

REPUBLIC OF SOUTH AFRICA

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# **DIVISION OF REVENUE AMENDMENT BILL**

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*(As introduced in the National Assembly (proposed section 76); explanatory summary of  
Bill published in Government Gazette No. 40334 of 7 October 2016)  
(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

**[B 15—2016]**

ISBN 978-1-4850-0326-7

No. of copies printed ..... 800

# BILL

**To amend the Division of Revenue Act, 2016, in accordance with the Money Bills Amendment Procedure and Related Matters Act, 2009; and to provide for matters connected therewith.**

## PREAMBLE

**WHEREAS** section 214(1) of the Constitution of the Republic of South Africa, 1996, requires an Act of Parliament to provide for—

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

**WHEREAS** the Division of Revenue Act, 2016 (Act No. 3 of 2016), gives effect to section 214(1) of the Constitution in respect of the 2016/17 financial year;

**AND WHEREAS** section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the Minister of Finance to table a division of revenue amendment Bill with a revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year,

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

### **Amendment of Schedule 1, Part A of Schedules 4 and 5 and Parts A and B of Schedule 6 to Act 3 of 2016**

**1.** (1) Column A of Schedule 1 to this Act is hereby substituted for Column A of Schedule 1 to the Division of Revenue Act, 2016 (hereinafter referred to as the principal Act), setting out the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2016/17 financial year. 5

(2) Column A of Part A of Schedule 4 to this Act is hereby substituted for Column A of Part A of Schedule 4 to the principal Act, specifying the allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2016/17 financial year. 10

(3) Column A of Part A of Schedule 5 to this Act is hereby substituted for Column A of Part A of Schedule 5 to the principal Act, specifying the specific purpose allocations to provinces for the 2016/17 financial year. 15

(4) (a) Column A of Parts A and B of Schedule 6 to this Act is hereby substituted for Column A of Parts A and B of Schedule 6 to the principal Act, specifying the allocations-in-kind to provinces and municipalities for designated special programmes for the 2016/17 financial year.

(b) Part A of Schedule 6 to this Act is hereby amended by the insertion before the School Infrastructure Backlogs Grant of the following allocation-in-kind to provinces for designated special programmes:

“Comprehensive Agriculture Support Programme”.

**Short title**

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2. This Act is called the Division of Revenue Amendment Act, 2016.

## SCHEDULE 1

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

Spheres of Government	Column A		
	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
National <sup>1,2</sup>	855 070 793	( 5 412 775)	849 658 018
Provincial	410 698 585		410 698 585
Local	52 568 706		52 568 706
<b>TOTAL</b>	<b>1 318 338 084</b>	<b>( 5 412 775)</b>	<b>1 312 925 309</b>

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs and the contingency reserve
2. The direct charges for the provincial equitable share are netted out

**SCHEDULE 4, PART A**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Basic Education (Vote 14)</b>	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to enhance capacity to deliver infrastructure in education; to address damage to infrastructure caused by natural disasters; to address achievement of the targets set out in the minimum norms and standards for school infrastructure.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	1 505 088		1 505 088
				Gauteng	695 122		695 122
				KwaZulu-Natal	1 385 737		1 385 737
				Limpopo	1 958 321		1 958 321
				Mpumalanga	830 532	177 098	1 007 630
				Northern Cape	788 153		788 153
				North West	486 538		486 538
				Western Cape	971 989		971 989
				Unallocated	992 212	142 492	1 134 704
				<b>TOTAL</b>	<b>9 613 692</b>	<b>319 590</b>	<b>9 933 282</b>
<b>Health (Vote 16)</b>	(a) Health Professions Training and Development Grant	Support provinces to fund service costs associated with clinical teaching and training of health science trainees on the public service platform.	Nationally assigned function to provinces	Eastern Cape	213 212		213 212
				Free State	156 189		156 189
				Gauteng	865 244		865 244
				KwaZulu-Natal	312 377		312 377
				Limpopo	123 960		123 960
				Mpumalanga	101 646		101 646
				Northern Cape	81 815		81 815
				North West	111 565		111 565
				Western Cape	510 716		510 716
				<b>TOTAL</b>	<b>2 476 724</b>		<b>2 476 724</b>
	(b) National Tertiary Services Grant	Ensure provision of tertiary health services for all South African citizens (including documented foreign nationals); to compensate tertiary facilities for the additional costs associated with provision of these services.	Nationally assigned function to provinces	Eastern Cape	838 458		838 458
				Free State	958 021		958 021
				Gauteng	3 727 048		3 727 048
				KwaZulu-Natal	1 596 286		1 596 286
				Limpopo	344 723		344 723
				Mpumalanga	103 597		103 597
				Northern Cape	318 661		318 661
				North West	253 096		253 096
				<b>TOTAL</b>	<b>2 706 888</b>		<b>2 706 888</b>
				<b>TOTAL</b>	<b>10 846 778</b>		<b>10 846 778</b>

**SCHEDULE 4, PART A**

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

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Transport (Vote 35)</b>	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for routine, periodic and special maintenance; to ensure all roads are classified as per Road Infrastructure Strategic Framework For South Africa and the Technical Recommendations for Highways Road Classification and Access Management guidelines; to implement and maintain Road Asset Management Systems as per Technical Methods for Highways; to supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters; to improve the state of the road network serving electricity generation infrastructure; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	1 279 725		1 279 725
				Gauteng	1 258 030		1 258 030
				KwaZulu-Natal	501 784		501 784
				Limpopo	1 925 378	275 691	2 201 069
				Mpumalanga	995 109		995 109
				Northern Cape	1 638 865		1 638 865
				North West	905 359		905 359
				Western Cape	867 524		867 524
				Unallocated	830 729		830 729
	<b>TOTAL</b>				<b>10 202 503</b>	<b>275 691</b>	<b>10 478 194</b>
	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Eastern Cape	218 217		218 217
				Free State	241 257		241 257
				Gauteng	2 033 590		2 033 590
				KwaZulu-Natal	1 011 046		1 011 046
				Limpopo	326 129		326 129
				Mpumalanga	549 132		549 132
				Northern Cape	49 096		49 096
				North West	100 925		100 925
				Western Cape	870 900		870 900
				<b>TOTAL</b>	<b>5 400 292</b>		<b>5 400 292</b>
<b>Social Development (Vote 17)</b>	Early Childhood Development Grant	To extend access to early childhood development to South Africa's children	General conditional allocation to provinces	Eastern Cape			
				Free State			
				Gauteng			
				KwaZulu-Natal			
				Limpopo			
				Mpumalanga			
				Northern Cape			
	<b>TOTAL</b>						

**SCHEDULE 5, PART A**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Agriculture, Forestry and Fisheries</b>	(a) Comprehensive Agriculture Support Programme	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; to address damage to infrastructure caused by floods.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	263 490		263 490
				Gauteng	174 289		174 289
				KwaZulu-Natal	85 079		85 079
				Limpopo	222 155		222 155
				Mpumalanga	260 576		260 576
				Northern Cape	172 414		172 414
				North West	128 364		128 364
				Western Cape	171 258		171 258
				<b>TOTAL</b>	<b>1 641 824</b>		<b>1 641 824</b>
	(b) Ilima/Letsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.	Conditional allocation	Eastern Cape	63 876		63 876
				Free State	59 447		59 447
				Gauteng	26 061		26 061
				KwaZulu-Natal	63 876		63 876
				Limpopo	63 876		63 876
				Mpumalanga	49 136		49 136
				Northern Cape	55 050		55 050
				North West	59 448		59 448
				Western Cape	50 593		50 593
				<b>TOTAL</b>	<b>491 363</b>		<b>491 363</b>
	(c) Land Care Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape	10 632		10 632
				Free State	5 506		5 506
				Gauteng	4 802		4 802
				KwaZulu-Natal	10 632		10 632
				Limpopo	10 438		10 438
				Mpumalanga	6 208		6 208
				Northern Cape	9 320		9 320
				North West	7 621		7 621
				Western Cape	4 106		4 106
				<b>TOTAL</b>	<b>69 265</b>		<b>69 265</b>

**SCHEDULE 5, PART A**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Arts and Culture (Vote 37)</b>	Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	149 320		149 320
				Gauteng	157 758		157 758
				KwaZulu-Natal	163 339		163 339
				Limpopo	163 162		163 162
				Mpumalanga	115 295		115 295
				Northern Cape	155 289		155 289
				North West	152 313		152 313
				Western Cape	136 494		136 494
				<b>TOTAL</b>	<b>1 357 132</b>		<b>1 357 132</b>
<b>Basic Education (Vote 14)</b>	(a) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by increasing sexual and reproductive health knowledge, skills and appropriate decision making among learners and educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators; to ensure the provision of a safe, rights-based environment in schools that is free of discrimination, stigma and any form of sexual harassment/abuse; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned and vulnerable children.	Conditional allocation	Eastern Cape	39 591		39 591
				Free State	12 967		12 967
				Gauteng	32 449		32 449
				KwaZulu-Natal	53 096		53 096
				Limpopo	33 310		33 310
				Mpumalanga	18 798		18 798
				Northern Cape	5 281		5 281
				North West	16 629		16 629
				Western Cape	18 728		18 728
				<b>TOTAL</b>	<b>230 849</b>		<b>230 849</b>
	(b) Maths, Science and Technology Grant	To improve access, equity, efficiency and quality Mathematics, Science and Technology education in the country by providing support and resources to schools, teachers and learners for the improvement of Mathematics, Science and Technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	46 898		46 898
				Free State	33 466		33 466
				Gauteng	49 810		49 810
				KwaZulu-Natal	62 453		62 453
				Limpopo	42 553		42 553
				Mpumalanga	41 639		41 639
				Northern Cape	23 030		23 030
				North West	34 754		34 754
				Western Cape	27 841		27 841
				<b>TOTAL</b>	<b>362 444</b>		<b>362 444</b>



**SCHEDULE 5, PART A**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Basic Education (Vote 14)</b>	(c) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	1 074 182	11 022	1 085 204
				Gauteng	334 971	6 529	341 500
				KwaZulu-Natal	712 955	4 344	717 299
				Limpopo	1 355 247	8 536	1 363 783
				Mpumalanga	1 085 431	8 413	1 093 844
				Northern Cape	574 843	6 439	581 282
				North West	150 289	2 125	152 414
				Western Cape	402 789	4 511	407 300
				<b>TOTAL</b>	<b>6 006 012</b>	<b>53 643</b>	<b>6 059 655</b>
<b>Health (Vote 16)</b>	(a) Comprehensive HIV, AIDS and TB Grant	To enable the health sector to develop and implement an effective response to HIV and AIDS and TB; to support the national Department of Health with the President's Emergency Plan for AIDS Relief transition process	Conditional allocation	Eastern Cape	1 755 385		1 755 385
				Free State	1 015 061		1 015 061
				Gauteng	3 259 407		3 259 407
				KwaZulu-Natal	4 244 243		4 244 243
				Limpopo	1 176 489		1 176 489
				Mpumalanga	1 032 055		1 032 055
				Northern Cape	413 231		413 231
				North West	1 127 523		1 127 523
				Western Cape	1 267 209		1 267 209
				<b>TOTAL</b>	<b>15 290 603</b>		<b>15 290 603</b>
	(b) Health Facility Revitalisation Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance; to enhance capacity to deliver health infrastructure.	Conditional allocation	Eastern Cape	619 041		619 041
				Free State	474 692		474 692
				Gauteng	777 818		777 818
				KwaZulu-Natal	1 114 693		1 114 693
				Limpopo	379 089		379 089
				Mpumalanga	281 174		281 174
				Northern Cape	472 267		472 267
				North West	480 434		480 434
				Western Cape	673 472		673 472
				<b>TOTAL</b>	<b>5 272 680</b>		<b>5 272 680</b>
	(c) Human Papillomavirus Vaccine Grant	To enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccination for grade 4 school girls in all public and special schools.	Conditional allocation	Eastern Cape			
				Free State			
				Gauteng			
				KwaZulu-Natal			
				Limpopo			
				Mpumalanga			
				<b>TOTAL</b>			

