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## GENERAL NOTICE

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### NOTICE 78 OF 2010

## CHIEF DIRECTORATE DEVELOPMENT AND PLANNING

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**SUBJECT** : AMENDMENT TO THE GAZETTE ON TRANSFERS TO MUNICIPALITIES FOR  
SUPPORT IN ACCESS TO WATER AND SANITATION PROGRAMME:  
PROVINCIAL INFRASTRUCTURE GRANT

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### **1. INTRODUCTION**

The eradication of backlogs with regards to basic services continues to be one of the core government support strategies. In the North West province various studies were conducted which highlighted that indeed there are still huge basic services backlogs and funding shortfalls in meeting the national targets in eradicating these backlogs.

Since 2006, the NW DLG&TA partnered with the DBSA in accelerating the provision of service delivery. This partnership assisted in providing both financial and technical support to six (6) identified Water Service Authorities (WSAs) namely: Moretele LM, Madibeng LM, Kgetleng rivier LM, Maquassi Hills LM, Moses Kotane LM and Dr. Ruth Segomotsi Mompati DM. These identified WSAs would receive bridging finance so that implementation of projects can be accelerated.

The Department receives a provincial grant of R50m per financial year. The funding is mainly to be utilised for new water connections; upgrade of existing infrastructure and bulk services. All the receiving WSAs supported had adequate technical capacity, including engineering experts deployed by the DBSA in Moretele and Kgetleng rivier LMs.

During the execution of the water and sanitation programme the Department not only assists the identified WSAs financially but it was responsible in ensuring that the implementation of the projects is monitored as well as providing technical support. In addition, an engineer has been deployed to the department by the DBSA to give support to officials in the department as well as in affected municipalities on programme management, monitoring, and oversight.

From the provincial infrastructure grant the Department has up to date transferred a total of R50m to all the 6 WSAs for the financial year 2008/2009 and a further R45m for the financial year 2009/2010 to only 5 (five) WSAs which excluded Moretele LM. The remaining R5m was an allocation to Moretele LM which was withheld.

A total of R10 000 000-00 (ten million rand) was allocated to Moretele Local Municipality, during the financial years 2008/2009 and 2009/2010 R5 000 000-00 (five million rand) per financial year. This funding was

allocated for the implementation of water and sanitation projects as identified by the municipality. To date the department had transferred only the 2008/2009 allocated funds.

Under the financial year 2009/10, as part of the monitoring role of the Department, a steering committee had been formulated which meets monthly to discuss progress as well as the expenditure per project. Upon verification of all the payments made by Moretele local municipality under the water and sanitation programme, it was discovered that the municipality can account for only R2.5 000 000-00 (two million five hundred rand).

The outcome of the verification process was then reported to the Departments Management Committee (DMC) and an agreement was reached that Moretele LM will only receive the funds that they can account for and the rest of the funds be allocated to another WSA.

A submission was thus received by Maquassi Hills LM requesting the department for financial assistance. The municipality has recently successfully completed the installation of a water network at Lebaleng Ext 5 and as a result the installation of the sewer network became an urgent need. The project is implementation ready; it has been approved by council and is listed as priority in the municipal IDP.

Hence it is recommended that that support be given to Maquassi Hills LM to implement the sewer installation at Lebaleng Ext 5.

The recommendation is further made on the basis that:

The municipality still has sanitation backlogs

The funded project will yield positive results, a step towards meeting the MDG target

The project is ready for implementation

The following is therefore proposed:

that from the initial allocation of R5 000 000-00 (five million rand) to Moretele LM the R2.5 000 000-00 (two million Five Hundred rand) be transferred

that the remaining R2.5 000 000-00 (two million Five Hundred rand) be allocated and transferred given to Maquassi Hills LM to implement the sewer installation at Lebaleng Ext 5.

## **2. AMENDMENT TO THE GAZETTE**

The latest Gazette no. 6494, as amended allocated funds to priority municipality as follows:

***The following table indicates the allocation per municipality for 2008/09 and 2009/10 as Gazetted:***

<b>Water Service Authority</b>	<b>2008/09</b>	<b>2009/10</b>
Dr Ruth Segomotsi Mompati DM	R15 mil	R15 mil
Maquassi Hills LM	R10 mil	R10 mil
Moretele LM	R5 mil	R5 mil
Madibeng LM	R5 mil	R5 mil
Moses Kotane LM	R10 mil	R10 mil
Kgetlengrivier LM	R5 mil	R5 mil

**3. PROPOSED AMENDMENTS**

<b>Water Service Authority</b>	<b>2008/09</b>	<b>2009/10</b>
Moretele LM	R5 mil	R2.5 mil
Maquassi Hills LM	R10 mil	R12.5 mil

**4. FINANCIAL IMPLICATIONS**

The Department will forfeit the remaining R5m from the R50m allocation if the funds are not reallocated. The Department to monitor the utilisation of funds as per business plan.

**5. RECOMMENDATION**

1. That the remaining R5m from the provincial infrastructure grant be transferred to both Moretele LM and Maquassi Hills LM as per proposal, as a matter of urgency to avoid under expenditure.





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