



# Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA  
REPUBLIEK VAN SUID-AFRIKA

Vol. 478

Pretoria, 14 April 2005

**No. 27487**



**AIDS HELPLINE: 0800-0123-22 Prevention is the cure**

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**PROVINCIAL GOVERNMENT ALLOCATIONS  
2005/2006**

**IN TERMS OF THE DIVISION OF REVENUE  
ACT  
(ACT No.1 OF 2005)**

## GOVERNMENT NOTICE

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### NATIONAL TREASURY

No. 365

14 April 2005

In accordance with section 28 of the Division of Revenue Act, 2005 (Act No. 1 of 2005) ("the Act"), I, Trevor Andrew Manuel, MP, in my capacity as the Minister of Finance, hereby publish the allocation made to the provinces as set out in the attached frameworks for such allocation marked Annexure A.



TREVOR A MANUEL, MP  
MINISTER OF FINANCE



# **Annexure A**

## **Frameworks for Conditional Grants to Provinces**

### **Detailed frameworks on schedules 4 and 5 grants to provinces**

#### **Introduction**

This appendix provides a brief description of the framework for the grants set out in Schedules 4A and 5 of the 2005 Division of Revenue Act. The following are key areas considered for each grant:

- Purpose and measurable objectives of the grant
- Conditions of the grant (additional to what is required in the Act)
- Criteria for allocation between provinces or municipalities
- Rationale for funding through a conditional grant
- Monitoring mechanisms
- Past performance
- The projected life of the grant
- 2005 MTEF allocation
- The payment schedule
- Responsibility of national transferring department
- Grant review process
- Review of business plans for 2006/07

The attached frameworks are not part of the Division of Revenue Act, 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. The 2005 Act requires that the frameworks be gazetted within 14 days from the date that the Act takes effect.

The financial statements and annual reports for 2005/06 will report against the Division of Revenue Act and its schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved. The Auditor-General is expected to audit compliance to the 2005 Division of Revenue Act and the gazetted grant frameworks by both transferring national departments and receiving provincial departments or municipalities.

## AGRICULTURE GRANTS

Comprehensive Agricultural Support Programme Grant	
Transferring department	<ul style="list-style-type: none"> <li>Agriculture (Vote 25)</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>To expand the provision of agricultural support services and to promote and facilitate agricultural development by targeting beneficiaries of the Land and Agrarian Reform programmes</li> </ul>
Measurable outputs	<ul style="list-style-type: none"> <li>Increased access to and improvement in the quality of agricultural support services provided to targeted beneficiaries (i.e. advisory, information and knowledge management, training and capacity building, market and business development support, financial, on and off farm infrastructure such as dipping)</li> <li>Improvement in the capacity of the departments to deliver agricultural support services</li> <li>Number of targeted beneficiaries (from Land and Agrarian Reform Programmes) getting access to public agricultural support services</li> <li>Increased access by resource poor farmers to timeous market and technical information</li> <li>Improvement of availability of on farm and off farm infrastructure supporting targeted farmers (for example dipping, fencing, rehabilitation of irrigation scheme etc)</li> <li>Number of LRAD reform beneficiaries who accessed/accessing markets, market information and training on markets</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>Funds to be used to supplement provincial budgets in order to improve and increase farmer support services within the CASP framework</li> <li>Confirmed capacity to implement projects and operational funding to support this capacity</li> <li>Quarterly reports agreed between the provinces and the national department</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
Allocation criteria	<ul style="list-style-type: none"> <li>The formula used to allocate funds is a weighted average of the following variables:               <ul style="list-style-type: none"> <li>The size of agricultural land, with higher weights for arable land, and the nature of agricultural activities</li> <li>Number of targeted farmers emerging from the land reform programme</li> <li>Rural population as determined by Stats SA based on 2001 Census</li> </ul> </li> </ul>
Reason why not incorporated in equitable share	<ul style="list-style-type: none"> <li>The development of support services is a national priority given that they will enhance the productive capacity and economic success of resource limited land users, households and communal food producers, beneficiaries of the land Reform and Agrarian Reforms Programme</li> </ul>
Monitoring mechanisms	<ul style="list-style-type: none"> <li>Quarterly progress reports on outputs against plans</li> <li>Quarterly visits to Provinces by the national Department of Agriculture to monitor performance and provide support</li> </ul>
Past performance	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Not applicable, introduced in the 2004/05 financial year</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Not applicable, introduced in the 2004/05 financial year</li> </ul>
Projected life	<ul style="list-style-type: none"> <li>Approximately 5 years</li> </ul>
MTEF allocation	<ul style="list-style-type: none"> <li>2005/06: R250 million; 2006/07: R300 million; 2007/08: R415 million</li> </ul>
Payment schedule	<ul style="list-style-type: none"> <li>10%: 11 Apr 2005; 35%: 11 Jul 2005; 35%: 10 Oct 2005; 20% 10 Jan 2006</li> </ul>
Responsibilities of the National Department	<ul style="list-style-type: none"> <li>Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
Process for approval of 2006/07 business plans	<ul style="list-style-type: none"> <li>Provide provincial departments with business plan format guidelines, criteria and outputs by 13 May 2005</li> <li>Submission of business plans by provinces on the 30th of September 2005</li> <li>Engagement with provinces on business plans in October/November 2005</li> <li>Evaluation of business plans, last week of November 2005</li> <li>Approval of business plans by Minister, December 2005</li> <li>Inform provinces of approval by 2nd week of January 2006</li> </ul>



<b>Land Care Programme Grant: Poverty Relief and Infrastructure Development</b>	
<b>Transferring Department</b>	<ul style="list-style-type: none"> <li>• Agriculture (Vote 25)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To address the degradation problems of natural/agricultural resources and to improve the socio-economic status and food security of rural communities</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• Number of beneficiaries and kilometres of irrigation channels</li> <li>• Hectares of veldt under improved management systems</li> <li>• Number of beneficiaries benefiting from improved production systems</li> <li>• Number of farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity</li> <li>• Number of awareness activities to show how inappropriate use of agricultural resources impact negatively on the resources base i.e. project launches, farmers' days</li> <li>• Number of youth benefiting from sound management practices</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Confirmed capacity to implement projects and operational funding to support this capacity</li> <li>• Quarterly reports agreed between the provinces and the national department</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> <li>• Funds to be used only as per plan approval of the NDOA</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The formula used to allocate funds is a weighted average of the following variables: <ul style="list-style-type: none"> <li>– Communal land capability (% classes 1-3 of communal cultivated land)</li> <li>– Areas of severe degradation (degradation index) taking into consideration national priorities for critical agricultural natural resources use through the themes of soil care, water care and veldt care</li> <li>– Nodal areas according to ISRDP nodes</li> <li>– Poor households living below minimum poverty line (% medium level to high)</li> <li>– Size of the land in million hectares within the Province</li> <li>– Subsistence farming/ agriculture in terms of cultivated land percentages</li> </ul> </li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The funding originated with the special poverty allocations made by national government and is not part of the equitable share</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Quarterly progress reports on outputs against plans</li> <li>• Quarterly visits to Provinces by the national Department of Agriculture to monitor performance and provide support</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• A total of R38 million was transferred to the provinces</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 240 kilometres of irrigation channels repaired</li> <li>• 32 581 hectares of veldt under improved management systems</li> <li>• 7 154 beneficiaries benefiting from improved production systems</li> <li>• 800 farmers benefiting from farming practices in reducing the depletion of soil fertility and acidity</li> <li>• 4 953 people benefiting from training facilitated</li> <li>• 380 awareness activities took place to show how inappropriate use of agricultural resources impact negatively on the resources base i.e. project launches, farmers' days</li> <li>• 919 youth benefiting from sound management practices</li> </ul>
<b>Projected Life</b>	<ul style="list-style-type: none"> <li>• 5 years and subject to business plans and performance of the programme</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R40 million; 2006/07: R45 million; 2007/08: R47 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• 10%: 11 April 2005; 35%: 11 July 2005; 35%: 10 October 2005; 20%: 10 January 2006</li> </ul>
<b>Responsibilities of the National Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOP in NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• Provide provincial departments with business plan format guidelines, criteria and outputs by 13 May 2005</li> <li>• Submission of business plans by provinces on the 30th of September 2005</li> <li>• Engagement with provinces on business plans in October/November 2005</li> <li>• Evaluation of business plans, last week of November 2005</li> <li>• Approval of business plans by Minister, December 2005</li> <li>• Inform provinces of approval by 2nd week of January 2006</li> </ul>



