
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The grant was allocated R11.3 billion, and R11.3 billion (100 per cent) was transferred to municipalities</li> </ul> <p><b>2018/19 service delivery performance</b></p>

<b>Urban Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>• Delivery performance is indicated in the performance evaluation reports for 2018/19</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The USDG will continue until 2022/23, subject to review</li> <li>• The UISP component is intended to become a separate conditional grant in 2021/22, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R11.3 billion; 2021/22: R7.4 billion and 2022/23: R7.4 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers will be made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Develop indicators for the outcomes and outputs</li> <li>• Convene a structured forum to meet with municipalities on a quarterly basis</li> <li>• Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities</li> <li>• Provide support to municipalities with regard to human settlement programmes</li> <li>• Publish a guideline by 29 May 2020 on how capacity funds from this grant should be used by cities</li> <li>• Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable</li> <li>• Undertake oversight visits to municipalities as may be necessary</li> <li>• Facilitate strategic and spatial planning support related to human settlements development</li> <li>• Provide systems, including the Housing Subsidy System that support the administration of the human settlements delivery process</li> <li>• Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities, on a quarterly basis</li> <li>• When under expenditure and under performance is identified, the department may recommend the stopping and reallocation (in terms of sections 19 and 20 of the 2020 Division of Revenue Act) of funds that are anticipated to be unspent</li> <li>• Participate in the municipal budget benchmarking process as and when indicated by the National Treasury</li> <li>• Review BEPP guidelines</li> </ul> <p><b>Responsibilities of other national sector departments</b></p> <ul style="list-style-type: none"> <li>• The Department of Mineral Resources and Energy, Department of Water and Sanitation, Department of Environment, Forestry and Fisheries and the Department of Transport must all provide technical advice and support relevant to their sectors and monitor the performance of cities as reported in terms of MFMA circular 88</li> </ul> <p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>• Develop a clear business plan template for municipalities to use for submission</li> <li>• Receive, assess and approve the business plans of municipalities</li> <li>• Assess and make recommendations on the credibility of municipal business plans and the readiness of projects captured therein</li> <li>• Maintain the policy and programme, and assist with interpretation of the policy, business plans and individual upgrading plans</li> <li>• Develop a reporting template for municipalities on UISP outputs and publish it by 29 May 2020</li> <li>• Monitor and evaluate municipal financial and non-financial grant performance and control systems including quarterly summary reports on performance related to the UISP component</li> <li>• Provide implementation assistance support to municipalities as may be required</li> <li>• Undertake structured and other visits to municipalities as is necessary</li> <li>• Facilitate regular interaction between DHS and municipalities</li> <li>• Submit a report on the status of informal settlements and their categorisation (in terms of the National Upgrading Support Programme's methodology) to National Treasury by 31 July 2020</li> <li>• Identify lessons from the preparation and implementation of this component and use these to inform the design of the proposed new grant for informal settlement upgrading</li> </ul>
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Submit 2019/20 evaluation reports in terms of the USDG performance matrix, as contained in the SDBIP, to the transferring officer</li> <li>• 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</li> <li>• Changes to the approved project list may only be made once a quarter and the metro must notify the DHS in writing and provide all the relevant details of the new project within 30 days after the end of the quarter</li> <li>• Submit monthly financial reports, as contemplated in section 71(5) of the 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</li> <li>• Ensure that the USDG performance matrix is consistent and aligned with national priorities and provincial human settlements plans</li> <li>• Comply with the terms and conditions of the receiving officer outlined in the Division of Revenue Act</li> <li>• Municipalities should request the roll-over of unspent funds through National Treasury and inform the transferring officer of all processes regarding the request</li> <li>• Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant</li> <li>• Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements</li> <li>• Ensure that the USDG is used to meet municipality MTSF targets</li> </ul>

<b>Urban Settlements Development Grant</b>	
	<p><b>UISP component</b></p> <ul style="list-style-type: none"> <li>• Initiate, plan and formulate applications for projects relating to the upgrading of informal settlements, which in the case of municipalities that are not accredited, must be in collaboration with the relevant provincial department</li> <li>• Request assistance from the provincial department on any of the matters concerned if the municipality lacks the capacity, resources or expertise</li> <li>• Submit a detailed application for NUSP technical support to the national Department of Human Settlements</li> <li>• Submit the final business plans by 29 May 2020</li> <li>• Implement approved projects in accordance with UISP plans approved by the national department</li> <li>• Fast-track the planning approval processes for informal settlements upgrading projects</li> <li>• Assume ownership of the engineering services installed</li> <li>• Manage, operate and maintain settlement areas developed under this programme</li> <li>• Coordinate and facilitate the provision of bulk and connector engineering services (including through funding from the main USDG)</li> <li>• Submit a report on the status of informal settlements in their municipal area and their categorisation (in terms of the National Upgrading Support Programme's methodology) to DHS by 29 May 2020</li> <li>• Identify lessons from the implementation of this component and share these with DHS</li> <li>• Prepare and submit quarterly reports (financial and non-financial) on projects funded through this component using the template prescribed</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit a comprehensive USDG plan (based on circular 88 indicators) with targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget</li> <li>• Municipalities must submit their first draft of the USDG plan to the transferring officer by 26 March 2021 and the final USDG plan should be submitted by 29 May 2021</li> </ul> <p><b>UISP component/new grant</b></p> <ul style="list-style-type: none"> <li>• Municipalities must prepare a municipality-wide Informal Settlement Upgrading Strategy (aligned to their BEPP, if applicable) that sets out the city's approach to informal settlement upgrading and management and how settlements are categorised and will be prioritised for upgrading. A draft of this plan must be submitted to DHS by 30 October 2020. DHS will provide comments by 30 November 2020. A final plan must be adopted by council by 29 January 2021</li> <li>• Draft business plans, accompanied by Informal Settlement Upgrading Plans as an annexure for each settlement to be upgraded in 2021/22 must be submitted to the National Department by 29 January 2021. The DHS will provide comments by 16 March 2021</li> <li>• Final business plans must be submitted by not later than 15 April 2021</li> </ul>

## NATIONAL TREASURY GRANTS

<b>Local Government Financial Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To secure sound and sustainable management of the fiscal and financial affairs of municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Strengthen capacity in the financial management of municipalities</li> <li>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</li> <li>Appropriately skilled financial officers, appointed in municipalities consistent with the minimum competency regulations</li> <li>Improved financial management maturity and capabilities</li> <li>Timely submission of financial statements and improved audit outcomes</li> <li>Improvement in municipal financial governance and oversight</li> <li>Reduction in unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipal officials registered for financial management training</li> <li>Number of interns serving on the internship program, and permanently appointed in municipalities</li> <li>Number of municipalities that have reassessed priority modules in the Financial Management Capability Maturity Model (FMCMM)</li> <li>Number of municipalities with established internal audit units and audit committees</li> <li>Number of municipalities that submitted their annual financial statements timeously</li> <li>Number of municipalities with disclaimers and adverse opinions that developed audit action plans</li> <li>Number of municipalities that prepared and implemented financial recovery plans, where appropriate</li> <li>Submission of FMG support plans</li> <li>Number of disciplinary boards established</li> </ul>
<b>Priorities of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> <li>Priority 6: A capable, ethical and developmental state</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>FMG funds can be used towards the following: <ul style="list-style-type: none"> <li>strengthen capacity and up-skilling officials in the budget and treasury office, internal audit and audit committees</li> <li>a total of five interns in local municipalities and three interns in metropolitan and district municipalities must be appointed over a multi-year period. Municipalities must submit a plan for the retention of skills developed through the internship programme</li> <li>on-going review, revision and submission of FMG support plans to the National Treasury that address weaknesses in financial management</li> <li>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)</li> <li>support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in Government Gazette 29967 of June 2007</li> <li>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</li> <li>support the implementation of corrective actions to address the root causes of audit findings in municipalities that received adverse and disclaimer opinions</li> <li>support the implementation of the financial misconduct regulations and promote consequence management to reduce unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities</li> <li>support to strengthen financial governance and oversight, as well as functioning of Municipal Public Accounts Committees</li> <li>the preparation of a financial recovery plan and the implementation thereof, where appropriate</li> <li>implementation of financial management reforms and overall compliance with the MFMA to address shortcomings identified in the Financial Management Capability Maturity Model assessments for that municipality</li> </ul> </li> <li>Spending on the conditions above exclude any cost relating to travel, accommodation and incidental expenses</li> <li>FMG support plan must be consistent with the conditions of the grant and must be submitted timeously</li> <li>Timely submission of reports with complete information as prescribed in the 2020 Division of Revenue Act</li> <li>Expenditure must be maintained at appropriate levels</li> </ul>

