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AIDS HELPLINE: 0800-123-22 Prevention is the cure

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GOVERNMENT NOTICE

NATIONAL TREASURY

No. 427

15 May 2001

In accordance with section 8(1) of the Division of Revenue Act, 2001 (Act No 1 of 2001) ("the Act"), notice is hereby given of the information on the frameworks for allocations to provinces which is set out in Schedule A.

Notice is further hereby given, in terms of section 29(2)(b) of the Act, that the National Treasury has, in terms of section 29(1) of the Act, exempted the Director-General: Department of Arts, Culture, Science and Technology from full compliance with the requirements of section 8(1) of the Act in respect of the poverty alleviation grant.

Schedule A

FRAMEWORKS FOR GRANTS TO PROVINCES

INTRODUCTION

Section 214 of the Constitution requires that every year an Act of Parliament (Division of Revenue Act) determine the equitable division of resources between the three spheres of government, and the horizontal division among provinces. The Intergovernmental Fiscal Relations Act, 1997 (Act No 97 of 1997) requires that the Division of Revenue Bill be accompanied by an explanatory memorandum detailing any assumptions and formulae used in determining the respective shares among the three spheres, and the division between provinces. Annexure E in the Budget Review fulfils these requirements. For the first time in the current year, the Budget Revenue included Appendix E1, which provides detailed information on the underlying framework for each grant. Information submitted by departments for the Budget Review did not provide all the required details for most grants.

In terms of Section 8(1) of the Division of Revenue Act (No. 1 of 2001) departments are required to submit complete information on each grant by 30 April 2001 for publication in the government gazette by 15 May 2001. Section 9(2c) of the Division of Revenue Act (DoR Act) provides for the gazetting for any allocations on department's budgets, which could not be included in the schedules of the Act to be submitted for inclusion in the Section 8(1) gazette. The information required for each grant includes the following:

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

The Divisions of Revenue Act requires reporting on transfers and spending of conditional grants in line with section 40(4) of Public Finance Management Act (PFMA). The monitoring mechanisms required in terms of the required information outlines reporting on grants undertaken by departments in addition to DoR Act requirements. These mechanisms focus mostly in monitoring and reporting systems on output performance measures.

In order to fully comply with the requirements of the 2001 DoR Act, the following presents detailed information on each grant including those transfers (direct or indirect) which were not included in the Act.

PROVINCIAL GRANTS

Health grants

Table 1 Summary of health grants

R thousand	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Central Hospitals	3 112 000	3 270 920	3 418 757	3 579 496
Health Prof. Training and research	1 174 000	1 234 090	1 290 694	1 350 560
Redistribution of tertiary services	176 000	182 160	189 000	197 505
Hospital rehabilitation programme	400 000	500 000	520 000	543 400
Durban and Umtata hospitals	273 000	103 800	-	-
Pretoria Academic Hospital		50 000	70 000	90 000
Integrated Nutrition Programme	582 411	582 411	582 411	582 411
HIV/Aids	16 819	34 100	-	-
Total	5 734 230	5 957 481	6 070 862	6 343 372

Central Hospital Grant	
Transferring department	Health (Vote 15)
Purpose	To fund the recurrent costs of super-specialist services (i.e academic tertiary and quaternary services) in order to ensure equitable access by all South Africans (irrespective of province of residence) and to ensure collective planning for delivery of these services.
Measurable outputs	<ul style="list-style-type: none"> • Timely compliance with submission requirements in terms of conditions stated below • Number of patients who received treatment by type of tertiary and quaternary services from each hospital and province of origin of patients.
Conditions	<ul style="list-style-type: none"> • Submission by 15 June 2001 as part of normal budget submissions, for each beneficiary hospital, the strategic plan for 2002 MTEF, together with the 2001/02 budget, and the proposed budget for the 2002 MTEF • The strategic plan must indicate the extent to which the province complies with the nationally-agreed hospital restructuring and redistribution plan, and by when the hospital will appoint a CEO who shall be the full accounting officer of that hospital • Central hospitals to put in place mechanisms to ensure that only referred patients or emergency patients are treated by the hospitals • Non-discrimination in admissions or tariff policies between residents and non-residents referred to the central hospitals by health personnel • Submission of service delivery information to facilitate transparency and effective monitoring.
Allocation Criteria	<ul style="list-style-type: none"> • The grant initially (1998/99) covered 75 per cent of actual expenditure in the following central hospitals: <ul style="list-style-type: none"> - Free State: Universitas - Gauteng: Chris Hani/Baragwanath, Johannesburg, Pretoria Academic, Garankuwa - KwaZulu-Natal: King Edward, Wentworth - Western Cape: Groote Schuur, Tygerberg, Red Cross • Since then, the grant has been adjusted for inflation and proportions remained constant except for the introduction of funding in 2000/01 of the Grahamstown High Security Psychiatry Facility in the Eastern Cape. Current shares are as follows: Eastern Cape - 0,4 per cent; Free State - 7,6 per cent; Gauteng - 48,0 per cent; KwaZulu-Natal - 12,9 per cent; and Western Cape - 30,9 per cent.
Reason not incorporated in equitable share	Specialist health services that are being funded through this grant are considered functions that have been allocated to the provinces, which have provided them historically. Since these services also benefit other provinces, and because of the spill-over costs, they cannot be funded through the equitable share formula. This conditional grant amounts to a contribution to the costs of providing these services.
Monitoring mechanisms	<ul style="list-style-type: none"> • Separate financial reporting on this grant is not required, but post-financial year information on central hospital expenditure, service delivery and compliance with national planning guidelines should be submitted to the national Department of Health by 31 May 2002 • The national department reports monthly on transfers, not expenditure on this grant.
Past performance	Funds have been flowing to provinces according to payment schedules. There has been no under-spending by provinces as the grant provides general funding for the hospitals and actual expenditure exceeds the allocation.
Projected life	The need to compensate provinces with central hospitals will continue indefinitely but the basis of such compensation is currently being reviewed which will lead to the redesign of the framework.
Payment schedule	Equal monthly instalments - normally on 10 th working day of the month.
Capacity and preparedness of the transferring department	The grant funds ongoing activities so the capacity to spend is in place. The department has designated an official to monitor the grant. There is a need to improve information on actual service delivery and costs to facilitate monitoring and planning.

Table 2 Central Hospitals Grants per Province

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	13 000	13 201	14 287	15 336
Free State	237 000	249 813	261 254	274 009
Gauteng	1 493 000	1 568 945	1 639 983	1 717 667
KwaZulu-Natal	407 000	427 525	446 990	468 269
Western Cape	962 000	1 011 436	1 056 243	1 104 215
Total	3 112 000	3 270 920	3 418 757	3 579 496

Professional Training and Research Grant	
Transferring department	Health (Vote 15)
Purpose	<ul style="list-style-type: none"> • Support the training of health professionals and research • Compensate provinces for the additional service costs associated with having undergraduate and post-graduate students training in the province's health facilities • Support the shifting of under-graduate teaching from central hospitals to provincial, regional and district facilities.
Measurable outputs	<ul style="list-style-type: none"> • Timely compliance with submission requirements in terms of conditions stated below • Number and composition (type of speciality, race) of health science students by province and institution • Research outputs by type and institution.
Conditions	<ul style="list-style-type: none"> • Submission by 15 June 2001 as part of normal budget submissions, for each beneficiary hospital, of the strategic plan for 2002 MTEF, together with the 2001/02 budget, and the proposed budget for the 2002 MTEF. The budget inputs should indicate spending on training by category (doctors, nurses, others) • Strategic plans should be in line with national policy and guidelines for health professional training and research and academic hospital services, should also indicate by when the hospital will appoint a CEO who shall be the full accounting officer for that hospital • Submission of service delivery information to facilitate transparency and effective monitoring.
Allocation criteria	<ul style="list-style-type: none"> • Ten per cent of the total grant value is divided equally between the four provinces without a medical school and to the Eastern Cape • The distribution of the rest of the grant between the four provinces with medical campuses is based on proportion originally determined by the distribution of undergraduate medical students' professionals between the training institutions in 1998/99.
Reason not incorporated in equitable share	The grant mostly compensates those provinces, which undertake the bulk of training on behalf of the country as a whole.
Monitoring mechanisms	<ul style="list-style-type: none"> • Annual audit of the intake of health professional students being trained in all institutions across all provinces • Post financial year reporting by province on the research activities being undertaken within academic health complexes • Post financial year reporting by provinces on the number of teaching sites (i.e. health facilities used per province and the number of personnel trained) a and the flow of students to health facilities per province • The national department reports monthly on transfers, not expenditure.
Past performance	Funds have been flowing to provinces according to the payment schedules as these funds form part of general funding within the hospital budget.
Projected life	The need to compensate provinces undertaking the bulk of training will continue indefinitely but the basis of such compensation is currently being reviewed which will lead to the redesign of the framework.
Payment schedule	Equal monthly instalments – normally on 10 th working day.
Capacity and preparedness of the transferring department	The grant funds ongoing activities, so the capacity to spend is in place. The department has designated an official to monitor the grant. There is a need to improve information on actual service delivery and costs to facilitate monitoring and planning.

