

# FRAMEWORK FOR CONDITIONAL GRANTS 2022/2023

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**Buffalo City Metropolitan Municipality**



# INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT (ISUPG)

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**Buffalo City Metropolitan Municipality**



## HUMAN SETTLEMENTS GRANTS

<b>Informal Settlements Upgrading Partnership Grant: Municipalities</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The creation of sustainable and integrated human settlements that enable improved quality of household life</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Adequate housing in improved quality living environment</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>The grant shall fund the outputs defined in Phases 1 – 3 of the Upgrading of Informal Settlements Programme (UISP) in the National Housing Code of 2009:               <ul style="list-style-type: none"> <li><b>Phase 1</b> <ul style="list-style-type: none"> <li>Number of pre-feasibility studies conducted</li> </ul> </li> <li><b>Phase 2</b> <ul style="list-style-type: none"> <li>Feasibility studies:                   <ul style="list-style-type: none"> <li>number of environmental impact assessments undertaken</li> <li>number of geotechnical studies conducted</li> <li>number of any other relevant studies conducted</li> </ul> </li> <li>Land acquisition:                   <ul style="list-style-type: none"> <li>hectares of land acquired for in-situ upgrading</li> <li>hectares of land acquired for relocation</li> <li>hectares of land transferred and registered</li> <li>hectares of land availed in terms of land availability/development agreement</li> </ul> </li> <li>Number of settlements supplied with bulk infrastructure</li> <li>Number of settlements benefitting from interim municipal engineering services and/or any other alternative engineering services</li> <li>Number of settlements provided with rudimentary services</li> </ul> </li> <li><b>Phase 3</b> <ul style="list-style-type: none"> <li>Number of settlements provided with permanent municipal engineering services and/or any other alternative engineering services</li> <li>Number of serviced sites developed</li> <li>Number of social and economic amenities. The specific types of amenities must only be provided in collaboration with municipality and the community</li> <li>Number of sites transferred to end users</li> <li>Number of households provided with secure tenure</li> <li>Number of engineering designs: water, sewer, roads and storm water drainage concluded</li> <li>Number of layout plans approved</li> </ul> </li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 5: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant requires municipalities to use the human settlements chapter of their IDPs to prioritise and attain municipal council approval on informal settlements to be upgraded in the 2022/23 financial year</li> <li>A municipality must submit a business plan prepared in terms of the requirements of the DHS business planning for informal settlements upgrading</li> <li>Municipalities must submit an informal settlement upgrading plan in line with UISP in the National Housing Code for each settlement to be upgraded which includes:           <ul style="list-style-type: none"> <li>project description</li> <li>settlement name and global positioning system coordinates</li> <li>project institutional arrangements</li> <li>sustainable livelihood implementation plan</li> <li>outputs and targets for services to be delivered</li> <li>cash flow projections (payment schedule)</li> <li>details of the support plan</li> <li>risk management plan</li> <li>prioritisation certificate issued by the municipal council in consultation with relevant mayors</li> </ul> </li> <li>Procurement plan confirming appointment of requisite service providers in accordance with government procurement preferential plans and policies</li> <li>For those settlements where upgrading plans have not yet been completed, an interim or comprehensive plan with clear deliverables in terms of the UISP phases contained in the National Housing Code must be submitted</li> <li>Number of jobs and training opportunities to be created</li> </ul>

<b>Informal Settlements Upgrading Partnership Grant: Municipalities</b>	
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Funds should be utilised as per the UISP as defined in the National Housing Code</li> <li>• The transfer of the first tranche of funds is conditional upon the national Department of Human Settlements (DHS) approving business plan and informal settlement upgrading plans per settlement consistent with the provisions of the Housing Act and in compliance with the National Housing Code</li> <li>• The flow of the second tranche will be conditional upon the: <ul style="list-style-type: none"> <li>○ submission of the first quarter report, in line with the requirements of the Municipal Finance Management Act (MFMA) circular 88, signed-off by the accounting officer of the municipality</li> <li>○ submission of the report with financial and non-financial information aligned to the approved upgrading plans</li> </ul> </li> <li>• The flow of the third tranche will be conditional upon submission of second quarter (both financial and non-financial) performance information, in line with the requirements of MFMA circular 88</li> <li>• Municipalities should only implement projects in the approved upgrading plans and any deviation from the approved upgrading plans should be sought from the DHS</li> <li>• Where there are no upgrading plans and spending is approved in terms of an interim plan, funding will only be transferred to a metro provided that confirmation is provided to DHS that individual upgrading plans are being developed for these projects and will be completed by the end of 2022/23</li> <li>• Municipalities should ensure alignment between the infrastructure grants (provision of bulk) and the ISUPG</li> <li>• Municipal managers must sign off and confirm that projects captured in their informal settlements upgrading plans are assessed and approved for implementation in the 2022/23 financial year</li> <li>• Municipalities may request in writing to the transferring officer, approval to amend their business plans. In case of a municipality having been allocated additional funding, a separate report is to be submitted by such municipality. The transferring officer should respond within 3 working days</li> <li>• The payment schedules submitted by municipalities should be derived from the cash flows contained in the approved upgrading plans</li> <li>• A maximum of 5 per cent of the allocation may be utilised for the Operational Support Capital Programme as per the Operational Support Capital Programme Policy of the DHS</li> <li>• The transfer of the first tranche of funds is conditional upon approval by the DHS of municipal business plan which is consistent with the provisions of the Housing Act, 2022 Division of Revenue Act (DoRA) and in compliance with the National Housing Code</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant is allocated to all metropolitan municipalities</li> <li>• These funds are determined through the USDG allocation formula</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a conditional grant with a specific purpose to provide for the upgrading of informal settlements</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• Grant introduced in 2021/22</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Grant introduced in 2021/22</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2022/23: R4.2 billion; 2023/24: R4.4 billion and 2024/25: R4.6 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers will be made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Maintain the policy and programme and assist with interpretation</li> <li>• Develop a reporting template for municipalities on UISP outputs and publish it by 30 May 2022</li> <li>• Monitor and evaluate municipal financial and non-financial grant performance and control systems including quarterly summary reports on performance related to the UISP</li> <li>• Provide implementation assistance support to municipalities as may be required</li> <li>• Undertake structured and other visits to municipalities as is necessary</li> <li>• Facilitate structured intergovernmental forums for regular interaction with municipalities</li> <li>• Submit a report on the status of informal settlements and their categorisation (in terms of the National Upgrading Support Programme's methodology) to National Treasury by 01 August 2022</li> <li>• Identify lessons from the preparation and implementation of this window and use these to inform the design of the proposed new grant for informal settlement upgrading</li> <li>• The transferring officer should design and distribute a template to be signed by a Municipal Manager or a delegated officer to be submitted with monthly and quarterly reports by metropolitan municipalities</li> <li>• Use the ISUP grant to leverage other forms of funding</li> <li>• Prioritise the gazetted priority projects</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Initiate, plan and formulate applications for projects relating to the upgrading of informal settlements, which in the case of municipalities that are not accredited, must be in collaboration with the relevant provincial department</li> </ul>

