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**PROVINCIAL NOTICE**

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No. 6

7 March 2007

**AMENDMENT  
EASTERN CAPE PROVINCIAL TREASURY**

The notice issued in the Government Gazette No. 1645 dated 29 November 2006 is hereby amended as per attached Schedules A & B.

Information relating to allocations made by the Eastern Cape Provincial Accounting Officer of the Department of Housing, Local Government and Traditional Affairs is, in terms of section 29(2) of the Division of Revenue Act, 2006 (Act No. 2 of 2006), published for general information as set out in the Schedules herein.



**W.H. NEL**  
**MEC FOR FINANCE**

**AMENDMENT TO GAZETTE NO. 1645 OF 2006 DATED 29 NOVEMBER 2006  
IN TERMS OF DIVISION OF REVENUE ACT, 2006 ( ACT NO.2 OF 2006)  
ALLOCATIONS TO MUNICIPALITIES NOT LISTED IN THE SCHEDULE TO  
THE SAID ACT.**

**SCHEDULE A**

**1. INTEGRATED DEVELOPMENT PLANNING (Municipal PMS)**

<b>Name of Transferring Department</b>	Housing, Local Government and Traditional Affairs.
<b>Name of Allocation</b>	Integrated Development Planning (Municipal Performance Management System)
<b>Purpose</b>	<ul style="list-style-type: none"> <li>• Strengthening the capacity of municipalities.</li> <li>• Integrated planning and good government.</li> <li>• Implementation of MPRA – Ikwezi Municipality.</li> <li>• Review and updating all the Provincial Spatial Development Plans.</li> </ul>
<b>Measurable Output</b>	<p>Although output will vary between municipalities, the following issues, inter alia, should be addressed.</p> <ul style="list-style-type: none"> <li>• Review of municipal integrated development plans.</li> <li>• Facilitate development of municipal performance management systems.</li> <li>• Facilitate project management in municipalities.</li> </ul>
<b>Condition</b>	<ul style="list-style-type: none"> <li>• Submission of business plans prior to transfers.</li> <li>• Regular monitoring by DHLG &amp; TA.</li> <li>• Any amendments to the municipal business plans can only be effected after prior approval of the provincial transferring officer has been obtained.</li> <li>• Reporting requirements in terms of applicable.</li> <li>• Transfers to be effected on fulfilment of section 38(i) of the PMFA Act 1 of 1999, put in place to ensure compliance with the condition of the funds.</li> </ul>
<b>Allocation Criteria</b>	<p>Allocation are be made to municipalities according to assessed needs within the context of the IDP in order to assist them in meeting their constitution obligations.</p> <p>According to Section 154(i) of the Constitution national and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their function.</p>
<b>Monitoring System</b>	The department requires quarterly reports on the progress made and monthly expenditure reports as required by the Division of Revenue Act.
<b>Past Performance</b>	Various municipalities had the benefit of the previous grants. This has resulted in improved financial reporting, billing through cleansed data, asset registers compliant with GWMAP, improved IDP's with some municipalities having developed their own performance management systems by-law and policies for municipalities updated. The support has effectively reduced administrative backlogs in municipalities. Provision of basic services has improved through consolidated municipal infrastructure programmes.
<b>Project Life</b>	Project management funds to be transferred to a municipality to administer on behalf DHLG & TA within set conditions and in terms of a signed agreement.

Allocations per municipality to be reflected as follows:

**NB: To enable municipality's tom budget effectively and implement three year, budgeting, allocations should be made for the three years.**