**SCHEDULE 5, PART A**

**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Health (Vote 16)</b>	(d) National Health Insurance Grant	Test innovations in health service delivery and provision for implementing NHL, allowing for each district to interpret and design innovations relevant to its specific context, in line with the vision for realising universal health coverage for all; to undertake health system strengthening activities in identified focus and priority areas; to assess the effectiveness of interventions/activities undertaken in the districts funded through this grant.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape <b>TOTAL</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
					7 546		7 546
					7 543		7 543
					7 543		7 543
					15 083	4 000	19 083
					7 543		7 543
					7 546		7 546
					7 543		7 543
					17 337	5 000	22 337
					<b>85 227</b>	<b>9 000</b>	<b>94 227</b>
<b>Human Settlements (Vote 38)</b>	Human Settlements Development Grant	To provide funding for the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape <b>TOTAL</b>			
					1 991 457		1 991 457
					1 098 411		1 098 411
					5 022 669		5 022 669
					3 124 702		3 124 702
					1 208 370		1 208 370
					1 314 645		1 314 645
					371 109		371 109
					2 151 817		2 151 817
					2 000 811		2 000 811
					<b>18 283 991</b>		<b>18 283 991</b>
<b>Public Works (Vote 11)</b>	(a) Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, other economic and social infrastructure, tourism and cultural industries, sustainable land based livelihoods and waste management.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape Unallocated <b>TOTAL</b>			
					77 370		77 370
					25 641		25 641
					32 820		32 820
					104 066		104 066
					18 745		18 745
					42 855		42 855
					17 876		17 876
					51 021		51 021
					31 615		31 615
					<b>402 009</b>		<b>402 009</b>

**SCHEDULE 5, PART A**  
**SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES**

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Public Works (Vote 11)	(b) Social Sector Expanded Public Works Programme Incentive Grant for Provinces	To incentivise provincial social sector departments, identified in the 2015 social sector Expanded Public Works Programme log-frame to increase job creation by focusing on the strengthening and expansion of social sector programmes that have employment potential.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	21 460		21 460
				Gauteng	21 979		21 979
				KwaZulu-Natal	49 969		49 969
				Limpopo	61 553		61 553
				Mpumalanga	36 802		36 802
				Northern Cape	59 554		59 554
				North West	26 769		26 769
				Western Cape	42 053		42 053
				Unallocated	39 523		39 523
Social Development (Vote 17)	Substance Abuse Treatment Grant	To provide funding for the construction of substance dependency treatment facilities in the provinces of Eastern Cape, Free State, Northern Cape and North West.	Conditional allocation	TOTAL	359 662		359 662
				Eastern Cape			
				Free State	42 500		42 500
				Gauteng			
				KwaZulu-Natal			
				Limpopo			
				Mpumalanga			
				Northern Cape	43 000		43 000
				North West			
				Western Cape			
Sport and Recreation South Africa (Vote 40)	Mass Participation and Sport Development Grant	To facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	TOTAL	85 500		85 500
				Eastern Cape	68 347	(1 210)	67 137
				Free State	43 019	23 442	66 461
				Gauteng	101 084	(17 468)	83 616
				KwaZulu-Natal	90 785	7 305	98 090
				Limpopo	61 075	5 958	67 033
				Mpumalanga	49 043	(2 300)	46 743
				Northern Cape	33 642	(2 229)	31 413
				North West	46 514	(4 264)	42 250
				Western Cape	62 199	(9 234)	52 965
TOTAL					555 708		555 708

**SCHEDULE 6, PART A**  
**ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES**

Vote	Name of allocation	Purpose	Column A		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
<b>Agriculture, Forestry and Fisheries (Vote 24)</b>	Comprehensive Agriculture Support Programme	To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export; to address damage to infrastructure caused by floods and provide drought relief.	R'000	R'000	R'000
<b>Basic Education (Vote 14)</b>	School Infrastructure Backlogs Grant	Eradication of all inappropriate school infrastructure; provision of water, sanitation and electricity to schools.	2 374 867	(194 290)	2 180 577
<b>Health (Vote 16)</b>	National Health Insurance Indirect Grant	To address capacity constraints in the provinces and to create an alternate track to speed up infrastructure delivery; to develop and pilot innovative models for purchasing services from health practitioners and other service providers in National Health Insurance pilot districts; to improve spending, performance, monitoring and evaluation on National Health Insurance pilots and infrastructure projects; to fund the introduction of the Human Papillomavirus vaccination programme in schools; to enable the health sector to address deficiencies in the primary health care facilities systematically to yield big fast results; to fund development and roll-out of new health information systems in preparation for National Health Insurance.	1 261 230		1 261 230
<b>TOTAL</b>			<b>3 636 097</b>	<b>17 710</b>	<b>3 441 807</b>

**SCHEDULE 6, PART B**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES**

Vote	Name of allocation	Purpose	Column A		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
			R'000		
<b>Cooperative Governance and Traditional Affairs (Vote 4)</b>	(a) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.			
	(b) Municipal Demarcation Transition Grant	To subsidise the additional institutional and administrative costs arising from major boundary changes due to come into effect at the time of the 2016 local government elections.		27 858	27 858
	(c) Municipal Systems Improvement Grant	To assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act, the Municipal Property Rates Act and related legislation.	84 349		84 349
<b>Energy (Vote 26)</b>	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to address the electrification backlog of occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply in Eskom licenced areas.	3 526 334		3 526 334
<b>National Treasury (Vote 7)</b>	Neighbourhood Development Partnership Grant	To plan, catalyse and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life and access to opportunities for residents in South Africa's under-served neighbourhoods, generally townships.	22 209		22 209
<b>Water and Sanitation (Vote 36)</b>	(a) Bucket Eradication Programme Grant	To provide funding for the eradication of bucket sanitation in formal areas.	350 000	72 000	422 000
	(b) Water Services Infrastructure Grant	To facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and improve the sustainability of services in prioritised district municipalities, especially in rural municipalities; provide interim, intermediate water and sanitation services that ensure provision of services to identified and prioritised communities, including through spring protection, drilling, testing and equipping of boreholes and on-site solutions; to support drought relief projects in affected municipalities.	311 545	50 600	362 145
	(c) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing infrastructure that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to develop new, refurbish, upgrade and replace ageing waste water infrastructure of regional significance; to pilot regional Water Conservation and Water Demand Management projects or facilitate and contribute to the implementation of local Water Conservation and Water Demand Management projects that will directly impact on bulk infrastructure requirements.	3 478 829		3 478 829
<b>TOTAL</b>			<b>7 773 266</b>	<b>150 458</b>	<b>7 923 724</b>

## **MEMORANDUM ON THE OBJECTS OF THE DIVISION OF REVENUE AMENDMENT BILL, 2016**

### **1. BACKGROUND**

- 1.1 Section 214(1) of the Constitution of the Republic of South Africa, 1996 (“the Constitution”), requires that an Act of Parliament be enacted to provide for—
  - (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
  - (b) the determination of each province’s equitable share of the provincial share of that revenue; and
  - (c) any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and any conditions on which those allocations may be made.
- 1.2 Section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009), requires the Minister of Finance to table a division of revenue amendment Bill with a revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year. As the adjustments budget for 2016/17 effects changes to the Division of Revenue Act, 2016 (Act No. 3 of 2016) (“the DoRA”), it is necessary for the Division of Revenue Amendment Bill (“the Bill”), to be tabled with the revised fiscal framework.
- 1.3 The Bill is thus introduced in compliance with the requirements of the Constitution and the Money Bills Amendment Procedure and Related Matters Act, 2009.

### **2. SUMMARY OF BILL**

- 2.1 Clause 1 of the Bill proposes the replacement in DoRA of Column A of—
  - (a) Schedule 1;
  - (b) Part A of Schedules 4 and 5; and
  - (c) Parts A and B of Schedule 6.
 Column A specifies the allocations for the 2016/17 financial year. Amendments to allocations are indicated in Column A by indicating the adjustment and the adjusted amount. The Schedules to the Bill address the following matters—
  - (a) adjusting the equitable share of the national sphere of government; and
  - (b) changes to conditional allocations to provinces and municipalities.
- 2.2 Clause 2 of the Bill contains the short title.

### **3. ORGANISATIONS AND INSTITUTIONS CONSULTED**

The following institutions were consulted on the adjustments proposed in the Bill:

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

### **4. FINANCIAL IMPLICATIONS TO THE STATE**

This Bill is necessitated by the proposed national adjustment budget for the 2016/17 financial year which affects the division of revenue between the three spheres of government. Financial implications to government are limited to the total transfers to provinces and local government as indicated in the Schedules to the Bill.

## **5. CONSTITUTIONAL IMPLICATIONS**

This Bill (if enacted), in conjunction with the DoRA, will give effect to section 214 of the Constitution.

## **6. PARLIAMENTARY PROCEDURE**

- 6.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure envisaged by section 76(1) of the Constitution, as it provides for legislation envisaged in Chapter 13 of the Constitution and includes provisions affecting the financial interests of the provincial sphere of government, as contemplated in section 76(4)(b) of the Constitution.
- 6.2 In terms of section 76(3) of the Constitution, a Bill must be dealt with in accordance with the procedure established by either subsection (1) or subsection (2) if it falls within a functional area listed in Schedule 4.
- 6.3 The Bill provides for legislation envisaged in Chapter 13 of the Constitution. Furthermore, the Bill includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section 76(4)(b) of the Constitution. We are therefore of the opinion that the Bill must be dealt with in accordance with the procedure envisaged by section 76(1) of the Constitution.
- 6.4 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional Leaders in terms of section 18(1)(a) of the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003), since it does not contain provisions pertaining to customary law or customs of traditional communities.

# DIVISION OF REVENUE AMENDMENT BILL ATTACHMENTS

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**ANNEXURE 1:**

**EXPLANATORY MEMORANDUM TO  
THE DIVISION OF REVENUE  
AMENDMENT BILL**

# Explanatory memorandum to the Division of Revenue Amendment Bill

## ■ Background

The allocation of resources to the three spheres of government is a critical step in the budget process, required before national government, the nine provinces and 257 municipalities can determine their own budgets. The allocation process takes into account the powers and functions assigned to the three spheres of government. The process for making this decision is at the heart of cooperative governance as envisaged in the Constitution. To foster transparency and ensure smooth intergovernmental relations, section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between the three spheres of government. The Intergovernmental Fiscal Relations Act, 1997, prescribes the process for determining the equitable sharing and allocation of revenue raised nationally.

This Division of Revenue Amendment Bill, 2016, (“the Bill”) fulfils the requirement set out in section 12(4) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act 9 of 2009), that the Minister of Finance must table a division of revenue amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year. Section 10(5) of the Intergovernmental Fiscal Relations Act requires that the Division of Revenue Bill must be accompanied by an explanatory memorandum detailing how the Bill takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution; government’s response to the recommendations of the Financial and Fiscal Commission (FFC); and any assumptions and formulae used in arriving at the respective divisions among provinces and municipalities. As the FFC’s recommendations are specific to the main budget and none of the formulae used in the Division of Revenue Act, 2016, (Act 3 of 2016) have been changed, this explanatory memorandum only contains three parts:

- Part 1 describes the factors that inform the division of resources between the three spheres of government.
- Part 2 describes the proposed amendments to the Division of Revenue Act, 2016, and their impact on the different spheres of government.
- Part 3 describes changes to the frameworks and detailed allocations per province and municipality that have been gazetted in terms of section 16(1) of the Division of Revenue Act, 2016. The changes are submitted to parliament for consideration as envisaged in section 16(2) of the Division of Revenue Act, 2016.