<b>Informal Settlements Upgrading Partnership Grant: Municipalities</b>	
	<ul style="list-style-type: none"> <li>• Request assistance from the provincial department on any of the matters concerned if the municipality lacks the capacity, resources or expertise</li> <li>• Submit informal settlement upgrading plans by 27 May 2022</li> <li>• Implement approved projects in accordance with UISP plans approved by the national department</li> <li>• Fast-track the planning approval processes for informal settlements upgrading projects</li> <li>• Assume ownership of the engineering services installed</li> <li>• Manage, operate and maintain settlement areas developed under this programme</li> <li>• Coordinate and facilitate the provision of bulk and connector engineering services (including through funding from the main USDG)</li> <li>• Submit a report on the status of informal settlements in their municipal area and their categorisation (in terms of the National Upgrading Support Programme's methodology) to DHS by 27 May 2022</li> <li>• Identify lessons from the implementation of this window and share these with DHS</li> <li>• Municipalities should submit a signed letter by a municipal manager or a delegated person, as an attachment to the monthly and quarterly reports</li> <li>• Detailed performance report per settlement (i.e., project level performance) report for phase 1-3 aligned to the business plan must be submitted quarterly</li> <li>• Municipalities must adhere to section 16 of the 2022 DoRA if they are planning to appoint any other organ of state to implement human settlement projects on their behalf</li> <li>• Municipalities must report quarterly on projects funded, in line with the requirements of the MFMA circular 88. Reporting must include financial and non-financial performance on progress against UISP plans, using the template prescribed by the DHS</li> <li>• Municipalities must report on the percentage of their allocations awarded to companies owned by designated groups on a monthly and quarterly basis</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>• Draft informal settlement upgrading plans for each settlement to be upgraded in 2022/23 must be submitted to DHS by 30 January 2023. The DHS will provide comments by 15 March 2023</li> <li>• Final business plans must be submitted by no later than 17 April 2023</li> </ul>

# FINANCE MANAGEMENT GRANT (FMG)

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## Buffalo City Metropolitan Municipality



<b>Local Government Financial Management Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To secure sound and sustainable management of the fiscal and financial affairs of municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA)</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Strengthen capacity in the financial management of municipalities</li> <li>Improved and sustained skills development, including the appointment of interns supporting the implementation of financial management reforms focusing on the gaps identified in the Financial Management Grant (FMG) support plans</li> <li>Appropriately skilled financial officers, appointed in municipalities consistent with the minimum competency regulations</li> <li>Improved financial management maturity and capabilities</li> <li>Timely submission of financial statements and improved audit outcomes</li> <li>Improvement in municipal financial governance and oversight</li> <li>Reduction in unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of municipal officials registered for financial management training</li> <li>Number of interns serving on the internship program, and permanently appointed in municipalities</li> <li>Number of municipalities that have reassessed priority modules in the Financial Management Capability Maturity Model (FMCMM)</li> <li>Number of municipalities with established internal audit units and audit committees</li> <li>Number of municipalities that submitted their annual financial statements timeously</li> <li>Number of municipalities with disclaimers and adverse opinions that developed audit action plans</li> <li>Submission of FMG support plans</li> <li>Number of municipalities that are municipal Standard Chart of Accounts (mSCOA) complaint</li> <li>Number of disciplinary boards established</li> </ul>
<b>Priorities of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 1: A capable, ethical and developmental state</li> <li>Priority 5: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>This grant uses an FMG support plan which identifies weaknesses in financial management, which are planned to be addressed through the grant allocation</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>FMG funds can be used towards the following: <ul style="list-style-type: none"> <li>strengthen capacity and up-skilling officials in the budget and treasury office, internal audit and audit committees</li> <li>a total of five interns in local municipalities and three interns in metropolitan and district municipalities must be appointed over a multi-year period. Municipalities must submit a plan for the retention of skills developed through the internship programme</li> <li>acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the mSCOA</li> <li>support the training of municipal financial management officials working towards attaining the minimum competencies, as regulated in Government Gazette 29967 of June 2007 amended through Gazette 41996 of October 2018</li> <li>support the preparation of the assets register</li> <li>technical support to municipalities must include the transfer of skills to municipal officials</li> <li>support the implementation of corrective actions to address the root causes of audit findings in municipalities that received adverse and disclaimer opinions</li> <li>support the implementation of the financial misconduct regulations and promote consequence management to reduce unauthorised, irregular, fruitless and wasteful expenditure incurred by municipalities</li> <li>support to strengthen financial governance and oversight, as well as functioning of Municipal Public Accounts Committees</li> <li>implementation of financial management reforms and overall compliance with the MFMA to address shortcomings identified in the Financial Management Capability Maturity Model assessments for that municipality</li> <li>on-going review, revision and submission of FMG support plans to the National Treasury that address weaknesses in financial management</li> </ul> </li> <li>FMG support plan must be consistent with the conditions of the grant and must be submitted timeously</li> <li>Timely submission of reports with complete information as prescribed in the 2022 Division of Revenue Act</li> <li>Expenditure must be maintained at appropriate levels</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>All municipalities benefit from allocations to augment their own resources in support of implementation of the financial management reforms</li> <li>Priority is given to municipalities: <ul style="list-style-type: none"> <li>with challenges/shortcomings in processes, procedures and systems to effectively implement the MFMA, as identified in the Financial Management Capability Maturity Model assessment</li> <li>with adverse and disclaimer audit opinions</li> </ul> </li> </ul>