Table 3 Health Professional Training and Research Grant per province

R thousand	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	53 000	55 865	58 203	61 342
Free State	85 000	88 367	92 922	97 126
Gauteng	504 000	529 186	553 446	578 665
KwaZulu-Natal	147 000	154 388	161 337	169 715
Mpumalanga	23 000	24 377	25 528	26 582
Northern Cape	23 000	24 377	25 528	26 582
Northern Province	23 000	24 377	25 528	26 582
North West	23 000	24 377	25 528	26 582
Western Cape	293 000	308 776	322 674	337 384
Total	1 174 000	1 234 090	1 290 694	1 350 560

Hospital Rehabilitation Grant	
Transferring department	Health (Vote 15)
Purpose	To rehabilitate and maintain physical facilities in line with the national planning framework
Measurable outputs	<ul style="list-style-type: none"> • Number of hospital facilities upgraded and rehabilitated.
Conditions	<ul style="list-style-type: none"> • Submission of hospital revitalisation proposals by July 2001 for 2002 MTEF which are in line with short and medium term priorities, the development of a strategic position statement, leading to a full provincial strategic health services plan • Compliance with national planning framework and reporting requirements for 2001.
Allocation criteria	The results of the CSIR 1995 hospital audit provided a basis for determining a backlog index, which is used as the basis for equitable division of funds between provinces. The capacity of the province to spend the funds also plays a role.
Reason not incorporated in equitable share	In order to fund a key national priority, namely the transformation of the hospital sector.
Monitoring mechanisms	Monthly reporting on project implementation progress and financial flows to the national Department of Health.
Past performance	<ul style="list-style-type: none"> • Under spending of the grant have occurred over the years mainly due to inflexibility of the present grant structure and poor provincial cash flow projection. • To-date the grant has been used mainly for rehabilitation and backlog maintenance of existing facilities rather than to support the restructuring of health facilities.
Projected life	This capital programme is expected to take at least 10 years to implement.
Payment schedule	Four instalments – 18 April, 18 July, and 17 October, 2001, 16 January 2001
Capacity and preparedness of the transferring department	The department is supported by European Union (through resident consultants) and engages the services of the private sector to monitor progress in the implementation of the projects, and to provide necessary support to provinces.

Table 4 Hospital Rehabilitation Programme per province

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	84 000	69 000	81 000	84 645
Free State	31 000	16 000	17 000	17 765
Gauteng	55 000	102 000	105 000	109 725
KwaZulu-Natal	70 000	87 000	90 000	94 050
Mpumalanga	35 000	43 000	45 000	47 025
Northern Cape	7 000	10 000	10 000	10 450
Northern Province	52 000	88 000	92 000	96 140
North West	40 000	56 000	50 000	52 250
Western Cape	26 000	29 000	30 000	31 350
Total	400 000	500 000	520 000	543 400

Redistribution of Specialised Health Services	
Transferring department	Health (Vote 15)
Purpose	The purpose of this grant is to fund redistribution of specialised services to provinces that are not currently providing these services and to reduce referrals to central hospitals. This will improve access to tertiary care facilities.
Measurable outputs	<ul style="list-style-type: none"> • Facilities and specialised services developed in a province • Number of patients treated in built-up facilities • Reduction of referrals to central hospitals in other provinces.
Conditions	<ul style="list-style-type: none"> • Submission by 15 June 2001 as part of normal budget submissions, for each beneficiary hospital, the strategic plan for 2002 MTEF, together with the 2001/02 budget, and the proposed budget for the 2002 MTEF • The strategic plan must indicate the extent to which the province intends to extend specialised health services including specific projects, service delivery plans and expenditure estimates • The projects must demonstrate that the goals will be met. Particular emphasis must be on the reduction of the number of people referred to the hospitals in other provinces • Provinces must indicate how the recurrent costs associated with the new services will be funded.
Allocation criteria	<ul style="list-style-type: none"> • Allocations are based on the following: <ul style="list-style-type: none"> - The need for the services and costs of establishment and operation - The populations of the five participating provinces.
Reason not incorporated in equitable share	This grant is part of the national strategy to transform and restructure health facilities in order to improve access and equity in their distribution; a conditional grant enables the national department to provide for a coherent framework and oversight in the implementation.
Monitoring mechanisms	Monitoring will involve visiting provinces and project sites and receiving reports on the number of referrals.
Past performance	There has been under-spending on this grant in the past two years. This was mainly due to lack of clarity on the funding of the operation costs for the newly established services. As a result, provinces can now use part of the grant to cover the operational costs of the newly established services.
Projected life	To be determined by the results of the reviews and restructuring plans for the health sector.
Payment schedule	Four instalments – 18 April, 18 July; and 17 October 2001, 17 January, 2002
Capacity and preparedness of the transferring department	The department has developed capacity to monitor the grant; this capacity will be constantly reviewed in order to address increasing requirements of monitoring should it be necessary.

Table 5 Redistribution of Specialised Health Services Grant per Province

R thousand	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	33 000	49 172	57 000	60 848
Mpumalanga	45 000	37 588	32 000	32 918
Northern Cape	16 000	16 700	16 000	15 960
Northern Province	45 000	44 500	51 000	52 868
North West	37 000	34 200	33 000	34 911
Total	176 000	182 160	189 000	197 505

Construction Grants – Pretoria Academic and Nkosi Albert Luthuli Academic	
Transferring department	Health (Vote 15)
Purpose	To contribute toward the funding of new construction for Pretoria Academic in Gauteng, and Nkosi Albert Luthuli in KwaZulu-Natal.
Measurable outputs	Completion of construction of the two hospitals.
Conditions	The provincial departments of health of the provinces in which these hospitals are located will accept full responsibility to fund future operational costs of the hospitals, and to reflect this in their budgets
Allocation criteria	<ul style="list-style-type: none"> Grant targeted to specific provinces: <ul style="list-style-type: none"> Nkosi Albert Luthuli allocation is R103 million in 2001/02 Pretoria Academic allocation is R50 million; R70 million; and R90 million over the three MTEF years.
Reason not incorporated in equitable share	These are designated central and academic hospitals, which will deliver mostly tertiary and quaternary services to benefit all provinces.
Monitoring mechanisms	Status reports are received regularly and the construction site is visited every 2-3 months for progress assessment. When the commissioning stage has started the frequency of reports and site visits will increase to once a month.
Past performance	Conditional grants have been allocated for the construction of the Nkosi Albert Luthuli Academic hospital in KZN (Durban Academic) and Nelson Mandela Academic (Umtata) hospital in the Eastern Cape in the past three years.
Projected life	<ul style="list-style-type: none"> Nkosi Albert Luthuli hospital grant phases out in 2002/03 Funding for Pretoria Academic phases out in 2003/04.
Payment schedule	Four instalments – 18 April and July; 17 October and January 2002
Capacity and preparedness of the transferring department	The department is adequately prepared to manage the implementation of this programme

Integrated Nutrition Programme	
Transferring department	Health (Vote 15)
Purpose	In general, to improve the nutritional status of South Africans; specifically to enhance active learning capacity and improve school attendance of primary school learners from poor households.
Measurable outputs	<ul style="list-style-type: none"> Increase in the coverage of primary schools that qualify for the feeding programme Increase in the coverage of planned school feeding days from 85 percent to 100 percent Reduction in underweight, stunting and wasting among children under 5 years Regular growth maintaining and promotion of children under 2 years old Elimination of micro-nutrient deficiencies.
Conditions	<ul style="list-style-type: none"> Feeding in all poor primary schools should be the priority of this grant
Allocation criteria	1991-population census (6 –14 years) and the poverty gap data were used as poverty index to determine the allocations between provinces.
Reason not incorporated in equitable share	This programme started, as Presidential Lead Project under the RDP. The RDP allocations became a conditional grant in order to ensure continued funding of this grant. Given the current concerns with the effectiveness of the programme, this funding mechanism is being reviewed.
Monitoring mechanisms	<ul style="list-style-type: none"> Provinces must report annually to the national Department of Health the number of schools (per district) that qualify for the feeding programme, and the number of schools that are actually being reached by the feeding programme. Progress reports covering scope of funding Monitoring visits
Past performance	There has been significant under-spending of this grant since 1998/99. In the current year, spending has improved, with provinces estimating R11 million possible roll overs.
Projected life	The allocation to this grant is kept constant over the 2001 MTEF pending the outcome of the review, which will determine the future of this programme. Options are being considered for this grant, which include the mechanism to phase it into the equitable share but still ensuring that provinces continue to deliver the services.
Payment schedule	Four instalments – 18 April, 18 July, and 17 October 2001, 17 January, 2002
Capacity and preparedness of the transferring department	The department has a dedicated directorate for the administration of the INP.