## EDUCATION GRANTS

HIV and Aids (Life Skills Education) Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Education (Vote 15)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To coordinate and support the structured integration of life skills and HIV and Aids programmes across all Learning Areas in the school curriculum</li> <li>To ensure access to an appropriate and effective, integrated system of prevention, care and support for children infected and affected by HIV and Aids</li> <li>To deliver life skills, sexual and HIV and Aids education programmes in primary and secondary schools</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>400 master trainers (in nodal areas) trained on the integration of Life skills and HIV and Aids programmes across all Learning Areas of the curriculum</li> <li>10 000 educators trained to integrate the programmes across all learning areas of the curriculum</li> <li>Peer education, care and support programmes for learners and educators implemented in at least 200 schools</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial business plans must be developed in accordance with the stipulated requirements as set out by the Department</li> <li>Each business plan should distribute the allocation to activities according to the following weightings: <ul style="list-style-type: none"> <li>Advocacy: 5 %</li> <li>Training and Development: Educator and EMGD training: 30%</li> <li>Peer Education: 15%</li> <li>Care and Support: 15%</li> <li>Learning and Teaching Support Materials: 25%</li> <li>Monitoring, Support and Evaluation: 7%</li> <li>Management and administration: 3%</li> </ul> </li> <li><b>N.B</b> The above percentages are given as a guideline and may be deviated from in line with the provincial needs with the written approval of the national accounting officer</li> <li>Grant must be kept on separate responsibility and objective codes</li> <li>Provincial education departments to ensure that they have the necessary skills and capacity to manage the grant</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Education component of the Equitable Share Formula as explained in Annexure E of Budget Review is used to allocate this grant amongst provinces</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Enables the Department of Education to provide overall direction, such that congruency, coherence and alignment with the Department's national strategy for HIV and Aids and the National Integrated Plan (NIP) for children infected and affected by HIV and Aids is ensured. This also enables the Department of Education to play an oversight role in the implementation of the life skills programmes in primary and secondary schools</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Bi-annual visits to track progress against business plan</li> <li>National Department should visit district offices to monitor management of implementation in district level</li> <li>Visit schools to verify implementation progress as reported by provinces</li> <li>Provincial officials will monitor implementation at district and school levels as indicated in their business plans</li> <li>District officials would monitor implementation of the programme at school levels</li> <li>Evaluation of the impact of the grant to inform the exit strategy</li> <li>The Departments of Education, Health and Social Development will schedule bi-annual inter-departmental meetings and inter-provincial visits as part of the integrated plan</li> <li>Provinces should submit the monthly, quarterly and annual reports</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Of a total allocation of R131,6 million (R120,5 million + R11,1 million roll over), provinces spent R131,6 million (80.23%)</li> <li>An amount of R5,6 million was withheld from the Eastern Cape because of under-expenditure by the province</li> </ul> <p><b>2003/04 service delivery</b></p> <ul style="list-style-type: none"> <li>Provinces trained 12 989 learners as peer educators</li> <li>34 470 educators trained in life skills</li> <li>More than 300 district officials trained as master trainers to train educators in life skills</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>It is envisaged that, given the nature of the pandemic in the country, the need for the grant will persist for at least another three years</li> <li>The life cycle of the project may be extended subject to the results of the impact study</li> <li>The results of the impact study will also inform new emphases that the extended project would need to address</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R136 million, 2006/07: R145 million, 2007/08: R152 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments (15 April 2005, 15 July 2005, 31 October 2005 and 31 January 2006)</li> </ul>



<b>Responsibilities of the national Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOF in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• Meeting with provinces to identify targets and activities for 2006/07 (25 April 2005)</li> <li>• Provinces submit draft business plans to the national Department of Education for evaluation (30 June 2005)</li> <li>• National Department of Education evaluates provincial business plans (30 July 2005)</li> <li>• Comments sent to provinces for amending the plans (15 August 2005)</li> <li>• Provinces submit amended, signed plans to national Department of Education (31 August 2005)</li> <li>• Director General: national Department of Education approve national and provincial business plans (30 September 2005)</li> </ul>

<b>National School Nutrition Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Education (Vote 15)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To alleviate hunger, enhance active learning capacity and improve school attendance</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• Reach about 15 000 poorest schools or schools serving poorest communities</li> <li>• Feed about 5 million learners at the identified 15 000 schools</li> <li>• Feed for a minimum of 156 school days in all nine provinces</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Meals should comply with approved menus, nutrition quality and quantities and food safety standards</li> <li>• Grant must be kept on separate responsibility and objective codes</li> <li>• Provincial education departments to ensure that they have the capacity to manage the grant</li> <li>• Measurable objectives/outputs as outlined in this framework document must be achieved</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The distribution formula that is based on an index comprising of three indicators, namely the poverty gap (1996), poverty distribution according to population (1996) and anthropometric indicators of children (2000). The national Department of Education is currently reviewing the formula that was used by the national Department of Health and will propose a formula that will ensure that schools serving the poorest communities participate in feeding and that this formula will be phased in from 2007/08</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• South Africa continues to have high levels of unemployment which impact negatively on household food security, school attendance, and active learning capacity and health status. In order to redress this anomaly a conditional grant is warranted to assist in providing food to children from these poor households. A conditional grant enables the national Department of Education to exercise an oversight function in the planning and implementation of the programme</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Provinces must report monthly in terms of expenditure and risk management</li> <li>• Provinces must report quarterly in terms of progress indicators. These are number of schools accessed, number of learners fed, number of days feeding occurred, number of service providers contracted and number that are SMME's, expenditure on feeding and on administration, compliance with menu options, quality, health, hygiene and project efficiency</li> <li>• National to undertake bi-monthly monitoring visits to track progress against business plans, to monitor management and implementation at district level and to verify implementation at school level</li> <li>• Monitoring visits by Education and Health departments on nutrition quality, quantity and food safety</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• During this reporting period the function was administered by the national Department of Health</li> <li>• In terms of the national Department of Health's annual financial statements R711,6 million of the R808,7 million allocation in 2003/04 was spent</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• The programme was successfully transferred from the Department of Health and implemented by the Department of Education from April 2004</li> <li>• During monitoring visits by the Department in October 2004 across all provinces, it was evident that children in targeted schools receive food and stipulated guidelines are mostly adhered to</li> <li>• Infrastructure such as, water and sanitation, continue to challenge all provinces although the magnitude differs</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• It is envisaged that, given the economic climate in the country and the impact of various health conditions like Diabetes, HIV and Aids and TB, the need for such a grant will persist for at least another 8 to 10 years</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R912 million, 2006/07: R1 098 million, 2007/08: R1 153 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments (15 April 2005, 15 July 2005, 31 October 2005 and 31 January 2006)</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Monitor implementation and provide support</li> <li>• Undertake a literature review of international best practice and a baseline study to inform policy, identify good practice and improve implementation</li> <li>• Evaluate the impact of the grant during 2006/07</li> <li>• Submit quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• Inter-provincial planning meeting to discuss minimum requirements (8 - 9 June 2005)</li> <li>• Provinces submit draft plans for evaluation by the national Department of Education (8 July 2005)</li> <li>• National Department of Education evaluates draft business plans (11 July 2005)</li> <li>• Comments sent to provinces (12 August 2005)</li> <li>• Provinces submit revised business plans to the national Department of Education (16 September 2005)</li> <li>• DG: national Department of Education approves national and provincial business plans (31 October 2005)</li> </ul>



## HEALTH GRANTS

National Tertiary Services Grant	
Transferring department	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
Purpose	<ul style="list-style-type: none"> <li>To compensate provinces for the supra-provincial nature of tertiary services provision and spill over effects</li> <li>To provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital service delivery platform in line with national policy objectives including improving access and equity</li> </ul>
Measurable outputs	<ul style="list-style-type: none"> <li>Provision of designated national tertiary services levels in 27 hospitals as agreed between the province and the national Department of Health</li> </ul>
Conditions	<ul style="list-style-type: none"> <li>Completion of service level agreement (SLA) in the provided format signed by each provincial department or receiving officer and Head of Department of Health and the transferring officer prior to the first transfer</li> <li>Quarterly reporting of activity data by specialised units within the identified hospital within 14 days of end of each quarter</li> <li>Maintenance of separate budget and management centre for each identified hospital</li> <li>Department that receives this grant must communicate in writing to each benefiting hospital the allocation made, the relevant conditions and expected outputs. For monitoring purposes this information must be supplied to the National Department of Health</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
Allocation criteria	<ul style="list-style-type: none"> <li>Cost of designated tertiary services as determined by the costing and the review of NTSG</li> <li>Costs are based on SLA and should a province provide less than the agreed services, funding may be adjusted downward accordingly, in consultation with National Treasury</li> </ul>
Reason why not incorporated in equitable share	<ul style="list-style-type: none"> <li>Tertiary services are not limited to provincial boundaries and their specialised nature makes them a national asset requiring collective agreement and management</li> </ul>
Monitoring mechanisms	<ul style="list-style-type: none"> <li>Quarterly performance reports</li> <li>Monthly financial reports</li> <li>Quarterly visits to provinces</li> </ul>
Past performance	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The allocated amount of R4,2 billion was transferred to provinces and funding flowed to institutions as planned</li> <li>Administration of conditional grants was a qualification item in the 2003/04 audit of the national department of Health</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>All provinces are submitting monitoring returns</li> <li>National Department has analysed activity data for 2002/03 and 2003/04 to inform the resource allocation</li> <li>Modernisation of Tertiary services report has been developed and submitted to Cabinet</li> </ul>
Projected life	<ul style="list-style-type: none"> <li>Support for tertiary services will continue because of their spill over effects. The grant is likely to be reformulated to support the Modernisation of Tertiary Services strategy. The planning of the service configuration and the basis for the calculation of the grant will be constantly reviewed</li> </ul>
MTEF allocation	<ul style="list-style-type: none"> <li>2005/06: R4 709 million, 2006/07: R4 981 million, 2007/08: R5 221 million</li> </ul>
Payment schedule	<ul style="list-style-type: none"> <li>Monthly</li> </ul>
Responsibilities of the national department	<ul style="list-style-type: none"> <li>Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</li> <li>Provide framework for service level agreements, assess and approve SLA's prior to transfer of funds</li> <li>Management of SLA</li> <li>Undertake grant reform process</li> <li>Monitor implementation and provide support</li> <li>Submit quarterly performance reports to SCOF in the NCOP and National Treasury</li> <li>Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
Process for approval of 2006/07 Service Level Agreement	<ul style="list-style-type: none"> <li>Service Level Agreement will be drafted according to National Framework on Modernisation of Tertiary Services</li> </ul>
Grant Reform Process	<ul style="list-style-type: none"> <li>The grant to be reformed/reviewed in conjunction with the National Treasury</li> <li>The review process to be concluded and draft proposals for the development of tertiary services to be submitted to the National Treasury by 31st June 2005</li> <li>Reports on the review process to be discussed with National Treasury and provinces at relevant intergovernmental technical forum</li> <li>Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval</li> <li>Provinces to develop costed hospital specific plans for Modernisation of Tertiary Services</li> </ul>