The Division of Revenue Amendment Bill, 2016, and its underlying allocations are the culmination of extensive consultation processes between national, provincial and local government. The Budget Council and Local Government Budget Forum deliberated on the matters discussed in this memorandum. The approach to local government allocations have been discussed with organised local government (South African Local Government Association) at technical meetings, culminating in a meeting of the Local Government Budget Forum.

## ■ Part 1: Constitutional considerations

Section 214 of the Constitution requires that the annual Division of Revenue Act be enacted only after taking account of factors in sub-sections (2)(a) to (j) of the Constitution. These include the national interest; provision for debt; the needs of national government and emergencies; the allocation of resources to provide basic services and meet developmental needs; fiscal capacity and efficiency of the provincial and local spheres; the reduction of economic disparities; and the promotion of stability and predictability. Annexure W1 to the 2016 Division of Revenue Bill outlined in detail how these considerations were taken into account

in the 2016 Division of Revenue. None of the adjustments in this Bill alter the constitutional considerations that informed the 2016 Division of Revenue.

## ■ **Part 2: Summary of changes in the Division of Revenue Amendment Bill, 2016**

An adjustments budget provides for unforeseen and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings; and the roll-over of unspent funds from the preceding financial year. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year the Minister of Finance must table a Division of Revenue Amendment Bill with the revised framework. There are amendments to the 2016 Budget that affect the Division of Revenue Act, 2016 which will be effected through the Division of Revenue Amendment Act, 2016, once enacted. The amendments as they impact on provinces and municipalities are discussed in detail below.

### **Changes to provincial allocations**

#### *Roll-over of provincial roads maintenance grant funds*

An amount of R275.7 million will be rolled-over from allocations made in 2015/16 on the *provincial roads maintenance grant* for KwaZulu-Natal. These funds were not transferred in 2015/16 because the provincial transport department failed to fully comply with reporting conditions attached to the grant. The province however kept up its spending performance on the grant and did subsequently provide all the reporting information required. The funds were therefore eligible for a roll-over as they had been committed and spent.

#### *Addition to the national health insurance grant*

An amount of R9 million will be added to the direct *national health insurance grant* to fund the strengthening of health information systems in KwaZulu-Natal and Western Cape. This will be funded from the shifting of funds earmarked for developing the diagnosis related groups (DRG) reimbursement model project on the national Department of Health's budget. The health information systems are essential for the implementation of the National Health Insurance scheme, especially in developing the DRG reimbursement model. These two provinces are receiving these allocations in 2016/17 because they have the most prepared sites with appropriate test hospitals that can produce meaningful inputs into the DRG assessment process being led by the national Department of Health.

#### *Addition to the comprehensive agriculture support programme*

An amount of R212 million will be added to a new indirect component of the *comprehensive agriculture support programme* to enable the national Department of Agriculture Forestry and Fisheries to provide relief to farmers affected by the ongoing drought. These funds will be used to provide relief mainly in the form of animal fodder. The additional funds will be spent by the national Department of Agriculture, Forestry and Fisheries on behalf of the provinces in order to leverage economies of scale in purchasing and distribution. These additional funds will be spent in the following 8 provinces:

- Eastern Cape: R29 million
- Free State: R31 million
- KwaZulu-Natal: R23 million
- Limpopo: R28 million
- Mpumalanga: R26 million
- Northern Cape: R25 million
- North West: R38 million
- Western Cape: R12 million

#### *Addition to the education infrastructure grant*

An amount of R177.1 million has been allocated to the *education infrastructure grant* for the rehabilitation of damaged school infrastructure. The funds will also be used to provide mobile classrooms while damaged school infrastructure is being rehabilitated.

#### *Additions to the national school nutrition programme grant*

In order to cover the shortfall in the *national school nutrition programme grant*, caused by high food price inflation, R51.8 million has been reprioritised from the indirect *school infrastructure backlogs grant*. A further R1.8 million will be added to the *national school nutrition programme grant* for the feeding of learners and educators during catch-up camps for schools where learning was disrupted when school infrastructure was damaged.

#### *Conversion of allocation from the school infrastructure backlogs grant to the education infrastructure grant*

R142.5 million of the indirect *school infrastructure backlogs grant*, will be converted to the direct *education infrastructure grant* allocation for the Western Cape. The same projects that were previously funded through the indirect grant will now be implemented by the Western Cape provincial education department.

#### *Reallocations within the mass participation and sport development grant*

The allocations per province in the *mass participation and sport development grant* will be corrected to make provision for club development pilot projects and the National Training Centre. While the gazetted conditional grant framework for this grant says that 3 per cent of the grant is allocated to KwaZulu-Natal and Limpopo provinces for club development pilots and 4.5 per cent is allocated to the Free State for the National Training Centre, due to an oversight by the national Department of Sport and Recreation South Africa, the allocations for the grant in the 2016 Division of Revenue Act do not reflect this. The allocations in Schedule 5A are therefore being amended to increase the allocations to these three provinces to provide for these special projects. This change is funded through the reduction of allocations to the other six provinces, so there is no net change in the total amount allocated to this conditional grant. This change has been discussed and agreed to between the national department and provinces in the sector's 'HeadCom' meeting which is chaired by the Director-General of Sport and Recreation South Africa and includes the Heads of Department from each province.

### **Changes to local government allocations**

#### *Roll-over of funds for the municipal demarcation transition grant*

An amount of R27.9 million is rolled-over for the *municipal demarcation transition grant* for funds converted to an indirect grant allocation at the end of the 2015/16 national financial year. These are funds that were allocated for the preparation for major re-demarcations (including the merging of municipalities) for boundary changes that were announced by the Municipal Demarcation Board in 2013. Funds from this grant were transferred to municipalities in Gauteng that were merging, but in the case of KwaZulu-Natal National Treasury was requested to convert the grant allocations to indirect grant allocations so that the national Department of Cooperative Governance could use the provincial Department of Cooperative Governance and Traditional Affairs in KwaZulu-Natal to implement preparatory work on behalf of the affected municipalities. While the funds were committed by the end of 2015/16 the projects were not spent by the end of the financial year and hence a roll-over was needed in order for the funds to be able to be spent in 2016/17 instead. Further allocations for the direct grant have been made for these municipalities, and for major boundary redeterminations announced in 2015, in the Division of Revenue Act, 2016.

#### *Additional allocation to support drought relief*

The allocation for the indirect *water services infrastructure grant* will be increased by R50.6 million in 2016/17 to fund the provision of emergency water supplies to drought affected communities. The support provided includes water tankers providing water to communities and the provision of storage tanks that can be filled by water tankers. These allocations will support drought relief in four provinces, namely the Eastern Cape, Free State, KwaZulu-Natal and North West. Most of the relief funded through this allocation was already provided in the early months of 2016/17, but in some areas relief is expected to continue to be

provided until December 2016. Water tanking is not intended to be a long-term response to drought. Other grant allocations have also been reprioritised (within municipalities) to repair and refurbish leaking infrastructure and drill boreholes to augment water supplies as more sustainable solutions to supply constraints.

#### *Additional allocation for bucket eradication*

The allocation for the *bucket eradication programme grant* is increased by R72 million to allow the Department of Water and Sanitation to complete bucket eradication projects that the department had already identified and committed to implementing. This increase is funded through the reprioritisation of funds from compensation of employees and goods and services funds on the budget vote of the department. The changes to the allocations per municipality reflected in Annexure 4 of the Bill also include reallocations from some existing projects to ensure that other projects can be completed. The *bucket eradication programme grant* is an indirect grant to local government that was introduced in 2014/15 to fund the eradication of bucket sanitation systems in formal residential areas. The grant was due to end in 2015/16 but was extended into 2016/17 to allow the Department of Water and Sanitation to complete outstanding projects. The eradication of bucket sanitation in informal settlements is funded through the *urban settlements development grant* and the *municipal infrastructure grant*.

### **Part 3: Changes to gazetted frameworks and allocations**

Together with the tabling of the Division of Revenue Amendment Bill, 2016, National Treasury also submits to parliament proposed changes to gazetted conditional grant frameworks and allocations. Section 16(4) of the Division of Revenue Act, 2016, requires National Treasury to consult parliament on any proposed changes to a conditional grant framework for the purposes of correcting an error or omission, as envisaged in Section 16(2) of the Division of Revenue Act, 2016.

The proposed changes to conditional grant frameworks are described below and the revised frameworks and detailed allocations are included in the annexures and appendices to the Division of Revenue Amendment Bill, 2016. While these changes do not form part of the Bill, parliament is requested to consider them in terms of the process set out in Section 16(4) of the Division of Revenue Act, 2016. Proposed changes to gazetted allocation appendixes that provide further details of grant allocations are also included here.

#### *Comprehensive agriculture support programme framework*

The *comprehensive agriculture support programme* framework will be amended by the deletion of the phrase: “The *comprehensive agriculture support programme* will be top-sliced by R60 million over the 2016 MTEF (R10 million 2016/17, R20 million 2017/18 and R30 million 2018/19) in order for the Department of Agriculture, Forestry and Fisheries to provide an oversight and monitoring function for the grant”. The grant has already been top-sliced and the R60 million referred to is not included in the allocations for this grant over the 2016 MTEF, but is instead allocated on the vote of the Department of Agriculture, Forestry and Fisheries. This phrase could be interpreted as allowing for a further top-slicing of the grant and so this error needs to be corrected by deleting the phrase.

The grant framework will also be corrected to add provision for an indirect component of the grant which was omitted at the time the original framework was gazetted. This indirect component will be used to spend the additional R212 million made available for drought relief. The provisions added to the framework require the national Department of Agriculture, Forestry and Fisheries to prepare a business plan on how the funds will be spent and to consult the National Disaster Management Centre and each respective provincial department responsible for agriculture before drought relief funds can be spent.

#### *National health insurance grant framework*

The direct *national health insurance grant* framework is corrected to provide conditions for the diagnosis related groups (DRG) project additions to this grant that are described in part 2 of this explanatory memorandum. These conditions specify how much each province may spend on this project and what the business planning and reporting requirements are for these allocations. These conditions were omitted in the original conditional grant framework for 2016/17 as the grant did not originally include allocations for the DRG project.

*Reprioritisation within the national health insurance indirect grant gazetted allocations*

Within the *national health insurance indirect grant*, R10 million has been reprioritised from the Human Papillomavirus (HPV) vaccination grant component towards the health professionals contracting component as the HPV vaccination grant component is currently underspending while the latter component faces expenditure pressures. Changes to reflect this shift are captured in the allocation annexure for the *national health insurance indirect grant*.

*Municipal infrastructure grant*

In 2016/17 the *municipal infrastructure grant* includes a ring-fenced amount of R300 million for sport infrastructure projects identified by Sport and Recreation South Africa (SRSA). Conditions in the *municipal infrastructure grant* framework stipulate that those municipalities that receive funding from this R300 million may only use the funds for projects on a gazetted list. This list of projects was identified by Sport and Recreation South Africa and gazetted by the Minister of Finance, together with the conditional grant frameworks in terms of Section 16(1) of the Division of Revenue Act, 2016. Following consultations with municipalities, Sport and Recreation South Africa has requested several changes to the project descriptions that were gazetted. These changes reflect greater detail and in some cases additional facilities that will be built or improved through these allocations. None of the amounts allocated to municipalities are being changed, only the descriptions of the projects to be funded. The following five municipalities have amended project descriptions in Appendix 1: Tokologo Local Municipality, LIM353 Local Municipality, Umsobomvu Local Municipality, Lekwa-Teemane Local Municipality and Emalahleni Local Municipality.