<b>Local Government Financial Management Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• All municipalities benefit from allocations to augment their own resources in support of implementation of the financial management reforms</li> <li>• Priority is given to municipalities:               <ul style="list-style-type: none"> <li>○ with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA, as identified in the Financial Management Capability Maturity Model assessment</li> <li>○ with adverse and disclaimer audit opinions</li> <li>○ with a deterioration in financial management</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA, its regulations and associated financial reforms</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• R505 million was allocated and R505 million was transferred to municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• All 257 municipalities submitted FMG support plans</li> <li>• As at 30 June 2019, 1 320 graduate finance interns were serving on the internship programme in municipalities</li> <li>• Internship workshops to improve the programme and sustain reforms were concluded in nine provinces</li> <li>• The grant supported the following outputs:               <ul style="list-style-type: none"> <li>○ a total of 1 185 officials received a statement of results for attaining minimum competencies</li> <li>○ of the 165 municipalities that utilised the FMG to prepare their 2018/19 annual financial statements, 143 (87 per cent) submitted their annual financial statements to the Auditor-General for auditing by 31 August 2019</li> <li>○ 44 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2017/18 audit findings</li> <li>○ 220 municipalities utilised the FMG to acquire/upgrade and maintain their financial management systems</li> <li>○ 151 municipalities utilised the FMG to strengthen the capacity and up-skill officials in the budget and treasury office, internal audit units and audit committees</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Ongoing with periodic reviews as the financial reforms are still in progress</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R545 million; 2021/22: R575 million and 2022/23: R596 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Management, monitoring and reporting of the programme</li> <li>• Transfer funds to municipalities in terms of the 2020 Division of Revenue Act</li> <li>• Undertake on-going monitoring of the municipalities</li> <li>• Participate in the review of the municipal capacity support system during 2020</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Submit support plans which are consistent with the conditions of the grant</li> <li>• Submit reports consistent with the reporting requirements in the 2020 Division of Revenue Act</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• On-going review, revision and submission of the FMG support plans to address weaknesses in financial management</li> <li>• The programme is based on the FMG support plans which municipalities must submit to the National Treasury before the start of the municipal financial year</li> </ul>



<b>Integrated City Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 4, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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</li> <li>To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>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</li> <li>Strengthened and effective system of programme and project preparation</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of infrastructure projects including public transport, roads, water, energy, housing, land acquisition and development in implementation within identified integration zones</li> <li>Number of integrated strategic/catalytic projects planned within identified integration zones</li> <li>Number of authorised studies/strategies completed</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligibility is restricted to metropolitan municipalities which: <ul style="list-style-type: none"> <li>have not had an adverse or disclaimed audit opinion in the last two financial years</li> <li>will, by 29 May 2020, submit a letter to National Treasury indicating their commitment to establishing and institutionalising an effective system of programme and project preparation</li> </ul> </li> <li>Municipalities may select preferred programmes and projects within their functional mandates and within approved integration zones. Eligible expenditures include: <ul style="list-style-type: none"> <li>direct operating expenditure of at least 50 per cent of the ICDG allocation to be used for programme and project preparation activities</li> <li>capital expenditure within the functional mandate of the municipality within identified integration zones</li> </ul> </li> <li>The first transfer of the grant will only be released to a municipality that has, by 31 July 2020: <ul style="list-style-type: none"> <li>adopted the Cities Infrastructure Delivery and Management Systems (CIDMS) guidelines</li> <li>indicated a work plan with activities relating to the establishment and institutionalisation of programme and project preparation</li> <li>established a programme and project approval committee which meets the requirements for the authorising environment in terms of the guideline issued by National Treasury</li> <li>committed to co-financing contributions and budget management arrangements</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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"> <li>BEPP evaluation score for 2019/20 (30 per cent)</li> <li>achieved 80 per cent of capital expenditure in 2018/19 (15 per cent)</li> <li>no vacancies longer than six months in 2019 for section 57 positions in terms of Municipal Systems Act (10 per cent)</li> <li>unqualified audit opinion by the Auditor-General (with or without findings) for the last financial year (25 per cent)</li> <li>decrease in total value of irregular, fruitless and wasteful expenditure identified by the Auditor-General (20 per cent)</li> </ul> </li> <li>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 2021 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</li> <li>It is anticipated that in future years the grant will be used only for programme and project preparation activities and will be adjusted annually to ensure increased co-financing by cities</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant provides a specific financial incentive for metropolitan municipalities to enhance the performance of their urban built environment programmes by supporting programme and project preparation. 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</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>R293 million was allocated and transferred to municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>All eight metropolitan municipalities submitted BEPPs timeously and identified a total of 34 integration zones</li> <li>Municipalities planned 12 catalytic projects and 10 projects were under implementation in their integration zones</li> </ul>

<b>Integrated City Development Grant</b>	
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant will continue over the 2020 MTEF, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R317 million; 2021/22: R341 million and 2022/23: R361 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Review eligibility criteria and assess compliance with grant conditions prior to the transfer of each grant instalment</li> <li>Provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme</li> <li>Authorise applications for the utilisation of grant funds for specified operating purposes</li> <li>Participate in the review of the municipal capacity support system during 2020</li> </ul>
	<b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>Submit a letter to National Treasury indicating their commitment to establishing and institutionalizing an effective system of programme and project preparation and a work plan of activities relating to the establishment and institutionalisation of programme and project preparation</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Eligible municipalities must submit a work plan of activities relating to the establishment and institutionalisation of programme and project preparation</li> <li>National Treasury will communicate further details of the requirements for project and programme preparation funding over the 2021 MTEF period by November 2020</li> </ul>