<b>Integrated Nutrition Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To implement integrated nutrition activities aimed at improving the nutritional status of South Africans according to the following focus areas and support systems:</li> </ul> <p><b>Focus Areas:</b></p> <ul style="list-style-type: none"> <li>• Disease-specific nutrition support, treatment and counselling               <ul style="list-style-type: none"> <li>– Growth monitoring and promotion</li> <li>– Nutrition education, promotion and advocacy</li> <li>– Micronutrient malnutrition control</li> <li>– Food service management</li> <li>– Promotion, protection and support of breastfeeding</li> <li>– Contribution to household food security</li> </ul> </li> </ul> <p><b>Support Systems:</b></p> <ul style="list-style-type: none"> <li>• Nutrition information system</li> <li>• Human resource plan</li> <li>• Financial and administrative system</li> </ul>
<b>Measurable objectives</b>	<ul style="list-style-type: none"> <li>• 80% of children under 5 years attending a clinic weighed</li> <li>• 5% of children under 5 years of age attending a clinic not gaining weight</li> <li>• 2% of children under 5 years of age identified with severe malnutrition, marasmus or kwashiorkor when attending a clinic</li> <li>• 35% of health facilities with maternity beds declared Baby-friendly</li> <li>• Number of children and postnatal women receiving Vitamin A supplements (80%=12 mnts, 60% 13-24 mnts, 50% 25-60 mnts, 60% postnatal women)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Access of funding through business plans</li> <li>• Use of funds only for approved purposes</li> <li>• Grant must be kept on separate responsibility and objective codes</li> <li>• Compliance with minimum norms and standards as determined by policy and implementation guidelines</li> <li>• Funding for provincial programme management functions restricted to a maximum of 10 % of the Grant</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The methodology used to divide the conditional grant between the provincial departments of health ensures that the funds earmarked for nutrition are targeted at the most vulnerable areas and population groups in terms of poverty and malnutrition. The INP conditional grant is distributed according to an index comprising of three indicators:               <ul style="list-style-type: none"> <li>– Indicator 1: 1996 Poverty gap (65 per cent of Index)</li> <li>– Indicator 2: 1996 Population 0 to 15 years living under the poverty line (30 per cent of index)</li> <li>– Indicator 3: 2000 Anthropometric indicators (5 per cent of Index)                   <ul style="list-style-type: none"> <li>○ Height for Age (1,2%)</li> <li>○ Weight for Age (1,5%)</li> <li>○ Weight for Height (0,3%)</li> </ul> </li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Will be incorporated in equitable share from 2006/07</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Quarterly performance reports</li> <li>• Monthly financial reports</li> <li>• Quarterly visits to provinces</li> </ul>
<b>Past performance 2003/04</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• 98% expenditure in 2003/04</li> <li>• R112 million was allocated in 2004/05 and transferred to provinces</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Number of Primary schools reached: 15 500 of 16 000 targeted (97%)</li> <li>• Number of Primary school learners reached: 4,7 million of 5,2 million targeted (87%)</li> <li>• Children under 5 years weighed attending a clinic: 12,8 million of 18,7 million (68,6%) (cumulative)</li> <li>• Children under 5 years of age not gaining weight attending a clinic: 198 000 of 18,7 million (1,1%) (cumulative)</li> <li>• Children under 5 years of age identified with severe malnutrition, marasmus or kwashiorkor when attending a clinic: 63 000 of 18,7 million (0,3%) (cumulative)</li> <li>• Proportion of health facilities with maternity beds assessed for Baby-friendly Hospital Initiative: 104 of 480 (21,6%)</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• R123 million for 2005/06. Phased into the provincial equitable share from 1 April 2006</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme will be phased into equitable share in 2006/07</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments based on approved cash flow plans:               <ul style="list-style-type: none"> <li>– On approval of Business Plan on 15 March (first instalment on 1 April 2005)</li> <li>– On receipt of monthly financial reports for 1st quarter (1 July 2005)</li> </ul> </li> </ul>



	<ul style="list-style-type: none"><li>- On receipt of monthly financial reports for 2nd quarter (1 October 2005)</li><li>- On receipt of monthly financial reports for 3rd quarter (1 January 2006)</li></ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"><li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li><li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOF in the NCOP and National Treasury</li><li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li><li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li></ul>

<b>Comprehensive HIV and Aids Grant (Health)</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (Vote 16)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Enable the health sector to develop an effective response to HIV and Aids</li> <li>• Support approved interventions including high transmission area (HTA) interventions, voluntary counselling and testing (VCT), mother to child transmission prevention (PMTCT), strengthening of provincial and district management (PM), establishment of Regional Training Centres (RTC), post exposure prophylaxis (PEP) after sexual assault, home-based care (HBC), step-down care (SDC), ARV treatment component (ART) to provide a comprehensive prevention, treatment care and support package and improved management of sexually transmitted infections (STI)</li> <li>• Support implementation of the National Operational Plan for Comprehensive HIV and Aids Treatment and Care</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• 40% (100) sub-districts having at least one accredited ART service point</li> <li>• 21 000 home-based carers receiving stipends</li> <li>• 140 HTA intervention sites</li> <li>• 3210 PHC facilities offering PMTCT</li> <li>• 3210 PHC facilities offering VCT</li> <li>• 330 Hospitals offering PEP after Sexual Assault services</li> <li>• At least 57 facilities/units offering SDC services</li> <li>• At least 80% of programme targets met according to Business plan</li> <li>• At least one Health Promotion &amp; Quality Assurance centre (RTC's) established per provinces</li> <li>• Management, care, and treatment service point established in each health sub district by end of March 2005</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Flow of instalments will be dependent on compliance with each condition. Non-compliance will result in the delay of transfer payments, withholding of funds or re-allocation of funds to other provinces</li> <li>• A certified annual business plan using the standard format as determined by the national department</li> <li>• Monthly financial reports to be submitted latest by the 15th of the following month using standard formats as determined by the national department. An electronic version and hard copy signed by the provincial grant receiving manager and the chief financial officer need to be submitted</li> <li>• Quarterly performance output reports to be submitted latest by the 20th of the month following the reporting period using standard formats as determined by the National Department. An electronic version and hard copy signed by the provincial grant receiving manager need to be submitted</li> <li>• Payment of all suppliers (including NHLS) will be effected within 30 days of receipt of invoice</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Ante-natal HIV prevalence, estimated share of HIV positive births, estimated share of Aids cases, share of reported rapes, establishment of at least 1 treatment point per district</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• Due to the high national priority and the need for a coordinated response for the country as a whole</li> <li>• Distribution of epidemic differs from equitable share distribution</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Quarterly performance reports as specified by the National Monitoring and Evaluation Framework for Comprehensive Treatment and Care Programme</li> <li>• Monthly financial reports</li> <li>• Quarterly provincial liaisons and visits to provinces</li> </ul>
<b>Past performance 2003/04</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• 96 per cent expenditure in 2003/04</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 2 877 counsellors trained and providing services at service points</li> <li>• 2 582 facilities were providing Voluntarily Counselling and Testing services</li> <li>• More than 300 000 people received counselling and approximately 70% of these agreed to be tested</li> <li>• 1 652 facilities provided Prevention of Mother to Child Transmission</li> <li>• Access to home based care services were 893 by end of March 2004</li> </ul>
<b>MTEF Allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R1 135 million, 2006/07: R1 567 million, 2007/08: R1 646 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments based on quarterly budgets of provincial business plans</li> </ul>
<b>Responsibilities of the National Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• First draft of the business plans on the format determined by national Department of Health must be submitted to the National Department of Health by 30 September 2005</li> <li>• National Department of Health provides provincial budget allocations for provinces to Treasury by 15 November 2005</li> <li>• National Department of Health approves provincial business plans by 30 November 2005</li> </ul>



