

PROVINCE OF THE EASTERN CAPE
IPHONDO LEMPUMA KOLONI
PROVINSIE OOS-KAAP

**Provincial Gazette
Igazethi Yephondo
Provinsiale Koerant**

Vol. 18

BISHO/
KING WILLIAM'S TOWN, 31 MARCH 2011

No. 2545
(Extraordinary)

IMPORTANT NOTICE

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PROVINCIAL NOTICE

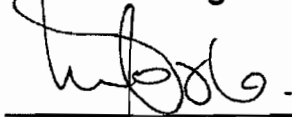
No. 15

31 March 2011

EASTERN CAPE PROVINCIAL TREASURY**AMENDMENT OF PROVINCIAL NOTICE No. 17 PUBLISHED IN PROVINCIAL GAZETTE No. 2340 DATED 20 APRIL 2010 ON ALLOCATIONS MADE BY THE EASTERN CAPE DEPARTMENT OF LOCAL GOVERNMENT & TRADITIONAL AFFAIRS (VOTE 7)**

The amendment relates to information on transfers made by Eastern Cape Provincial Department of Local Government & Traditional Affairs, and is published in terms of section 29(3) (a) of the Division of Revenue Act No.4 of 2010 and is an amendment to the Extraordinary Gazette No. 2340, Volume 17, published on the 20 April 2010, and is for general information purposes.

Dated and signed at Bhisho on this the ²²~~23~~ day of March 2011



PHUMULO MASUALLE
MEC FOR FINANCE

**DEPARTMENT OF LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
(Vote 7)**

SCHEDULE

| Local Economic Development (LED) Capacity | |
|---|--|
| Transferring Provincial Department | Department of Local Government & Traditional Affairs (Vote 7) |
| Name of programme/division making transfer | Local Economic Development Facilitation |
| Purpose | <ul style="list-style-type: none"> • Support and strengthen the limited capacity in categories B2, B3 and B4 municipalities by way of engaging young and Unemployed Economists. • Deployment of LED Experts in the district municipalities, to strengthen and sustain the positive results. • Facilitate and co-ordinate the revitalization of the second economy interventions in order to derive impacts and value for money (Township Regeneration and Revitalization of Small Towns and Villages). • Facilitate and coordinate stakeholders and partners through planning forums such as the IDP, LED, DST, Interdepartmental Forum and other structures to promote integrated planning. |
| Measurable Outputs | <p>Although outputs will vary between municipalities, the following issues, <i>inter alia</i>, should be addressed</p> <ul style="list-style-type: none"> • Capacitated municipal officials with respect to LED skills and learning networks. • Strengthened LED institutions and forums to facilitate sustainable local economies. • Integrated public sector investment to derive positive impact. • Coordinated sustainable second economy initiatives. • Credible LED Strategies and Plans as point of coordination. |
| Conditions | <ul style="list-style-type: none"> • Submission of Business Plans signed by the municipal manager prior to transfers. • Transfer done subject to submission of monthly and Quarterly Progress Reports • Failure to submit Business Plans and |

| Local Economic Development (LED) Capacity | |
|--|---|
| | <p>Declaration of Assurance for accessing funds after 3 months from the date of notification, the department will re-allocate funding to a deserving municipality.</p> <ul style="list-style-type: none"> • Cooperation of the municipality with our department with respect to the monitoring, evaluation of and reporting on the funding and the funded project/programme • Regular monitoring by Department of Local Government and Traditional Affairs. • Reporting requirements in terms of DORA to be strictly adhered to. • Transfers to be effected on fulfilment of section 38(1) (j) of the PFMA Act 1 of 1999, put in place to ensure compliance with the conditions of the fund. • Systems, strategies and capacity on LED in funded municipalities developed and implemented • Implementation of and reporting on the 5 Year Local Government Strategic Agenda • Integration in the design and Implementation of High Impact Priority Projects (HIPP's) where applicable • Participation of our department in the process of recruitment and or procurement of expert capacity and/or service providers. • Formal municipal financial systems are in place • Submission of Monthly & Quarterly project implementation progress and financial reports on previous allocations • Submission of monthly & quarterly project implementation progress and financial reports on the current allocation • The department shall participate in the Project Steering / Advisory Committee of the project / programme funded |
| Allocation criteria | <ul style="list-style-type: none"> • Allocations are made to municipalities according to the IDP's, MSIF and departmental LED capacity assessment report • According to Section 154(l) of the Constitution, National and Provincial Governments, by legislative and other measures must support and strengthen the capacity of the municipalities to manage their own affairs, to exercise their powers and to |