Table 6 Integrated Nutrition Programme

R thousand	2000/01 Budget	2001/02	2002/03 Medium Term Estimates	2003/04
Eastern Cape	131 838	131 838	131 838	131 838
Free State	39 394	39 394	39 394	39 394
Gauteng	54 673	54 673	54 673	54 673
KwaZulu-Natal	132 471	132 471	132 471	132 471
Mpumalanga	39 728	39 728	39 728	39 728
Northern Cape	10 096	10 096	10 096	10 096
Northern Province	106 032	106 032	106 032	106 032
North West	39 390	39 390	39 390	39 390
Western Cape	28 789	28 789	28 789	28 789
Total	582 411	582 411	582 411	582 411

HIV/AIDS Grant – Health Department

Transferring department	Health (Vote 15)
Purpose	To enable the social sector to develop an effective integrated response to the HIV/Aids epidemic, focusing on children infected and affected by HIV/AIDS. The responsibility for health include: <ul style="list-style-type: none"> • Expanding access to voluntary HIV counselling and testing (VCT) • Mobilisation of communities in order to promote counselling and testing.
Measurable outputs	<ul style="list-style-type: none"> • Increase access to voluntary counselling and testing to 12,5 percent of adult population aged between 15-49 years within three years, with specific targets for the youth and rural communities • Number of teachers trained as lay counsellors • Number of health districts which have voluntary counselling and testing facilities
Conditions	<ul style="list-style-type: none"> • Business plans in line with the National Integrated Plan must be developed for approval by the head of provincial and national Health Department by 29 June 2001 • Quarterly progress reports to be submitted
Allocation criteria	Based on the national survey conducted in 1999 on the status and availability of voluntary counselling and testing in all provinces which also informed the decision to prioritise Eastern Cape, KZN, Northern Province and North West provinces.
Reason not incorporated in equitable share	Special allocation for HIV/AIDS made.
Monitoring mechanisms	<ul style="list-style-type: none"> • System for quarterly reporting on progress is in place • Provincial liaison and technical support visits by members of the national Department of Health • Regular meetings by the National Steering Committee.
Past performance	This grant was introduced in 2000/01, and it was under-spent due to delays in the establishment of processes and capacity at both provincial and national level, resulting mainly from delays in finalisation of the allocation of funds. It is expected that spending will occur as planned in the current year.
Projected life	For duration of the allocation.
Payment schedule	Three instalments – 18 April, 15 August and 12 December 2001
Capacity and preparedness of the transferring department	The structures for planning, co-ordinating and monitoring the implementation of the programme are in place. The department is in the process of appointing additional staff, mainly co-ordinators at provincial and national level.

Table 7 HIV/AIDS Grant to Provinces per Department

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Health	16 819	34 100		
Education	26 930	63 500		
Welfare	5 620	12 500		
Total	49 369	110 100	To be allocated	

Table 8 Health HIV/AIDS Allocation

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	2 213	3 850		
Free State	1 460	3 850		
Gauteng	2 486	3 500		
KwaZulu-Natal	1 500	4 500		
Mpumalanga	1 822	3 350		
Northern Cape	1 239	3 850		
Northern Province	1 903	3 850		
North West	2 006	3 850		
Western Cape	2 190	3 500		
Total	16 819	34 100	To be allocated	

Education Grants

Financial Management and Quality Enhancement (ECD)	
Transferring department	Education (Vote 14)
Purpose	To improve financial management in the education system and improve the quality of education in schools.
Measurable outputs	<ul style="list-style-type: none"> Improved school effectiveness by prioritising district and school management development, teacher development, classroom effectiveness and whole school evaluation by targeting the identified areas for rural development and urban renewal Improved school safety by targeting crime, drugs, vandalism, school initiation, racism and absenteeism Matric improvement by targeting schools that obtained a pass rate of 0 – 30% in the 2000 matriculation examination and improved administration of the Senior Certificate Examination Improved systems for learner support material procurement, supply and retrieval Improved systems and processes, including financial systems, procurement procedures and personnel practices Increased participation in and the effective teaching of mathematics, science and technology.
Conditions	<ul style="list-style-type: none"> Provincial business plans with the focus on the above and other agreed upon outputs must be approved by the Accounting Officer of the national Department of Education by 31 May 2001 The outputs as outlined in the approved business plans must be achieved The conditional grant cannot be used to cover recurrent costs such as rates and taxes, salaries and to erect buildings.
Allocation criteria	Education component of the provincial equitable share formula.
Reason not incorporated in equitable share	Enables the Department of Education to play an oversight role over the implementation of national education priorities for improvement in management and outputs of the education system.
Monitoring mechanisms	<ul style="list-style-type: none"> The Department of Education has scheduled inter-provincial meetings to be held once every two months to discuss progress on projects under this programme Performance monitoring and evaluation will be conducted by the national department.
Past performance	This conditional grant was introduced in the 1998/99 financial year. Although under-spending has occurred in the past three financial years, substantial progress has been made in specific areas such as education development management at both national and provincial levels, district development, improvement of matric results and the implementation of Curriculum 2005.
Projected life	The allocation of this grant is still envisaged to continue for at least the next MTEF years [2002/3 until 2004/05].
Payment schedule	Four installments 4 June, 2 July, and 1 October 2001 and 2 January 2002
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Policy Support Directorate in the Department of Education. The Budget Review and Advisory Committee of the Department of Education, chaired by the Deputy Director-General: Planning and Monitoring, is overseeing the management of the grant.

Table 9 Financial Management and Quality Enhancement Grant

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	38 854	39 405	41 500	43 367
Free State	12 096	13 419	14 132	14 768
Gauteng	23 616	26 199	27 591	28 833
KwaZulu-Natal	45 765	47 073	49 575	51 805
Mpumalanga	14 016	15 549	16 375	17 112
Northern Cape	3 648	4 047	4 262	4 454
Northern Province	33 477	33 441	35 218	36 803
North West	15 360	17 040	17 946	18 753
Western Cape	15 168	16 827	17 721	18 519
Total	202 000	213 000	224 320	234 414

Early Childhood Development Grant (ECD)	
Transferring department	Education (Vote 14)
Purpose	To provide children eligible for the Reception Year with access to a quality education and care programme, particularly the poorest children in our society.
Measurable outputs	<ul style="list-style-type: none"> • Number of licensed Grade R practitioners • Number of registered community based ECD sites • Number of learners able to continue their learning in the Foundation Phase • Number of accredited training providers for ECD practitioners • National Certificate for ECD practitioners • Basic educational kit of learning materials for each learning site.
Conditions	<ul style="list-style-type: none"> • Provincial business plans with the focus on the above outputs must be approved by the Accounting Officer of the national Department of Education by 31 May 2001 • The outcomes as outlined in the approved business plans must be achieved.
Allocation criteria	Education component of the equitable share formula is used to allocate amongst provinces.
Reason not incorporated in equitable share	Enables the Department of Education to provide overall direction such that congruency, coherence, and alignment with the agreed upon National ECD Strategy and the National Framework Plan for ECD is ensured, and also enables the Department of Education to play an oversight role over the implementation of the pilot ECD programme in Primary Schools and selected community based sites in the provinces.
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly review <ul style="list-style-type: none"> - The Department of Education in collaboration with the responsible provincial officials will conduct these reviews. The reviews will be targeted at projects in which expenditure levels are lower or significantly higher than the projected figures in the business plans following an analysis of monthly cash flow statements on the projects. This exercise is intended to deal with difficulties in the implementation of projects by providing the necessary support in good time. • Mid-year review <ul style="list-style-type: none"> - This is a substantive review exercise intended for all national and provincial projects under this programme. It will focus on the financial and programmatic issues on all projects with the view to assessing the impact and identifying key systemic problems that need to be confronted in the education system. There will be broad consultations between the national and provincial officials to finalise details on this matter.
Past performance	New grant.
Projected life	The programme is a three year-programme and it is planned to run until 2003/04.
Payment schedule	Two installments (4 June and 1 October 2001)
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education. The Budget Review and Advisory Committee of the Department of Education chaired by the Deputy Director-General: Planning and Monitoring, is overseeing the management of the grant

Table 10 Early Childhood Development

	2001/02	2002/03	2003/04
R thousand	Medium Term Estimates		
Eastern Cape	3 885	9 620	16 280
Free State	1 323	3 276	5 544
Gauteng	2 583	6 396	10 824
KwaZulu-Natal	4 641	11 492	19 448
Mpumalanga	1 533	3 796	6 424
Northern Cape	399	988	1 672
Northern Province	3 297	8 164	13 816
North West	1 680	4 160	7 040
Western Cape	1 659	4 108	6 952
Total	21 000	52 000	88 000

Education – HIV/AIDS Grant	
Transferring department	Education (Vote 14)
Purpose	<ul style="list-style-type: none"> To ensure access to an appropriate and effective integrated system of prevention, care and support for children infected and affected by HIV/Aids To deliver life skills and HIV/Aids education in primary and secondary schools.
Measurable outputs	<ul style="list-style-type: none"> Trained master trainers Trained Primary and Secondary school teachers Implementation of the life skills programmes in primary and secondary schools.
Conditions	<ul style="list-style-type: none"> Provincial business plans with the focus on the above outputs must be approved by the Accounting Officer of the national Department of Education by 30 April 2001 The outcomes as outlined in the approved business plans must be achieved.
Allocation criteria	Education component of the equitable share formula is used to allocate amongst provinces.
Reason not incorporated in equitable share	Enables the Department of Education to provide overall direction such that congruency, coherence, and alignment with the National Strategy for HIV/AIDS and the National Integrated Plan for Children Infected and Affected by HIV/AIDS is ensured, and also enables the Department of Education to play an oversight role over the implementation of life skills programmes in primary and secondary schools.
Monitoring mechanisms	The Departments of Education, Health and Social Development will schedule inter-departmental and inter-provincial meetings. Performance monitoring and evaluation of the implementation of life skills programme will be conducted by the national Department of Education.
Past performance	<ul style="list-style-type: none"> This programme was introduced in 2000/01, due to late allocations, planning and implementation were delayed, resulting in the under-spending of funds in the 2000/01 financial year Project managers and financial administrative officers have been appointed in the provinces to manage the project. Printing of the learning materials has been done and the materials are in the process of being distributed to provinces.
Projected life	It is envisaged that, given the nature of the epidemic, the need for such a grant will persist for another 6 to 9 years at least.
Payment schedule	Two installments - 4 June and 1 October 2001.
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education. The Budget Review and Advisory Committee of the Department of Education, chaired by the Deputy Director-General: Planning and Monitoring, is overseeing the management of the grant.