The *municipal infrastructure grant* framework also requires that municipalities allocated ring-fenced funds for sports projects “must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation.” This condition omits to allow for the possibility of exemptions to this clause for cases where municipalities are able to procure infrastructure timeously and cost effectively outside of a transversal contract approved by SRSA. This omission will be corrected through the addition of the phrase, “unless an exemption from this requirement is approved by SRSA” at the end of this condition.

**ANNEXURE 2:**  
**FRAMEWORKS FOR CONDITIONAL**  
**GRANTS TO PROVINCES**

## **Annexure 2: Frameworks for Conditional Grants to Provinces**

### **Detailed frameworks on Schedule 5, Part A; and Schedule 6, Part A grants to provinces**

#### **Introduction**

This annexure provides the revised frameworks for grants set out in Part A of schedules 5 and 6 of the 2016 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2016 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provinces
- Process for approval of business plans for 2017/18

The attached frameworks are not part of the Division of Revenue Amendment Bill, but are published in order to provide more information on the grants to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2016 Division of Revenue Amendment Bill is enacted, the frameworks will be gazetted in terms of the Act.

The financial statements and annual reports for 2016/17 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.



## AGRICULTURE, FORESTRY AND FISHERIES GRANT

<b>Comprehensive Agriculture Support Programme</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Agriculture, Forestry and Fisheries (Vote 24)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 5A and Schedule 6A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, smallholder and black commercial farmers</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export</li> <li>• To address damage to infrastructure caused by floods and provide drought relief</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• Broadened access to agricultural support for subsistence, smallholder and black commercial farmers</li> <li>• Improved household and national food security</li> <li>• Improved farming efficiency</li> <li>• Increased wealth creation and sustainable employment in rural areas</li> <li>• Increased access to markets by beneficiaries of Comprehensive Agriculture Support Programme (CASP)</li> <li>• <u>Reliable and accurate agricultural information available for management decision making</u></li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• Farmers supported per category (subsistence, smallholder and black commercial farmers)</li> <li>• Youth, women and farmers with disabilities supported through CASP</li> <li>• On - and off - farm infrastructure provided and repaired</li> <li>• Land under agricultural production (crop and livestock)</li> <li>• Yields per unit area</li> <li>• Beneficiaries of CASP trained on farming methods or opportunities along the value chain</li> <li>• Beneficiaries of CASP accessing markets</li> <li>• Jobs created</li> <li>• Extension personnel recruited and maintained in the system</li> <li>• Extension officers upgrading qualifications at various institutions</li> <li>• Agriculture Information Management System (AIMS) implemented in all 9 provinces</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Outcome 4: Decent employment through inclusive economic growth</li> <li>• Outcome 5: A skilled and capable workforce to support an inclusive growth path</li> <li>• Outcome 7: Comprehensive rural development and land reform</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• Outcome indicators</li> <li>• Outputs indicators</li> <li>• Inputs</li> <li>• Key activities</li> <li>• Monitoring framework</li> <li>• Risks and mitigation strategies</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• The funding for this grant can be spent using the following prescription: <ul style="list-style-type: none"> <li>○ at most 20 per cent of project allocation to support Fetsa Tlala initiatives</li> <li>○ at most 55 per cent of project allocation to support the Agriculture Policy Action Plan (APAP)</li> <li>○ at most 5 per cent of project allocation on Agricultural Information Management System (AIMS)</li> <li>○ at least 10 per cent of project allocation on market access and development</li> <li>○ at most 10 per cent of project allocation on training and capacity building of farmers</li> </ul> </li> <li>• A central (AIMS) to be implemented by eight provinces (Western Cape is already implementing the system) to ensure a harmonised system that integrates and collates information to the national and provincial level (vice versa). The following contribution per province will be made to the National Agricultural Marketing Council (coordinating the development of the system) for the implementation of AIMS <ul style="list-style-type: none"> <li>○ Eastern Cape R9 million</li> <li>○ Free State R9 million</li> <li>○ Gauteng R9 million</li> <li>○ KwaZulu-Natal R9 million</li> <li>○ Limpopo R9 million</li> <li>○ Mpumalanga R9 million</li> <li>○ Northern Cape R4.5 million (R4.5 million contribution already made)</li> <li>○ North West (full contribution made)</li> </ul> </li> <li>• Provinces must adhere to the CASP standard operating procedure (SOP) framework when implementing projects</li> <li>• Only business plans approved by established committees and authorities will receive funds from the CASP grant</li> <li>• All assisted farmers should be listed in the provincial and national farm registers</li> <li>• The provincial departments must confirm human resources capacity to implement CASP business plan by 28 March 2016</li> <li>• All receiving departments must abide by the Public Finance Management Act (PFMA), Treasury Regulations and the 2016 Division of Revenue Act (DoRA) when executing projects and for reporting purposes</li> </ul>

<b>Comprehensive Agriculture Support Programme</b>	
	<ul style="list-style-type: none"> <li>Funds will be transferred as per the disbursement schedule approved by National Treasury</li> <li>Provinces to inform the national transferring officer of any changes from plans and allocations approved by the transferring officer of the Department of Agriculture, Forestry and Fisheries (DAFF), within seven days of such change, and such changes must be approved by the transferring officer before they are implemented</li> <li>The provincial business plans must be signed off by the Heads of Departments of the provincial agriculture department in collaboration with Chief Financial Officers or their representatives</li> <li>The signed business plan for CASP must be submitted to DAFF for approval</li> <li>Allocation for agricultural colleges must only be used to revitalise infrastructure and equipment at these colleges as determined in the master plan</li> <li>Allocations for natural disasters must only be used for the repair of infrastructure damaged by natural disasters declared in the Government Gazette and as assessed by the National Disaster Management Centre (NDMC). The allocations for 2016/17, for infrastructure damaged by floods are as follows: <ul style="list-style-type: none"> <li>Limpopo: R16 million</li> <li>Mpumalanga: R20 million</li> <li>Western Cape: R41 million</li> </ul> </li> <li>Business plans for the allocated disaster funds must be in line with the post disaster verification assessment reports, and must be submitted to the NDMC and DAFF for approval</li> <li>Quarterly performance reports on disaster allocations must be submitted to the NDMC and DAFF</li> </ul> <p><b>Schedule 6A allocation</b></p> <ul style="list-style-type: none"> <li>This allocation may only be used to fund expenditure on fodder for farmers affected by the ongoing drought</li> <li>DAFF must consult the NDMC and each respective provincial department responsible for agriculture on the locations where support is to be provided prior to spending the funds</li> <li>DAFF must submit a business plan to National Treasury within 14 days of the Division of Revenue Amendment Act, 2016, taking effect. This business plan must detail how the funds will be spent, how the supply of fodder to farmers will be managed, and show evidence of consultation and agreement with NDMC and respective provincial departments</li> <li>All projects funded must be aligned to, and not duplicate, any existing or planned projects funded from other conditional grants or provincial own funds</li> <li>Proof of expenditure must be submitted to National Treasury within 30 days of the funds being spent</li> <li>Funds from this allocation must be utilised within the 2016/17 financial year</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: previous CASP performance, agricultural land area, restituted and redistributed land delivered, households involved in agriculture (General Household Survey 2014), and current benchmarks on production and national policy imperatives</li> <li>Allocations under Schedule 6A are made to provinces with declared disasters related to the ongoing drought</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve aspirations of the National Development Plan</li> <li>The responsibility for the programme rests with DAFF while provincial departments of agriculture are implementing agents</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>Allocated and transferred R1.9 billion to provinces, of which R1.8 billion (96.6 per cent) was spent by the end of the national financial year</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>114 102 beneficiaries were supported from 783 implemented projects</li> <li>5 673 jobs created</li> <li>19 204 farmers trained in targeted training programmes</li> <li>A total of 101 extension officers were recruited nationally</li> <li>A total of 437 extension officers registered for qualification upgrading</li> <li>11 agricultural colleges with ongoing infrastructure upgrading</li> <li>155 farmers benefited from repair of infrastructure damaged by flood disasters (114 agricultural infrastructure, 6 soil rehabilitation and 35 production inputs)</li> <li>211 jobs created through implementation of flood disaster scheme</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>Grant continues until 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>Schedule 5A: 2016/17: R1.6 billion; 2017/18: R1.7 billion; and 2018/19: R1.8 billion</li> <li>Schedule 6A: 2016/17: R212 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Four instalments: 25 April 2016, 22 August 2016, 24 October 2016 and 23 January 2017</li> <li>For Schedule 6A, payments are made to contracted implementing agents after verification of work performed</li> </ul>

<b>Comprehensive Agriculture Support Programme</b>	
<b>Responsibilities of the transferring officer and receiving officer</b>	<b>Responsibilities of the national department</b> <ul style="list-style-type: none"> <li>• Agree on outputs and targets with provincial departments in line with grant objectives for 2016/17</li> <li>• Provide the guidelines and criteria for the development and approval of business plans</li> <li>• Provide template for project registration and reporting</li> <li>• Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly</li> <li>• Submit monthly financial reports to National Treasury 20 days after the end of the month</li> <li>• Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter</li> <li>• Submit annual evaluation of performance report to National Treasury within four months after the end of the financial year</li> <li>• Oversee and monitor implementation of the grant during ministerial technical committee on agriculture and quarterly review meetings</li> </ul>
	<b>Responsibilities of the provincial departments</b> <ul style="list-style-type: none"> <li>• Provinces to adhere to the conditions of this framework and DORA</li> <li>• Provinces to submit detailed project list as per DAFF's project list template</li> <li>• Provinces to report monthly (financial) 15 days after the end of each month, and quarterly (non-financial) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme</li> <li>• Provinces to implement the approved CASP business plans</li> <li>• All receiving departments must abide by the PFMA, Treasury Regulations and the 2016 DoRA when executing projects as well as for reporting purposes</li> <li>• Provinces to inform the transferring officer of any changes from plans and allocations approved by the Director-General for DAFF, within seven days of such a change, and such changes must be approved by the transferring officer before they are implemented</li> <li>• Assign and delegate officials to manage and monitor the implementation of the programme before April 2017</li> <li>• Keep record of projects supported and a farmer register</li> <li>• Monitor project implementation on a quarterly basis and evaluate the impact of projects in achieving CASP goals</li> <li>• Submit quarterly performance reports on disaster allocations to the provincial disaster management centres and DAFF, within 20 days after the end of each quarter</li> <li>• Submit quarterly project performance reports to DAFF</li> </ul>
<b>Process for approval of the 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 30 May 2016</li> <li>• Submission of provincial CASP business plans by provinces on 30 September 2016</li> <li>• Engagement with provinces (pre-national assessment panel) on submitted business plans between October and November 2016 prior to final national assessment panel meeting</li> <li>• Evaluation and recommendation of business plans by the national assessment panel between November 2016 and February 2017</li> <li>• Send funding agreements to provinces between February and March 2017 to be signed by Heads of Departments, Chief Financial Officers and CASP coordinators</li> <li>• Approval of business plans by the transferring officer before 31 March 2017</li> <li>• Inform provinces of approval of the business plans in March or April 2017</li> <li>• Approval by the transferring officer regarding 2017 business planning process compliance during April 2017, and send to National Treasury by end April 2017</li> </ul>