<b>Hospital Revitalisation Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (vote16)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To provide funding to enable provinces to plan, manage, modernise, rationalise and transform the infrastructure, health technology, organizational management and development and monitoring and evaluation of hospitals in line with national policy objectives</li> </ul>
<b>Measurable objectives</b>	<ul style="list-style-type: none"> <li>11 additional hospital projects approved and added to the current programme of 30 hospitals</li> <li>Progress of projects as recorded quarterly through monitoring and evaluation system</li> <li>Number of hospitals completed on the programme</li> <li>Each completed hospital should have achieved modernized infrastructure, up to date equipment, improved management systems and quality assurance systems</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Before the first transfer, Project Implementation Plans (PIP) as guided by the Project Implementation Manual (PIM) must be approved by the national Department of Health</li> <li>With the exception of funding for planning, all projects commencing in 2005/06 must have business cases and project implementation plans approved before funds can be released for such projects</li> <li>Provincial strategic plans must include comprehensive hospital plans, which provide a framework in which business cases are subsequently developed</li> <li>Adherence to monitoring requirements</li> <li>National department to strengthen grant management and capacity and business planning and reporting processes</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations based on projected cash flow figures for approved projects for MTEF period, including Health Technology</li> <li>Sustain at least 4 active sites per province</li> <li>Past expenditure performance of the provinces</li> <li>Project based allocation approach is aligned with equity based approach over longer term</li> </ul>
<b>Reason not incorporated in to equitable share</b>	<ul style="list-style-type: none"> <li>Strategic investment in hospital services to bring all provinces up to national target</li> <li>These are large projects requiring substantial capital investments. Their size, lumpiness and national strategic importance is suited to dedicated funding</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Quarterly performance reports</li> <li>Monthly financial reports</li> <li>Quarterly visits to provinces</li> </ul>
<b>Past performance 2003/04</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocation amounted to R 717, 6 million. All funds were transferred. Provinces spent 71 per cent of transferred funds, with low spending in the Free State, Gauteng, KwaZulu-Natal, Mpumalanga, Northern Cape and North West</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>During this period 30 projects were registered in the programme. Two hospitals were completed: Calvinia and Colesberg Hospitals in Northern Cape Province</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R 1 027 million, 2006/07: R 1 180 million, 2007/08: R 1 239 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly</li> </ul>
<b>Responsibilities of the National Department</b>	<ul style="list-style-type: none"> <li>Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOF in the NCOP and National Treasury</li> <li>Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>Business case for each new project planned to commence in 2006/07 must be submitted to the national Department of Health by 1 May 2005. These should use the standard framework, comply with national and provincial strategic objectives and demonstrate sustainability</li> <li>Approved business cases along with funding requirements for 2006/07 to be submitted to National Treasury by 30 June 2005. This should be accompanied by certificate of approval for each approved business case with required cash flow</li> <li>Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>Project Implementation Plan in required format covering all 4 components for each hospital signed by Head of Department must be submitted to the national department by 1 February 2006. This should contain a costed implementation plan as described in the Project Implementation Manual</li> </ul>



<b>Health Professions Training and Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (vote16)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Support provinces to fund costs associated with training of health professionals</li> <li>• Development and recruitment of medical specialists in under-served provinces</li> <li>• Support and strengthen undergraduate and post graduate teaching and training processes in health facilities</li> <li>• Enable shifting of teaching activities from central hospital to regional and district hospitals</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• Number and composition of health sciences students by province and training institution</li> <li>• Number of registrars and students per discipline and per institution</li> <li>• Expanded specialist and teaching infrastructure in target provinces (Mpumalanga, Limpopo, Eastern Cape and North West)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Adhere to the process of approval of business plans for the 2006 MTEF contained in this framework</li> <li>• Submission of monitoring reports as described below</li> <li>• Each province to publish in its strategic plan for 2005/06, information as required by the national office, on the training of all health care personnel by training institution</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• A specific increment has been allocated to previously disadvantaged provinces to develop specialist and teaching capacity</li> <li>• Target allocation criteria will be reviewed in year for 2006</li> <li>• Allocation of the training component is based on the historical approach on the basis of training of medical students</li> </ul>
<b>Reason not incorporated in the equitable share</b>	<ul style="list-style-type: none"> <li>• Grant primarily targets certain provinces, which currently provide the bulk of health professions training nationally</li> <li>• Expansion and shifting of location of teaching activities requires national coordination</li> </ul>
<b>Monitoring mechanism</b>	<ul style="list-style-type: none"> <li>• Monthly financial reports</li> <li>• Quarterly reporting by provinces on the number of students enrolled by discipline, level and training institution using the prescribed format</li> <li>• Bi-annual reporting by targeted province on achievement of planned expansion of specialist and teaching infrastructure and on number of specialists, registrars by institution biannually</li> </ul>
<b>Past performance 2003/04</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The entire R1 299 million was transferred to provinces and funding flowed to institutions as planned</li> <li>• Administration of conditional grants was a qualification item in the 2003/04 Audit</li> <li>• A total of 19 113 students (from various occupational classes) were trained during 2003/04</li> <li>• A total of students in training for 2003/04 remains as 19 113</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Nurse training intake at colleges has doubled</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R 1 520 million, 2006/07: R 1 520 million, 2007/08: R 1 596 million</li> </ul>
<b>Payment Schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments</li> </ul>
<b>Responsibilities of National Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>• The grant will be reviewed through a comprehensive research project in conjunction with the national department of Education and National Treasury and the recommendations of the research will be shared with all stakeholders before the end of June 2005</li> <li>• Research and develop reform proposals for this grant and make recommendations to National Treasury on restructuring of this grant by 15 June 2005</li> <li>• Strengthen capacity to manage this grant</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• Business plans for development and training component signed by the Head of Department and approved by the National department as per developed format. The plans will be informed by the review process</li> <li>• First draft of the business plans must be submitted to the national department by 31 July 2005</li> <li>• National Department of Health approve national and provincial business plans by 30 September 2005</li> </ul>
<b>Grant Reform Process</b>	<ul style="list-style-type: none"> <li>• The grant to be reformed/reviewed, in conjunction with the national Department of Education and National Tertiary Services grants</li> <li>• The review process to be concluded by 30 June 2005</li> <li>• Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval</li> </ul>



<b>Hospital Management and Quality Improvement Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Health (vote16)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To transform hospital management and improve quality of care in line with national policy</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• Implementation of delegations for human resources, financial management and procurement in 27 hospitals</li> <li>• To improve functioning of 20 hospital boards</li> <li>• Improve financial management systems including cost centre management accounting in 12 hospitals</li> <li>• Improve hospital information systems including patient administration systems in 20 hospitals</li> <li>• Improve organisational management and development in 27 hospitals</li> <li>• Develop and strengthen hospital management, systems and structures in 27 hospitals</li> <li>• Strengthen management and leadership competencies of hospital managers in 27 hospitals</li> <li>• Improve quality assurance systems including clinical audit, mortality and morbidity reviews, and hospital accreditation in 20 hospitals</li> <li>• Strengthen community empowerment and participation</li> <li>• Establish functioning patient complaint systems in 27 hospitals</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Business plans for 2005/06 to be approved before the 1st transfer</li> <li>• Business plans for 2006/07 in the prescribed format must be approved by 15 February 2006</li> <li>• Progress must be reported on a quarterly and annual basis as described below</li> <li>• The grant must support revitalisation projects, but may additionally be used for other appropriate approved projects, provided revitalisation project needs are met</li> <li>• At least 60 per cent of the grant must be used to support revitalisation sites</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Number of hospitals in the revitalisation programme</li> <li>• Population and number of beds per province</li> </ul>
<b>Reason not incorporated in to equitable share</b>	<ul style="list-style-type: none"> <li>• This is a short-term grant aimed at addressing a key priority area. It is likely the grant will be phased out in the next budget cycle</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Quarterly performance reports</li> <li>• Monthly financial reports</li> <li>• Bi-annual visits to provinces</li> </ul>
<b>Past performance 2003/04</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocation amounted to R133,4 million. All funds were transferred. Provinces spent 74 per cent of transferred funds, with low spending in the Eastern Cape, Free State, Limpopo, Mpumalanga and Northern Cape</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• All central hospitals are now headed by chief executive officers and most have fully fledged general management teams in place</li> <li>• Policy on financial, personnel and procurement delegations developed</li> <li>• Cost centre accounting system introduced in 46 public hospitals</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R 150 million, 2006/07 R 159 million, 2007/08: R 167 million in 2007/08</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Quarterly instalments</li> </ul>
<b>Responsibilities of National Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>• Submit quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> <li>• Submit approved business plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>• Lead grant reform process</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• Business plans for Hospital Management and Quality Improvement Component signed by the Head of Department and approved by the National Department as per developed format</li> <li>• First draft of the business plans must be submitted to the National Department of Health by 31 July 2005</li> <li>• National Department of Health to approve provincial business plans by 30 September 2005</li> </ul>
<b>Grant reform process</b>	<ul style="list-style-type: none"> <li>• Conduct an evaluation of grant performance and develop proposals for grant reform/review together with the other hospital grants to be submitted to the National Treasury by 30 June 2005</li> <li>• Recommendations emanating from this review to be presented to Cabinet by 31 August 2005 for approval</li> <li>• Investigate consolidation of this grant with the Hospital Revitalisation grant</li> <li>• To strengthen grant management capacity, business planning and reporting processes</li> </ul>