<b>Local Government Financial Management Grant</b>	
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>Grant provides direct support to municipalities to develop financial management and technical capacity for the implementation of the MFMA, its regulations and associated financial reforms</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R545 million was allocated to 257 municipalities</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>All 257 municipalities submitted FMG support plans</li> <li>1 211 graduate finance interns were serving on the internship programme in municipalities as at 30 June 2021</li> <li>2 985 interns have been permanently appointed since 2004 in municipalities</li> <li>The grant supported the following outputs: <ul style="list-style-type: none"> <li>1 597 officials received a statement of results for attaining minimum competencies</li> <li>52 municipalities utilised the FMG to develop audit action plans and implement corrective actions to address 2019/20 audit findings</li> <li>200 (78 per cent) municipalities have established disciplinary boards as at 30 June 2021</li> <li>235 (91 per cent) of municipalities submitted AFS by the extended deadline as at 31 October 2020</li> </ul> </li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2022/23: R566 million; 2023/24: R569 million and 2024/25: R594 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Management, monitoring and reporting of the programme</li> <li>Transfer funds to municipalities in terms of the 2022 Division of Revenue Act</li> <li>Undertake on-going monitoring of the municipalities</li> <li>Participate in the review of the municipal capacity support system during 2022</li> <li>With respect to the preparation of asset registers, coordinate with the Department of Cooperative Governance to ensure that there is no duplication of funding with the Municipal Infrastructure Grant</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Submit support plans which are consistent with the conditions of the grant</li> <li>Submit reports consistent with the reporting requirements in the 2022 Division of Revenue Act</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>On-going review, revision and submission of the FMG support plans to address weaknesses in financial management</li> <li>The programme is based on the FMG support plans which municipalities must submit to the National Treasury before the start of the municipal financial year</li> </ul>



# EXPANDED PUBLIC WORKS PROGRAMME GRANT (EPWP)

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**Buffalo City Metropolitan Municipality**



## PUBLIC WORKS AND INFRASTRUCTURE GRANT

Expanded Public Works Programme Integrated Grant for Municipalities	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>Public Works and Infrastructure (Vote 13)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To provide Expanded Public Works Programme (EPWP) incentive funding to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in the following identified focus areas, in compliance with the EPWP guidelines: <ul style="list-style-type: none"> <li>road maintenance and the maintenance of buildings</li> <li>low traffic volume roads and rural roads</li> <li>basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure)</li> <li>other economic and social infrastructure</li> <li>tourism and cultural industries</li> <li>waste management</li> <li>parks and beautification</li> <li>sustainable land-based livelihoods</li> <li>social services programmes</li> <li>community safety programmes</li> </ul> </li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Contribute towards increased levels of employment</li> <li>Improved opportunities for sustainable work through experience and learning gained</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of Full-Time Equivalents (FTEs) to be created through the grant</li> <li>Number of people employed and receiving income through the EPWP</li> <li>Number of days worked per work opportunity created</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 2: Economic transformation and job creation</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>The programme is implemented through municipalities using EPWP integrated agreements and project lists that specify the number of FTEs and work opportunities to be created</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>EPWP projects must comply with the project selection criteria determined in the EPWP grant manual, the EPWP guidelines set by the Department of Public Works and Infrastructure (DPWI), the latest EPWP Ministerial Determination, the EPWP Recruitment Guidelines and the National Minimum Wage Act of 2018 including applicable gazettes</li> <li>Municipalities must report monthly on all EPWP projects via DPWI's EPWP reporting system</li> <li>Reports must be loaded on the EPWP reporting system every month. The system closes 15 days after the end of every quarter in order for progress to be assessed</li> <li>Municipalities must maintain participant and payroll records as specified in the audit requirements in the EPWP grant manual</li> <li>The EPWP grant cannot be used to fund the costs of permanent municipal personnel however, a maximum of 5 per cent of the grant can be used to fund contract-based capacity required to manage data capturing and on-site management costs related to the use of labour-intensive methods</li> <li>The EPWP grant can only be utilised for EPWP purposes, for the projects approved in each municipality's EPWP project list</li> <li>To respond to the COVID-19 pandemic, municipalities may use up to 10 per cent of their allocations for the provision of personal protective equipment (e.g., temperature scanners, hand washing facilities, hand sanitizers as per the standard determined by the Department of Health), and provisions for physical distancing</li> <li>To receive the first tranche of the allocations, eligible municipalities must submit a signed integrated agreement with a project list by 30 June 2022</li> <li>Subsequent grant disbursements are conditional upon: <ul style="list-style-type: none"> <li>eligible municipalities reporting EPWP performance within the required timeframes</li> <li>compliant reporting on EPWP Integrated Grant funded projects</li> <li>submitting on a quarterly basis non-financial reports including for the last quarter of the previous financial year</li> <li>reporting on EPWP Integrated Grant expenditure monthly within the required time frames</li> </ul> </li> <li>Municipalities must implement their approved EPWP project list and meet agreed work opportunity targets</li> <li>Municipalities must ensure that EPWP branding is included as part of the project cost in line with the corporate identity manual</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>To be eligible for an EPWP grant allocation in 2022/23, a municipality must have reported at least 13 FTEs in either the infrastructure sector, social sector or environment and culture sector in the 2020/21 financial year, by 15 October 2021</li> <li>Newly reporting municipalities must have reported at least 6.5 FTEs in either the infrastructure sector, social sector or environment and culture sector in the 2021/22 financial year by 15 October 2021</li> <li>The EPWP grant allocations are based on: <ul style="list-style-type: none"> <li>past EPWP performance</li> <li>the number of FTE jobs created in the prior 18 months</li> <li>past performance with regard to labour intensity in the creation of EPWP work opportunities</li> <li>service delivery information from 2016 Community Survey used as an adjustment factor</li> </ul> </li> <li>Penalties are applied to municipalities with negative audit findings and non-compliant in terms of submission of the non-financial reports</li> <li>Allocation criteria include a rural bias</li> </ul>