## HEALTH GRANT

<b>National Health Insurance Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Health (Vote 16)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5A</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve and strengthen the performance of the district health management teams through testing service delivery and providing innovations in readiness for the phased implementation of the National Health Insurance (NHI)</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>Test innovations in health service delivery and provision for implementing NHI, allowing for each district to interpret and design innovations relevant to its specific context, in line with the vision for realising universal health coverage for all</li> <li>To undertake health system strengthening activities in identified focus and priority areas</li> <li>To assess the effectiveness of interventions/activities undertaken in the districts funded through this grant</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Strengthened district capacity for service delivery, planning, monitoring and evaluation in selected districts</li> <li>Support the ideal clinics realisation with a focus on national core standards</li> <li>Strengthened coordination and integration of primary health care (PHC) teams within pilot districts</li> <li>Strengthened supply chain management (SCM) systems and processes improved through innovative interventions at the district level</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Selected PHC teams equipped to provide relevant health services through integrated outreach programmes</li> <li>Selected PHC facilities supported to achieve national core standards as part of the Ideal Clinics realisation project</li> <li>Monitoring and evaluation including impact assessments of the effectiveness of selected PHC teams undertaken</li> <li>SCM processes strengthened and streamlined through innovative interventions in pilot districts</li> <li>Compliance with monitoring and evaluation of targets in operational plans</li> <li>Impact assessment of all pilot interventions undertaken</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 2: A long and healthy life for all South Africans</li> </ul>
<b>Details contained in the Business Plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Key activities</li> <li>Monitoring and evaluation plan</li> <li>Cash flow requirements</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>For the purpose of district interventions, funding from this grant to provinces will be made available after the national Department of Health (DoH) approves the business plans for each of the selected pilot districts</li> <li>The eleven pilot districts selected for 2016/17 are: <ul style="list-style-type: none"> <li>Amajuba (KwaZulu-Natal)</li> <li>OR Tambo (Eastern Cape)</li> <li>Thabo Mofutsanyana (Free State)</li> <li>Tshwane (Gauteng)</li> <li>uMzinyathi (KwaZulu-Natal)</li> <li>uMgungundlovu (KwaZulu-Natal)</li> <li>Vhembe (Limpopo)</li> <li>Gert Sibande (Mpumalanga)</li> <li>Pixley ka Seme (Northern Cape)</li> <li>Dr Kenneth Kaunda (North West)</li> <li>Eden (Western Cape)</li> </ul> </li> <li>The selected district must comply with the stipulated provisions relating to monitoring and evaluation of progress in relation to agreed performance indicators as outlined in approved business plans</li> <li>The selected districts must allocate funding towards monitoring, evaluation and grant administration activities and this must not exceed a maximum of three per cent of the annual total grant allocation</li> <li>Municipal ward-based outreach teams to be established in line with national guidelines and health policy priorities</li> <li>R9 million of the total allocation is earmarked to promote improvement and strengthening of hospital clinical coding and financial information systems for the Diagnosis Related Groups (DRG) project, in selected provinces. Allocations to these provinces are:</li> </ul>

<b>National Health Insurance Grant</b>	
	<ul style="list-style-type: none"> <li>○ KwaZulu-Natal: R4 million</li> <li>○ Western Cape: R5 million</li> <li>• Business plans for the DRG funds must be in line with activity plans, and monthly reports must be submitted to DoH</li> <li>• The grant cannot be used to employ additional human resources capacity</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Each district is allocated the same amount with the exception of KwaZulu-Natal where allocation for two pilot sites has been reallocated to three pilot sites</li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• The implementation of NHI will be undertaken through a phased approach over a 14 year period. A conditional grant enables effective roll out of the NHI pilots and allows DoH direct oversight over the pilot sites and the activities thereof</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Allocated and transferred R77 million to provinces</li> <li>• Of the total available, R67 million (83 per cent) was spent</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Existing ward-based PHC outreach teams equipped to collect relevant data from households</li> <li>• Monitoring and evaluation including impact assessment of the effectiveness of existing ward-based PHC outreach teams undertaken</li> <li>• Monitoring and evaluation of direct delivery of chronic medication to patients undertaken to support efficient and effective provision of health services within the district</li> <li>• Lean management principles for supply chain management in relation to non-negotiables implemented</li> <li>• District capacity for monitoring and evaluation, including research/impact assessment reports of selected interventions, undertaken</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• Grant will come to an end at the end of the 2016/17 financial year, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R94 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Monthly instalments as per approved payment schedule</li> <li>• For the DRG project: once off transfers to KwaZulu-Natal and Western Cape as per the approved request</li> </ul>
<b>Responsibilities of the transferring national officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• DoH in consultation with the provinces will ensure that the approved business plans compliment the activities, focus areas, targets and outcomes outlined in the indirect allocation grant framework</li> <li>• Advise provinces on which interventions will be implemented in each of the selected pilot districts</li> <li>• Monitor and evaluate implementation of pilot projects including visits to provinces and selected districts</li> <li>• Commission independent external expert evaluation of the progress and effectiveness of interventions tested in the pilot districts</li> <li>• Facilitate a partnership with the provinces in the selection of the pilot district and monitoring and evaluation, and impact assessments of interventions in order to ensure their experiences inform further NHI design work</li> <li>• Monthly oversight of DRG project-related interventions</li> <li>• Include in the annual performance evaluation of the grant the lessons learnt including challenges experienced and how these lessons will inform the design of future pilot interventions</li> <li>• Complete and submit the phase out report</li> </ul> <p><b>Responsibilities of the provincial departments</b></p> <ul style="list-style-type: none"> <li>• Ensure effective and ongoing monitoring and evaluation of all pilot interventions, including impact assessments where necessary</li> <li>• Submit detailed operational plans to the DoH within 30 days after the start of the financial year</li> <li>• KwaZulu-Natal and Western Cape must submit detailed activity plans with key milestones on how the transferred DRG funding will be utilised as well as submit final close out reports at the end of the 2016/17 financial year</li> </ul>
<b>Process for approval of 2017/18 service level agreement</b>	<ul style="list-style-type: none"> <li>• Provinces to submit first draft business plans for selected pilot sites by 31 October 2016</li> <li>• Provinces to submit final business plans for selected pilot sites by 28 February 2017</li> <li>• DoH submits final business plans to National Treasury by 31 March 2017</li> </ul>

**ANNEXURE 3:**  
**FRAMEWORK FOR CONDITIONAL**  
**GRANT TO MUNICIPALITIES**

## **Annexure 3: Framework for Conditional Grant to Municipalities**

### **Detailed framework on Schedule 5, Part B grant to municipalities**

#### **Introduction**

This annexure provides the framework for a grant set out in Part B of schedule 5 of the 2016 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Priority outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2016 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2017/18

The attached framework is not part of the Division of Revenue Amendment Bill, but is published in order to provide more information on the grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the 2016 Division of Revenue Amendment Bill is enacted, the framework will be gazetted in terms of the Act.

The financial statements and annual reports for 2016/17 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

## COOPERATIVE GOVERNANCE GRANT

<b>Municipal Infrastructure Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Cooperative Governance and Traditional Affairs (Vote 4)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Subsidise the capital costs of providing basic services to poor households</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Improved access to basic services infrastructure for poor communities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for:             <ul style="list-style-type: none"> <li>basic water and sanitation services</li> <li>central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites</li> <li>sport and recreation facilities</li> <li>street and community lighting</li> <li>public facilities</li> </ul> </li> <li>Number of kilometres of municipal roads developed and maintained</li> <li>Number of work opportunities and Full-Time Equivalents (FTEs) created using Expanded Public Works Programme (EPWP) guidelines for the above outputs</li> </ul>
<b>Priority outcome(s) of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Outcome 9: Responsive, accountable, effective and efficient developmental local government system</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses the Municipal Infrastructure Grant (MIG) registration form as agreed with sector departments, which includes:             <ul style="list-style-type: none"> <li>project title</li> <li>sector</li> <li>timeframes for implementation</li> <li>cost of the project</li> </ul> </li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>To receive the first tranche, municipalities must have followed the process for approval of 2016/17 projects and have confirmed by 7 June 2016 with the Department of Cooperative Governance (DCoG) their programme, project planning and implementation readiness. This should be done prior to the year of implementation and be informed by their Integrated Development Plan (IDP) and three year capital plans</li> <li>MIG priorities set by municipalities (as stated in their three year capital plan) can only be changed with municipal council approval, the concurrence of the sector departments and the approval of DCoG</li> <li>MIG must be allocated and transferred directly to a category B or C municipality that has the powers and functions for basic services referred to in section 84 of the Municipal Structures Act, to enable the municipality to provide basic municipal infrastructure to the poor, in line with their functions</li> <li>Municipalities must prioritise MIG for eligible beneficiaries and infrastructure that includes:             <ul style="list-style-type: none"> <li>basic residential infrastructure for the poor for water, sanitation, roads, waste management, street lighting, community facilities as well as associated municipal bulk and connector infrastructure</li> <li>new or upgrading of municipal bulk, connector and reticulation infrastructure to support existing areas and the formalisation of settlements</li> <li>renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality of how on-going operations and maintenance of the renewed infrastructure will be funded and performed</li> <li>maintenance of roads infrastructure mainly servicing the poor</li> </ul> </li> <li>Municipalities must spend at least 60 per cent of their previous transfer and comply with reporting provisions before the second and subsequent transfers are made</li> <li>Municipalities must spend 40 per cent of their total MIG allocation by December 2016</li> <li>Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes</li> <li>Local municipalities investing in roads infrastructure must utilise data from the Rural Road Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including maintenance</li> <li>Municipalities with bucket sanitation backlogs must prioritise the eradication of these backlogs. Bucket eradication projects must be planned in conjunction with provinces and national government to ensure alignment of projects implemented by each sphere. Transfers may be withheld or stopped if a municipality with substantial bucket sanitation backlogs does not comply with this condition</li> </ul>



<b>Municipal Infrastructure Grant</b>	
	<ul style="list-style-type: none"> <li>• Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> <li>○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by Sport and Recreation South Africa (SRSA)</li> <li>○ municipalities must make use of transversal contracts approved by SRSA when implementing projects funded from this allocation, unless an exemption from this requirement is approved by SRSA</li> </ul> </li> <li>• Sport infrastructure as part of the P-component: <ul style="list-style-type: none"> <li>○ municipalities must submit plans for spending 33 per cent of their P-component allocation on sport and recreation infrastructure projects. These plans must be submitted as part of the normal MIG planning process, but will be reviewed and approved by SRSA to ensure they comply with norms and standards before construction can begin</li> </ul> </li> <li>• Municipalities must use the EPWP guidelines to facilitate labour-intensive construction methods on MIG projects and provide information on the number of work opportunities created</li> <li>• Municipalities identified to participate in the regional management support programme must agree to do so as a condition for receiving MIG funds</li> <li>• Municipalities must plan and procure MIG-funded projects in accordance with infrastructure planning and procurement policies (as issued by National Treasury) and must certify to DCoG within 45 days after the appointment of the service provider that their procurement procedures have been followed</li> <li>• A municipality must consider procuring goods and services for water and sanitation projects through nationally set up framework contracts (where available) before utilising municipal procurement processes</li> <li>• A maximum of five per cent of municipalities' MIG allocations may be used for project management costs related to grant funded projects and only if a business plan is approved</li> <li>• At least 95 per cent of municipalities' allocation must be used on eligible MIG funded projects, including maintenance on roads mainly servicing the poor</li> <li>• Withholding or stopping of transfers and reallocation of MIG allocations will be instituted where municipalities deviate from and/or do not comply with the conditions above</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Part 5 of Annexure W1 to the 2016 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data</li> <li>• The ring-fenced R300 million for sport infrastructure is allocated based on estimated costs of projects that: <ul style="list-style-type: none"> <li>○ fill identified gaps and are confirmed with the provincial departments responsible for sports and the municipalities</li> <li>○ align to the National Sport and Recreation Plan and transformation imperatives</li> <li>○ align to priority sport codes</li> </ul> </li> </ul>
<b>Reason not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2014/15 audited financial outcome</b></p> <ul style="list-style-type: none"> <li>• The MIG programme was allocated R14.3 billion in the 2014/15 financial year. An amount of R14.2 billion (99 per cent) was transferred to municipalities</li> </ul> <p><b>2014/15 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Additional poor households receiving: <ul style="list-style-type: none"> <li>○ water: 126 456</li> <li>○ sanitation: 135 054</li> </ul> </li> <li>• Number of additional kilometres of municipal roads developed: 1 343 km</li> <li>• Number of additional recycling facilities and solid waste disposal sites: 35</li> <li>• 197 sport and recreation facilities created</li> <li>• Number of additional poor households serviced by street/community lighting: 21 292</li> <li>• 233 public facilities created</li> <li>• Number of work opportunities created using EPWP guidelines for above outputs: 188 291 work opportunities</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• The programme will continue up to 2018/19, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2016/17: R14.9 billion; 2017/18: R16 billion; and 2018/19: R16.9 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>