			Grant Name: Local government Support Grant		
Category	DC	Number new Municipality	2006/7 Allocation (R')	2007/8 Allocation (R)	2008/9 Allocation (R'000) 12,117
<b>ESTERN CAPE</b>					
A		Port Elizabeth Nelson Mandela			
B	DC10	EC101 Camdeboo		52	70
B	DC10	EC102 Blue Crane Route		52	70
B	DC10	EC103 Ikwezi		52	70
B	DC10	EC104 Makana		52	70
B	DC10	EC105 Ndlambe		52	70
B	DC 10	EC106 Sunday's River Valley		52	70
B	DC10	EC107 Baviaans		52	70
B	DC10	EC108 Kouga		52	70
B	DC10	EC109 Kou-Karrrra		52	70
B	DC10	DC10 Cacadu		111	143
<b>VUNA AWARD</b>				4000	4000
<b>Total: Cacadu District</b>				<b>4579</b>	<b>4773</b>
B	DC12	EC121 Mbashe		52	70
B	DC12	EC122 Mqurra		52	70
B	DC12	EC123 Great Kei	50,000	52	70
B	DC12	EC124 Arrahloti	50,000	52	70
B	DC12	EC125 Buffalo City		52	70
B	DC12	EC126 Ngqushwa		52	70
B	DC12	EC 127 Nkonkobe	50,000	52	70
B	DC12	EC 128 Nxuba		52	70
C	DC12	EC 129 Amatole		111	143
<b>Total : Amatole District</b>			<b>150,000</b>	<b>527</b>	<b>703</b>
B	DC13	EC131 Inxuba Yethemba		52	70
B	DC13	EC132 Tsomyane		52	70
B	DC13	EC133 Inkwanca		52	70
B	DC13	EC134 Lukanji	100,000	52	70
B	DC13	EC135 Inteka Yethu		52	70
B	DC13	EC136 Emalaheni		52	70
B	DC13	EC137 Engcobo		52	70
B	DC13	EC138 Sakhisizwe	50,000	52	70
DMA	DC13	DMA13 Mount Zebra NP			
C	DC13	DC13 Chris Hani		111	143
<b>Total : Chris Hani</b>			<b>300,000</b>	<b>527</b>	<b>703</b>
B	DC14	EC141 Elundini		52	70
B	DC14	EC142 Senqu		52	70
B	DC14	EC143 Malethswai		52	70
B	DC14	EC144 Gariep		52	70
<b>Oviston Nature Reserve</b>					
DMA	DC14 DMA14	Reserve			
C	DC14 DC14	Ukhahlamba		111	143

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<b>Total: Ukhahlamba District</b>					<b>319</b>	<b>423</b>
			Qaukeni		52	70
B	DC15	EC151	Mbizana		52	70
B	DC15	EC152	Ntabankulu		52	70
B	DC15	EC153	Inquza		52	70
B	DC15	EC154	Port St Johns		52	70
B	DC15	EC155	Nyandeni		52	70
B	DC15	EC156	Mhlontlo		52	70
			King Sabata			
B	DC15	EC157	Dalindyebo		52	70
C	DC15	DC15	O.R Tambo		111	143
<b>Total: O.R Tambo</b>					<b>475</b>	<b>633</b>
B	DC44	EC05b3	Matatiele		52	70
B	DC44	EC05B2	Umzimvubu		52	70
DMA	DC44	DMA44	O'Connors Camp			
C	DC44	DC44	Alfred Nzo	63,000	110	142
				401,335		
<b>Total: Alfred Nzo</b>				<b>464,335</b>	<b>214</b>	<b>282</b>

## 2. INTEGRATED DEVELOPMENT PLANNING (IDP'S)

				Grant Name: Local Government support Grant		
Category	DC	Number	New municipality			
				2006/7 Allocation R	2007/8 Allocation (R'000)	2008/9 Allocation (R'000)
<b>EASTERN CAPE</b>						
A	PORT ELIZABETH NELSON MANDELA					
B	DC10	EC101	Camdeboo			
B	DC10	EC102	Blue Crane Route			
B	DC10	EC103	Ikwezi			
B	DC10	EC104	Makana			
B	DC10	EC105	Ndlambe			
B	DC10	EC106	Sunday's River Valley			
B	DC10	EC107	Baviaans			
B	DC10	EC108	Kouga			
B	DC10	EC109	Kou-Kamma			
C	DC10	DC10	Cacadu			
			United Nations Development Programme Ikwezi Valuation	2,000,000 492,259	700	700

<b>Total: Cacadu District</b>				<b>2,492,259</b>	<b>700</b>	<b>700</b>
B	DC12	EC121	Mbashe			
B	DC12	EC122	Mquma			
B	DC12	EC123	Great Kei			
B	DC12	EC124	Amahlathi			
B	DC12	EC125	Buffalo City			
B	DC12	EC126	Nqushwa			
B	DC12	EC127	Nkonkobe		800	800
B	DC12	EC128	Nxuba			
C	DC12	DC12	Amathole			
<b>Total: Amathole District</b>					<b>800</b>	<b>800</b>
B	DC13	EC131	Inxuba Yethemba			
B	DC13	EC132	Tsolwana			
B	DC13	EC133	Iskwanca			
B	DC13	EC134	Lucanji			
B	DC13	EC135	Intsika Yethu			
B	DC13	EC136	Emalahleni			
B	DC13	EC137	Engcobo			
B	DC13	EC138	Sakhisizwe			
DMA	DC13	DMA13	Mount Zebra NP			
C	DC13	DC13	Chris Hani	1,196,333	900	900
<b>Total: Chris Hani</b>				<b>1,196,333</b>	<b>900</b>	<b>900</b>
B	DC14	EC141	Elundini			
B	DC14	EC142	Senqu			
B	DC14	EC143	Malethswai			
B	DC14	EC144	Gariep Oviston Nature			
DMA	DC14	DC14	Ukhahlamba		600	600
<b>Total: Ukhahlamba District</b>					<b>600</b>	<b>600</b>
B	DC15	EC151	Qaukeni			
B	DC15	EC152	Mbizana			
B	DC15	EC153	Inquza			
B	DC15	EC154	Port St Johns			
B	DC15	EC155	Nyandeni			
B	DC15	EC156	Mhlonlo			
B	DC15	EC157	King Ssbata			
B	DC15	EC157	Dalindyebo			
C	DC15	DC15	O.R Tambo	806,400	1100	1100
IDP Support (KSD Waste Management)						
<b>Total: O.R Tambo District</b>				<b>806,400</b>	<b>1100</b>	<b>1100</b>
B	DC44	EC05b3	Matatiele			
B	DC44	EC05b2	Mzimkhulu			
DMA	DC44	DMA44	O'Connors Camp			
C	DC44	DC44	Alfred Nzo		500	500
<b>Total: Alfred Nzo</b>					<b>500</b>	<b>500</b>