<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	
	<ul style="list-style-type: none"> <li>Rural municipalities will also be prioritised in terms of technical support for implementation provided by DPWI</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This grant is intended to fund the expansion of labour intensity in specific focus areas as well as to incentivise increased EPWP performance. The grant is based on performance, the potential to expand and the need for EPWP work in key focus areas</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>The grant had an allocation of R748 million, 253 municipalities were eligible for the grant and 100 per cent of the allocation was transferred to these municipalities</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>181 400 work opportunities were reported by 253 municipalities and validated on the EPWP system</li> <li>62 729 FTE jobs were reported by 253 municipalities and validated on the EPWP system</li> <li>Average duration of the work opportunities created has increased to 79 days</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2022/23: R778 million; 2023/24: R781 million and 2024/25: R816 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Three tranches per annum: 25 per cent on 3 August 2022; 45 per cent on 2 November 2022 and 30 per cent on 1 February 2023</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Determine eligibility and set grant allocations and FTE targets for eligible municipalities</li> <li>Publish on the EPWP website all documents relevant for municipalities to understand and implement the grant, including a grant manual, the relevant EPWP guidelines, the EPWP Ministerial Determination and the National Minimum Wage Act including applicable gazettes</li> <li>Support municipalities in the manner agreed to in the grant agreement, to: <ul style="list-style-type: none"> <li>identify suitable EPWP projects and develop EPWP project lists in accordance with the EPWP project selection criteria</li> <li>apply the EPWP project selection criteria and EPWP guidelines to project design</li> <li>report using the EPWP reporting system</li> </ul> </li> <li>Monitor the performance and spending of municipalities according to the signed incentive agreement</li> <li>Conduct data quality assessments on a continuous basis, to support good governance and identify areas for administrative improvement</li> <li>Manage the EPWP coordinating structures in collaboration with provincial coordinating departments to support implementation, identify blockages and facilitate innovative solutions</li> <li>Conduct site visits to verify existence of the projects and identify where support is needed</li> </ul> <p><b>Responsibilities of the eligible municipalities</b></p> <ul style="list-style-type: none"> <li>Develop and submit an EPWP project list to DPWI by 30 June 2022</li> <li>Sign the standard funding agreement with DPWI agreeing to comply with the conditions of the grant before receiving any grant disbursement</li> <li>Agree on the areas requiring technical support from DPWI upon signing the grant agreement</li> <li>Ensure that reporting is done within the timelines stipulated in the grant agreement and that compliant information is captured in the EPWP reporting system</li> <li>Municipalities must maintain participant payroll records as specified in the audit requirements in the EPWP grant manual, and make these available to DPWI for data quality assessment tests</li> <li>EPWP work opportunity reports must be captured on a monthly basis in order for progress to be assessed</li> <li>Submission of quarterly non-financial reports by the timelines stipulated in the clauses of the Division of Revenue Act</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>Municipalities must report performance on EPWP projects for the 2022/23 financial year by 31 October 2022 to be eligible for a grant allocation</li> <li>Municipalities must submit a signed EPWP integrated agreement and project list by 30 June 2023</li> </ul>

# URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

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**Buffalo City Metropolitan Municipality**



<b>Urban Settlements Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>• Human Settlements (Vote 33)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>• Schedule 4, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>• The creation of sustainable and integrated human settlements that enable improved quality of household life</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>• To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>• The outcomes to be realised in order to promote integrated sustainable urban settlements and improved quality of living environments are as follows: <ul style="list-style-type: none"> <li>○ supporting inclusive densification and transit-oriented urban development, integrating existing and new urban developments</li> <li>○ provision of adequate bulk and link infrastructure for mixed-income and mixed-use urban developments</li> <li>○ provide opportunities for leveraging of public funding within partnerships that promote integrated mixed-income and mixed-use urban development projects and funding for broader urban development</li> <li>○ provision of resources for sustainable community development for social and economic infrastructure and meaningful participation</li> </ul> </li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>• The following outputs should be funded by the grant to support the improvement of the overall built environment: <ul style="list-style-type: none"> <li>○ increase in municipal bulk and link infrastructure</li> <li>○ construction/provision of internal engineering services, including backyarders and densification overlay zones</li> <li>○ increase in the number of serviced sites</li> <li>○ increase in the provision of individual connections</li> <li>○ increase in land provision for informal settlement upgrading, subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments</li> <li>○ increase in access to public and socio-economic amenities</li> <li>○ increase in the number of interim basic services</li> <li>○ increase in number of community agreements</li> </ul> </li> <li>• <b>Response to the COVID-19 pandemic</b> <ul style="list-style-type: none"> <li>• Number of municipal-owned facilities identified for quarantine sites that are repaired (limited to repairs to existing facilities, not modifications and operational costs)</li> <li>• Number of public facilities (by category) sanitised</li> <li>• Number of hand-washing dispensers installed</li> <li>• Litres of sanitiser procured</li> <li>• Number of temperature scanners procured</li> <li>• Number of municipal workers provided with personal protective equipment</li> </ul> </li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>• Priority 5: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>• This grant uses the USDG plan (containing a project list with project names, project descriptions, infrastructure classification, Geographic Information System (GIS) coordinates and wards in which projects are being developed. The USDG plan is consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plan (SDBIP) of the receiving municipality</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit a USDG plan that is aligned to the SDBIP, IDP and the One Plan in pilot areas for the District Development Model to the national Department of Human Settlements (DHS) and National Treasury</li> <li>• The annual USDG plan must contain a project list with project names, project descriptions, classification of infrastructure, GIS coordinates and wards in which projects are being developed. The submission should include motivations of how the projects will benefit poor households and information on spatial targeting, co-funding and other associated investments</li> <li>• The flow of the first tranche is subject to: <ul style="list-style-type: none"> <li>○ submission of the 2021/22 third quarter financial performance signed off by the municipal accounting officer or duly delegated official and non-financial information in line with the requirements set out in the Municipal Finance Management Act (MFMA) circular 88</li> <li>○ submission of a USDG plan that is aligned to the municipal IDP, SDBIP and national priorities by 27 May 2022</li> </ul> </li> <li>• The flow of the second tranche will be conditional upon the submission of the 2021/22 fourth quarter financial performance signed off by the municipal accounting officer and or duly delegated authority and non-financial information as per the requirements set out in the MFMA 88</li> <li>• The flow of the third tranche will be conditional upon submission of second quarter financial performance signed off by the municipal accounting officer or duly delegated authority and non-financial information as per the requirements set out in the MFMA circular 88</li> <li>• A maximum of 3 per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium-Term Strategic Framework (MTSF) and in line with the capacity building guideline issued by DHS</li> </ul>