Table 11 Education - HIV/Aids Allocation

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	4 572	11 747		
Free State	2 297	4 001		
Gauteng	2 296	7 810		
KwaZulu-Natal	4 617	14 033		
Mpumalanga	2 473	4 636		
Northern Cape	1 467	1 207		
Northern Province	4 572	9 969		
North West	2 339	5 080		
Western Cape	2 297	5 017		
Total	26 930	63 500	To be allocated	

Thuba Makote: Schools as Centers for Community Development (Indirect transfer)	
Transferring Department	Education (Vote: 14)
Purpose	To develop and pilot a cost effective approach to the design, construction and management of school facilities which will also meet the developmental needs of rural communities (i.e. The approach envisaged will be flexible and designed to be adapted to suit the particular needs of communities).
Measurable Outputs	<ul style="list-style-type: none"> The programme will develop 27 schools in rural areas in each province identified as being of greatest need. The programme will initially pilot 9 schools; 1 in each province. These will then be evaluated and if necessary the approach modified before embarking on the next 18 schools. Improved (buildings, equipment) school facilities, which are able to provide a quality education for children as well as catering for other community needs.
Conditions	<ul style="list-style-type: none"> The Thuba - Makote Programme is funded from the Poverty Relief, Infrastructure Investment and Jobs Summit Projects Fund and must thus adhere to the requirements of job creation in the development, building, equipping and utilisation of facilities. The programme must include job opportunities for local people in the areas selected for the development of the centers and must ensure that women, the youth (younger than 25 years) and the disabled are included in employment. Skills training and transfer to the local people must be a major focus in the conceptualisation of the programme. Capacity building of the school community for the effective maintenance and management of the facilities must also be included in the programme.
Allocation criteria	For 2001/02 the amount was divided equally amongst the provinces and for 2002/03 and 2003/04 the backlog in infrastructure in provinces was taken into account.
Reason not incorporated in equitable share	The programme aims to develop and pilot models, which will provide a new approach to the design, construction and management of school facilities. It is therefore important to ensure that the programme provides innovations in these areas and it thus needs to be managed from a national level.
Monitoring mechanisms	<ul style="list-style-type: none"> The implementation of the projects will be monitored and supported through a steering committee comprising representatives from provincial education departments and other appropriate organisations. The national Department of Education will appoint an implementing agency for the programme (consultant). Each pilot project site will be visited regularly by the consultant to monitor project progress (infrastructure and institutional development), ensure appropriate quality control, minimise disturbance of educational activities in existing school facilities and avoid any injury to learners and staff as well as the general public. Monthly progress against milestones and expenditure against budget reports for approved pilot projects must be submitted by the consultant before or on the 7th day of each month to the programme manager of the national Department of Education. These reports must be in line with the PFMA reporting requirements. Monthly reporting on programme status is required from the first month of the contract duration. It is also required to compile and submit comprehensive quarterly reports to the Department of Education that must be in line with the reporting requirements set by National Treasury for the special allocations for poverty alleviation, infrastructure and job summit projects.
Past Performance	New allocation
Projected life	Three years from 2000/01 to 2003/04
Payment schedule	Not applicable (Indirect Transfer) – accountability remains with the national department's accounting officer
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> An implementing agency will be appointed The Department of Education has established a Directorate: Physical Planning and has appointed the Director: Physical Planning as the Programme Manager of the project.

Table 12 Education – Thuba - Makote: Schools as Centres for Community Development

R thousand	2000/01 Budget	2001/02	2002/03	2003/04
		Medium Term Estimates		
Eastern Cape	-	5 400	5 000	10 700
Free State	-	5 300	5 000	10 700
Gauteng	-	5 300	4 000	5 300
KwaZulu-Natal	-	5 400	5 000	10 700
Mpumalanga	-	5 300	5 000	10 600
Northern Cape	-	5 300	-	-
Northern Province	-	5 400	5 000	10 700
North West	-	5 300	5 000	5 300
Western Cape	-	5 300	-	-
Total	-	48 000	34 000	64 000

Poverty Relief Allocation for National Ikhwelo Projects (Indirect Transfer – grant in kind)

Transferring department	Education (Vote 14)
Purpose	The overall goal of the project is to provide access to skills development in General Education and Training for adult learners to enhance their social and economic capacity.
Measurable outputs	<ul style="list-style-type: none"> • 300 educators trained and employed to deliver agriculture and SMME learning programmes • 13 000 adults engaged in lifelong learning • 480 governing bodies and centre managers capacitated to govern and manage.
Conditions	<ul style="list-style-type: none"> • The National Ikhwelo Project is funded from the Poverty Relief, Infrastructure Investment and Jobs Summit Projects Fund and must thus adhere to the requirements of job creation in the development, building, equipping and utilisation of the facility • The programme must include job opportunities for local people in the areas selected for the development of the centres and must ensure that women, the youth (younger than 25 years) and the disabled are included in employment.
Allocation Criteria	The illiteracy rates in provinces as well as the socio economic conditions of the provinces were taken into account
Reasons not incorporated in equitable share	Special allocation from the national Poverty Relief Fund
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly progress reports in line with the reporting requirements set by National Treasury for the special allocations for poverty relief, infrastructure and job summit projects • National Committee of provincial • Adult Basic Education and Training (ABET) heads together with the Directorate Adult Education and Training monitor and provide progress reports to the Director-General.
Past Performance	New allocation.
Projected life	The allocation of this grant is still envisaged to continue for the MTEF years 2001/02 until 2003/04.
Payment Schedule	Not applicable (Indirect transfers to provinces) – Accounting responsibility lies with the accounting officer of the transferring national department
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Chief Directorate: Curriculum and Assessment Development and Learner Achievement in the Department of Education. The Budget Review and Advisory Committee of the Department of Education, under the chairmanship of the Deputy Director-General: Planning and Monitoring, is overseeing the management of the grant.

Table 13 Education – Poverty Relief Allocation for National Ikhwelo projects

	2000/01	2001/02	2002/03	2003/04
R thousand	Budget	Medium Term Estimates		
Eastern Cape	-	4 625	7 400	9 250
Free State	-	1 575	2 520	3 150
Gauteng	-	3 075	4 920	6 150
KwaZulu-Natal	-	5 525	8 840	11 050
Mpumalanga	-	1 825	2 920	3 650
Northern Cape	-	475	760	950
Northern Province	-	3 925	6 280	7 850
North West	-	2 000	3 200	4 000
Western Cape	-	1 975	3 160	3 950
Total	-	25 000	40 000	50 000

Youth And Community Colleges (Indirect Transfer- grant in kind)	
Transferring department	Education (Vote 14)
Purpose	<ul style="list-style-type: none"> To establish opportunities for out-of-school-youth (OSY) to access education and training To allow for the piloting of various institutional models in delivering these programmes.
Measurable outputs	<ul style="list-style-type: none"> Number of institutions established to provide second chance programmes for OSY Skills programmes for OSY Number of OSY benefiting out of the programme
Conditions	Payments to implementing agencies be made only if claimed expenditure is in line with the agreed business plan
Allocation Criteria	The allocation was made on the basis of provincial plans and a weighting of allocations towards the provinces identified as having high poverty and high OSY needs.
Reasons not incorporated in equitable share	These funds were allocated to the national Department for the implementation of new policy initiatives in education in the provinces in the 1996/97 financial year.
Monitoring mechanisms	<ul style="list-style-type: none"> Monthly reports on progress and subsequent site visits Controlling claims for repayment to provinces against the approved business plans.
Past Performance	Provinces were requested to submit business plans to establish youth and community colleges. The business plans submitted by the provincial education departments were, however, only approved in the beginning of 1997. The request for funds to be rolled-over has been approved and funds have been allocated for the period 1998/99 until 2001/02, according to the provincial business plans.
Projected life	This is the last year of the project (2001/2002).
Payment Schedule	Not applicable (Indirect transfers to provinces) – Accounting responsibility lies with the Accounting Officer of the national department
Capacity and preparedness of the transferring department	The overall co-ordination of the programme is the responsibility of the Directorate: Private Colleges and FET in the Department of Education.