<b>Infrastructure Skills Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>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, quantity surveying, geographic information systems and project management</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To recruit unemployed graduates into municipalities to be trained and professionally registered, as per the requirements of the relevant statutory councils within the built environment</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Developed technical capacity within local government to enhance infrastructure provision, and service delivery, through improved infrastructure planning, implementation, operations and maintenance</li> <li>Registered professionals with built environment qualifications (national diplomas and degrees) as per the statutory councils' requirements</li> <li>Increased number of qualified and registered professionals employed within local government</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils</li> <li>Number of graduates recognised as registered professionals by the relevant statutory councils</li> <li>Number of graduates employed as registered professionals within the built environment in local government</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The 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</li> <li>Graduates must be seconded to an entity (public or private) if no relevant training is available to develop the necessary competence of the graduates</li> <li>Where graduates are placed in another entity (public or private) a memorandum of agreement must be developed and signed between the municipality and the entity, according to Infrastructure Skills Development Grant (ISDG) guidelines. The memorandum of agreement must clearly demonstrate the supervision requirements and the roles and responsibilities of all parties associated with the training of graduates</li> <li>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</li> <li>Municipalities must provide training as per the road-to-registration requirements of the relevant statutory council</li> <li>Mentoring must be provided by registered professionals in the same field 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, in accordance with the ISDG guidelines</li> <li>The ISDG funding is to be utilised exclusively for costs associated with the training and professional development process of graduates (refer to ISDG guidelines)</li> <li>The business plan of a municipality must include an absorption strategy for the graduates within the municipality or any other municipality</li> <li>A project administrator may be appointed per municipality for the purpose of the ISDG administration if approved by National Treasury (refer to ISDG guidelines)</li> <li>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</li> <li>Graduates must be assigned to a supervisor with experience in the same field as the graduates-in-training</li> <li>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</li> <li>Municipalities must submit monthly and quarterly reports timeously</li> <li>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</li> <li>Municipal Managers must sign a service level agreement (SLA) with the National Treasury and such an agreement must be adhered to</li> <li>Non-compliance with the above conditions can result in the funds being withheld, stopped or re-allocated</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This conditional grant is meant to develop technical skills within municipalities</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R141 million was allocated and transferred to 17 municipalities</li> </ul>

<b>Infrastructure Skills Development Grant</b>	
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>The grant has created employment and training opportunities</li> <li>Currently 368 graduates are in training</li> <li>Since inception of the grant, 261 graduates have been professionally registered with the relevant statutory councils</li> <li>In 2018/19 the following municipalities hosted graduates through the grant: Buffalo City (22 graduates); Nelson Mandela Bay (30 graduates); eThekweni (35 graduates); City of Johannesburg (22 graduates); Polokwane (13 graduates); Govan Mbeki (63 graduates); Gert Sibande (21 graduates); Alfred Nzo (22 graduates); uMhlathuze (14 graduates); Sol Plaatje (14 graduates); John Taolo Gaetsewe (6 graduates); King Sabata Dalindyebo (10 graduates); City of Cape Town (61 graduates); George (17 graduates); Alfred Duma (8 graduates); Thulamela (10 graduates)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The grant is expected to continue over the 2020 Medium Term Expenditure Framework (MTEF), subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R153 million; 2021/22: R162 million and 2022/23: R168 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Issue guidelines and supporting documentation for the implementation of the ISDG</li> <li>Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts</li> <li>Manage, monitor and report on the programme</li> <li>Ensure professional development is aligned to statutory council requirements</li> <li>Monitor the registration progress of graduates with the relevant statutory councils by municipalities</li> <li>Monitor financial and non-financial performance of the ISDG</li> <li>Maintain graduates database for the ISDG</li> <li>Work with the Municipal Infrastructure Support Agent, and other stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals</li> <li>Participate in the review of the municipal capacity support system during 2020</li> </ul> <b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>Comply with the requirements of the Division of Revenue Act, ISDG guidelines, the service level agreement and the requirements of the relevant statutory councils</li> <li>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</li> <li>Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work with adequate responsibility for the candidate to progress</li> <li>Provide the candidate with the requisite workspace, supervisor, tools of profession/trade and logistics to perform the recommended activities within their training plans</li> <li>Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action</li> <li>Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils</li> <li>Attend all meetings and workshops convened by the National Treasury relating to this grant</li> <li>Support and supervise graduates on the road-to-registration training</li> <li>Recruit professionally registered mentors who are able to provide the skills training required and ensure that they are adequately orientated on the registration process and its requirements</li> <li>Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury</li> <li>Manage the utilisation of ISDG funds and report to the National Treasury</li> <li>The municipality must provide, and update, the list of business tools procured with ISDG funds. The business tools must be procured in accordance with ISDG guidelines</li> <li>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</li> <li>Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Interested municipalities must submit a three-year business plan by 31 August 2020 for assessment by the National Treasury</li> <li>Participating municipalities must submit revised business plans to the National Treasury by 31 August 2020</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B and Schedule 6, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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 and rural towns</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Spatially integrated cities and towns</li> <li>Diversity of public and private capital investments leveraged into targeted locations</li> <li>Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third-party capital investment into strategic locations</li> <li>Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> <li>urban hub precincts with secondary linkages and rural regional service centers;</li> <li>catalytic programmes within integration zones; or</li> <li>built environment upgrade projects in urban townships and rural towns</li> </ul> </li> <li>Leveraged third-party capital investment into targeted locations</li> <li>The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events</li> <li>Enhanced municipal strategic competencies in investment targeting, implementation, and urban management</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Compliance with the aims and objectives outlined in the investment plans between the municipality and the Transferring Officer</li> <li>Submission of cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the transferring officer</li> <li>Programme execution is dependent on a sequential and formal acceptance/approval by the transferring officer of NDPG-related municipal plans or deliverables</li> <li>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</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The grant funds the following activities in targeted locations that are defined as urban hubs and regional service centers: <ul style="list-style-type: none"> <li>planning and the development of catalytic programmes and projects</li> <li>the development of built environment upgrade projects in townships and rural towns</li> </ul> </li> <li>Schedule 6, Part B: technical assistance allocations support planning and professional programme management costs for programmes and projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria</li> <li>Schedule 5, Part B: capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process, in targeted locations</li> <li>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)</li> <li>Rural towns are selected according to population or population growth, location, economic potential and/or growth and governance and financial health</li> </ul>
<b>Reasons not incorporated in equitable share</b>	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
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R582 million allocated in Schedule 5, Part B direct transfers to municipalities and R569 million of this was transferred to municipalities</li> <li>R49 million allocated in Schedule 6, Part B indirect transfers to municipalities and R48 million of this was spent by the end of the national financial year</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>82 NDPG projects under construction in 2018/19</li> <li>R14 billion in estimated third party investment leveraged (cumulative since 2007/08)</li> <li>509 catalytic projects approved (cumulative since 2007/08)</li> <li>18 long-term urban regeneration programmes registered (cumulative since 2013/14)</li> </ul>
<b>Projected life</b>	This grant is expected to continue over the medium term



<b>Neighbourhood Development Partnership Grant</b>	
<b>MTEF allocations</b>	<b>Direct transfers (Schedule 5, Part B):</b> <ul style="list-style-type: none"> <li>• 2020/21: R559 million; 2021/22: R567 million and 2022/23: R593 million</li> </ul> <b>Allocation-in-kind (Schedule 6, Part B):</b> <ul style="list-style-type: none"> <li>• 2020/21: R63 million; 2021/22: R95 million and 2022/23: R106 million</li> </ul>
<b>Payment schedule</b>	Transfers are made in accordance with a payment schedule approved by National Treasury
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Funds plans and catalytic projects in targeted locations that are defined either as urban hubs, integration zones, catalytic programmes or as built environment upgrade projects in urban and rural towns, including: <ul style="list-style-type: none"> <li>○ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships page on the National Treasury website</li> <li>○ reporting in terms of the 2020 Division of Revenue Act</li> <li>○ determining grant allocations for the Medium Term Expenditure Framework period</li> <li>○ governing the acceptance or approval milestones of NDPG-related municipal plans or deliverables</li> <li>○ monitoring, managing and evaluating financial and non-financial performance</li> <li>○ overseeing and enforcing the conditions of this grant</li> <li>○ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management</li> </ul> </li> <li>• Coordinate an advisory committee that includes the Department of Rural Development and Land Reform, Department of Cooperative Governance as part of the management of NDPG's small town projects</li> <li>• Participate in the review of the municipal capacity support system during 2020</li> </ul> <b>Responsibilities of municipalities</b> <ul style="list-style-type: none"> <li>• Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the 2020 Division of Revenue Act</li> <li>• Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the transferring officer</li> <li>• Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects</li> <li>• 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</li> <li>• Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money</li> <li>• Maintain accurate and up to date grant and performance information as specified in NDPG management information formats and systems</li> <li>• Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations</li> <li>• Collect and provide evidence of funding leveraged into each precinct</li> <li>• Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal: <ul style="list-style-type: none"> <li>○ spatial development frameworks and capital investment frameworks (as a chapter in the municipal Spatial Development Framework)</li> <li>○ Integrated Development Plans</li> <li>○ Built Environment Performance Plans - only applicable to metropolitan municipalities</li> </ul> </li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans</li> <li>• Plans and/or deliverables must include an indication of: <ul style="list-style-type: none"> <li>○ the ability to attract and report on third-party funding leveraged</li> <li>○ the quality of performance and progress reporting</li> <li>○ 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 spatial development frameworks and capital investment frameworks</li> </ul> </li> </ul>