<b>Urban Settlements Development Grant</b>	
	<ul style="list-style-type: none"> <li>• Municipalities must indicate the amounts of their annual allocations for spending on the identified national priority projects as approved by the municipal council</li> <li>• Metros must prioritise the implementation of projects that are in the gazetted Priority Human Settlements and Housing Development Areas</li> </ul> <p><b>Response to COVID-19 pandemic</b></p> <ul style="list-style-type: none"> <li>• Municipalities must submit a USDG plan for approval by DHS, outlining the planned use of USDG funds for the following activities as part of the response to the COVID-19 pandemic: <ul style="list-style-type: none"> <li>○ municipalities must prioritise the provision of water and sanitation to communities that do not currently have access to water services or require additional water services</li> <li>○ funds may be used for the costs of providing services at higher frequency and/or standards for informal settlements and vulnerable communities but a motivation must be submitted to DHS for approval</li> <li>○ grant funds may be used for the repair of municipal-owned infrastructure identified for quarantine sites (limited to repairs to existing facilities, not modifications and operational costs)</li> <li>○ funds may be used for the sanitisation of public facilities (except public transport facilities)</li> <li>○ Buffalo City may use up to 15 per cent of its allocation for the sanitisation of public transport facilities, including providing for hand washing facilities, hand sanitiser, provisions for physical distancing and provision of personal protective equipment for public transport workers</li> </ul> </li> <li>• Monthly reports on COVID-19 expenditure must include information on actual spending and services delivered</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant is allocated to all metropolitan municipalities</li> <li>• The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2022 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) different to those of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• The total available funds including rollovers amounted to R11.6 billion and the expenditure was R11.3 billion (97 per cent)</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• Delivery performance is indicated in the performance evaluation reports for 2020/21</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2022/23: R7.4 billion; 2023/24: R7.7 billion and 2024/25: R8 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers will be made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Develop indicators for the outcomes and outputs</li> <li>• Convene a structured forum to meet with municipalities on a quarterly basis</li> <li>• Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities</li> <li>• Provide support to municipalities with regard to human settlement programmes</li> <li>• Publish a guideline by 27 May 2022 on how municipalities should use capacity funds from this grant</li> <li>• Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable</li> <li>• Undertake oversight visits to municipalities as may be necessary</li> <li>• Facilitate strategic and spatial planning support related to human settlements development</li> <li>• Provide systems, including the Housing Subsidy System that support the administration of the human settlements delivery process</li> <li>• Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities, on a quarterly basis</li> <li>• When under expenditure and under performance is identified, the department may recommend the stopping and reallocation of funds in terms of sections 18 and 19 of the 2022 Division of Revenue Act (DoRA)</li> <li>• Participate in the municipal budget benchmarking process as and when indicated by the National Treasury</li> <li>• Share COVID-19 response plans from municipalities with National Treasury for comments before approving them</li> <li>• DHS must report separately on COVID-19 expenditure, in its reports submitted in terms of the requirements of section 9 of the 2022 DoRA and must share these reports with the National Disaster Management Centre</li> <li>• The transferring officer should design and distribute a template to be signed by a municipal manager or a delegated officer to be submitted with monthly and quarterly reports by metropolitan municipalities</li> <li>• Use this grant to leverage alternative financing</li> </ul> <p><b>Responsibilities of other national sector departments</b></p> <ul style="list-style-type: none"> <li>• The Department of Mineral Resources and Energy, Department of Water and Sanitation, Department of Environment, Forestry and Fisheries and the Department of Transport must all provide technical advice and support relevant to their sectors and monitor the performance of municipalities in line with the requirements set out in the MFMA circular 88</li> </ul>

<b>Urban Settlements Development Grant</b>	
	<p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Metropolitan municipalities may replace non-performing projects with performing projects providing a similar infrastructure that fulfils the same policy objectives. This replacement should not jeopardise the achievement of the overall MTSF targets committed to by the municipality</li> <li>• Changes to the approved project list may only be made once a quarter and the metro must notify the DHS in writing and provide all the relevant details of the new project within 30 days after the end of the quarter</li> <li>• Comply with the terms and conditions of the receiving officer outlined in the 2022 DoRA</li> <li>• Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant</li> <li>• Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements</li> <li>• Ensure that the USDG is used to meet municipality MTSF targets</li> <li>• Municipalities should submit a signed letter by a municipal manager or a delegated authorised person as an attachment to the monthly and quarterly reports</li> <li>• Municipalities must report on the percentage of their allocations spent on service provided by companies owned by designated groups on a quarterly basis</li> <li>• Municipalities must adhere to section 16 of the 2022 DoRA if they are planning to appoint any other organ of state to implement Human Settlements projects on their behalf</li> <li>• Municipalities must report quarterly on projects funded, in line with the requirements of the MFMA circular 88. Reporting must include financial and non-financial performance on progress against UISP plans, using the template prescribed by the DHS</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>• Municipalities must submit a comprehensive USDG plan (based on circular 88 indicators) with targets aligned to the MTSF, IDP and SDBIP and a draft and/or approved municipal budget</li> <li>• Municipalities must submit their first draft of the USDG plan to the transferring officer by 24 March 2023 and the final USDG plan should be submitted by 31 May 2023</li> </ul>

# PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

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**Buffalo City Metropolitan Municipality**