Table 14 Education – Youth Community Colleges

R thousand	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	-	-	-	-
Free State	-	-	-	-
Gauteng	-	-	-	-
KwaZulu-Natal	3 042	5 738	-	-
Mpumalanga	1 181	1 365	-	-
Northern Cape	1 553	-	-	-
Northern Province	1 940	2 140	-	-
North West	1 059	-	-	-
Western Cape	-	-	-	-
Total	8 775	9 243	-	-

The National Treasury Grants

Supplementary Allocation Grant	
Transferring department	National Treasury (Vote 7)
Purpose	<ul style="list-style-type: none"> • Supplementing provincial budgets in order to ensure that provinces budget adequately for health, welfare, education, and infrastructure • Ensuring that provinces make progress in implementing the PFMA and improving financial management, • Enabling provinces to provide for functions for which grants have been consolidated into the supplementary allocation.
Measurable outputs	<ul style="list-style-type: none"> • Budgets that provide adequate funding for the social services and conditional grants, • Progress made in implementation of key provisions of PFMA (i.e functioning of internal audit units and audit committees, appointment of CFOs, etc) • Improvements in the quality of in-year monitoring reports (Section 40(4) PFMA and Division of Revenue Act reports) • Improvement in financial management and information systems in hospital pilot projects.
Conditions	<ul style="list-style-type: none"> • Compliance with the PFMA and Division of Revenue monthly reporting requirements and demonstrable progress in implementation of PFMA • Realistic and credible budgets enacted by provincial legislature reflecting adequate funding of health, education, welfare, housing and infrastructure • Adequate steps taken to improve collection of own revenue, including the review of fees and administration, • Compliance with the Division of Revenue Act and national legislation contemplated in sections 228(2)(b) and 230 of the Constitution • Compliance with agreements in the Budget Council and all relevant legislation., • Provision in the provincial transport budget for NLTTA; for hospital management improvement projects in health department, and for capacity building in housing department.
Allocation criteria	<ul style="list-style-type: none"> • R2 billion portion of the grant is allocated through the provincial equitable share formula, • The other portion is allocated according to the requirements of specific department (Housing – capacity building; Transport – NLTTA; DPLG - R293; and National Treasury – financial management).
Reason not incorporated in equitable share	Enables the National Treasury to play its oversight role over provincial finances and ensure implementation of budget and financial management reforms in the provinces.
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly in-year reports including conditional grants • Two provincial visits by the National Treasury to assess sustainability of the budgets in line with expenditure trends up to June/July, and a second in October/November as part of the provincial MTEC hearings, and to further assess the sustainability of the budgets based on actual expenditure up to six months • Quarterly reports on progress with PFMA implementation relative to provincial plans and targets • Quarterly reports on progress with the implementation of hospital management improvement projects to the national departments of health, public service and national treasury.
Past performance	<ul style="list-style-type: none"> • Provincial budgets are better aligned with national priorities, showing improvements in funding social services • Budget process reforms are being implemented in provinces • The credibility of budgets has improved, and provinces have been able to turn their budgets around from deficit to surpluses used to repay debts • National Treasury has been able to fulfil its responsibility for monitoring over provincial budgets • Information submitted allows for Section 32 quarterly reports and production of two Intergovernmental Fiscal Reviews.
Projected life	To be reviewed after four years.
Payment schedule	Two installments (31 July and 30 November 2001).
Capacity and preparedness of the transferring department	The National Treasury has a dedicated chief directorate on provincial fiscal relations and has developed a PFMA implementation guide (guide for accounting officers) and a PFMA implementation unit

Table 15 Components of Supplementary Allocation

R thousand	2001/02	2002/03 Medium-term estimate	2003/04
Supplementary Allocation			
Eastern Cape	347 448	341 515	338 010
Free State	133 963	133 819	132 856
Gauteng	298 511	307 193	310 008
Kwazulu-Natal	407 772	407 683	411 389
Mpumalanga	139 172	140 709	143 026
Northern Cape	47 588	48 511	48 382
Northern Province	273 521	270 664	272 260
North West	167 478	166 857	165 452
Western Cape	184 547	183 049	178 617
Subtotal	2 000 000	2 000 000	2 000 000
Capacity-building (housing)			
Eastern Cape	1 100	1 100	1 100
Free State	1 100	1 100	1 100
Gauteng	1 100	1 100	1 100
KwaZulu-Natal	1 100	1 100	1 100
Mpumalanga	1 100	1 100	1 100
Northern Cape	1 200	1 200	1 200
Northern Province	1 100	1 100	1 100
North West	1 100	1 100	1 100
Western Cape	1 100	1 100	1 100
Subtotal	10 000	10 000	10 000
R293 (DPLG)		-	-
Eastern Cape	29 883	-	-
Free State	30 498	-	-
Gauteng	-	-	-
KwaZulu-Natal	24 157	-	-
Mpumalanga	4 731	-	-
Northern Cape	-	-	-
Northern Province	9 850	-	-
North West	5 758	-	-
Western Cape	-	-	-
Subtotal	104 877	-	-
NLTTA (Transport)			
Eastern Cape	1 000	2 000	2 000
Free State	1 000	2 000	2 000
Gauteng	1 000	2 000	2 000
KwaZulu-Natal	1 000	2 000	2 000
Mpumalanga	1 000	2 000	2 000
Northern Cape	1 000	2 000	2 000
Northern Province	1 000	2 000	2 000
North West	1 000	2 000	2 000
Western Cape	1 000	2 000	2 000
Subtotal	9 000	18 000	18 000
Financial management			
Eastern Cape	7 000	9 000	14 000
Free State	11 000	11 000	11 000
Gauteng	37 000	34 000	28 000
KwaZulu-Natal	21 000	19 000	17 000
Mpumalanga	7 000	8 000	12 000
Northern Cape	6 000	7 000	8 000
Northern Province	7 000	9 000	12 000
North West	7 000	8 000	11 000
Western Cape	21 000	19 000	17 000
Subtotal	124 000	124 000	130,000

Table 16 Supplementary Allocation: Total grants to provinces

R thousands	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	389 622	386 431	353 615	355 110
Free State	148 303	177 561	147 919	146 956
Gauteng	322 358	337 611	344 293	341 108
KwaZulu-Natal	451 032	455 029	429 783	431 489
Mpumalanga	152 522	153 003	151 809	158 126
Northern Cape	51 809	55 788	58 711	59 582
Northern Province	305 049	292 471	282 764	287 360
North West	185 803	182 336	177 957	179 552
Western Cape	205 502	207 647	205 149	198 717
Total	2 212 000	2 247 877	2 152 000	2 158 000

Provincial infrastructure grant

Provincial Infrastructure Grant	
Transferring department	National Treasury (Vote 7)
Purpose	To enable provinces to fund construction, maintenance and rehabilitation of new and existing infrastructure, and to fund the reconstruction and rehabilitation of infrastructure damaged during the 1999/00 floods.
Measurable outputs	<ul style="list-style-type: none"> Rehabilitation and maintenance of roads, school, health facilities, and rural development Rehabilitation of flood-damaged infrastructure.
Conditions	<ul style="list-style-type: none"> Provinces to submit to the National Treasury by 30 April 2001 a detailed plan on proposed spending for the 2001/02 financial year for approval. A similar plan for 2002/03 and 2003/04 must be submitted by 30 June 2001 for spending The plans must indicate the extent to which the province can appropriately match the allocations made to them and demonstrate how the implementation plan fits into an overall infrastructure strategy in that province In addition to the above conditions, the following conditions apply specifically to the Flood Reconstruction and Rehabilitation portion of the grant: Funds allocated must be used exclusively for rehabilitation and reconstruction of flood damaged infrastructure as verified by the national government.
Allocation criteria	<ul style="list-style-type: none"> <i>The Infrastructure Grant component:</i> An average of the percentage equitable shares and backlog component of equitable share formula has been used to allocate funds between provinces. The aim is to introduce a bias in favor of provinces with substantial backlogs while at the same time supporting those that inherited substantial infrastructure <i>The Flood Rehabilitation component:</i> The allocations were informed by the recommendations of the Command Center and took account of <ul style="list-style-type: none"> the overall verified infrastructure damage suffered in each province; recommendations made by the Command Center; expenditure trends in the current financial year, reflecting the rate of expenditure in the province; and available funds
Reason not incorporated in equitable share	This grant ensures that provinces give priority to infrastructure maintenance, rehabilitation and construction in line with Government priorities.
Monitoring mechanisms	<ul style="list-style-type: none"> Provinces are required to submit detailed quarterly reports, which capture the full details of the projects including the allocation for the year, the expenditure for the period in question and on outputs achieved.
Past performance	Not applicable
Projected life	To be reviewed after five years.
Payment schedule	Four instalments: 24 May, 31 July, 31 October 20001, and 23 January 2001
Capacity and preparedness of the transferring department	The National Treasury has a dedicated chief directorate responsible for administering the grant.