## PUBLIC WORKS AND INFRASTRUCTURE GRANT

<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works and Infrastructure (Vote 13)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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"> <li>road maintenance and the maintenance of buildings</li> <li>low traffic volume roads and rural roads</li> <li>basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure)</li> <li>other economic and social infrastructure</li> <li>tourism and cultural industries</li> <li>waste management</li> <li>parks and beautification</li> <li>sustainable land-based livelihoods</li> <li>social services programmes</li> <li>community safety programmes</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of Full-Time Equivalents (FTEs) to be created through the grant</li> <li>Number of people employed and receiving income through the EPWP</li> <li>Increased average duration of the work opportunities created</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: Economic transformation and job creation</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>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 and Infrastructure (DPWI) and the Ministerial Determination updated annually on 1 November each year</li> <li>Eligible municipalities must sign a funding agreement with the DPWI before the first grant disbursement, with their signed EPWP project list attached</li> <li>Municipalities must report quarterly on all EPWP projects via DPWI's EPWP reporting system</li> <li>Reports must be loaded on the EPWP reporting system every month. The system closes 15 days after the end of every quarter in order for progress to be assessed</li> <li>Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual</li> <li>The EPWP grant cannot be used to fund the costs of permanent municipal personnel however, a maximum of 5 per cent of the grant can be used to fund contract based capacity required to manage data capturing and on-site management costs related to the use of labour intensive methods</li> <li>The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list</li> <li>To receive the first planned grant disbursement, eligible municipalities must submit a signed integrated agreement with a project list by 5 June 2020</li> <li>Subsequent grant disbursements are conditional upon:               <ul style="list-style-type: none"> <li>eligible municipalities reporting quarterly on EPWP performance within the required timeframes</li> <li>reporting on EPWP Integrated Grant funded projects</li> <li>submitting on a quarterly basis non-financial reports including for the last quarter of the previous financial year</li> <li>reporting on EPWP Integrated Grant expenditure monthly within the required time frames</li> </ul> </li> <li>Municipalities must implement their approved EPWP project list and meet agreed job creation targets</li> <li>EPWP branding must be included as part of the project cost in line with the corporate identity manual</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for EPWP grant allocation in 2020/21, a municipality must have reported FTEs that meet the minimum threshold in either the infrastructure or social sector or environment and culture sector in 2018/19 financial year</li> <li>Newly reporting municipalities must have reported 2019/20 EPWP performance (in either the infrastructure, social, or environment and culture sector) by 15 October 2019</li> <li>The EPWP grant allocations are based on:               <ul style="list-style-type: none"> <li>past EPWP performance</li> <li>the number of FTE jobs created in the prior 18 months</li> <li>past performance with regard to labour intensity in the creation of EPWP work opportunities</li> <li>service delivery information from 2016 Community Survey used as an adjustment factor</li> </ul> </li> <li>Allocation criteria include a rural bias</li> <li>Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPWI</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>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 focus areas</li> </ul>

<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>The grant had an allocation of R693 million, 245 municipalities were eligible for the grant and 100 per cent of the allocation was transferred to these municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>223 789 work opportunities were reported by 245 municipalities and validated on the EPWP system</li> <li>64 306 FTE jobs were reported by 245 municipalities and validated on the EPWP system</li> <li>Average duration of the work opportunities created has increased to 70 days</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R748 million; 2021/22: R790 million and 2022/23: R819 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments per annum: 25 per cent, 3 August 2020; 45 per cent, 2 November 2020 and 30 per cent, 1 February 2021</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>Determine eligibility and set grant allocations and FTE targets for eligible municipalities</li> <li>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</li> <li>Support municipalities in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> <li>identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria</li> <li>apply the EPWP project selection criteria and EPWP guidelines to project design</li> <li>report using the EPWP reporting system</li> </ul> </li> <li>Monitor the performance and spending of municipalities according to the signed incentive agreement</li> <li>Disburse the grant to eligible municipalities</li> <li>Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement</li> <li>Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions</li> <li>Conduct site visits to identify where support is needed</li> </ul>
	<b>Responsibilities of the eligible municipalities</b> <ul style="list-style-type: none"> <li>Develop and submit an EPWP project list to DPW by 5 June 2020</li> <li>Sign the standard funding agreement with DPWI agreeing to comply with the conditions of the grant before receiving any grant disbursement</li> <li>Agree on the areas requiring technical support from DPWI upon signing the grant agreement</li> <li>Ensure that reporting is done within the timelines stipulated in the grant agreement and that information is captured in the EPWP reporting system</li> <li>Municipalities must maintain beneficiary and payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPWI for data quality assessment tests</li> <li>Reports must be loaded within 15 days after the end of every quarter in order for progress to be assessed</li> <li>Submission of quarterly non-financial reports by the timelines stipulated in the clauses of the Division of Revenue Act</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Municipalities must report performance on EPWP projects for the 2020/21 financial year by 30 October 2020 to be eligible for a grant allocation</li> <li>Municipalities must submit a signed EPWP integrated agreement and project list by 4 June 2021</li> </ul>

## TRANSPORT GRANTS

Public Transport Network Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Transport (Vote 40)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>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 (IPTN) and to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved public transport network infrastructure and services that function optimally and are safe, convenient, affordable, well managed and maintained</li> <li>Public transport systems that are accessible to an increasing percentage of the population of urban municipalities and contribute to more spatially efficient urban areas</li> </ul>
<b>Outputs</b>	<p><b>Network Operations Component</b></p> <ul style="list-style-type: none"> <li>Number of average weekday passenger trips carried on Public Transport Network Grant (PTNG) funded networks</li> <li>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</li> <li>Percentage uptime for network operating systems as a proportion of the network's public operating hours</li> <li>Passengers per network vehicle per average weekday</li> </ul> <p><b>Network Infrastructure Component</b></p> <ul style="list-style-type: none"> <li>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 national Department of Transport (DoT) in consultation with National Treasury 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.)</li> <li>Plans and detailed design related to IPTN infrastructure and operations</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses IPTN operational and related plans that include financial modelling</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Projects must be based on, and form part of, a strategic, municipal wide, long-term IPTN plan and strategy approved by the municipal council</li> <li>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</li> <li>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</li> <li>Projects in metropolitan municipalities must demonstrate alignment to Built Environment Performance Plans (BEPPs)</li> <li>Projects should follow an environmental strategy and consider energy efficiency and environmental aspects, such as emission standards; mandatory specifications regarding average fleet emissions should be considered</li> <li>The first tranche is subject to submission of milestones in terms of the template determined by DoT by 29 May 2020 or within seven working days upon adoption/approval by municipal council, as part of the annual budget appropriation</li> <li>Subsequent payments will be conditional on the attainment of previously funded milestones as 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</li> <li>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</li> <li>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</li> <li>Allocations for the Network Operations Component will be determined by DoT once municipalities submit an annual operations plan including financial forecasts for 2020/21 by 29 May 2020 or within seven working days, upon adoption/approval by municipal council, as a part of the annual budget appropriation. Funds for one component can be shifted to the other if approved by DoT and National Treasury</li> <li>The second tranche is subject to cities submitting, by 31 July 2020, an updated multi-year financial operational plan (approved by council) for the duration of the vehicle operating contract/s pertaining to any phase on which 2020/21 grant funds will be spent</li> <li>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</li> </ul>