<b>Programme and Project Preparation Support Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>The development of more inclusive, liveable, productive and sustainable urban built environments in metropolitan municipalities</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources to preparation activities</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Strengthened and effective system of programme and project preparation in the metropolitan cities</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Effective and transparent system for project approvals (clearly defined authorising environment) in the metropolitan municipalities</li> <li>Increased investment in programme and project preparation by the metropolitan municipalities</li> <li>Credible pipeline of projects developed by metropolitan municipalities</li> <li>Number of feasibility studies/strategies completed</li> <li>Long-term programmes/projects that will attract private investment and assist metropolitan municipality enhance revenue</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 5: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Eligibility is restricted to metropolitan municipalities which have: <ul style="list-style-type: none"> <li>guidelines</li> <li>committed to co-financing contributions</li> </ul> </li> <li>The first transfer of the grant will only be released to a municipality that has, by 31 May 2022, submitted a work plan to National Treasury with programme and project preparation activities</li> <li>Further transfers will be based on performance in line with the work plan submitted to National Treasury</li> <li>Funds can only be spent on direct operating costs for programme and project preparation activities</li> <li>Metropolitan municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investment required to ensure long-term and sustainable outcomes</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations will be made to eligible metropolitan municipalities on a population-weighted basis in order to account for the relatively greater planning complexity and investment needs in larger metropolitan municipalities</li> <li>Final allocations will be made based on municipal submissions (work plan) and performance, and subject to co-financing requirements</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>The grant provides funding to the metropolitan municipalities to enhance the performance of their urban built environment programmes by supporting programme and project preparation. It reflects commitments contained in the National Development Plan to streamline funding for urban public investments to support the restructuring of the urban built environment</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>New grant</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2022/23: R361 million; 2023/24: R377 million and 2024/25: R394 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Review eligibility criteria and assess compliance with grant conditions prior to the transfer of each tranche of the allocations</li> <li>Provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme and the Neighbourhood Development Programme</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Submit a work plan of activities relating to the establishment and institutionalisation of programme and project preparation</li> <li>Compile and submit monthly expenditure reports in line with the requirements as stipulated in the 2022 Division of Revenue Act</li> <li>Compile and submit quarterly non-financial performance related information, including progress reports in line with the requirements as stipulated in the 2022 Division of Revenue Act.</li> <li>Implement the work plan and report on progress</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>National Treasury will communicate further details of the requirements for project and programme preparation funding over the 2023 MTEF period by September 2022</li> <li>Municipalities must submit a work plan of activities relating to the establishment and institutionalisation of programme and project preparation by November 2022</li> </ul>

# INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

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**Buffalo City Metropolitan Municipality**



## NATIONAL TREASURY GRANTS

<b>Infrastructure Skills Development Grant</b>	
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B</li> </ul>
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>To improve infrastructure delivery management capacity within municipalities by developing a long-term and sustainable pool of registered professionals with built environment and related technical skills in engineering, town and regional planning, quantity surveying, geographic information systems and project management</li> </ul>
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment</li> </ul>
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Developed technical capacity within local government to enhance infrastructure provision, and service delivery, through improved infrastructure planning, implementation, operations and maintenance</li> <li>Registered professionals with built environment qualifications (national diploma and/or degree) as per the statutory councils' requirements</li> <li>Increased number of qualified and registered professionals employed within local government</li> </ul>
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Number of built environment graduates registered as candidates for training and professional development as per requirements of the relevant statutory councils</li> <li>Number of graduates recognised as registered professionals by the relevant statutory councils</li> <li>Number of graduates employed as registered professionals within the built environment in local government</li> </ul>
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 5: Spatial integration, human settlements and local government</li> </ul>
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>
<b>Conditions</b>	<ul style="list-style-type: none"> <li>The business plan must demonstrate that the municipality has projects in which the graduates can be trained, and provide the relevant complexity of work and responsibility that can support graduates to meet the registration requirements of the relevant statutory councils and the budget must be clearly outlined</li> <li>Municipality must have a Project Management Unit</li> <li>The business plan must be signed by the municipal manager</li> <li>Graduates must be seconded to an entity (public or private) if no relevant training is available to develop the necessary competence of the graduates</li> <li>Where graduates are placed in another entity (public or private) a memorandum of agreement must be developed and signed between the municipality and the entity, according to Infrastructure Skills Development Grant (ISDG) guidelines. The memorandum of agreement must clearly demonstrate the supervision requirements and the roles and responsibilities of all parties associated with the training of graduates</li> <li>Graduates must have a national diploma or degree in the built environment from higher education institutions i.e. universities or universities of technology recognised by the statutory council</li> <li>Municipalities must provide training as per the road-to-registration requirements of the relevant statutory council</li> <li>Mentoring must be provided by registered professionals in the same field as the graduates in training. The full names and proof of registration of the mentor must be submitted to the National Treasury, and a contract must be entered into with each mentor, in accordance with the ISDG guidelines</li> <li>The ISDG funding is to be utilised exclusively for costs associated with the training and professional development process of graduates (refer to ISDG guidelines)</li> <li>The business plan of a municipality must include an absorption strategy for the graduates within the municipality or any other municipality</li> <li>A project administrator may be appointed per municipality for the purpose of the ISDG administration if approved by National Treasury (refer to ISDG guidelines)</li> <li>Graduates are to be placed in units to support the management, maintenance and/or implementation of infrastructure, infrastructure related projects and accelerated service/infrastructure delivery</li> <li>Graduates must be assigned to a supervisor with experience in the same field as the graduates-in-training</li> <li>Graduates' training progress is to be evaluated by professionally registered mentors on a quarterly basis and development of the required competencies of graduates is to be evaluated bi-annually</li> <li>Municipalities must submit monthly and quarterly reports timeously</li> <li>Graduate reports and/or log books must be completed in the format of the statutory council and must be signed by the registered mentor/supervisor as required by statutory councils</li> <li>Municipal Managers must sign a service level agreement (SLA) with the National Treasury and such an agreement must be adhered to</li> <li>Non-compliance with the above conditions can result in the funds being withheld, stopped or re-allocated</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>Allocations are based on business plans submitted and the ability of municipalities to provide training and professional development to graduates for the duration of the candidacy phase as stipulated by statutory councils</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>This conditional grant is meant to develop technical skills within municipalities</li> </ul>