<b>Municipal Infrastructure Grant</b>	
<b>Responsibilities of the transferring officer, national departments, provincial departments and receiving officer</b>	<b>Responsibilities of national department</b> <ul style="list-style-type: none"> <li>• The Department of Cooperative Governance (DCoG) administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: <ul style="list-style-type: none"> <li>○ monitor expenditure and non-financial performance in collaboration with provincial DCoGs</li> <li>○ coordinate overall programme implementation</li> </ul> </li> <li>• The Municipal Infrastructure Support Agent must assist municipalities in the submission of asset management data where available, and provide the necessary training on access and use of the Municipal Infrastructure Performance Management Information System for development of individual municipal asset registers where required</li> <li>• In addition to the sector-specific responsibilities, each national sector department will be expected to: <ul style="list-style-type: none"> <li>○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal Integrated Development Plans</li> <li>○ submit information requested on project registrations to DCoG by 30 September 2016</li> <li>○ confirm adherence to sector norms and standards for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes</li> <li>○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects</li> <li>○ fulfill a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>○ advise which sphere (provincial or national – even if different across provinces) should sign-off MIG projects</li> <li>○ sign-off on project close out reports, thereby acknowledging the projects have been completed as intended</li> </ul> </li> <li>• Department of Water and Sanitation: <ul style="list-style-type: none"> <li>○ support and monitor municipalities to prepare and implement Water Services Development Plans</li> <li>○ monitor and oversee progress on water and sanitation projects implemented through the MIG</li> <li>○ ensure alignment between the MIG programme, Regional Bulk Infrastructure Grant and the Water Services Infrastructure Grant</li> </ul> </li> <li>• Department of Environmental Affairs: support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector</li> <li>• Department of Energy: support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>• Department of Transport: support municipalities with planning and implementation of municipal roads projects in terms of Rural Roads Asset Management Systems (RRAMS) data and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>• Sport and Recreation South Africa: <ul style="list-style-type: none"> <li>○ identify projects with targeted municipalities to be allocated funds outside of the MIG formula</li> <li>○ award transversal tenders for the procurement of services relating to sport infrastructure</li> <li>○ support municipalities with planning and implementation of municipal sport and recreation facilities and monitor municipalities' performance and compliance with conditions applicable to this sector</li> <li>○ approve any exemption from requirements to use transversal contracts for ring-fenced sports funds</li> </ul> </li> <li>• Department of Public Works: <ul style="list-style-type: none"> <li>○ monitor compliance with the EPWP guidelines and advise municipalities on the use of labour intensive processes, systems, techniques and approaches</li> <li>○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP</li> <li>○ ensure that municipalities register their EPWP projects on the EPWP reporting system and monitor compliance to norms and standards applicable to this sector</li> </ul> </li> </ul>
	<b>Responsibilities of provincial departments responsible for local government</b> <ul style="list-style-type: none"> <li>• Verify the accuracy of project registration forms, monthly, quarterly and annual reports and forward these to DCoG</li> <li>• Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited</li> <li>• Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG</li> <li>• Coordinate technical support to municipalities</li> <li>• Monitor project implementation in collaboration with sectors and submit site visit reports to DCoG</li> <li>• Monitor compliance with provincial legislation and alignment to Provincial Growth and Development Strategies through project registration</li> <li>• Monitor performance of municipal Project Management Units and recommend relevant sanctions for</li> </ul>

<b>Municipal Infrastructure Grant</b>	
	<p>under-performance to DCoG</p> <ul style="list-style-type: none"> <li>• Provide assistance to municipalities in managing municipal infrastructure projects</li> </ul> <p><b>Responsibilities of provincial sector departments</b></p> <ul style="list-style-type: none"> <li>• Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs</li> <li>• Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation and this must be informed by the IDP and three year capital plan</li> <li>• Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered under the MIG-Management Information System</li> <li>• The municipality must report monthly, quarterly and annually in the prescribed formats and timelines, signed by the municipal manager or the delegated official to national government via the provinces</li> </ul>
<b>Process for approval of 2017/18 business plans</b>	<ul style="list-style-type: none"> <li>• Over time, secondary cities should be treated in the same way as metros by the grant system as they also face challenges related to developing integrated and dynamic urban economies. In the short term however, the capacity of secondary cities and the scale of urban challenges facing them is sufficiently different to metros and thus cannot be immediately be included in the same grant as metros. Special rules and processes for secondary cities will however be included in the MIG from 2017/18 through a “MIG-2” funding stream</li> </ul> <p><b>Under the MIG-1 funding stream:</b></p> <ul style="list-style-type: none"> <li>• Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 29 July 2016, for all projects to be implemented in 2017/18</li> <li>• The responsible sector department must evaluate reports and provide final recommendations to the municipality by 30 September 2016</li> <li>• The municipality must submit all project registration forms by 3 October 2016, for the projects to be implemented in 2017/18, to the provincial department responsible for local government</li> <li>• The provincial departments must provide final recommendations to municipalities by 30 November 2016</li> <li>• Municipalities must submit to DCOG by 31 January 2017, detailed project implementation plans for all the projects to be implemented in the 2017/18 and 2018/19 financial years</li> <li>• Such plans should include timelines regarding project designs, initiation of procurement, and Environmental Impact Assessment (EIA) and/or relevant permit/license approvals in the prescribed format</li> <li>• Municipalities must submit updated implementation plans as mentioned above by 7 June 2017, justifying any changes from the 31 January 2017 detailed plan</li> </ul> <p><b>Under the MIG-2 funding Stream (for secondary cities):</b></p> <ul style="list-style-type: none"> <li>• Eligible municipalities will be identified by relevant stakeholders and communicated by DCoG by 31 May 2016</li> <li>• These eligible municipalities can apply to be part of MIG-2 by 1 August 2016</li> <li>• Applications will be evaluated by DCoG, National Treasury and relevant stakeholders by end of August 2016 to confirm whether these municipalities qualify to participate</li> <li>• The municipal infrastructure programme and reporting matrix must be submitted by the municipality to DCoG by 30 November 2016</li> <li>• DCoG and relevant MIG stakeholders to evaluate submissions and provide a final recommendation to the municipality by 31 January 2017</li> </ul>

**ANNEXURE 4**

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES  
(SCHEDULE 6, PART B)  
(National and Municipal Financial Years)**

**ANNEXURE 4**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)**

			Municipal Demarcation Transtion Grant			Water Services Infrastructure Grant			Bucket Eradication Programme Grant		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Category	Municipality										
			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
EASTERN CAPE											
A	BUF	Buffalo City									
A	NMA	Nelson Mandela Bay									
B	EC101	Dr Beyers Naude									
B	EC102	Blue Crane Route									
B	EC104	Makana							24 534	(14 534)	10 000
B	EC105	Ndlambe									
B	EC106	Sundays River Valley								2 000	2 000
B	EC108	Kouga									
B	EC109	Kou-Kamma									
C	DC10	Sarah Baartman District Municipality									
Total: Sarah Baartman Municipalities									24 534	(12 534)	12 000
B	EC121	Mbhashe					1 332	1 332			
B	EC122	Mnquma									
B	EC123	Great Kei									
B	EC124	Amahlathi									
B	EC126	Ngqushwa									
B	EC129	Raymond Mhlaba									
C	DC12	Amathole District Municipality									
Total: Amathole Municipalities							1 332	1 332			
B	EC131	Inxuba Yethemba									
B	EC135	Intsika Yethu					648	648			
B	EC136	Emalahleni					770	770			
B	EC137	Engcobo									
B	EC138	Sakhisizwe									
B	EC139	Enoch Mgijima									
C	DC13	Chris Hani District Municipality									
Total: Chris Hani Municipalities							1 418	1 418			
B	EC141	Elundini					600	600			
B	EC142	Senqu									
B	EC145	Walter Sisulu									
C	DC14	Joe Gqabi District Municipality									
Total: Joe Gqabi Municipalities							600	600			
B	EC153	Ngquba Hill									
B	EC154	Port St Johns					660	660			
B	EC155	Nyandeni									
B	EC156	Mhlontlo									
B	EC157	King Sabata Dalindyebo					600	600			
C	DC15	O.R.Tambo District Municipality									
Total: O.R.Tambo Municipalities							1 260	1 260			
B	EC441	Matatiele					633	633			
B	EC442	Umtzimvubu									
B	EC443	Mbizana									
B	EC444	Ntabankulu					640	640			
C	DC44	Alfred Nzo District Municipality									
Total: Alfred Nzo Municipalities							1 273	1 273			
Total: Eastern Cape Municipalities							5 883	5 883	24 534	(12 534)	12 000
FREE STATE											
A	MAN	Mangaung								68	68
B	FS161	Letsemeng									
B	FS162	Kopanong								3 000	3 000
B	FS163	Mohokare								7 000	7 000
C	DC16	Xhariep District Municipality									
Total: Xhariep Municipalities										10 000	10 000
B	FS181	Masilonyana							90 593	10 000	10 000
B	FS182	Tokologo								(45 593)	45 000
B	FS183	Tswelopele									
B	FS184	Matjhabeng								6 000	6 000
B	FS185	Nala									
C	DC18	Lejweleputswa District Municipality									
Total: Lejweleputswa Municipalities									90 593	(29 593)	61 000
B	FS191	Setsoto					1 720	1 720	171 664	(62 664)	109 000
B	FS192	Dihlabeng									
B	FS193	Nketoana								35 000	35 000
B	FS194	Maluti-a-Phofung					14 520	14 520			
B	FS195	Phumelela									
B	FS196	Mantsopa									
C	DC19	Thabo Mofutsanyana District Municipality									
Total: Thabo Mofutsanyana Municipalities							16 240	16 240	171 664	(27 664)	144 000
B	FS201	Moghaka					4 200	4 200	63 209	(45 029)	18 180
B	FS203	Ngwathe									
B	FS204	Metsimaholo									
B	FS205	Mafube					660	660		25 000	25 000
C	DC20	Fezile Dabi District Municipality									
Total: Fezile Dabi Municipalities							4 860	4 860	63 209	(20 029)	43 180
Total: Free State Municipalities							21 100	21 100	325 466	(67 218)	258 248