## HOUSING GRANTS

Integrated Housing and Human Settlement Development Grant (IHAHSD)	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Housing (Vote 28)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To finance the implementation of National Housing programmes (excluding recurrent costs recoverable from assets falling under the pre-1994 stock)</li> <li>To facilitate the establishment and maintenance of habitable, stable and sustainable human settlements in which all citizens will have access to selected social and economic amenities</li> <li>Progressive eradication of informal settlements on a phased basis in accordance with the goals set out through the target for reducing slum dwellers through formalisation of informal settlements by 2014 and eradication of such by 2020</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>Implementation of 9 pilot projects on integrated human settlement</li> <li>Completion of current business in respect of housing developments</li> <li>Number of hectares of state land (donated/ free of charge) as well as privately owned land purchased for housing development purposes</li> <li>Number of housing chapters of IDP's funded and formulated to ensure alignment of housing planning with Integrated Development planning</li> <li>Number and value of approved subsidies as well as constructed- in the category below R3500- by province/accredited local authorities</li> <li>Number and value of subsidies approved to support the income categories R3501 to R7000</li> <li>Number and composition of multi- purpose facility clusters containing social facilities initiated within informal settlement upgrading projects as well as existing and new housing developments</li> <li>Number of job opportunities created</li> <li>Number of emerging contractors and amount of funding contributed to meet the goal of Black Economic Empowerment by the programme</li> <li>Number of women contractors that were employed. Number of women headed households assisted with subsidies</li> <li>Number of households assisted in the Urban and Rural Renewal Nodes</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Provincial cash flows linked to projects for 2005/06 must be submitted to the National Department of Housing and business plans before the flow of the first instalment. No monthly transfer is to be made unless the province has submitted and approved by of NDOH cash flow and business plans</li> <li>Business plans, which must be aligned to the new comprehensive plan as well as the provincial strategic plans for 2005/06 must be submitted to the national department and be approved by the national department by 15 March 2005</li> <li>The development of the housing chapter must be undertaken as part of the IDP process in line with procedures for integrated development planning</li> <li>Province's and accredited municipalities may, if a proven need exists and subject to approval by the Accounting Officer of the Provincial Department of housing acting in consultation with the Member of the Executive Council (MEC), utilize, to a maximum of 2% of the voted allocation to support the approved national and provincial housing programmes and priorities</li> <li>Housing allocations must be in terms of National Housing Programmes and priorities, but with due consideration of: <ul style="list-style-type: none"> <li>Creating quality living environments</li> <li>A needs orientated approach</li> <li>Delivery constraints identified and addressed</li> <li>Adequate capacity for effective project /financial/ monitoring management/measures for the execution of the projects,</li> <li>The establishment of an integrated non-racial society</li> </ul> </li> <li>The accreditation of local authorities by the Member of the Executive Council as prescribed in the Housing Act, 1997 (as amended)</li> <li>Provinces and accredited local authorities must utilize the Housing Subsidy System for budgeting, subsidy administration, financial administration and reporting purposes</li> <li>Provincial Housing Departments and accredited local authorities must submit comprehensive reports on individual projects as specified in the Monitoring Guidelines by the 15th of each month</li> <li>Provincial housing departments must set aside an allocation to finance emergency housing needs, where there is a need</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>A formula, which is consistent with the principles and provisions contained in Section 214 of the Constitution, has been applied in Housing for provincial allocations. Provincial allocations are currently made according to a formula determined by MINMEC and approved by Cabinet. The formula recognises the following factors: <ul style="list-style-type: none"> <li>The needs of each province as measured by the housing backlog. Backlog is a function of people who are homeless, staying in inadequate housing or conditions, and is assigned a weight of 50 percent</li> <li>A poverty indicator as measured by the number of households earning less than R3 500 in each province</li> </ul> </li> </ul>



	<p>and is weighted 30 percent</p> <ul style="list-style-type: none"> <li>- A population indicator, weighted at 20 percent, as measured by each province's share of total population as per the 2001 census date with effect from the 2005/06 financial year</li> <li>• The formula provides for weighting in order of the priority of the elements as defined below- <ul style="list-style-type: none"> <li>- <math>A = HN(50\%) + HH(30\%) + P(20\%)</math>, where <ul style="list-style-type: none"> <li>-A = Allocation</li> <li>-HN = Housing Need</li> <li>-HH = Households earning less than R3 500 per month (affordability indicator)</li> <li>-P = Population</li> </ul> </li> <li>- Housing need used in the formula is defined on a weighted formula that takes into account the following: <ul style="list-style-type: none"> <li>-HN = <math>HL(1.25) + SE(1.2) + SBY((1.0) + TC(1.0) + FR(0.5))</math> where <ul style="list-style-type: none"> <li>-HN = Housing Need</li> <li>-HL = Homeless People</li> <li>-SE = Shacks Elsewhere</li> <li>-TC = Tents and Caravans</li> <li>-FR = Flat/room on shared property</li> </ul> </li> </ul> </li> <li>- No changes in respect of the 2005/06 MTEF period allocation criteria will be made, but it is envisaged that as the new comprehensive housing plan is implemented consideration could be given to adjust the allocation formula</li> </ul> </li></ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The provision of housing to the poor is a national priority</li> <li>• The housing development is viewed as an initiative through which projects and programmes can be funded that are in support of the housing investment being made in an effort to create viable communities <u>living in sustainable integrated human settlements</u></li> <li>• The conditional grant enables the national government to provide for the implementation of housing delivery in provinces and accredited local authorities, and the monitoring of provinces and accredited local authorities accordingly</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• The national Department of Housing has installed a transversal computerized subsidy management system (HSS) and the related database system in all provincial housing departments for the administration of the subsidy scheme and to allow the national department to monitor progress and expenditure</li> <li>• Monitoring in terms of the provisions of DORA and the Monitoring Guidelines approved by the Committee of Heads of Housing</li> <li>• The national Department of Housing requires that the provincial Departments of Housing focus in particular attention on the submission of comprehensive non-financial information to form part of prescribed conditional grant reporting</li> <li>• Quarterly visits to provinces, interaction by the housing sector Chief Financial Officers and Heads of Housing and MINMEC meetings</li> <li>• The establishment by the national department of an internal audit team, which will visit the provinces on a regular basis to ensure that provincial departments have adequate systems in place to provide assurance that conditional grant funds are appropriately managed and controlled</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• R4,2 billion was allocated and transferred to provinces. When including unspent funds in 2002/03, the total funds available for spending amounted to R5,2 billion, of which R538,9 million was not spent</li> </ul> <p><b>2003/04 service delivery outcomes</b></p> <ul style="list-style-type: none"> <li>• The number of subsidies approved in the last three years averaged 315 142 subsidies per annum, while the number of houses built during the same period averaged 180 161 houses per annum</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Unless government directs otherwise and taking into account the level of backlogs in housing, it is anticipated that the need for funding will exist for at least the next 20 years</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R4 843 billion, 2006/07: R5 659 billion, 2007/08: R6 917 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments (payment schedules) as determined through predetermined provincial expenditure projections inclusive of accredited local authorities</li> </ul>
<b>Responsibility of national department and provincial department</b>	<p><b>National Department</b></p> <ul style="list-style-type: none"> <li>• Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>• Submit quarterly performance reports to SCOF in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> </ul> <p><b>Provincial Department</b></p> <ul style="list-style-type: none"> <li>• Submission of audited outcomes for 2004/05 in each province by 31 August 2005 to the National Department of Housing</li> </ul>

	<ul style="list-style-type: none"><li>• Submission of audited outcomes from all accredited Local Governments by 31 December 2005</li></ul>
<b>Processes for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"><li>• Business plans for 2006/07 must be submitted to the National Department on or before 31 December 2005 and be approved by the national department by 15 March 2006</li><li>• No monthly transfer of funds for 2006/07 will take place to provinces unless the national department is in possession of the cash flows linked to projects for 2006/07 as well as approved the business plans as indicated above. Should it become necessary after 30 November 2005 to amend the cash flows a well motivated request must be submitted to the national department within 14 days of the promulgation of the Act</li><li>• Provincial housing departments to ensure that all subsidy allocations for 2006/07 are allocated by 31 October 2005 and such allocations should be submitted to National Housing Department for evaluation by 30th November 2005</li><li>• Accredited local authorities to ensure that all subsidy allocations for 2006/07 are allocated by 31 October 2005 and such allocations schedules should be submitted to the provincial housing department for evaluation and inclusion in the comprehensive provincial housing allocation document</li></ul>