<b>Public Transport Network Grant</b>	
	<ul style="list-style-type: none"> <li>An amount of R1.045 billion in 2020/21 is allocated to the City of Cape Town through the Budget Facility for Infrastructure (BFI) for MyCiti Phase 2A and may only be used for that purpose. Should there be cost variations of more than 10 per cent on the BFI funded project, the municipality is required to inform National Treasury and the transferring officer within 30 days</li> <li>In order to ensure efficient usage of grant funds, the DoT can instruct that municipalities utilise national transversal appointments for IPTN related items such as professional services, vehicles and information technology including automated fare collection and vehicle tracking, where such contracts exist</li> </ul> <p><b>Network Operations Component</b></p> <ul style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> <li>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</li> <li>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</li> <li>Municipalities must enforce rules and by-laws regarding usage of dedicated lanes, fare payment, and operator/supplier compliance with contractual provisions</li> <li>Municipalities are required to establish specialist capacity to manage and monitor public transport system contracts and operations</li> <li>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</li> <li>Municipalities must enforce agreements that only legal operators operate on routes subject to compensation agreements</li> </ul> <p><b>Network Infrastructure Component</b></p> <ul style="list-style-type: none"> <li>The grant can fund all IPTN-related infrastructure, including for non-motorised transport, upgrades of existing public transport infrastructure and for new infrastructure</li> <li>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</li> <li>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</li> <li>IPTN projects must meet the minimum requirements of the South African Bureau of Standards (including Part S of the Building Regulations)</li> <li>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</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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</li> <li>75 per cent of available funds are allocated according the three public transport demand factors. The three demand factors which are equally weighted are: <ul style="list-style-type: none"> <li>size of population</li> <li>size of economy</li> <li>number of public transport users</li> </ul> </li> <li>20 per cent of available funds are allocated through a base component shared equally between participating municipalities</li> <li>5 per cent of available funds are allocated as a performance incentive to operating municipalities based on following three indicators (with a minimum threshold that will be revised upwards periodically): <ul style="list-style-type: none"> <li>coverage of costs from farebox: fare revenue as a percentage of direct operating costs, which indicates commitment to reducing operational costs, and is a measure of efficiency. The minimum threshold is 35 per cent</li> <li>passenger trips: average weekday passenger trips as a percentage of the population. This indicates coverage of the system, in providing the services to residents. The minimum threshold is 1 per cent. The city should be operating for at least two months</li> <li>skin in the game: city own funding as a percentage of the city's total property rates used towards funding the IPTN construction and operation. This is a measure of the cities' own commitment towards the system. The minimum threshold is 2 per cent</li> </ul> </li> <li>To be eligible for the incentive, municipalities must have spent at least 80 per cent of their PTNG allocation from the preceding year and exceed the minimum threshold in at least one of the three indicators</li> </ul>



<b>Public Transport Network Grant</b>	
	<ul style="list-style-type: none"> <li>The information used for the incentive comes from cities' multi-year financial plans. If this information exceeds the audited numbers by more than 5 per cent, this will be corrected in the subsequent financial year by reducing the city's allocation by the amount that is over the amount the city would have received if calculations were based on the audited numbers</li> <li>Allocations for the Network Operations Component are based on municipalities' Annual Operations Plans (to be submitted to DoT by 29 May 2020) which indicate the amount of the 2020/21 total allocation to be used within the rules of this component</li> <li>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"> <li>DoT approval of the annual operations plan</li> <li>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</li> <li>compensation for the economic rights of existing operators can be funded up to 100 per cent in each phase</li> </ul> </li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Infrastructure and operational costs associated with the implementation of the Public Transport Strategy and NLTA were not included in municipal budgets prior to the introduction of IPTN services</li> </ul>
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes:</b></p> <ul style="list-style-type: none"> <li>R6.2 billion was allocated and R6.2 billion (100 per cent) was transferred to municipalities</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Buffalo City: 4.2 km of Qumza highway upgraded (main transfer route in Mdantsane)</li> <li>Cape Town: Phase 1B extension into Montague Gardens, Century City and Summer Greens includes construction of 4.12 km of dedicated bus lanes, six stations, one depot extension, six feeder bus priority intersection improvements, 77 open feeder stops, and 15 trunk stops</li> <li>Ekurhuleni: 234 street lighting poles completed</li> <li>eThekweni: Q Nandi construction 90 per cent complete. Dinkleman Road construction 23 per cent complete. Ntuzuma Interim Depot construction at 50 per cent and Pinetown Interim Depot construction at 20 per cent</li> <li>George: roads rehabilitation on Nelson Mandela Boulevard, Courtenay Road, Caledon Street, Mission Street, Park Street, Merriman Street and Memorium Street. 99 bus shelters installed and lighting fitted in 55 shelters. Upgrading of traffic signals system on main corridors completed</li> <li>Johannesburg: 0.4 km of 16.6 km of IC of roadways have been constructed. Heritage Bridge completed. Construction of 10 stations 85 per cent complete</li> <li>Mangaung: Botshabelo, Thaba Nchu and the central business district (CBD) non-motorised construction completed</li> <li>Mbombela: R40 Tshwane University of Technology, Rob Ferreira and R40 Bosch Street and Central public transport facilities completed</li> <li>Msunduzi: 1km of right of way completed</li> <li>Nelson Mandela Bay: Phase 2 construction of Lindsey Road/Keeton Street complete. Construction of bus shelters underway</li> <li>Polokwane: construction underway for trunk route and trunk extensions in Seshego, feeder routes in the city, civil works for bus depot and day time layover facility. Construction of control center shell is 97 per cent complete. 21 (12-meter) buses have been assembled and branded. Installation of automated fare collection (AFC) devices on buses begun</li> <li>Rustenburg: CBD trunk and three CBD station platforms completed. A new contractor was appointed for the construction for 18 stations, both open and closed which are 50 per cent complete. Negotiations for procurement of 30 buses with bus service provider in progress</li> <li>Tshwane: construction of phase 2B in Atterbury between Lois and January Masilela 86 per cent complete. Construction of Capital Park bridge 17 per cent complete. Wonderboom intermodal facility bulk earthworks and civil works 54 per cent complete. Wonderboom temporary turn around and taxi holding area 7 per cent completed.</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2020/21: R6.4 billion; 2021/22: R6.8 billion and 2022/23: R7.1 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with an agreed payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Disburse PTNG funds and monitor PTNG expenditure</li> <li>Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy</li> <li>Verify reports from municipalities by conducting at least one site visit per annum</li> <li>Allocate funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury</li> <li>Review and comment on draft compensation agreements for economic rights</li> <li>Review and comment on the network model submitted by each municipality</li> <li>Evaluate the performance of the grant annually</li> <li>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</li> <li>Finalise the public transport subsidy policy for South Africa</li> <li>Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated</li> </ul>