<b>Infrastructure Skills Development Grant</b>	
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R143 million was allocated and transferred to 15 municipalities</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The grant has created employment and training opportunities</li> <li>Currently 367 graduates are in training</li> <li>Since inception of the grant, 303 graduates have been professionally registered with the relevant statutory councils</li> <li>263 graduates are professionally registered and absorbed by the municipalities</li> <li>In 2020/21 the following municipalities hosted graduates through the grant: Buffalo City (27 graduates); Nelson Mandela Bay (30 graduates); eThekweni (48 graduates); City of Johannesburg (18 graduates); Polokwane (18 graduates); Govan Mbeki (56 graduates); Gert Sibande (31 graduates); Alfred Nzo (19 graduates); Sol Plaatje (13 graduates); John Taolo Gaetsewe (9 graduates); King Sabata Dalindyebo (10 graduates); City of Cape Town (28 graduates); George (15 graduates); Alfred Duma (11 graduates); Thulamela (10 graduates)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2022/23: R159 million; 2023/24: R160 million and 2024/25: R167 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Issue guidelines and supporting documentation for the implementation of the ISDG</li> <li>Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts</li> <li>Manage, monitor and report on the programme</li> <li>Ensure professional development is aligned to statutory council requirements</li> <li>Monitor the registration progress of graduates with the relevant statutory councils by municipalities</li> <li>Monitor financial and non-financial performance of the ISDG</li> <li>Maintain graduates' database for the ISDG</li> <li>Work with relevant stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals</li> <li>Participate in the review of the municipal capacity support system during 2022</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Comply with the requirements of the 2022 Division of Revenue Act, ISDG guidelines, service level agreement and the requirements of the relevant statutory councils</li> <li>Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates achieve competencies in relevant activities and are developed professionally to meet the outcome(s) requirements for professional registration</li> <li>Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work with adequate responsibility for the candidate to progress</li> <li>Provide the candidate with the requisite workspace, supervisor, tools of profession/trade and logistics to perform the recommended activities within their training plans</li> <li>Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action</li> <li>Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils</li> <li>Attend all meetings and workshops convened by the National Treasury relating to this grant</li> <li>Support and supervise graduates on the road-to-registration training</li> <li>Recruit professionally registered mentors who are able to provide the skills training required and ensure that they are adequately orientated on the registration process and its requirements</li> <li>Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury</li> <li>Manage the utilisation of ISDG funds and report to the National Treasury</li> <li>The municipality must provide, and update, the list of business tools procured with ISDG funds. The business tools must be procured in accordance with ISDG guidelines</li> <li>Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months, and where not initially eligible, must complete the additional requirements for acceptance as a candidate within 12 months of intake</li> <li>Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>Interested municipalities must submit a three-year business plan by 31 August 2022 for assessment by the National Treasury</li> <li>Participating municipalities must submit revised business plans to the National Treasury by 31 August 2022</li> </ul>

# NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

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**Buffalo City Metropolitan Municipality**