<b>Human Settlement and Redevelopment Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Housing (Vote 28)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To fund projects that aim to improve the quality of the environment by identifying and addressing dysfunctionalities in human settlements</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>The outputs of the programme depend largely on the unique content of each project funded in terms of the Programme. This will include:               <ul style="list-style-type: none"> <li>Number of projects supporting the upgrading of infrastructure in depressed areas (multi year projects approved within previous financial years)</li> <li>Number of existing depressed areas replanned and redeveloped such as inner city redevelopment initiatives and urban renewal projects -(multi year projects approved within previous financial years)</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Projects are concluded in terms of the already approved project business plans and in terms of conditions captured in the letters of allocation issued</li> <li>Submit comprehensive reporting on expenditure and specified non-financial indicators as specified in the approved Programme Monitoring and Reporting Framework</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Division between provinces is based on the outstanding commitments for 2005/06</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The Programme is viewed as an initiative through which projects and programmes can be funded in support of the housing investment being made in an effort to create viable communities. This programme is, however, in the process of being phased out and only existing commitments entered into through the approval of multi year project business plans during previous financial years will be funded during this financial year</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>The Directorate: Special Programmes Support monitors projects on a monthly basis through financial and implementation progress reports, as well as site visits in order to ensure compliance and correct reporting on Key Performance Indicators, in accordance with an approved monitoring framework</li> <li>The national Department of Housing requires that provincial departments of housing focus particularly on the submission of comprehensive, non-financial, performance related information that forms part of the conditional grant reports</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R109 million was transferred to the provinces, in 2002/03 the grant was underspent by R106 million, this increased total funds available for spending by provinces to R215 million, and spending amounted to R86,7 million resulting in provincial underspending by about R128 million</li> </ul> <p><b>2003/04 service delivery outcomes</b></p> <ul style="list-style-type: none"> <li>82 project plans were approved and implementation started:               <ul style="list-style-type: none"> <li>Twenty-one of the 82 business plans are for planning and or replanning exercises. Furthermore 12 of the 21 business plans are located within urban renewal nodes and an additional 2 are located within rural development nodes</li> <li>The remaining 61 business plans will upon completion provide upgraded infrastructure in depressed areas, of which 17 will lead to upgraded infrastructure in urban renewal nodes, and an additional 4 will provide infrastructure in rural development nodes</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This programme is in the process of being phased out and only existing commitments entered into through the approval of multi-year project business plans during previous financial years will be funded this financial year. No additional commitments with funding implications for future financial years will be considered</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>R 24,4 million in 2005/06</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly instalments as determined through predetermined provincial expenditure projections</li> </ul>
<b>Responsibilities of national department and provincial department</b>	<ul style="list-style-type: none"> <li>Department to provide report to SCOF on audited outcomes for 2004/05 of provincial receiving departments and the national department, identifying any corrective steps to be taken on any problems identified during the audit</li> <li>Submission of quarterly performance (i.e. outputs) reports with a quarter lag to SCOF in the NCOP and National Treasury</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>Grant not foreseen to be in place in 2006/07</li> </ul>



### LAND AFFAIRS GRANT

<b>Land Redistribution: Alexandra Urban Renewal Project</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Land Affairs (Vote 29)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To contribute towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>To contribute towards the acquisition of land for human settlement purposes</li> <li>To build 8 000 housing units for the Alexandra people and other qualifying applicants</li> <li>To settle approximately 32 000 people who qualify for housing subsidies on the purchased land</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The funds to be used for the sole purpose of acquisition of land for settlement only</li> <li>The provincial departments will account to the national Department of Housing and lawful state organs on the expenditure of the funds</li> <li>The funds must be used in full before the end of the financial year</li> <li>The provincial department must give reports in writing when the funds are expended and continue to report until housing projects have been completed and provide a list of beneficiaries for the land bought</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Need-Based on the total budget allocated for land reform in the Department</li> <li>Based on the competing land reform programmes to be implemented</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This is a special Presidential project specifically in Gauteng</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Submission of monthly reports as per the Division of Revenue Act</li> <li>Quarterly reports on the progress made to date and on measurable outputs of the grant</li> <li>Arrange site visits to the projects to actual access progress</li> <li>Enforcement of conditions included in the standard agreement signed the Department of Land Affairs and Provincial Department of Housing</li> </ul>
<b>Past performance</b>	<b>2003/04 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
	<b>2003/04 service delivery</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>The project will be completed in the 2007/08 financial year dependent on the request for funding by the Provincial Department of Housing</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>R 8 million for 2005/06 and R 8 million for 2006/07</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Lump sum payment on 30 May 2005</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>Evaluate Annual Reports for 2004/05 for submission to NCOP and National Treasury by 31 October 2005</li> <li>Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>Submit quarterly performance reports to SCOP in the NCOP and National Treasury</li> <li>Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>Provincial Business Plan to be drafted according to national framework</li> <li>Submission of business plan by province on the 30th of September 2005</li> <li>Engagement of province on business plan in October/November 2005</li> <li>Evaluation of business plans, last week of November 2005</li> <li>Approval by national Department of Land Affairs, December 2005</li> <li>Inform provinces of approval by 2nd week of January 2006</li> </ul>



## NATIONAL TREASURY GRANT

Provincial Infrastructure Grant	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Help accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture</li> <li>Gradually increase the labour-intensity of certain specific types of projects over the next five years</li> <li>Enhance capacity to deliver infrastructure</li> </ul>
<b>Measurable objectives/ outputs</b>	<ul style="list-style-type: none"> <li>Construction, rehabilitation and maintenance of roads, schools, health facilities and agriculture infrastructure</li> <li>Average length of employment for labour intensive projects</li> <li>Number of persons participating in the training programs under the expanded public works programme</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Submission of detailed infrastructure plans for 2005 Budget by 14 April 2005 for departments that are targeted by the grant. These plans must comply with the prescribed format. The flow of the first instalment depends on the submission and approval of infrastructure plans and submission of fourth quarter report for the 2004/05 financial year</li> <li>Additional allocation of R500 million distributed in terms of the Provincial Infrastructure Grant formula is included in 2007/08 to be added to roads sector share of the infrastructure grant. Roads departments are expected to use 60 percent of the additional allocation to upgrade access roads, 40 per cent to upgrade and rehabilitate class 2 roads, prioritising identified freight corridors</li> <li>Submission of draft infrastructure plans, which include organisational support plan and infrastructure programme implementation plan for 2006/07 Budget in the prescribed format by 1 September 2005, or any other date as determined by National Treasury. The flow of the third instalment will in addition to reporting requirements be conditional upon the submission of these plans</li> <li>Submission of quarterly reports on physical progress with implementation of infrastructure projects in addition to in-year expenditure monitoring reports. Reported information should cover the full infrastructure budget in the province, not only the grant allocation. Reports should also indicate progress in terms of expenditure and jobs created with EPWP designated projects. The flow of the 2<sup>nd</sup>, and 3<sup>rd</sup> instalment will be conditional upon submission and approval of quarterly reports</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The formula to allocate the grant takes account of percentage share of equitable share allocation and the infrastructure backlogs. In the 2004 MTEF, an average percentage of equitable share and the backlog component of the equitable share formula were used to allocate the grant among the provinces. Amounts of R115 million and R130 million for 2005/06 and 2006/07 were topsliced for Northern Cape to take account of the vastness of the area and resulting length of roads</li> <li>The grant allocation formula has been adjusted to take account of the revised equitable share formula and roads component. The adjustment to new formula is phased in over the 2005 MTEF by applying it to 2007/08 allocations. The allocations for the 2005/06 and 2006/07 remain unchanged as published in the 2004 Division of Revenue Act</li> <li>The components for the new formula used to allocate infrastructure comprises the equitable share formula, a backlog (education and health) component and a roads component, each of which is assigned an equal weight of 33,3 per cent</li> <li>R500 million is added to the grant allocation in 2007/08 to be added to roads share. The new formula is used to distribute this amount to each province</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant ensures that provinces give priority to infrastructure maintenance, rehabilitation and construction, and support rural development initiatives in line with Government priorities</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Provinces are required to submit detailed quarterly reports, which capture the full details of the projects including the allocation for the year, the expenditure for the period in question and on outputs achieved</li> </ul>
<b>Past performance</b>	<b>2003/04 audited financial outcomes</b> <ul style="list-style-type: none"> <li>Allocation of the grant amounted to R2 534 million, which include R200 million for flood rehabilitation, was transferred to provinces. The grant aims to encourage increased allocation for infrastructure on roads, health and education and improved performance in the implementation of projects. Provinces increased spending on payments for capital assets from R7 920 million in 2002/03 to R9 112 million in 2003/04, reflecting 15 percent growth. This grant only constitutes 13 percent of total payments for capital assets in provinces, indicating that this grant has achieved its objective of increasing provincial budgets and spending capacity for infrastructure</li> </ul>
	<b>2003/04 service delivery performance</b> <ul style="list-style-type: none"> <li>The real outcome of the higher levels of spending on infrastructure is left to each province, and relevant MinMecs for key concurrent functions like education, health and roads</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>To be reviewed after five years</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R3 731 million, 2006/07: R4 118 million, 2007/08: R5 324 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Quarterly instalments</li> </ul>

<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"><li>• Provide the guidelines/format for the development of infrastructure plans for 2006/07</li><li>• Monitor implementation of infrastructure plans</li><li>• Support provinces to improve infrastructure delivery capacity and systems</li><li>• Relevant sector department to report on quarterly performance in infrastructure delivery to the NCOP</li></ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"><li>• Infrastructure plans are drafted according to prescribed format</li><li>• Draft provincial infrastructure plans for departments that are targeted by the grant National Treasury by: 1 September 2005</li><li>• National Treasury reviews plans and give feedback to provinces by: 5 December 2005</li><li>• Final approval of provincial infrastructure plans by National Treasury: 15 March 2006</li></ul>