**ANNEXURE 4**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)**

			Municipal Demarcation Transtion Grant			Water Services Infrastructure Grant			Bucket Eradication Programme Grant		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Category	Municipality										
			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
GAUTENG											
A	EKU	Ekurhuleni									
A	JHB	City of Johannesburg									
A	TSH	City of Tshwane									
B	GT421	Emfuleni									
B	GT422	Midvaal									
B	GT423	Lesedi									
C	DC42	Sedibeng District Municipality									
Total: Sedibeng Municipalities											
B	GT481	Mogale City									
B	GT484	Merafong City									
B	GT485	Rand West City									
C	DC48	West Rand District Municipality									
Total: West Rand Municipalities											
Total: Gauteng Municipalities											
KWAZULU-NATAL											
A	ETH	eThekwini									
B	KZN212	uMdoni		3 714	3 714						
B	KZN213	uMzumbhe									
B	KZN214	uMuziwabantu									
B	KZN216	Ray Nkonyeni		3 714	3 714						
C	DC21	Ugu District Municipality									
Total: Ugu Municipalities				7 428	7 428						
B	KZN221	uMshwathi									
B	KZN222	uMngeni									
B	KZN223	Mpofana									
B	KZN224	iMpendle									
B	KZN225	Msunduzi									
B	KZN226	Mkhambathini									
B	KZN227	Richmond									
C	DC22	uMgungundlovu District Municipality									
Total: Umgungundlovu Municipalities											
B	KZN235	Okhahlamba									
B	KZN237	iNkosi Langalibalele		3 717	3 717						
B	KZN238	Alfred Duma		3 714	3 714						
C	DC23	uThukela District Municipality									
Total:Uthukela Municipalities				7 431	7 431						
B	KZN241	eNdumeni									
B	KZN242	Nquthu									
B	KZN244	uMsinga									
B	KZN245	uMvoti									
C	DC24	uMzinyathi District Municipality									
Total: Umzinyathi Municipalities											
B	KZN252	Newcastle									
B	KZN253	eMadlangeni									
B	KZN254	Dannhauser									
C	DC25	Amajuba District Municipality									
Total: Amajuba Municipalities											
B	KZN261	eDumbe									
B	KZN262	uPhongolo									
B	KZN263	AbaQulusi									
B	KZN265	Nongoma									
B	KZN266	Ulundi									
C	DC26	Zululand District Municipality									
Total: Zululand Municipalities											
B	KZN271	uMhlabyalingana									
B	KZN272	Jozini									
B	KZN275	Mtubatuba									
B	KZN276	Big Five Hlabisa		3 714	3 714						
C	DC27	Umkhanyakude District Municipality									
Total: Umkhanyakude Municipalities				3 714	3 714						
B	KZN281	uMfolozi									
B	KZN282	uMhlathuze		2 785	2 785						
B	KZN284	uMlalazi									
B	KZN285	Mthonjaneni		2 786	2 786						
B	KZN286	Nkandla									
C	DC28	King Cetshwayo District Municipality									
Total: Uthungulu Municipalities				5 571	5 571						
B	KZN291	Mandeni									
B	KZN292	KwaDukuza									
B	KZN293	Ndwedwe									
B	KZN294	Maphumulo									
C	DC29	iLembe District Municipality									
Total: iLembe Municipalities											
B	KZN433	Greater Kokstad									
B	KZN434	uBuhlebezwe									
B	KZN435	uMzimkhulu									
B	KZN436	Dr Nkosazana Dlamini Zuma		3 714	3 714						
C	DC43	Harry Gwala District Municipality									
Total: Harry Gwala Municipalities				3 714	3 714						
Total: KwaZulu-Natal Municipalities				27 858	27 858						

**ANNEXURE 4**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)**

			Municipal Demarcation Transtion Grant			Water Services Infrastructure Grant			Bucket Eradication Programme Grant		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Category	Municipality										
			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
LIMPOPO											
B	LIM331	Greater Giyani									
B	LIM332	Greater Letaba									
B	LIM333	Greater Tzaneen									
B	LIM334	Ba-Phalaborwa									
B	LIM335	Maruleng									
C	DC33	Mopani District Municipality				20 000		20 000			
Total: Mopani Municipalities						20 000		20 000			
B	LIM341	LIM341									
B	LIM343	LIM343									
B	LIM344	Makhado									
	LIM345	LIM 345									
C	DC34	Vhembe District Municipality									
Total: Vhembe Municipalities											
B	LIM351	LIM351									
B	LIM353	LIM353									
B	LIM354	LIM354				50 000		50 000			
B	LIM355	Lepelle-Nkumpi									
C	DC35	Capricorn District Municipality									
Total: Capricorn Municipalities						50 000		50 000			
B	LIM361	Thabazimbi									
B	LIM362	Lephalale									
B	LIM366	Bela-Bela									
B	LIM367	Mogalakwena									
B	LIM368	LIM 368									
C	DC36	Waterberg District Municipality									
Total: Waterberg Municipalities											
B	LIM471	Ephraim Mogale									
B	LIM472	Elias Motosoledi									
B	LIM473	Makhuduthamaga									
B	LIM476	LIM 476									
C	DC47	Sekhukhune District Municipality				80 000		80 000			
Total: Sekhukhune Municipalities						80 000		80 000			
Total: Limpopo Municipalities						150 000		150 000			
MPUMALANGA											
B	MP301	Chief Albert Luthuli									
B	MP302	Msukaligwa									
B	MP303	Mkhondo									
B	MP304	Dr Pixley ka Isaka Seme									
B	MP305	Lekwa									
B	MP306	Dipaleseng									
B	MP307	Govan Mbeki									
C	DC30	Gert Sibande District Municipality									
Total: Gert Sibande Municipalities											
B	MP311	Victor Khanye									
B	MP312	Emalahleni									
B	MP313	Steve Tshwete									
B	MP314	Emakhazeni									
B	MP315	Thembisile Hani									
B	MP316	Dr JS Moroka									
C	DC31	Nkangala District Municipality									
Total: Nkangala Municipalities											
B	MP321	Thaba Chweu				21 000		21 000			
B	MP324	Nkomazi									
B	MP325	Bushbuckridge				50 545		50 545			
B	MP326	City of Mbombela									
C	DC32	Ehlanzeni District Municipality									
Total: Ehlanzeni Municipalities						71 545		71 545			
Total: Mpumalanga Municipalities						71 545		71 545			

**ANNEXURE 4**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)**

		Municipal Demarcation Transtion Grant			Water Services Infrastructure Grant			Bucket Eradication Programme Grant		
		2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Category	Municipality									
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NORTHERN CAPE										
B	NC061 Richtersveld									
B	NC062 Nama Khoi								2 000	2 000
B	NC064 Kamiesberg									
B	NC065 Hantam									
B	NC066 Karoo Hoogland									
B	NC067 Khâi-Ma									
C	DC6 Namakwa District Municipality									
Total: Namakwa Municipalities									2 000	2 000
B	NC071 Ubuntu									
B	NC072 Umsobomvu									
B	NC073 Emthanjeni								2 000	2 000
B	NC074 Kareeberg									
B	NC075 Renosterberg								9 000	9 000
B	NC076 Thembelihle									
B	NC077 Siyathemba									
B	NC078 Siyancuma								55 000	55 000
C	DC7 Pixley Ka Seme District Municipality									
Total: Pixley Ka Seme Municipalities									66 000	66 000
B	NC082 !Kai !Garib									
B	NC084 !Kheis									
B	NC085 Tsantsabane								9 500	9 500
B	NC086 Kgatelopele									
B	NC087 Dawid Kruiper								57 883	57 883
C	DC8 Z.F. Mgcawu District Municipality									
Total:Z.F. Mgcawu Municipalities									67 383	67 383
B	NC091 Sol Plaatjie									
B	NC092 Dikgatlong									
B	NC093 Magareng									
B	NC094 Phokwane									
C	DC9 Frances Baard District Municipality									
Total: Frances Baard Municipalities										
B	NC451 Joe Morolong									
B	NC452 Ga-Segonyana									
B	NC453 Gamagara									
C	DC45 John Taolo Gaetsewe District Municipality									
Total: John Taolo Gaetsewe Municipalities										
Total: Northern Cape Municipalities									135 383	135 383
NORTH WEST										
B	NW371 Moretele				25 000		25 000			
B	NW372 Madiheng									
B	NW373 Rustenburg									
B	NW374 Kgetlengrivier					5 311	5 311			
B	NW375 Moses Kotane					789	789			
C	DC37 Bojanala Platinum District Municipality									
Total: Bojanala Platinum Municipalities					25 000	6 100	31 100			
B	NW381 Ratlou					1 878	1 878			
B	NW382 Tswaing					5 849	5 849			
B	NW383 Mafikeng					4 464	4 464			
B	NW384 Ditsobotla									
B	NW385 Ramotshere Moiloa					1 020	1 020			
C	DC38 Ngaka Modiri Molema District Municipality				65 000		65 000			
Total: Ngaka Modiri Molema Municipalities					65 000	13 211	78 211			
B	NW392 Naledi									
B	NW393 Mamusa					3 406	3 406			
B	NW394 Greater Taung									
B	NW396 Lekwa-Teemane								13 443	13 443
B	NW397 Kagisano-Molopo									
C	DC39 Dr Ruth Segomotsi Mompati District Municipality									
Total: Dr Ruth Segomotsi Mompati Municipalities						3 406	3 406		13 443	13 443
B	NW403 City of Matlosana									
B	NW404 Maquassi Hills								2 926	2 926
B	NW405 Ventersdorp/Tlokwe					900	900			
C	DC40 Dr Kenneth Kaunda District Municipality									
Total: Dr Kenneth Kaunda Municipalities						900	900		2 926	2 926
Total: North West Municipalities					90 000	23 617	113 617		16 369	16 369



**ANNEXURE 4**  
**ALLOCATIONS-IN-KIND TO MUNICIPALITIES (SCHEDULE 6, PART B)**

			Municipal Demarcation Transtion Grant			Water Services Infrastructure Grant			Bucket Eradication Programme Grant		
			2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation	2016/17 Main Allocation	Adjustment	2016/17 Adjusted Allocation
Category	Municipality										
			R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
WESTERN CAPE											
A	CPT	City of Cape Town									
B	WC011	Matzikama									
B	WC012	Cederberg									
B	WC013	Bergrivier									
B	WC014	Saldanha Bay									
B	WC015	Swartland									
C	DC1	West Coast District Municipality									
Total: West Coast Municipalities											
B	WC022	Witzenberg									
B	WC023	Drakenstein									
B	WC024	Stellenbosch									
B	WC025	Breede Valley									
B	WC026	Langeberg									
C	DC2	Cape Winelands District Municipality									
Total: Cape Winelands Municipalities											
B	WC031	Theewaterskloof									
B	WC032	Overstrand									
B	WC033	Cape Agulhas									
B	WC034	Swellendam									
C	DC3	Overberg District Municipality									
Total: Overberg Municipalities											
B	WC041	Kannaland									
B	WC042	Hessequa									
B	WC043	Mossel Bay									
B	WC044	George									
B	WC045	Oudtshoorn									
B	WC047	Bitou									
B	WC048	Knysna									
C	DC4	Eden District Municipality									
Total: Eden Municipalities											
B	WC051	Laingsburg									
B	WC052	Prince Albert									
B	WC053	Beaufort West									
C	DC5	Central Karoo District Municipality									
Total: Central Karoo Municipalities											
Total: Western Cape Municipalities											
National Total				27 858	27 858	311 545	50 600	362 145	350 000	72 000	422 000

**APPENDIX 1**

**APPENDIX TO SCHEDULE 5, PART B:  
MUNICIPAL INFRASTRUCTURE GRANT**

**RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE  
BREAKDOWN PER MUNICIPALITY  
(National and Municipal Financial Years)**

**APPENDIX 1**  
**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT**  
**RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY**

			Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
Category	Municipality	Project Name	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
EASTERN CAPE					
B EC104	Makana Local Municipality	Makana Local Municipality - Multi-purpose indoor facilities	13 000		
Total: Sarah Baartman Municipalities			13 000		
B EC137	Engcobo Local Municipality	Engcobo Local Municipality - Construction of four sport facilities	13 661		
Total: Chris Hani Municipalities			13 661		
B EC157	King Sabatha Dalindyebo Local Municipality	King Sabatha Dalindyebo Local Municipality - upgrading of sport facilities in Ngangelizwe township	10 000		
Total: OR Tambo Municipalities			10 000		
B EC444	Ntabankulu Local Municipality	Ntabankulu Local Municipality - Mantlani sports field, Bhakubha Sports Field, Mbangwe	10 000		
Total: Alfred Nzo Municipalities			10 000		
Total: Eastern Cape Municipalities			46 661		
FREE STATE					
B FS163	Mohokare Local Municipality	Zastron/Itumeleng: Upgrading of Sports facility Zastron/Itumeleng: Upgrading of Sports facility	11 000		
Total: Xhariep Municipalities			11 000		
B FS182	Tokologo Local Municipality	Tokologo Local Municipality - Construction of Malebogo Stadium, including the construction of an ablution facility, fields, 6 lane athletic track, training area, landscaping including irrigation system and storm-water management, demolition of existing harzadous buildings, and installation of electrical supply. Upgrading of Seretse/Boshof community stadium, including the construction of an athletic track, soccer/rugby field and paving the parking area	10 000		
Total: Lejweleputswa Municipalities			10 000		
Total: Free State Municipalities			21 000		
GAUTENG					
B GT485	Rand West City Local Municipality	Rand West City Local Municipality - Construction of a sport facility in Badirile within the Mothlakeng township	10 000		
Total: West Rand Municipalities			10 000		
Total: Gauteng Municipalities			10 000		
KWAZULU-NATAL					
B KZN227	Richmond Local Municipality	Richmond Local Municipality - Construction of the multi-purpose sport center in Richmond Local Municipality	15 000		
Total: Umgungundlovu Municipalities			15 000		
B KZN262	Phongola Local Municipality	Phongola Local Municipality - Construction of Neotshane sport field	15 000		
Total: Zululand Municipalities			15 000		
B KZN433	Greater Kokstad Local Municipality	Greater Kokstad Local municipality - Construction of sport field	15 000		
Total: Harry Gwala Municipalities			15 000		
Total: KwaZulu-Natal Municipalities			45 000		
LIMPOPO					
B LIM331	Greater Giyani Local Municipality	Greater Giyani Local Municipality - Construction of 3 sport facilities	15 000		
B LIM335	Maruleng Local Municipality	Maruleng Local Municipality - Construction of Finale Balloon Village	4 000		
Total: Mopani Municipalities			19 000		
B LIM353	LIM353	LIM353 Local Municipality - Construction of a soccer/rugby field, upgrading of combi-courts, upgrading of the ablution facilities, installation of a fence, upgrading of a grand stand	9 000		
Total: Capricon Municipalities			9 000		
B LIM472	Elias Motsoaledi Local Municipality	Elias Motsoaledi Local Municipality - Upgrading of Hlogotlou Stadium	10 000		
Total: Sekhukhune Municipalities			10 000		
Total: Limpopo Municipalities			38 000		

**APPENDIX 1**  
**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT**  
**RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY**

			Ring-fenced Municipal Infrastructure Grant allocations for sport infrastructure		
Category	Municipality	Project Name	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
MPUMALANGA					
B MP301	Albert Luthuli Local Municipality	Chief Albert Luthuli Local Municipality - construction of the Silobela sport field	7 232		
B MP302	Msukaligwa Local Municipality	Msukaligwa Local Municipality - Refurbishment of the Mpumalanga Stadium in Wesselton township and the combi courts	10 128		
B MP305	Lekwa Local Municipality	Lekwa Local Municipality - Upgrading of the Sakhile combined sport facility	11 000		
Total: Gert Sibande Municipalities			28 360		
B MP311	Victor Khanye Local Municipality	Victor Khanye Local Municipality - Upgrading of existing municipal facilities	6 600		
B MP312	Emalahleni Local Municipality	Emalahleni Local Municipality - Multi-purpose sport ground including the construction of a soccer/rugby field, ablution facilities, completion of a pavilion, and athletic track	8 000		
Total: Nkangala Municipalities			14 600		
Total: Mpumalanga Municipalities			42 960		
NORTHERN CAPE					
B NC064	Kamiesberg Local Municipality	Kamiesberg Local Municipality - Building a multi-purpose sport center	1 200		
B NC067	Khai Ma Local Municipality	Khai Ma Local Municipality- Construction of a multi-purpose sport field	8 000		
Total: Namakwa Municipalities			9 200		
B NC072	Umsobomvu Local Municipality	Umsobomvu Local Municipality - construction of palisade fencing, grand stand, lighting, ticket booth and office , electrification, combi court and tennis court	6 500		
Total: Pixley ka Seme Municipalities			6 500		
B NC453	Gamagara Local Municipality	Gamagara Local Municipality - Upgrading of Kathu multi-purpose sport facility	10 000		
Total: John Taolo Gaetsewe Municipalities			10 000		
Total: Northern Cape Municipalities			25 700		
NORTH WEST					
B NW381	Ratlou Local Municipality	Ratlou Local Municipality - Upgrading of the Setlagole sport facility	15 000		
B NW383	Mafikeng Local Municipality	Mafikeng Local Municipality - Lothakane community - new soccer field, combi courts and athletic track	12 000		
Total: Ngaka Modiri Molema Municipalities			27 000		
B NW293	Mamusa Local Municipality	Mamusa Local Municipality - Upgrading of Itelegeng sport facility	5 000		
B NW396	Lekwa-Teemane Local Municipality	Lekwa Teemane Local Municipality - Upgrading of spectator grand stand, installation of fencing, athletic track, soccer/rugby field, electrification, security and ticket booth, construction of combi courts and tennis court, installation of an outdoor gym, and construction of ablution facilities	11 500		
Total: Dr Ruth Segomotsi Mompati Municipalities			16 500		
Total: North West Municipalities			43 500		
WESTERN CAPE					
B WC012	Cederberg Local Municipality	Cederberg Local Municipality - Construction and upgrading of Clanwilliam sport fields	7 679		
Total: West Coast Municipalities			7 679		
B WC034	Swellendam Local Municipality	Swellendam Local Municipality - Upgrading of Railton sport facility	7 000		
Total: Eden Municipalities			7 000		
B WC053	Beaufort West Local Municipality	Beaufort West Local Municipality - Upgrading of Merweville Sport Grounds	12 500		
Total: Central Karoo Municipalities			12 500		
Total: Western Cape Municipalities			27 179		
Unallocated				300 000	300 000
National Total			300 000	300 000	300 000

## **APPENDIX 2**

### **APPENDIX TO SCHEDULE 6, PART A**

#### **BREAKDOWN OF NATIONAL HEALTH GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

## APPENDIX 2

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH  
INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER  
PROVINCE**

<b>Health (Vote 16)</b>	<b>National Health Insurance Indirect Grant</b>		
	<b>2016 MTEF</b>		
<b>Province/Components/Sub-components</b>	<b>2016/17 Main Allocation (R'000)</b>	<b>Adjustment (R'000)</b>	<b>2016/17 Adjusted Allocation (R'000)</b>
<b>Total Per Province</b>			
Eastern Cape	168 411	(1 956)	166 455
Free State	125 356	(866)	124 490
Gauteng	44 519	(874)	43 645
KwaZulu-Natal	58 531	(2 800)	55 730
Limpopo	77 303	(688)	76 615
Mpumalanga	25 654	(503)	25 151
Northern Cape	14 671	(74)	14 596
North West	19 257	(937)	18 321
Western Cape	26 876	(1 302)	25 574
Unallocated	700 653	10 000	710 653
<b>Total</b>	<b>1 261 230</b>		<b>1 261 230</b>
<i>of which:</i>			
<b>Health Facility Revitalisation Grant Component</b>			
Eastern Cape	127 383		127 383
Free State	107 075		107 075
Gauteng	26 091		26 091
KwaZulu-Natal	818		818
Limpopo	61 911		61 911
Mpumalanga	14 586		14 586
Northern Cape	12 713		12 713
North West			
Western Cape			
Unallocated	442 505		442 505
<b>Total</b>	<b>793 082</b>		<b>793 082</b>
<b>Human Papillomavirus Vaccine Grant Component</b>			
Eastern Cape	39 120	(1 956)	37 164
Free State	17 320	(866)	16 454
Gauteng	17 481	(874)	16 607
KwaZulu-Natal	56 002	(2 800)	53 202
Limpopo	13 760	(688)	13 072
Mpumalanga	10 055	(503)	9 552
Northern Cape	1 484	(74)	1 410
North West	18 731	(937)	17 794
Western Cape	26 047	(1 302)	24 745
Unallocated			
<b>Total</b>	<b>200 000</b>	<b>( 10 000)</b>	<b>190 000</b>

## APPENDIX 2

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH  
INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER  
PROVINCE**

<b>Health (Vote 16)</b>	<b>National Health Insurance Indirect Grant</b>		
	<b>2016 MTEF</b>		
<b>Province/Components/Sub-components</b>	<b>2016/17 Main Allocation (R'000)</b>	<b>Adjustment (R'000)</b>	<b>2016/17 Adjusted Allocation (R'000)</b>
<b>Health Professionals Contracting Component</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Unallocated	258 148	10 000	268 148
<b>Total</b>	<b>258 148</b>	<b>10 000</b>	<b>268 148</b>
<b>Information Systems Component</b>			
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Unallocated			
<b>Total</b>			
<b>Ideal Clinics Component</b>			
Eastern Cape	1 908		1 908
Free State	961		961
Gauteng	947		947
KwaZulu-Natal	1 711		1 711
Limpopo	1 632		1 632
Mpumalanga	1 013		1 013
Northern Cape	474		474
North West	526		526
Western Cape	829		829
Unallocated			
<b>Total</b>	<b>10 000</b>		<b>10 000</b>

**APPENDIX 3**

**APPENDIX TO SCHEDULE 6, PART A:  
BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT:  
ALLOCATIONS PER PROVINCE**



### APPENDIX 3

#### APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT: ALLOCATIONS PER PROVINCE

Basic Education (Vote 14)	School Infrastructure Backlogs Grant		
Province	Financial Year		
	2016/17 Main Allocation (R'000)	Adjustment (R'000)	2016/17 Adjusted Allocation (R'000)
Eastern Cape	1 543 664	(51 798)	1 491 866
Free State	237 487		237 487
Gauteng			
KwaZulu-Natal	106 869		106 869
Limpopo	83 120		83 120
Mpumalanga	83 120		83 120
Northern Cape	23 749		23 749
North West	35 623		35 623
Western Cape	142 492	(142 492)	
Unallocated	118 743		118 743
<b>Total</b>	<b>2 374 867</b>	<b>(194 290)</b>	<b>2 180 577</b>

**APPENDIX 4**

**APPENDIX TO SCHEDULE 6, PART A:**

**BREAKDOWN OF COMPREHENSIVE AGRICULTURE SUPPORT  
PROGRAMME:  
ALLOCATIONS PER PROVINCE**

## APPENDIX 4

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF COMPREHENSIVE  
AGRICULTURE SUPPORT PROGRAMME: ALLOCATIONS PER PROVINCE**

Agirculture, Forestry and Fisheries (Vote 24)	Comprehensive Agriculture Support Programme		
Province	Financial Year		
	2016/17 Main Allocation (R'000)	Adjustment (R'000)	2016/17 Adjusted Allocation (R'000)
Eastern Cape		29 000	29 000
Free State		31 000	31 000
Gauteng			
KwaZulu-Natal		23 000	23 000
Limpopo		28 000	28 000
Mpumalanga		26 000	26 000
Northern Cape		25 000	25 000
North West		38 000	38 000
Western Cape		12 000	12 000
Unallocated			
Total		212 000	212 000

Printed by Creda Communications

ISBN 978-1-4850-0326-7