<b>Neighbourhood Development Partnership Grant</b>																												
<b>Transferring department</b>	<ul style="list-style-type: none"> <li>National Treasury (Vote 8)</li> </ul>																											
<b>Grant schedule</b>	<ul style="list-style-type: none"> <li>Schedule 5, Part B and Schedule 6, Part B</li> </ul>																											
<b>Strategic goal</b>	<ul style="list-style-type: none"> <li>Eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient, and integrated towns and cities</li> </ul>																											
<b>Grant purpose</b>	<ul style="list-style-type: none"> <li>To plan, catalyse, and invest in targeted locations in order to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, townships and rural towns</li> </ul>																											
<b>Outcome statements</b>	<ul style="list-style-type: none"> <li>Spatially integrated cities and towns</li> <li>Diversity of public and private capital investments leveraged into targeted locations</li> <li>Improved ratio of Neighbourhood Development Partnership Grant (NDPG) to third-party capital investment into strategic locations</li> <li>Improved municipal capacity to support infrastructure investment planning, prioritisation, and ability to drive long-term spatial transformation</li> <li>Improved social cohesion and strengthened social safety net</li> </ul>																											
<b>Outputs</b>	<ul style="list-style-type: none"> <li>Targeted locations with catalytic projects, defined as either: <ul style="list-style-type: none"> <li>urban hub precincts with secondary linkages and rural regional service centers</li> <li>catalytic programmes within integration zones</li> <li>built environment upgrade projects in urban townships and rural towns</li> <li>leveraged third-party capital investment into targeted locations</li> </ul> </li> <li>The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events</li> <li>Enhanced municipal strategic competencies in investment targeting, implementation, and urban management</li> <li>Number of work opportunities and Full-Time Equivalents created through the city-led public employment programme (PEP)</li> </ul>																											
<b>Priority of government that this grant primarily contributes to</b>	<ul style="list-style-type: none"> <li>Priority 2: Economic transformation and job creation</li> <li>Priority 5: Spatial integration, human settlements and local government</li> </ul>																											
<b>Details contained in the business plan</b>	<ul style="list-style-type: none"> <li>Outcome indicators</li> <li>Output indicators</li> <li>Inputs</li> <li>Key activities</li> </ul>																											
<b>Conditions</b>	<ul style="list-style-type: none"> <li>Compliance with the aims and objectives outlined in the investment plans between the municipality and the transferring officer</li> <li>Submission of cash flow schedules with budgets and timeframes for technical assistance and capital grant (project) implementation as requested by the transferring officer</li> <li>Programme execution is dependent on a sequential and formal acceptance/approval by the transferring officer of NDPG-related municipal plans or deliverables</li> <li>Municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investment required to ensure long-term and sustainable outcomes for each precinct</li> <li><b>Response to the COVID-19 pandemic: City-led Public Employment Programme (PEP)</b></li> <li>R800 million and R855.6 million has been allocated to the eight metros from the Presidential Employment Initiative for 2022/23 and 2023/24 respectively. The breakdown per municipality is as follows: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th style="text-align: center;">2022/ 23</th> <th style="text-align: center;">2023/ 24</th> </tr> </thead> <tbody> <tr> <td>o Buffalo City</td> <td style="text-align: center;">R21 million</td> <td style="text-align: center;">R21 million</td> </tr> <tr> <td>o City of Cape Town</td> <td style="text-align: center;">R156 million</td> <td style="text-align: center;">R161 million</td> </tr> <tr> <td>o City of Ekurhuleni</td> <td style="text-align: center;">R58 million</td> <td style="text-align: center;">R64 million</td> </tr> <tr> <td>o City of Johannesburg</td> <td style="text-align: center;">R126 million</td> <td style="text-align: center;">R126 million</td> </tr> <tr> <td>o City of Tshwane</td> <td style="text-align: center;">R140 million</td> <td style="text-align: center;">R146 million</td> </tr> <tr> <td>o eThekweni</td> <td style="text-align: center;">R263 million</td> <td style="text-align: center;">R293 million</td> </tr> <tr> <td>o Mangaung</td> <td style="text-align: center;">R20 million</td> <td style="text-align: center;">R20 million</td> </tr> <tr> <td>o Nelson Mandela Bay</td> <td style="text-align: center;">R16 million</td> <td style="text-align: center;">R25 million</td> </tr> </tbody> </table> </li> <li>Funds may be used to upscale city-led PEPs that contribute to: upgrading informal settlements, maintenance, development and management of public space and assets, greening and cleaning; food safety; innovative service delivery; sharing and management of local knowledge and information; community safety; environmental services and management; and community tourism</li> <li>Metropolitan municipalities must submit a business plan for approval by National Treasury on the date stipulated by National Treasury, outlining the key activities, inputs, output indicators and outcome indicators</li> <li>90 per cent of the funds may be used for the operating costs of running a public employment programme: <ul style="list-style-type: none"> <li>the basic minimum wage should be used as a guideline for costing the PEP employment opportunities</li> <li>supervisory, project management and operational-related materials costs should be budgeted for</li> </ul> </li> <li>A maximum of 10 per cent of the PEP allocation can be used for the purchasing of capital equipment</li> <li>Cities can shift funds between city-led PEP projects</li> <li>National Treasury must be notified of such shifts in the monthly reports</li> <li>Metropolitan municipalities must report on the use of these funds in line with the reporting requirements of section 12 of the Division of Revenue Act</li> </ul>		2022/ 23	2023/ 24	o Buffalo City	R21 million	R21 million	o City of Cape Town	R156 million	R161 million	o City of Ekurhuleni	R58 million	R64 million	o City of Johannesburg	R126 million	R126 million	o City of Tshwane	R140 million	R146 million	o eThekweni	R263 million	R293 million	o Mangaung	R20 million	R20 million	o Nelson Mandela Bay	R16 million	R25 million
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<b>Neighbourhood Development Partnership Grant</b>	
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• The grant funds the following activities in targeted locations that are defined as urban hubs and regional service centers:               <ul style="list-style-type: none"> <li>◦ planning and the development of catalytic programmes and projects</li> <li>◦ the development of built environment upgrade projects in townships and rural towns</li> </ul> </li> <li>• Schedule 6, Part B: technical assistance allocations support planning and professional programme management costs for programmes and projects in targeted locations in order to attract and sustain third party capital investments based on the NDPG's allocation criteria</li> <li>• Schedule 5, Part B: capital grant allocations are determined via a pipeline of prioritised projects that have been identified through the planning process, in targeted locations</li> <li>• Allocations are focused on municipalities whose circumstances align with the NDPG's criteria, these include: higher population densities, diverse nature of economic activity, concentrations of poverty, inefficient spatial-historical development, improved connectivity and mobility (in particular through improved public transport networks)</li> <li>• Rural towns are selected according to population or population growth, location, economic potential and/or growth and governance and financial health</li> <li>• The city-led PEP allocations are limited to the 8 metropolitan municipalities and are based on the business plans submitted by each municipality</li> </ul>
<b>Reasons not incorporated in equitable share</b>	<ul style="list-style-type: none"> <li>• This grant has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share</li> </ul>
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>• R479 million allocated in Schedule 5, Part B direct transfers to municipalities and R479 million of this was transferred to municipalities</li> <li>• R63 million allocated in Schedule 6, Part B indirect transfers to municipalities and R61 million of this was spent by the end of the national financial year</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>• 82 NDPG projects under construction in 2020/21</li> <li>• R16 billion in estimated third party investment leveraged (cumulative since 2007/08)</li> <li>• 607 catalytic projects approved (cumulative since 2007/08)</li> <li>• 18 long-term urban regeneration programmes registered (cumulative since 2013/14)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<p><b>Direct transfers (Schedule 5, Part B):</b></p> <ul style="list-style-type: none"> <li>• 2022/23: R1.4 billion; 2023/24: R1.5 billion and 2024/25: R647 million</li> </ul> <p><b>Allocation-in-kind (Schedule 6, Part B):</b></p> <ul style="list-style-type: none"> <li>• 2022/23: R101 million; 2023/24: R101 million and 2024/25: R105 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with a payment schedule approved by National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Funds plans and catalytic projects in targeted locations that are defined either as urban hubs, integration zones, catalytic programmes or as built environment upgrade projects in urban and rural towns, including:           <ul style="list-style-type: none"> <li>◦ notifying all municipalities of their allocation status, both directly and via the Neighbourhood Development Partnerships page on the National Treasury website</li> <li>◦ reporting in terms of the 2022 Division of Revenue Act</li> <li>◦ determining grant allocations for the Medium Term Expenditure Framework period</li> <li>◦ governing the acceptance or approval milestones of NDPG-related municipal plans or deliverables</li> <li>◦ monitoring, managing and evaluating financial and non-financial performance</li> <li>◦ overseeing and enforcing the conditions of this grant</li> <li>◦ producing and disseminating toolkits, guidance and good practice notes that strengthen competencies in investment targeting, implementation and urban management</li> </ul> </li> <li>• Coordinate an advisory committee that includes the Department of Rural Development and Land Reform, Department of Cooperative Governance as part of the management of NDPG's small town projects</li> <li>• Participate in the review of the municipal capacity support system during 2022</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Compile and submit monthly and quarterly expenditure and progress reports in line with NDPG requirements and as stipulated in the 2022 Division of Revenue Act</li> <li>• Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as requested by the transferring officer</li> <li>• Provide adequate human resources capacity for the successful coordination and implementation of NDPG projects</li> <li>• Coordinate the development of NDPG related municipal plans or deliverables and ensure that they are aligned with the grant objectives against which performance will be assessed</li> <li>• Manage and monitor technical assistance and/or capital grant implementation ensuring sound financial management and value for money</li> <li>• Maintain accurate and up to date grant and performance information as specified in NDPG management information formats and systems</li> <li>• Engage stakeholders so as to develop partnerships that leverage funding into the targeted locations</li> <li>• Enter and manage partnerships agreements to ensure that the desired project deliverables and objectives are met</li> <li>• Collect and provide evidence of funding leveraged into each precinct</li> </ul>

<b>Neighbourhood Development Partnership Grant</b>	
	<ul style="list-style-type: none"> <li>• Mainstream and reflect the NDPG development strategies and plans across the municipality, i.e. through the municipal:               <ul style="list-style-type: none"> <li>○ spatial development frameworks and capital investment frameworks (as a chapter in the municipal Spatial Development Framework)</li> <li>○ Integrated Development Plans</li> </ul> </li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>• Submission of NDPG related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans</li> <li>• Plans and/or deliverables must include an indication of:               <ul style="list-style-type: none"> <li>○ the ability to attract and report on third-party funding leveraged</li> <li>○ the quality of performance and progress reporting</li> <li>○ the level of NDPG alignment across all municipal development strategies and plans including coordination, targeting, and prioritisation with other related capital projects as reflected through municipal spatial development frameworks and capital investment frameworks</li> </ul> </li> </ul>