| Local Economic Development (LED) Capacity | |
|---|--|
| | <ul style="list-style-type: none"> perform their functions. The municipality is a designated District Municipality or local municipality nominated by the District Municipality LED institutional and managerial capacity in place at or in the process of being procured by the District at the municipal level |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> LED Policy Framework completed in 2006 places the support to local economic development environment and initiatives in the hands of national and provincial government |
| Monitoring mechanisms | <ul style="list-style-type: none"> The department requires quarterly implementation reports on the progress made and monthly expenditure reports as required by the Division of Revenue Act. The Department will monitor and evaluate through site/project visits, Project Advisory/Steering Committee Monitoring reports will be captured on an Excel Spreadsheet and MS Project linked to the departmental Monitoring and Evaluation System |
| Past performance | <ul style="list-style-type: none"> Funded district municipalities have already started to develop their LED strategies for incorporation into IDP's Continue with the deployment LED Experts which have displayed positive results |
| Responsibility of Provincial transferring department | <ul style="list-style-type: none"> Approval of Business Plans that are aligned to the gazetted project principles Monitor progress on a monthly basis on the implementation of the activities and financial expenditure reflected in the Business Plans |
| MTEF allocation | <ul style="list-style-type: none"> 2010/11 – R3 425 000 2011/12 – R3 632 895 2012/13 - R3 821 075 |
| Projected life | <ul style="list-style-type: none"> The deployment of the LED Assistants will be for a period of 3 years starting from 2010 to 2013 |
| Payment Schedule | <ul style="list-style-type: none"> Direct transfer to municipalities will be a once-off payment during the month of July 2010 /11, 2011/12 & 2012/13 financial years. |

ANNEXURE

| | | | | Grant Name: Local Economic Development (LED) Capacity | | |
|---------------------------------|----------------|--------|------------------|---|--------------------|--------------------|
| Category | DC | Number | New Municipality | 2010/11 | 2011/12 | 2012/13 |
| | | | | Allocation (R'000) | Allocation (R'000) | Allocation (R'000) |
| EASTERN CAPE | | | | | | |
| A | Port Elizabeth | | Nelson Mandela | | | |
| B | DC10 | EC101 | Camdeboo | 350 000 | 371 245 | 390 475 |
| B | DC10 | EC102 | Blue Crane | | | |
| Route | | | | 53 000 | 56 217 | 59 129 |
| B | DC10 | EC103 | Ikwezi | 53 000 | 56 217 | 59 129 |
| B | DC10 | EC105 | Ndlambe | | | |
| B | DC10 | EC106 | Sunday's | 53 000 | 56 217 | 59 129 |
| River Valley | | | | | | |
| B | DC10 | EC 107 | Baviaans | | | |
| B | DC10 | EC108 | Kouga | | 56 217 | 59 129 |
| B | DC10 | EC109 | Kou-kamma | 53 000 | | |
| C | DC10 | DC10 | Cacadu | | | |
| Total: Cacadu District | | | | 562 000 | 596 113 | 626 991 |
| B | DC12 | EC121 | Mbashe | 53 000 | 56 217 | 59 129 |
| B | DC12 | EC122 | Mnquma | | | |
| B | DC12 | EC 123 | Great Kei | | | |
| B | DC12 | EC124 | Amahlathi | 53 000 | 56 217 | 59 129 |
| B | DC12 | EC126 | Ngqushwa | 350 000 | 371 245 | 390 475 |
| B | DC12 | EC127 | Nkonkobe | 53 000 | 56 217 | 59 129 |
| B | DC12 | EC128 | Nxuba | 53 000 | 56 217 | 59 129 |
| B | DC12 | EC126 | Ngqushwa | | | |
| Total: Amathole District | | | | 562 000 | 596 113 | 626 991 |
| B | DC13 | EC132 | Tsolwana | 53 000 | 56 217 | 59 129 |
| B | DC13 | EC133 | Inkwanca | 53 000 | 56 217 | 59 129 |
| B | DC13 | EC134 | Lukanji | | | |
| B | DC13 | EC135 | Intsika Yethu | | | |
| B | DC13 | EC137 | Sakhisizwe | 53 000 | 56 217 | 59 129 |
| B | DC13 | | Engcobo | 53 000 | 56 217 | 59 129 |
| C | DC13 | DC13 | Chris Hani | 671 000 | 711 729 | 748 596 |
| Total: Chris Hani | | | | 883 000 | 936 597 | 985 112 |
| B | DC14 | EC141 | Elundini | | | |
| B | DC14 | EC142 | Senqu | | | |
| B | DC14 | EC143 | Maletswai | 53 000 | 56 217 | 59 129 |
| B | DC14 | EC144 | Gariep | 53 000 | 56 217 | 59 129 |
| C | DC14 | DC14 | Ukhahlamba | 350 000 | 371 245 | 390 475 |