**SOCIAL DEVELOPMENT GRANTS**

<b>Social Assistance Administration Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Department of Social Development (Vote 18)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To fund the administration of social assistance grants which are payable in terms of the Social Assistance Act, 1992 (or the Social Assistance Act, 2004 once this new Act becomes operational)</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>As agreed between the transferring and receiving officers and set out per province in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005 and encompassing the following performance areas:               <ul style="list-style-type: none"> <li>Grant process integrity</li> <li>Service delivery quality</li> <li>Business planning and financial management</li> <li>Fraud minimisation</li> <li>Beneficiary payment processes and management of payment contractors</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>These funds may only be used to defray costs related to the administration and payment of social assistance grants</li> <li>Receiving officers must:               <ul style="list-style-type: none"> <li>Cooperate in the finalisation of the monitoring plan (in terms of the Division of Revenue Act, 2005) including agreement on appropriate performance levels for a province</li> <li>Under the guidance of the transferring national officer ensure that systems and processes, including management information systems, are in place to report in terms of the monitoring plan and, where this is impossible, inform the transferring officer of the situation and requirements to put in place the required systems and processes</li> <li>After reasonable notification and consultation, in cases where prior notification is appropriate, provide access and support to investigations and investigation teams (including audit and inspection teams)</li> <li>Report in line with the requirements of the monitoring plan</li> <li>Act promptly to rectify any deficiencies in administration identified through monitoring or audits and inform the transferring officer in reasonable time where such corrective action cannot be implemented and the reasons why they cannot be implemented</li> </ul> </li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Projected costs related to the administration of social grants taking into account historical levels of expenditure, projected trends in beneficiary numbers and service delivery and efficiency improvement requirements</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is an interim funding mechanism to allow for a smooth transition from provincial responsibility for administration to national responsibility while national capacity is being established</li> <li>The rising trend in social grant expenditure and an increased need for monitoring in the transition to national responsibility requires dedicated funding from the national department and enhanced national monitoring</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Reports, data analysis, inspections, process and performance audits and other relevant mechanisms as to be spelt out in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005</li> </ul>
<b>Past performance</b>	<b>2003/04 audited financial outcomes</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<b>2003/04 service delivery performance</b>
	<ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is envisaged to be in place only for one year as national capacity is being established to take over grant administration. Unforeseen delays in setting up this capacity may necessitate an extension of the life of the grant</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R3 382 million, 2006/07: R 3 584 million, 2007/08: R3 734 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Monthly transfers to provinces in line with the payment schedule agreed between the Department of Social Development and the province</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>Transfers to provinces in terms of the payment schedule</li> <li>Finalisation and agreement of monitoring plan</li> <li>Monitoring of performance as per monitoring plan and measurable outputs</li> <li>Ensuring that appropriate regulations and guidelines are in place with respect to grant eligibility and processes related to the social grant system</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>Grant not expected to be in place in 2006/07</li> </ul>



<b>Social Assistance Transfers Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Department of Social Development (Vote 18)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To fund social assistance transfer payments to eligible beneficiaries in terms of the Social Assistance Act, 1992 (or the Social Assistance Act, 2004 once this new Act becomes operational)</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>The monthly number of social assistance beneficiaries in payment and the monthly amount spent per grant type for care dependency grants, child support grants, foster care grants, temporary and permanent disability grants, the grant-in-aid grants; old age grants, the war veterans grants</li> <li>The monthly number of people in receipt of social relief of distress and the amount spent per month on social relief of distress</li> <li>Beneficiaries on the system relative to estimates of eligible numbers and spending relative to allocated budgets</li> <li>Other indicators as agreed between the transferring and receiving officers and set out per province in the monitoring plan to be submitted in terms of the Division of Revenue Act, 2005</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The funds are exclusively for the payment of social assistance grants to eligible beneficiaries</li> <li>Provincial treasuries must earmark allocations per grant type per province as set out in the Annexure to this Act. Consultation and approval from the relevant provincial treasury is required where the provincial receiving officer intends to reallocate funding between grant types within a province</li> <li>Where it is proposed by a provincial receiving officer that an indicative/earmarked allocation to a grant type as set out in the Annexure to this Act be adjusted in-year by more than 5 per cent of the allocation for that grant type, prior approval with full motivation must be sought from the transferring national officer in consultation with the Director-General: National Treasury or his designated representative</li> <li>Receiving officers must: <ul style="list-style-type: none"> <li>Cooperate in the finalisation of the monitoring plan (in terms of the Division of Revenue Act, 2005)] including agreement on appropriate performance levels for a province</li> <li>Under the guidance of the transferring national officer ensure that systems and processes, including management information systems, are in place to report in terms of the monitoring plan and, where this is impossible, inform the transferring officer of the situation and requirements to put in place the required systems and processes</li> <li>After reasonable notification and consultation, in cases where prior notification is appropriate, provide access and support to investigations and investigation teams (including audit and inspection teams)</li> <li>Report in line with the requirements of the monitoring plan</li> <li>Act promptly to rectify any deficiencies in administration identified through monitoring or audits and inform the transferring officer in reasonable time where such corrective action cannot be implemented and the reasons why it cannot be implemented</li> </ul> </li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Projected number of beneficiaries and expenditure by grant type by provinces based on eligibility criteria, historical trends, demographic change and socio-economic conditions</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant is an interim funding mechanism to allow for a smooth transition from provincial responsibility for administration to national responsibility while national capacity is being established</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Reports, data analysis and other relevant mechanisms to be spelt out in the monitoring plan to be submitted in terms of 15(3) of the Division of Revenue Act, 2005</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is envisaged to be in place only for one year as national capacity is being established to take over grant administration. Unforeseen delays in setting up this capacity may necessitate an extension of the life of the grant</li> </ul>
<b>MTEF allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R52 023 million, 2006/07: R 57 070 million, 2007/08: R61 830 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Weekly transfers to provinces in line with the payment schedule agreed between the national Department of Social Development and the province</li> </ul>
<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"> <li>Transfers to provinces in terms of the payment schedule</li> <li>Finalisation and agreement of monitoring plan</li> <li>Monitoring of performance as per monitoring plan and measurable outputs</li> <li>Notifying National Treasury in the case of threatened under and overspending by provinces, request approval for reallocating funding between provinces where appropriate, consult National Treasury prior to approving a shift between grants of more than 5 per cent of an allocation per grant type</li> <li>Ensuring that appropriate regulations and guidelines are in place with respect to grant eligibility and processes related to the social grant system</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>Grant not expected to be in place in 2006/07</li> </ul>



<b>Integrated Social Development Services Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Social Development (Vote 18)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To enable the provinces to support and provide appropriate social welfare services and development interventions, and for immediate and appropriate short-term relief to vulnerable individuals and households who are not eligible and not receiving any form of assistance in terms of the Social Assistance Act, 1992 or Social Assistance Act, 2004 whenever this comes into effect</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>The number of social welfare services and development intervention projects and or programmes delivered and supported by either the department of social development in the province or non-profit and community-based organisations</li> <li>The number of individuals and households provided with short-term relief by location (municipality) and composition (gender, age and recipient of social security benefit)</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The funds may only defray costs related to the implementation and administration of: <ul style="list-style-type: none"> <li>Social welfare services interventions</li> <li>Social development initiatives</li> <li>Short-term relief such as drop-in centres, food parcels, soup kitchens and in other such relief that is deemed appropriate by the province to vulnerable individuals and households</li> </ul> </li> <li>Provinces must ensure that the different interventions indicated above are implemented in partnership with the non-profit sector</li> <li>Provinces must, with the full participation of the national Department of Social Development design social welfare and development strategies, which includes short-term relief interventions to vulnerable individuals and communities by 31 March 2005</li> <li>Provinces must ensure that appropriate systems and processes are in place to monitor the implementation of their province-specific social welfare services</li> <li>Provinces must ensure that development interventions are in place</li> <li>Provinces must ensure that a register is kept of individuals and households and the type and period of short-term relief provided</li> <li>Provinces must submit quarterly reports to the national accounting officer within 20 days after the end of each quarter, including such information as maybe requested by the national Department of Social Development</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>The allocation per province is based on the proportional shares of poverty and income adjustment distribution per province</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Expansion of social welfare services, development interventions and short-term relief are national priorities that require further expansion in provinces. A conditional grant is required to ensure adequate monitoring and national support and to ensure that the capacity is further expanded without impacting on other provincial functions</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Quarterly reports as set out under conditions</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Grant was known as the Food Emergency Relief Grant</li> <li>Although overall expenditure on this grant ranges between 94 per cent and 97 per cent across the provinces it has been unable to enhance the integrated nature of social development services or address concerns pertaining to sustainability of the programme</li> <li>The nature of the intervention is also short-term further complicates sustainability in service delivery to provide longer term interventions to support targeted individuals and households</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The centralised nature of the programme impeded fast-tracking of services through provinces</li> <li>Centralise process has also impeded implementation of the programme</li> <li>Programme was unable to ensure as originally conceptualised that provinces would contribute to operational and service delivery efficiencies providing food relief support to vulnerable individuals and communities</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant is envisaged to be in place for one year or as soon as the necessary capacity is established within provincial departments of social development</li> </ul>
<b>MTEF Allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R388 million, 2006/07: R411 million, 2007/08: R432 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Equal bi-annual transfers on condition that a report is provided in terms of the above conditions</li> </ul>