<b>Public Transport Network Grant</b>	
	<p>to municipalities by DoT</p> <ul style="list-style-type: none"> <li>• Submit copies of allocation letters and milestones to National Treasury</li> <li>• Review the Public Transport Strategy to ensure its requirements enable municipalities to develop fiscally sustainable IPTN systems</li> <li>• Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in section 18 of the Division of Revenue Act (DoRA). If matters are still unresolved, this may result in the stopping and reallocation of tranche payments in terms of sections 19 and 20 of DoRA</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• 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 municipalities will need to complete include: <ul style="list-style-type: none"> <li>○ network operational plans, including universal design access plans</li> <li>○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans)</li> <li>○ institutional network management plans</li> <li>○ engineering and architectural preliminary and detailed designs</li> <li>○ public transport vehicle and technology plans</li> <li>○ marketing and communication plans</li> </ul> </li> <li>• Projects funded by this grant must promote the integration of the public transport networks in a municipality, through: <ul style="list-style-type: none"> <li>○ physical integration between different services within a single network</li> <li>○ fare integration between different services</li> <li>○ marketing integration with unified branding</li> <li>○ institutional integration between the services</li> <li>○ spatial integration, in conjunction with other grants directed at the built environment</li> </ul> </li> <li>• Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> <li>○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum</li> <li>○ indicate the intended allocations between the network operations component and network infrastructure component</li> </ul> </li> <li>• 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</li> <li>• Compile and submit data that indicates the efficiency and effectiveness of operational services in the formats and using the indicators defined by the DoT</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• 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 2020 which include plans for how all municipal owned bus services will be integrated into the 10-year IPTN programme</li> <li>• DoT and National Treasury will jointly evaluate these plans – based on pre-determined criteria regarding financial and fiscal sustainability and sufficient capacity – for the municipality’s eligibility for an allocation in the 2021/22 financial year</li> <li>• Municipalities that fail to pass the eligibility criteria will be informed by 28 August 2020 and may be asked to resubmit plans</li> </ul>

<b>Rural Roads Asset Management Systems Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Transport (Vote 40)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• Ensure efficient and effective investment in municipal roads through development of road asset management systems (RAMS), collection and analysis of data</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To assist district municipalities to set up road asset management systems, and collect road, bridge and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Improved data on municipal roads to guide infrastructure maintenance and investments</li> <li>• Reduced vehicle operating costs</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Road condition data (paved and unpaved) as per prescribed Technical Methods for Highways (TMH-series)</li> <li>• Traffic data</li> <li>• Data on condition of structures (including bridges and culverts) as per prescribed Technical Methods for Highways (TMH 19 series)</li> <li>• Safety Assessments Data</li> <li>• Prioritised project list for roads to inform Municipal Infrastructure Grant project selection</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses Road Asset Management Business Plans which contain the following details: network hierarchy, performance management framework, gap analysis, information systems, lifecycle planning, current and future demand, financial plan, monitoring, reviewing and plans for continual improvements including sharing data with local municipalities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Transfer of the first tranche is conditional on submission of an approved business plan by 29 May 2020</li> <li>• Transfer of the second tranche is conditional on submission of evidence of engagements and sharing of data with local municipalities and compliance with monthly and quarterly signed report submissions to the national Department of Transport (DoT), and the relevant Provincial Roads Authorities</li> <li>• Road authorities must conduct regular condition assessments for paved and unpaved roads, structure, traffic data and any other road inventory data</li> <li>• 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</li> <li>• District municipalities must submit the above data to the national repository by 31 September 2020</li> <li>• For Road Infrastructure Strategic Framework for South Africa (RISFSA) Class R1, R2 and R3 roads, data collection requirements are: <ul style="list-style-type: none"> <li>○ visual condition data not older than two years for pavements and five years for bridges</li> <li>○ instrumental pavement data for roughness, rut depth and macro texture not older than two years</li> <li>○ instrumental pavement data for structural strength not older than five years</li> <li>○ traffic data not older than three years</li> </ul> </li> <li>• For RISFSA Class R4 and R5 roads, data requirements are: <ul style="list-style-type: none"> <li>○ visual condition data not older than three years for pavements and five years for bridges</li> <li>○ instrumental pavement data for roughness, rut depth and macro texture not older than four years on paved roads only</li> <li>○ traffic data not older than five years</li> </ul> </li> <li>• All road condition reports and data collected must be submitted to the National DoT, and the relevant provincial roads authorities</li> <li>• This framework must be read in conjunction with the practice note as agreed with National Treasury</li> <li>• Systems developed to record data must be compatible with DoT specifications</li> <li>• District municipalities must participate in grant management structures, including attending monthly and/or quarterly RRAMS progress as well as National meetings</li> <li>• A maximum of 5 per cent may be used for municipal costs incurred as part of coordination, project management and reporting by the district</li> <li>• In order to ensure efficient usage of grant funds, the DoT can instruct that municipalities utilise national transversal appointments for project implementation where these contracts exist</li> <li>• 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 assessments made by the municipality</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are based on the extent of the road network and number of local municipalities within a district municipality</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant mainly for the provision of systems to collect data on traffic and conditions of municipal roads and structures</li> </ul>
<b>Past performance</b>	<b>2018/19 audited financial outcomes</b> <ul style="list-style-type: none"> <li>• Of the R107 million that was allocated, R107 million (100 per cent) was transferred to municipalities</li> </ul>
	<b>2018/19 service delivery performance</b> <ul style="list-style-type: none"> <li>• 18 873 kilometres of paved road network and 44 836 kilometres of unpaved road network was assessed and 13 943 structures were identified in the district municipalities receiving the grant</li> <li>• 160 graduates were recruited into the programme</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2022/23, subject to review</li> </ul>

<b>Rural Roads Asset Management Systems Grant</b>	
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2020/21: R108 million; 2021/22: R114 million and 2022/23: R121 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with an agreed payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Monitoring implementation of RAMS together with provincial road authorities</li> <li>• Data integrity will be checked by DoT and provincial road authorities</li> <li>• Provide guidance on sustainable RAMS operations and standards</li> <li>• Facilitate interaction between local municipalities and district municipalities in using RAMS outputs to guide municipal road infrastructure management</li> <li>• Check the quality of data captured on municipalities' RAMS in collaboration with provincial road authorities</li> <li>• Management, monitoring and reporting of the programme</li> <li>• Agree on RAMP with participating municipalities</li> <li>• Ensure that the Transversal Contract which district municipalities are involved in is up to date</li> <li>• Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in section 18 of the Division of Revenue Act (DoRA). If matters are still unresolved, this may result in the stopping and reallocation of tranche payments in terms of sections 19 and 20 of DoRA</li> <li>• Support municipalities with planning and implementation of municipal roads projects in terms of the conditions, standards and specifications applicable to this sector</li> <li>• Ensure that municipal road authorities conduct regular condition assessments for paved and unpaved roads, structure, traffic data and any other road inventory data</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Municipalities must make provision to maintain RAMS after the lifespan of the grant</li> <li>• Data for all rural roads to be updated within two years</li> <li>• Recruit unemployed youth, S3 experiential training students and young graduates</li> <li>• Ensure human capacity at municipalities for the operation of RAMS is built</li> <li>• 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</li> <li>• Identify municipal officials that will be recipients of skills transfer</li> <li>• Ensure that municipal officials participate actively in all activities funded through this grant</li> <li>• Ensure systems and practices developed through this grant are sustained as part of the operations of the municipality</li> <li>• Submit of updated RAMS data in TMH 18 format by 29 May 2020</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• District municipalities must submit a signed and council approved Road Asset Management Plan (RAMP)/business plan to DoT by 28 May 2021</li> <li>• RAMP must contain the following: <ul style="list-style-type: none"> <li>○ the extent of the road network in the municipality</li> <li>○ the proportion of municipal roads with updated data captured on its RAMS</li> <li>○ the condition of the network in the municipality</li> <li>○ the maintenance and rehabilitation needs of the municipal road network</li> <li>○ the status of the municipality's RAMS</li> <li>○ status of institutionalisation of RAMS in the district municipality</li> </ul> </li> <li>• TMH 22 RAMP guideline can be used as template</li> <li>• DoT together with provincial roads authorities will evaluate and approve the business plans and progress reports by 30 June 2021</li> </ul>