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**SCHEDULE B****Sub-Programme: Municipal Infrastructure Services**

<b>Name of Transferring Department</b>	Housing, Local Government and Traditional Affairs
<b>Name of Allocation</b>	Eradication of Bucket Toilets System
<b>Purpose</b>	The 3, 207, 932 rollover will be utilized on the eradication of Bucket Toilet-System. The allocation will be transferred to the Water Services Authority, Amathole District Municipality, for Bedford and Adelaide Projects. The current backlog for this project is 823 units and the total of units cost is R13, 763,180. The bulk sewer cost is R27, 652,465 and therefore to complete the project, the project cost is R41, 415,645. Against this backlog and for the DM to meet the December 2007 National target, for 2007/2008. Updating the Valuation roll of Sakhisizwe Municipality. Financial Year, the Department (DHLHTA) has allocated R8, 891,000 to Amathole DM of which has allocated towards this projects R2, 200, 000. With these allocations of R3, 207.932 and the 2007/2008 DHLGTA , R2, 200, 000 the project will still have a balance of R36, 007, 713 to fully eradicate the system.
<b>Measurable Outputs</b>	Improvement of the quality of human settlement by funding projects which will address the eradication of bucket toilets system in such settlements. The outputs of the programme depend largely upon the unique content of each project funded in terms of the programme. It will include the upgrading infrastructure in areas served by the bucket toilets with a view to eradicating them and the number of employment opportunities created by such upgrading. The maintenance of such upgraded infrastructure by the Local Authority.
<b>Conditions</b>	<ul style="list-style-type: none"> <li>• To form part of the contract between the Provincial Government and the identified Municipalities on the specific Projects.</li> <li>• Provincial spending plans prepared as part of the strategic plans submitted with the 2005/2006 Budget proposals</li> </ul>
<b>Allocation Criteria</b>	Based on the project proposal submitted by Municipalities.

Reasons for not incorporation in the equitable share	As an instigating programme, the Department needs to be involved in approving, monitoring and evaluation as well as specific projects outputs with a view the information of a comprehensive self sustained development.
Monitoring System	The departmental Municipal Infrastructure & Project Management division monitors projects on an on going basis through financial and implementation reports, as well as site visits in order to ensure compliance and correct reporting. The MIG procedures will be followed.
Past Performance	Past performance in other programmes such as the Human Settlement Redevelopment Programme as well as the Consolidated Municipal Infrastructure Programme has proved the Department's capacity in this respect
Projected Life	With the progress towards the Eradication of Bucket Toilet Systems the programme is an important mechanism in achieving functional settlements. It is expected to continue until all settlements areas that need to have Bucket Toilets eradicated have been covered.
Payment Schedule	Transfers will be made to Municipalities within the framework of the Payment Schedule below
Capacity and preparedness of the transferring Department	The departmental Municipal Infrastructure & Project Management division has been identified to manage this programme and the necessary capacity and expertise exists to under take this task

B	DC12	EC121	Mbashe			
B	DC12	EC122	Mquma			
B	DC12	EC123	Great Kei			
B	DC12	EC124	Amahlahi			
B	DC12	EC125	Buffalo City			
B	DC12	EC126	Nqushwa			
B	DC12	EC127	Nkonkobe			
C	DC12	DC12	Amathole	3,207,032		
			Sakhisizwe Valuations	292,068		
<b>Total: Amathole District</b>				<b>3,500,000</b>		

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