Table 17 Provincial Infrastructure: Infrastructure Grant

	2001/02	2002/03	2003/04
R thousand	Medium Term Estimates		
Eastern Cape	147 275	286 107	428 504
Free State	48 342	93 913	140 653
Gauteng	80 860	157 084	235 266
KwaZulu-Natal	170 447	331 123	495 925
Mpumalanga	61 236	118 961	178 168
Northern Cape	29 411	52 997	71 931
Northern Province	143 369	278 519	417 139
North West	69 536	135 086	202 320
Western Cape	49 524	96 210	144 094
Total	800 000	1 550 000	2 314 000

Table 18 Provincial Infrastructure: Flood Damage

	2001/02	2002/03	2003/04
R million	Medium Term Estimates		
Eastern Cape	13 0000	70 000	23 000
Free State	128 000	58 000	21 000
Gauteng	-	-	-
KwaZulu-Natal	12 000	-	-
Mpumalanga	98 000	90 000	36 000
Northern Cape	7 000	-	-
Northern Province	196 000	182 000	120 000
North West	11 000	-	-
Western Cape	18 000	-	-
Total	600 000	400 000	200 000

Table 19 Provincial Infrastructure: Total

	2001/02	2002/03	2003/04
R thousand	Medium Term Estimates		
Eastern Cape	277 275	356 107	451 504
Free State	176 342	151 913	161 653
Gauteng	80 860	157 084	235 266
KwaZulu-Natal	182 447	331 123	495 925
Mpumalanga	159 236	208 961	214 168
Northern Cape	36 411	52 997	71 931
Northern Province	339 369	460 519	537 139
North West	80 536	135 086	202 320
Western Cape	67 524	96 210	144 094
Total	1 400 000	1 950 000	2 514 000

Housing grants

Housing Fund Grant	
Transferring department	Housing (Vote 16)
Purpose	To finance subsidies for the national housing programme.
Measurable outputs	<ul style="list-style-type: none"> • Number of subsidies financed – estimates 200,000 in 2001/02 • Number of housing units completed per province • Number of households benefiting.
Conditions	<ul style="list-style-type: none"> • Provincial Governments have to set aside 0,5% to 0,75% to finance emergency housing needs • Housing allocations must be in terms of housing framework as agreed with provinces.
Allocation criteria	Housing funds are allocated to Provincial Governments according to a formula based on the number of households in each Province earning less than R3500 per month.
Reason not incorporated in equitable share	The provision of housing to the poor is a national priority. The conditional grant enables the national government to provide for the implementation of housing delivery in provincial budgets.
Monitoring mechanisms	The national Department of Housing has installed a transversal computerised subsidy management system (HSS) in all provincial housing departments for the administration of the subsidy scheme and to allow the national department to monitor progress and expenditure continuously.
Past performance	Although housing delivery under the subsidy scheme started slow, it gradually gained momentum and reached a peak in the 1997/98 financial year. Provincial Departments have since tried to sustain the same level of delivery. In the 2000/2001 financial year. Provincial Departments spent 88,9%, or R3 081,6 million of the total amount available to them for housing. About 11,1% was rolled over to the 2001/2002 financial year.
Projected life	Unless government directs otherwise and taking into account the level of backlogs in housing, it is anticipated that the need for funding will exist for at least 20 years.
Payment schedule	Monthly instalments – on the 10 th or 12 th day of the Month
Capacity and preparedness of the transferring department	The national Department does have the capacity to manage and administer the transfer of housing funds to Provincial Governments and to monitor their performance in this regard continuously.

Table 20 Housing Fund

R thousands	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	422 178	498 311	531 323	549 740
Free State	218 306	241 253	257 236	266 152
Gauteng	718 904	681 831	727 002	752 201
KwaZulu-Natal	587 650	617 647	658 566	681 393
Mpumalanga	173 461	208 355	222 158	229 859
Northern Cape	58 125	65 474	69 811	72 231
Northern Province	257 021	334 787	356 967	369 340
North West	220 569	256 735	273 743	283 232
Western Cape	341 466	321 564	342 867	354 751
Total	2 997 680	3 225 958	3 439 674	3 558 898

Human Resettlement Redevelopment Pilot Programme	
Transferring department	Housing (Vote 16)
Purpose	To fund projects that aim to improve the quality of the environment by addressing problems in urban communities.
Measurable outputs	<ul style="list-style-type: none"> The improvement of the quality of human settlements by funding projects, which will address dysfunctionalities in such settlements. The outputs of the programme depend largely on the unique content of each project funded in terms of the pilot programme. They will include: <ul style="list-style-type: none"> Upgraded infrastructure in depressed areas and number of employment opportunities created; The number of existing depressed areas re-planned and redeveloped, such as inner city redevelopment, urban renewal and informal settlement upgrading; and Completed plans of areas which could promote integration (new developments)
Conditions	To form part of the contract between the provincial government and the national Department of Housing on specific projects.
Allocation criteria	Based on the project proposals submitted by province.
Reason not incorporated in equitable share	As a Pilot Programme, the Department of Housing needs to be involved in approving, monitoring and evaluating the Programme in general as well as specific project outputs with a view to the formulation of a more comprehensive permanent programme.
Monitoring mechanisms	The Directorate: Special Programmes Support monitors projects on a monthly basis through financial and implementation progress reports, as well as site visits in order to ensure compliance and correct reporting on Key Performance Indicators.
Past performance	The Programme was initiated late in 1999. Initial implementation was slow, however, since the middle of 2000, a marked increase in implementation occurred. Fourteen projects to the value of some R36 million have been approved and are under implementation.
Projected life	The programme is an important tool in achieving functional human settlements, it is expected to continue until all settlement areas that need improvements are covered.
Payment schedule	Four instalments – 31 May, 31 July, 1 October, and 9 and 28 December 2001.
Capacity and preparedness of the transferring department	The Directorate: Special Programme Support is dedicated to manage this Programme and the necessary capacity and expertise exists to undertake this task.

Table 21 Human Resettlement Redevelopment Grant

R thousands	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	-	8 500	10 000	11 000
Free State	1 700	5 000	7 500	8 500
Gauteng	3 500	26 000	23 000	21 000
KwaZulu-Natal	3 000	25 000	25 000	26 000
Mpumalanga	500	5 000	6 000	7 000
Northern Cape	1 200	1 000	2 500	3 000
Northern Province	1 000	10 000	11 000	11 000
North West	100	7 000	6 000	8 000
Western Cape	9 000	12 500	13 000	13 500
Total	20 000	100 000	104 000	109 000

Social Development grants

Financial Management and Improvement of Social Security System	
Transferring department	Social Development (Vote 17)
Purpose	To improve the financial management, administration and functioning of social security system.
Measurable outputs	<ul style="list-style-type: none"> • An improved communication network and information service on all grant inquiries to enable speedier response to beneficiaries • Provision of functional, acceptable infrastructure and office automation tools to improve security and facilitate effective service delivery • Effective and efficient financial management and administration of social security payments and social development funds.
Conditions	Approved business plans by 30 March with measurable outputs must exist for each province in line with the framework for this grant
Allocation criteria	Based on needs of each province as determined from their business plans.
Reason not incorporated in equitable share	Funding was initiated in order to fund the national department priority and strategy for improving the information system, financial management and delivery of social security grants.
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly project progress reports by provinces • Quarterly evaluations by departmental staff and provincial facilitators • Structured site visits twice a year by a team consisting of both national and provincial officials.
Past performance	Transfers of funds have occurred as planned since the inception of the grant in 1998/99
Projected life	Phases out in 2002/03.
Payment schedule	One instalment (15 May 2001) for all provinces except Northern Province Northern Province two instalments – 15 May and 18 September 2001.
Capacity and preparedness of the transferring department	<ul style="list-style-type: none"> • A number of initiatives being undertaken by the department will strengthen its capacity to deliver on the grant which include: <ul style="list-style-type: none"> - Restructuring of the department to strengthen its core functions including the establishment of a monitoring and evaluation unit for social security; - Appointment of financial expertise in the national and provincial departments to improve financial management in general and the management of conditional grants; and - Workshops on the Division of Revenue Act are expected to contribute towards improved management of the grants at the provincial level, including better reporting.

Table 22 Financial Management and Improvement of Social Security System

	2001/02	2002/03	2003/04
R million	Medium Term Estimates		
Eastern Cape	642	1 200	-
Free State	642	1 200	-
Gauteng	642	1 200	-
KwaZulu-Natal	642	1 200	-
Mpumalanga	642	1 200	-
Northern Cape	642	1 200	-
Northern Province	5 100	1 200	-
North West	642	1 200	-
Western Cape	642	1 200	-
Total	10 236	10 800	-

Social Development - HIV/AIDS Grant	
Transferring Department	Social Development (vote 17)
Purpose	The Department of Social Development is responsible for the development of home-based care (HBC) programmes in the community, involving the replication of models which have already been piloted, and community outreach.
Measurable outputs	<ul style="list-style-type: none"> • An increase in the number of orphans (infected and affected by HIV/AIDS) identified and monitored • An increase in the number of children receiving appropriate care • The number of effective local institutional structures and partnerships for the management and maintenance of home/community-based care and support programmes • Policies developed and implemented to protect children infected and affected with HIV/Aids.
Conditions	<ul style="list-style-type: none"> • Approved business plans by 30 March with measurable outputs must exist for each province in line with the framework for this grant • Legal contract signed between provincial departments of welfare and implementing agencies.
Allocation criteria	<ul style="list-style-type: none"> • In developing the National Integrated Plan for HIV/AIDS, the following were guiding principles: <ul style="list-style-type: none"> - Provinces in which studies have shown they are of highest HIV/Aids prevalence, which were also identified as priority – Eastern Cape, KZN, Northern Province and North West provinces - Resources available in the provinces and linkages with the following programmes and strategies: <ul style="list-style-type: none"> - Urban renewal and rural development strategy - Poverty alleviation programme - Integrated Nutrition Programme.
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • The National Integrated Plan for Children Infected and Affected by HIV/AIDS is a pilot programme involving three social services departments • The conditional grant provides the opportunity to establish a consistent approach across the provinces in terms of planning and implementation, and also enables more effective monitoring by the national departments.
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly reporting by provinces and evaluation by Departmental staff/provincial coordinators • Provincial visits to evaluate implementation of the programmes made • Structured site visits twice a year by a team consisting of both Social Development and Health officials on the national and provincial level.
Past performance	The grant started in 2000/01. Implementation was slow as the departments involved were establishing structures and process both at provincial and national level to plan and coordinate implementation of the programme.
Projected life	For the duration of the allocation.
Payment schedule	Three instalments – 15 May, 18 September 2001, and 17 January 2002
Capacity and preparedness of the transferring department	The department has established a directorate to deal exclusively with HIV/AIDS, a national co-ordination for the programme is managed by the Department of Health. Provincial coordinators are being appointed.