## WATER AND SANITATION GRANTS

<b>Regional Bulk Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water and Sanitation (Vote 41)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B and Schedule 6, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Facilitate achievement of targets for access to bulk water and sanitation through successful execution and implementation of bulk projects of regional significance</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To develop new, refurbish, upgrade and replace ageing bulk water and sanitation 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</li> <li>To implement bulk infrastructure with a potential of addressing 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</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Access to water supply enabled through regional bulk infrastructure</li> <li>Proper wastewater management and disposal enabled through regional wastewater infrastructure</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of regional bulk water and sanitation projects phases under construction</li> <li>Number of projects/project phases completed</li> <li>Number of households targeted to benefit from bulk water and sanitation supply</li> <li>Number of municipalities benefitting from bulk water and sanitation projects</li> <li>Number of job opportunities created through implementation of bulk infrastructure projects</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses approved implementation readiness studies (IRS) which include the following: <ul style="list-style-type: none"> <li>inception/scoping report</li> <li>technical feasibility report</li> <li>preliminary designs and cost estimates</li> </ul> </li> <li>Schedule 6, Part B projects are implemented through a memorandum of understanding (MoU) which contains cash flow, implementation milestones and specific funding conditions related to the project</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The Regional Bulk Infrastructure Grant (RBIG) is intended to fund the social component of regional bulk water and sanitation projects approved by the Department of Water and Sanitation (DWS), unless exemptions based on affordability are recommended by DWS and approved by National Treasury</li> <li>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)</li> <li>Funds may only be used for drought relief interventions based on a business plan approved by DWS</li> </ul> <p><b>Schedule 5, Part B allocations</b></p> <ul style="list-style-type: none"> <li>The municipality must spend grant funds in line with the IRS and detailed designs approved by DWS</li> <li>The municipality must submit monthly financial and quarterly non-financial reports to DWS on stipulated dates</li> <li>Municipalities must spend at least 25 per cent of their first transfer by the end of September 2020 and comply with reporting provisions before the second transfer is made</li> <li>Municipalities must spend at least 40 per cent of their total RBIG allocations by 31 December 2020 before the subsequent transfer is made</li> <li>Municipalities must spend at least 50 per cent of their total RBIG allocations before the final transfer is made</li> <li>Grant funds must be reflected in the capital budget of the municipality</li> <li>All sources of funding for the cost of the project must be clearly outlined in the approved IRS</li> </ul> <p><b>Schedule 6, Part B allocations</b></p> <ul style="list-style-type: none"> <li>This grant can be used to build enabling infrastructure required to connect or protect water resources over significant distances with bulk and reticulation systems</li> <li>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</li> <li>All sources of funding for the full cost of the project must be outlined in the IRS and the MoU</li> <li>The IRS and MoU must be approved by DWS and endorsed through a council resolution of the benefiting municipality</li> <li>All projects must be implemented and transferred in line with the approved IRS and detailed designs</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>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"> <li>demand and availability of water</li> <li>the overall infrastructure needs</li> <li>the strategic nature of the project</li> <li>socio-economic importance of an area</li> <li>impact of the project</li> </ul> </li> <li>This grant is only allocated to Water Services Authorities (local and district municipalities)</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Regional bulk projects are closely linked to water resource planning and development, which is a DWS competency</li> <li>Projects may cross municipal boundaries</li> </ul>



<b>Regional Bulk Infrastructure Grant</b>	
<b>Past performance</b>	<p><b>2018/19 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• Of an approved revised budget allocation (Schedule 5, Part B) of R1.9 billion; R1.9 billion (100 per cent) was transferred</li> <li>• Of an approved revised budget allocation (Schedule 6, Part B) of R2.8 billion; R2.3 billion (82 per cent) was spent</li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Fifteen (15) project phases were completed: Greater Mamusa bulk water supply Phase 2 (abstraction); Setsoto bulk water supply phase 2 of 4; Rothdene waste water pump station and raising main; Tswelopele bulk water supply phase 1; Mogalakwena phase 1; Loeriesfontein bulk water supply; Pilanesburg phase 2 (Tuschenkomst); Moqhaka bulk water supply (Steynrus) Phase 2 of 4; Ritchie bulk water supply phase 1; Lushushwane phase 2; Lushushwane phase 3; Mantsopa phase 1 of 2; Maluti a Phofung phase 3; Ngwathe bulk water supply phase 2 of 5; and Phumelela bulk water supply phase 2 of 2</li> <li>• 81 project phases were in construction</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<p><b>Direct transfers (Schedule 5, Part B):</b></p> <ul style="list-style-type: none"> <li>• 2020/21: R2 billion; 2021/22: R2.2 billion and 2022/23: R2.3 billion</li> </ul> <p><b>Allocations-in-kind (Schedule 6, Part B):</b></p> <ul style="list-style-type: none"> <li>• 2020/21: R3.9 billion; 2021/22: R3.3 billion and 2022/23: R3.5 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers for Schedule 5, Part B allocations are made in terms of a payment schedule approved by National Treasury</li> <li>• Payments for Schedule 6, Part B allocations are made after verification of work performed</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Support the development of Water Services Authorities' (WSAs) water services infrastructure master plans</li> <li>• Ensure every municipality benefiting from a specific project or scheme is invited to participate in the feasibility study, IRS and construction</li> <li>• Enter into an MoU with WSAs regarding the construction, ownership, funding arrangements, and operation and maintenance of proposed infrastructure prior to the commencement of construction</li> <li>• If required, ensure the necessary authorisations including environmental impact assessment and water use licences are obtained</li> <li>• Ensure that the land assessment is done prior to project implementation</li> <li>• Provide detailed information on the selection criteria and conditions for the grant (RBIG Programme Implementation Framework)</li> <li>• Ensure that suitable agreements in terms of operation and maintenance are in place</li> <li>• Issue project funding approval letters to benefiting municipalities</li> <li>• Ensure that implementing agents submit monthly financial and quarterly non-financial reports on stipulated dates</li> <li>• Make payments of Schedule 6, Part B allocations to DWS's contracted implementing agents based on invoices for work done</li> </ul> <p><b>Responsibilities of water services authorities</b></p> <ul style="list-style-type: none"> <li>• Develop and regularly update water services infrastructure master plans</li> <li>• Submit monthly, quarterly and annual progress reports to DWS</li> <li>• 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</li> <li>• 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 contained in the MoU, and ensure the sustainability of infrastructure</li> <li>• Ensure integration of planning, funding, timing and implementation of bulk and reticulation projects</li> <li>• Ensure provision of reticulation services and/or reticulation infrastructure to connect to the bulk infrastructure funded through this grant</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>• Due to the long-term nature of projects, dates of the various processes are not fixed</li> <li>• All proposed projects which comply with the RBIG criteria must be registered and listed in DWS's bulk master plans</li> <li>• At regional level, a coordination 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</li> <li>• Pre-feasibility studies must assess potential for WC/WDM interventions</li> <li>• IRS and feasibility studies will be evaluated and approved by the transferring officer</li> <li>• Based on the outcome of the IRS, DWS will nominate the implementing agent for the construction phase of Schedule 6, Part B projects and designate the owner of the infrastructure. National Treasury and benefiting municipalities will be informed of the decisions</li> <li>• Projects requiring co-funding exemptions to be submitted to DWS by 30 September 2020 and DWS to submit the requests to National Treasury by 30 October 2020</li> </ul>