<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"><li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li><li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li><li>• Submit quarterly performance reports to SCOF in the NCOP and National Treasury</li><li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li></ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"><li>• Provincial Business Plans to be drafted according to national framework</li><li>• Draft Business Plans: 31 July 2005</li><li>• National approval of draft Business Plans: 31 September 2005</li><li>• Provincial HoD approval of final Business Plans: 31 September 2005</li><li>• Final National approval of provincial Business Plans: 31 October 2005</li><li>• Submission of Business Plans and Certificate of Compliance to National Treasury by 15 April 2006</li></ul>



<b>HIV and Aids (Community-Based Care) Grant</b>	
<b>Transferring Department</b>	<ul style="list-style-type: none"> <li>Department of Social Development (Vote 18)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>To provide social welfare services to orphans and vulnerable children who are infected and affected by HIV and Aids, within family and community context, in partnership with non profit making organizations (NGOs, CBOs and other community organisations)</li> <li>To develop and support institutional structures and professionals, community workers and child and youth care workers through targeted training programmes in order to ensure effective delivery of services</li> </ul>
<b>Measurable objectives/outputs</b>	<ul style="list-style-type: none"> <li>Increased number of orphans and other children made vulnerable by HIV and Aids receiving appropriate care and support</li> <li>100 per cent of identified children and families receive essential material assistance</li> <li>100 per cent of orphans and vulnerable children identified to be in need of alternative care referred</li> <li>70 per cent of caregivers identified from communities, NGOs, CBOs, faith based organizations, families and volunteers to be capacitated through training and support</li> <li>70 per cent of caregivers received a stipend</li> <li>70 per cent of the identified children and families provided with counselling and support services</li> <li>Number of coordinating structures and partnerships for management and maintenance of social welfare services to children infected and affected by HIV and Aids increased</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Approved business plans with measurable outputs must exist for each province in line with the framework for the grant</li> <li>Each operational plan should be approved and signed by the Head of Department and submitted to the Director-General before 20 February of each year. The first instalment will only flow if plans are approved</li> <li>Legal contracts signed between provincial departments of social development and the implementing agencies by 1 April each year</li> <li>Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>In developing the National Integrated Plan for HIV and Aids, the HIV and Aids prevalence figure as reflected in the ante-natal survey was a guiding principle</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The National Integrated Plan for Children Infected and Affected by HIV and Aids is a programme involving three social service departments (Education, Health and Social Development)</li> <li>The conditional grant provides the opportunity to establish a coordinated approach across the provinces in terms of planning and implementation, and also enables more effective monitoring by the national departments</li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>Monthly expenditure reporting by provinces</li> <li>Quarterly performance evaluation and reporting by national and provincial coordinators</li> <li>Quarterly provincial visits to evaluate implementation of the programmes</li> <li>Structured site visits twice a year by a team consisting of both Social Development and Health officials on the national and provincial levels</li> </ul>
<b>Performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>More than 95 per cent of the allocated amount (R65,9 million) was spent by March 2004</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>Increase in the number of identified children infected and affected by HIV and Aids             <ul style="list-style-type: none"> <li>61 582 orphaned and vulnerable children were identified and received appropriate services</li> <li>9 787 child headed households were identified and received appropriate services</li> </ul> </li> <li>144 703 families were provided with food parcels and 20 945 families with special protein products</li> <li>6 375 children were referred for foster care placement</li> <li>50 percent of caregivers identified from communities, non-governmental organisation (NGO's), community-based organisation (CBOs) and faith-based organisations (FBOs), families and volunteers to be capacitated through training and support</li> <li>4215 care givers were trained on Home Community Based Care and Support programme</li> <li>5988 caregivers are receiving a stipend</li> <li>Counselling and support services to children and families:             <ul style="list-style-type: none"> <li>144 703 were assisted with counselling, care and support</li> <li>144 support groups were established and supported</li> <li>550 families received bereavement support and burials</li> </ul> </li> <li>Increase in the number of co-ordinating structures and partnership for management and maintenance of social welfare to children infected and affected by HIV and Aids:             <ul style="list-style-type: none"> <li>169 income-generating projects were linked to home community based care</li> <li>212 childcare forums were established</li> </ul> </li> <li>421 NGOs, CBOs, FBOs and sites were strengthened</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>For the duration of the allocation</li> </ul>
<b>MTEF Allocation</b>	<ul style="list-style-type: none"> <li>2005/06: R138 million, 2006/07: R139 million, 2007/08: R143 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three instalments of (16 May) 60 per cent, (16 September) 30 per cent and (16 January) 10 per cent</li> </ul>

<b>Responsibilities of the national department</b>	<ul style="list-style-type: none"><li>• Evaluate Annual Reports for 2004/05 for submission to the NCOP and National Treasury by 31 October 2005</li><li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li><li>• Submit quarterly performance reports to SCOF in the NCOP and National Treasury</li><li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li></ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"><li>• Provincial Business Plans to be drafted according to national framework</li><li>• Draft Business Plans: 31 July 2005</li><li>• National approval of draft Business Plans: 31 September 2005</li><li>• Provincial HoD approval of final Business Plans: 31 September 2005</li><li>• Final National approval of provincial Business Plans: 31 October 2005</li><li>• Submission of Business Plans and Certificate of Compliance to National Treasury by 15 April 2006</li></ul>



## DEPARTMENT OF SPORT AND RECREATION GRANTS

<b>Mass Sport and Recreation Participation Programme Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Sport and Recreation SA (SRSA) (Vote 19)</li> </ul>
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities in conjunction with provincial departments responsible for sport</li> </ul>
<b>Measurable outputs</b>	<ul style="list-style-type: none"> <li>• 220 People trained in Sport and Recreation administration</li> <li>• 220 coaches trained</li> <li>• 220 referees trained</li> <li>• 500 000 people participating actively in the programme</li> <li>• 450 people trained in First Aid</li> <li>• 450 people trained in events management</li> <li>• 450 people trained in life skills programme</li> <li>• 100 recreation clubs formed</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Provincial departments responsible for sport will be required to enter into formal agreements after approval of business plans prior to the start of the financial year</li> <li>• Each approved project must have a sustainability plan</li> <li>• Provinces identify priority areas in accordance with presidential nodes and high crime areas</li> <li>• Provincial departmental strategic plans for 2005/06 and over the MTEF to clearly indicate measurable objectives and performance targets as agreed with the national department</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Funds are distributed equally among provinces (except for 1 province) in the first and second year (2005-2006 and 2006-2007). Thereafter it will be based on a formula using the equitable share and number of municipalities per province</li> </ul>
<b>Reason why not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• A conditional grant is necessary to ensure: <ul style="list-style-type: none"> <li>– National coordination and facilitation</li> <li>– National coordinated and integrated campaign to get the nation active</li> </ul> </li> </ul>
<b>Monitoring mechanisms</b>	<ul style="list-style-type: none"> <li>• Performance monitoring based on in-person inspections by national department to 8 hubs per month</li> <li>• Provincial Performance monitored at 12 monthly national workshops</li> <li>• Annual Impact study by external agent</li> </ul>
<b>Past performance</b>	<p><b>2003/04 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• New grant introduced in the 2004/05 financial year</li> </ul> <p><b>2003/04 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• New grant introduced in the 2004/05 financial year</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• SRSA will provide project funding and support for the 3 years for specific areas. As an exit strategy business training will be provided in 2006/07 that will develop franchises in the hubs that will continue with the programme after 2007/08. Provinces will implement and monitor the projects on an ongoing basis</li> </ul>
<b>MTEF Allocation</b>	<ul style="list-style-type: none"> <li>• 2005/06: R24 million; 2006/7: R39 million; 2007/08: R41 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Four instalments 44,4% (25 April 2005); 22,6% (25 July 2005); 17,1% (25 October 2005); 15,9% (25 January 2006)</li> </ul>
<b>Responsibilities of the National Department</b>	<ul style="list-style-type: none"> <li>• Evaluate Annual Reports for the 2004/05 grants for submission to the NCOP and National Treasury by 31 October 2005</li> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2006/07 by 31 October 2005</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 plans for 2005/06 to the National Treasury on 15 April 2005</li> <li>• Submit quarterly performance reports to SCOF in the NCOP and National Treasury</li> <li>• Submit the allocation criteria, MTEF allocations and the final conditional grant framework that relate to this grant to National Treasury by 15 November 2005 or as requested by National Treasury</li> </ul>
<b>Process for approval of 2006/07 business plans</b>	<ul style="list-style-type: none"> <li>• SRSA provide business plan blue prints to provinces (15 November 2005)</li> <li>• Provinces provide draft business plans to SRSA. (30 November 2005)</li> <li>• SRSA evaluates draft business plans (15 December 2005)</li> <li>• Comments send to provinces (15 January 2006)</li> <li>• Provinces submit revised business plans to SRSA (30 January 2006)</li> <li>• HOD approves business plans (15 February 2006)</li> </ul>



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