Table 23 Social Development – HIV/AIDS Allocation

	2000/01	2001/02	2002/03	2003/04
R thousands	Budget	Medium Term Estimates		
Eastern Cape	950	1 500		
Free State	910	1 500		
Gauteng	-	1 000		
KwaZulu-Natal	-	1 500		
Mpumalanga	960	1 500		
Northern Cape	1 000	1 500		
Northern Province	800	1 500		
North West	1 000	1 500		
Western Cape	-	1 000		
Total	5 620	12 500	To be allocated	

Women Flagship	
Transferring department	Social Development (vote 17)
Purpose	To alleviate poverty and to pilot developmental social welfare services through the support of women with children under five years.
Measurable outputs	<ul style="list-style-type: none"> • The establishment of viable local institutional structures (partnerships) for the ongoing management and maintenance of community-based projects • A decrease in the number of children who are malnourished • A decrease in the number of reported child neglect and abuse cases in specific target areas • Identified unemployed women with children under five years in households headed by women in each target area involved in income generating opportunities • Increase in the level of income for the target group.
Conditions	<ul style="list-style-type: none"> • Approved business plans by 30 March with measurable outputs must exist for each project in line with the overall business plan of the province in terms of the Flagship Programme • Legal contracts signed between provincial departments of welfare and implementing agencies.
Allocation criteria	Based on the original commitment of the National Department of Social Development to finance the flagship pilot projects to the amount of R900, 000 in each province
Reason not incorporated in equitable share	Final payments to the provinces as part of the initial allocation of R900,000.
Monitoring mechanisms	<ul style="list-style-type: none"> • Quarterly reporting on progress by provinces • Structured sites visits twice a year by a team consisting of both the national and provincial officials • Annual reviews.
Past performance	Delays in project planning and implementation have resulted in under-spending of allocated funds.
Projected life	Ends in 2001/02
Payment schedule	One instalment – 15 May 2001
Capacity and preparedness of the transferring department	The programme is being consolidated into the Poverty Relief Programme

Table 24 Social Development - Women Flagship

	2000/01	2001/02	2002/03	2003/04
R thousands	Budget	Medium Term Estimates		
Eastern Cape	-	900	-	-
Free State	-	900	-	-
Gauteng	-	900	-	-
KwaZulu-Natal	-	900	-	-
Mpumalanga	-	900	-	-
Northern Cape	-	900	-	-
Northern Province	-	900	-	-
North West	-	900	-	-
Western Cape	-	900	-	-
Total	-	8 100	-	-

Poverty Relief (Indirect transfer – Grant in Kind)	
Transferring department	Social Development (vote 17)
Purpose	To increase the self-reliance and improve social cohesion of specific demographic groups such as women, youth, children disabled and aged who are particularly vulnerable to the conditions associated with poverty.
Measurable outputs	<ul style="list-style-type: none"> • 100 HIV/AIDS structures will be established by the end of the 2003/04 financial year • 144 Food production Clusters will be established by the end of the 2003/04 financial year • 18 Urban Regeneration skills projects for youth and employment will be established by the end of the 2003/04 financial year • 100 Income generation initiatives for rural women will be established and existing ones integrated over the next three years • 100 dual-purpose projects encompassing children and the aged will be integrated into poverty programme over the next three years • Integration of the disabled in all poverty relief programmes by the end of the 2003/04 financial year • Micro save initiative rolled out to ensure a 60% saving of social finances.
Conditions	<ul style="list-style-type: none"> • Legal contracts signed between national programme officer of Department of Social Development and implementing agencies • Before any disbursement of funding, programme/projects must submit to the national department of Social Development the Compliance Certificate in terms of section 38 (1) (j) of the PFMA (Act no. 1 of 1999) • Training funded by the allocation should be aimed at increasing the skills base in communities requiring accreditation • At least 2% of all project beneficiaries should be disabled. This condition is a shift from the original planned • Programme in response to the requirements of disabled. This further enables a systematic integration of disabled into all poverty relief programmes.
Allocation criteria	<ul style="list-style-type: none"> • Focuses on specific target groups and spatial pockets of poverty • Poverty levels per province (based on household expenditure) • The total population per province • About 30% of the total budget was also allocated to the 13 poverty nodal points, identified by the Integrated Sustainable Rural Development Strategy (ISRDS).
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • Special allocation to the department from the Poverty Relief fund
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly /quarterly reporting to the provincial welfare departments by implementing agencies, and consolidated reports submitted to the National Department of Social Development • Provincial visits to evaluate progress in the implementation of the projects • Structured sited visits twice a year by a team consisting of both national and provincial officials.
Past performance	<ul style="list-style-type: none"> • All available funds for 2000/01 were transferred to the IDT – department implementation agency. Total transfers since the programme was initiated in 1998/99 amounts to R363 million • Actual payments by IDT to the different projects to date 24/04/2001 amounts to R348,4 million • The remaining amount (R14,5 million) is committed to the different projects as at 30/03/2001.
Projected life	The project period covered by the grant is the current MTEF (2001/02-2003/04) period.
Payment schedule	Three instalments – 15 June, 15 September 2001, and 15 January 2002 – Accounting responsibility lies with the accounting officer of the transferring national department.
Capacity and preparedness of the transferring department	A National Manager for Poverty Relief Programme at Deputy Director-General level has been appointed to head the newly established National Project Office.

Table 25 Social Development - Poverty Relief

R thousands	2000/01	2001/02	2002/03	2003/04
	Budget	Medium Term Estimates		
Eastern Cape	-	7 617	18 012	11 631
Free State	-	4 983	11 175	7 302
Gauteng	-	2 478	4 779	3,343
KwaZulu-Natal	-	8 117	19 262	12 381
Mpumalanga	-	5 058	11 381	7 440
Northern Cape	-	2 657	5 345	3 788
Northern Province	-	7 241	17 057	11 042
North West	-	4 483	9 925	6 552
Western Cape	-	2 238	4 159	2 953
Total	-	44 872	101 095	66 432

Department of Agriculture

Poverty Relief and Infrastructure Development

Transferring Department	Agriculture (24)
Purpose	To address the degradation problems of natural resources and improve the socio-economic status of rural communities.
Measurable outputs	<ul style="list-style-type: none"> • Number of irrigation schemes rehabilitated, hectares and number of families benefiting • Rehabilitation and improvement in veldt management • Reduction in depletion of soil fertility and soil acidity • Improvement in the production systems for small scale farmers
Conditions	Implementation of approved projects according to the project schedule
Allocation criteria	Based on submission of projects by provinces, with some bias towards the poorest provinces
Reason not incorporated in equitable share	The funding is from the special poverty allocation made by the national government
Monitoring mechanisms	<ul style="list-style-type: none"> • Provinces report monthly on implementation progress • Impact assessment to be undertaken in the current year
Past performance	Funds have been flowing to provinces in terms of a payment schedule. There has been no under-spending by provinces.
Projected life	The grant is dependent on the projected life of the 'Poverty Relief and Infrastructure Development Fund' made by the national government
Payment schedule	To be transferred in three instalments – 50 percent payment in 10 June, 25 percent in 10 October 2001, and 25 percent 10 January 2002
Capacity and preparedness of the transferring department	All administrative, monitoring and reporting capacity is in place

Table 26 Agriculture - Poverty Relief and Infrastructure Development

	2000/01	2001/02	2002/03	2003/04
R thousands	Budget	Medium Term Estimates		
Eastern Cape	-	4 691	5 000	8 000
Free State	-	500	1 000	1 800
Gauteng	-	-	1 000	1 600
KwaZulu-Natal	-	4 133	4 000	6 500
Mpumalanga	-	742	2 000	3 500
Northern Cape	-	500	1 000	1 800
Northern Province	-	6 430	5 000	8 000
North West	-	4 605	3 000	5 000
Western Cape	-	800	1 000	1 800
Total	-	22 401	23 000	38 000

Department of Arts, Culture and Technology

Poverty Alleviation (Indirect Transfer to Provinces – Grant in Kind)	
Transferring Department	Arts, Culture and Technology (Vote 13)
Purpose	To fund Poverty Relief projects in the areas of Cultural Industries, Development, Cultural Tourism and Heritage Development.
Measurable outputs	<ul style="list-style-type: none"> • Number of jobs created • Number of people trained • Equipment provided • Infrastructure for craft and heritage development.
Conditions	<ul style="list-style-type: none"> • Provinces must submit project proposals which must demonstrate that the goal of poverty relief through job creation and training are met • Legal contracts signed between the DACST and provincial departments responsible for the arts and culture • Legal contracts signed between DACST and implementing agencies
Allocation criteria	<p>The division of funds between provinces was made on the basis of the proposals submitted from the provinces</p> <p>The selection of projects was based on the following criteria:</p> <ul style="list-style-type: none"> • Potential for job creation and/or training • Location in terms of the poverty nodes
Reason not incorporated in equitable share	<ul style="list-style-type: none"> • A special poverty alleviation allocation, • Some projects cut across provinces i.e CSIR and Khumbula-Zulu Craft projects
Monitoring mechanisms	<ul style="list-style-type: none"> • Monthly meetings in each province • Quarterly reports on progress and expenditure • Project site visits
Past performance	Ninety-seven percent of Poverty Alleviation allocation was spent in 2000/01
Projected life	The duration of Poverty Relief allocation
Payment schedule	Payments will be made in 3 instalments based on actual expenditure – Accounting responsibility lies with the Accounting Officer of the transferring national department
Capacity and preparedness of transferring department	A sub-directorate with dedicated staff is responsible for the programme and has the support of the line function directorate responsible for cultural development and heritage development
Exemption	Decision to be made on the projects to be funded through the unallocated amounts (R 1,5 million in 2001/02) by 29 June 2001. Exemption is granted for the gazetting of the unallocated amounts for 2001/02 required in terms of section 8(1) of the Division of Revenue Act.