<b>Water Services Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Water and Sanitation (Vote 41)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B and Schedule 6, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To provide water and sanitation services and reduce backlogs</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities</li> <li>Provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development</li> <li>Support municipalities in implementing water conservation and water demand management (WC/WDM) projects</li> <li>Support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas</li> <li>Support drought relief projects in affected municipalities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>An increased number of households with access to reliable, safe drinking water and sanitation services</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of households provided with water and sanitation through: <ul style="list-style-type: none"> <li>reticulated water supply</li> <li>on site sanitation</li> <li>bucket systems replaced with appropriate sanitation facilities for households identified by the Department of Water and Sanitation (DWS) in the 2015/16 verification process</li> <li>source identification</li> <li>water conservation/water demand management provision</li> </ul> </li> <li>Number of Water Services Infrastructure Grant (WSIG) projects under construction</li> <li>Number of WSIG projects completed</li> <li>Number of households reached by health and hygiene awareness and end-user education</li> <li>Number of job opportunities created through implementation of water and sanitation projects</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 4: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Project overview</li> <li>Project costing</li> <li>Project milestones</li> <li>Impact declaration</li> <li>Schedule 6, Part B projects are implemented through a memorandum of understanding (MoU) which contains cash flow, implementation milestones and specific funding conditions related to the project</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>All project scope funded must be aligned to, and not duplicate, any existing or planned projects funded by other conditional grants or municipalities' own funds</li> <li>Municipalities must demonstrate in their business plans how they plan to manage, operate and maintain the infrastructure over the long term</li> <li>The maximum allocation for WSIG projects is R50 million, any project above this threshold is to be funded in the Regional Bulk Infrastructure Grant</li> <li>Projects should ideally be implemented over a year and the maximum period that a project can be implemented is three years</li> </ul> <p><b>Schedule 5, Part B allocations</b></p> <ul style="list-style-type: none"> <li>Municipalities must submit business plans signed-off by their Accounting Officer in line with their Water Services Development Plans (WSDPs) and Integrated Development Plans (IDPs)</li> <li>DWS must approve the business plans before projects can be implemented</li> <li>Water Service Authorities (WSAs) may only spend funds in line with approved business plans</li> <li>Municipalities must spend at least 25 per cent of their first transfer and comply with the reporting provisions before the second and subsequent transfers are made</li> <li>Municipalities must spend at least 40 per cent of their total WSIG transferred allocation by 31 December 2020 and comply with the reporting provisions before further transfers are made</li> <li>WSAs must submit monthly financial and quarterly non-financial reports to DWS</li> <li>Funds must be reflected in the capital budget of the municipality</li> <li>Grant funds must not be spent on operations and routine maintenance</li> <li>The Project Management Unit funded through the Municipal Infrastructure Grant should be utilised to manage the implementation of projects funded through this grant</li> <li>Funds may only be used for drought relief interventions based on a plan approved by DWS</li> </ul> <p><b>Schedule 6, Part B allocations</b></p> <ul style="list-style-type: none"> <li>Municipal accounting officers must sign-off that business plans are in line with their WSDP/IDP</li> <li>DWS must approve the business plans before projects can be implemented</li> <li>DWS must enter into an MoU with the relevant municipality before any project is implemented</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on the number of households with water and sanitation backlogs, prioritising the 27 priority district municipalities identified by government</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is earmarked for specific projects aimed at providing access to basic water and sanitation services</li> </ul>

<b>Water Services Infrastructure Grant</b>	
<b>Past performance</b>	<p><b>2018/19 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Water Services Infrastructure Grant (Schedule 5, Part B): <ul style="list-style-type: none"> <li>of the R4.7 billion allocated, R4.7 billion (100 per cent) was transferred</li> </ul> </li> <li>Water Services Infrastructure Grant (Schedule 6, Part B): <ul style="list-style-type: none"> <li>of the R608 million allocated, R579 million (95 per cent) was spent</li> </ul> </li> </ul> <p><b>2018/19 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Water Services Infrastructure Grant: <ul style="list-style-type: none"> <li>28 031 households served</li> <li>108 jobs created</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2022/23, subject to review</li> </ul>
<b>MTEF allocations</b>	<p><b>Direct transfers (Schedule 5, Part B):</b></p> <ul style="list-style-type: none"> <li>2020/21: R3.4 billion; 2021/22: R3.6 billion and 2022/23: R3.7 billion</li> </ul> <p><b>Allocations-in-kind (Schedule 6, Part B):</b></p> <ul style="list-style-type: none"> <li>2020/21: R579 million; 2021/22: R730 million and 2022/23: R771 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>For Schedule 5, Part B, transfers are made in accordance with a payment schedule approved by National Treasury</li> <li>For Schedule 6, Part B, payments are made to contracted implementing agents (including water boards and private service providers) after verification of work performed</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Evaluate and approve the business plans for each project before funds can be transferred</li> <li>Ensure that the conditions of the grant and approved business plans are adhered to</li> <li>Submit statutory reports (monthly financial, quarterly non-financial and annual performance) to National Treasury</li> <li>Ensure that implementing agents submit monthly financial and quarterly non-financial reports</li> <li>Ensure alignment of WSIG projects with projects approved in the MIG implementation plans</li> <li>In cases where DWS appoints a contractor, the contract between DWS and the appointed contractor must be signed before the project can commence</li> <li>All drought-related plans and expenditure must be shared with the National Disaster Management Centre</li> <li>Submit a water services capacity building plan for municipalities to National Treasury by 26 June 2020</li> </ul> <p><b>Responsibilities of water services authorities</b></p> <ul style="list-style-type: none"> <li>Compile and submit signed-off business plans for each project (for the relevant financial year)</li> <li>Sustainably operate and maintain funded water and sanitation projects over their lifetime</li> <li>Ensure integrated planning for all projects funded through the different grants and programmes</li> <li>Municipalities must submit a technical report for each project to the regional office</li> <li>Ensure adequate participation and involvement of the public in each project</li> <li>Manage project implementation in line with the business plan</li> <li>Submit monthly, quarterly and annual progress reports in the format prescribed by DWS</li> <li>Comply with all the funding conditions agreed to in the business plan and MoU</li> </ul>
<b>Process for approval of 2021/22 business plans</b>	<ul style="list-style-type: none"> <li>Municipalities must submit a technical report for each project to the regional office</li> <li>Regional offices must assess and approve technical reports</li> <li>Municipalities must prepare business plans based on the approved technical reports</li> <li>Business plans for Schedule 5, Part B allocations: <ul style="list-style-type: none"> <li>business plans must be submitted by 13 November 2020</li> <li>business plans must be approved by 15 January 2021</li> </ul> </li> <li>Business plans for Schedule 6, Part B allocation: <ul style="list-style-type: none"> <li>business plans must be submitted by 13 November 2020</li> <li>business plans must be approved by 15 January 2021</li> </ul> </li> <li>Municipalities must submit implementation plans by 29 May 2020</li> </ul>