Table 27 Department of Arts, Culture and Technology – Poverty Alleviation Allocations

	2000/01	2001/02	2002/03	2003/04
R thousands	Budget	Medium Term Estimates		
Eastern Cape	-	3 297	2 985	9 297
Free State	-	1 941	1 971	4 803
Gauteng	-	587	4,597	2 000
KwaZulu-Natal	-	5 164	4 336	5 154
Mpumalanga	-	3 270	2 370	2 320
Northern Cape	-	3 157	2 307	2 548
Northern Province	-	2 300	2,000	4 000
North West	-	2 025	3 225	5 027
Western Cape	-	1 776	1 641	2 780
Unallocated	-	1 483	4 568	4 071
Total	-	25 000	30 000	42 000

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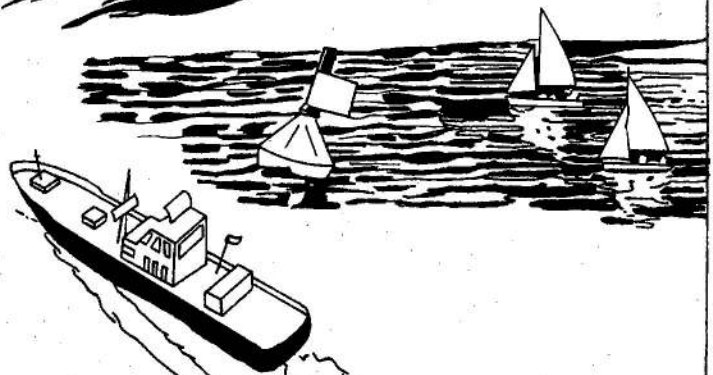
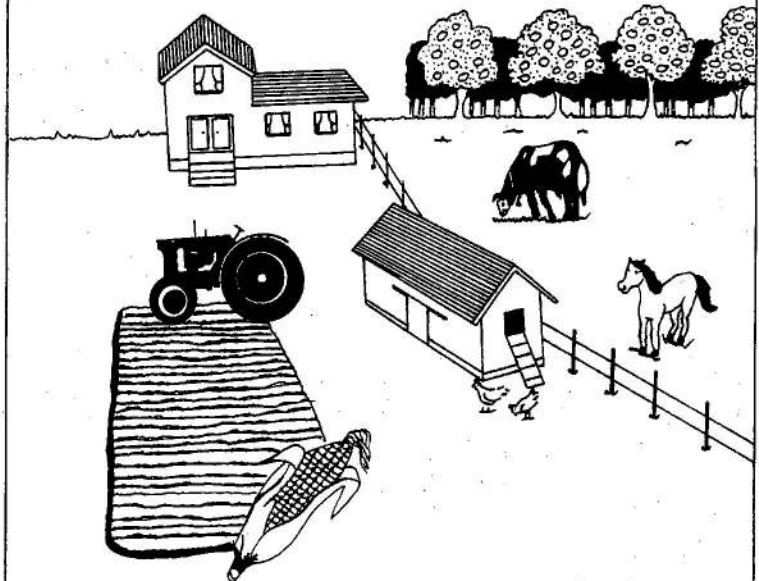
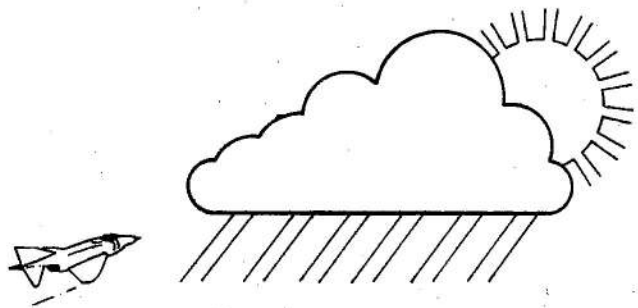
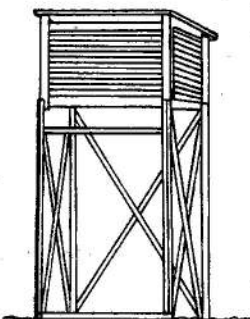
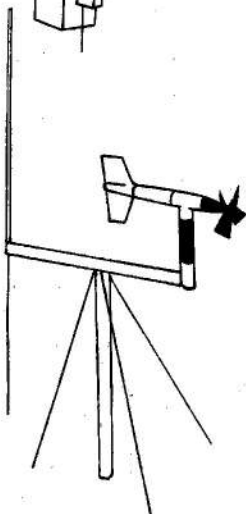
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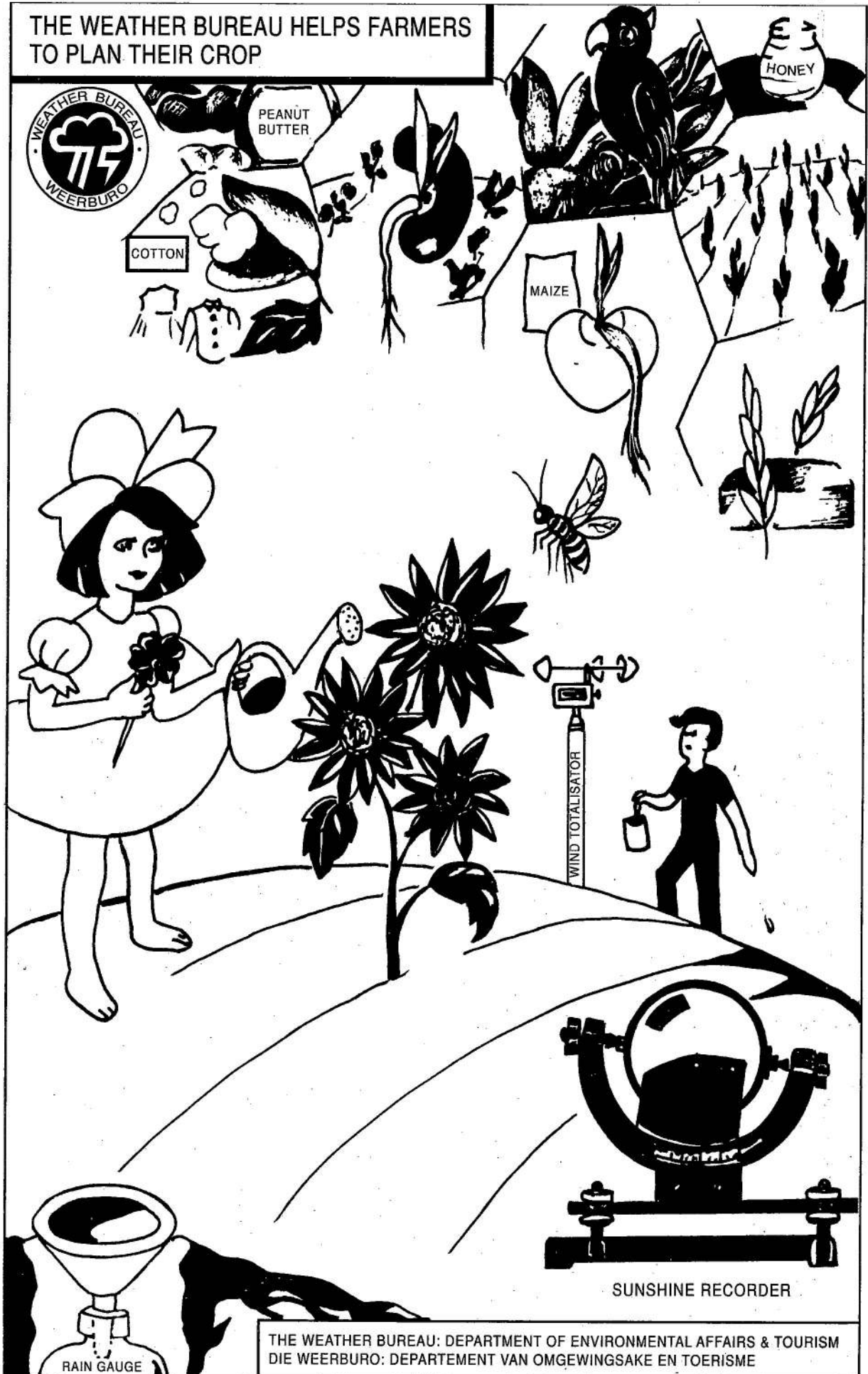
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