| | | | | | | |
|-----------------------------------|------|--------|---------------|----------------|----------------|----------------|
| Total: Ukhahlamba District | | | | 456 000 | 483 679 | 508 733 |
| B | DC15 | EC151 | Mbizana | 53 000 | 56 217 | 59 129 |
| B | DC15 | EC152 | Ntabankulu | 53 000 | 56 217 | 59 129 |
| B | DC15 | EC153 | Ingquza | | | |
| B | DC15 | EC154 | Port St Johns | | | |
| B | DC15 | EC 155 | Nyandeni | | | |
| B | DC15 | EC156 | Mhlontlo | 53 000 | 56 217 | 59 129 |
| C | DC15 | DC15 | O.R. Tambo | 400 000 | 424 280 | 446 257 |
| Total: O R Tambo | | | | 559 000 | 592 931 | 623 644 |
| B | DC44 | EC05b3 | Matatiele | 53 000 | 56 217 | 59 129 |
| B | DC44 | EC05b2 | Umzimvubu | | | |
| C | DC44 | DC44 | Alfred Nzo | 350 000 | 371 245 | 390 475 |
| Total: Alfred Nzo | | | | 403 000 | 427 462 | 449 604 |

SCHEDULE

| REVITALIZATION OF THE SECOND ECONOMIES | |
|---|---|
| Transferring Provincial Department | Department of Local Government and Traditional Affairs (Vote 7) |
| Name of programme/division making transfer | Local Economic Development Facilitation |
| Purpose | <ul style="list-style-type: none"> • Small towns, townships and villages (rural service centers) supported with socio – economic profiles to promote the regeneration of second economies • Support small towns municipal systems and institutional arrangements to drive rural development initiatives • Facilitate integration, coordination, planning, monitoring, evaluation and reporting. • Support stakeholder mobilization |
| Measurable Outputs | <p>Although outputs will vary between municipalities, the following issues, <i>inter alia</i>, should be addressed</p> <ul style="list-style-type: none"> • Integrated and coordinated planning, implementation, monitoring and reporting in the identified local municipalities • Communication plan to the municipalities • Mobilized stakeholders to support second economy initiatives. • Small Town / Villages Regeneration plan/project conceptualized. |
| Conditions | <ul style="list-style-type: none"> • Submission of Business Plans signed by the municipal manager prior to transfers. • Transfer done subject to submission of monthly and Quarterly Progress Reports • Failure to submit Business Plans and Declaration of Assurance for accessing funds after 3 months from the date of notification, the department will re-allocate funding to a deserving municipality. • Cooperation of the municipality with our department with respect to the monitoring, evaluation of and reporting on the funding and the funded project/programme • Regular monitoring by Department of Local Government and Traditional Affairs. • Reporting requirements in terms of DORA to be strictly adhered to. • Transfers to be effected on fulfilment of section 38(1) (j) of the PFMA Act 1 of 1999, put in place to ensure compliance with the conditions of the fund. • Systems, strategies for and capacity on ISRDP in funded municipalities developed and implemented • Implementation of and reporting on the 5 Year Local |

| REVITALIZATION OF THE SECOND ECONOMIES | |
|---|--|
| | <p>Government Strategic Agenda</p> <ul style="list-style-type: none"> • Integration in the design and Implementation of High Impact Priority Projects (HIPP's) where applicable • Participation of our department in the process for procuring expert capacity and/or service providers. • Formal municipal financial systems are in place • Submission of Progress Reports on previous allocations |
| Allocation criteria | <ul style="list-style-type: none"> • Allocations are made to municipalities according to assessed needs within the context of the IDP's • Formal municipal institutional and financial systems are in place |
| Reason not incorporated in equitable share | <ul style="list-style-type: none"> • Revitalization of the second economies is a special intervention, piloting effective integration and coordination approaches between 2010 to 2013 for documenting and upscale replication of best practices to other areas |
| Monitoring mechanisms | <ul style="list-style-type: none"> • The department requires quarterly reports on the progress made and monthly expenditure reports as required by the Division of Revenue Act. • The Department will monitor and evaluate through site/project visits • Monitoring reports will be captured on an Excel Spreadsheet and MS Project linked to the departmental Monitoring and Evaluation System |
| Past performance | <ul style="list-style-type: none"> • Draw and replicated lessons from ISRDP on improved integration and coordination in programmes planning implementation and reporting. |
| Responsibility of Provincial transferring department | <ul style="list-style-type: none"> • Approval of Business Plans that are aligned to the gazetted project conditions and allocation criteria • Monitor progress on a monthly basis on the implementation of the activities reflected in the Business Plans. |
| MTEF allocation | <ul style="list-style-type: none"> • 2010/11 – R1 090 489 • 2011/12 – R1 156 684 • 2012/13 - R1 216 595 |
| Projected life | <ul style="list-style-type: none"> • Regeneration of Small Towns and Rural Service Centres is a three year programme starting from 2010 to 2013 |
| Payment Schedule | <ul style="list-style-type: none"> • Direct transfer to municipalities will be a once-off payment during the months of 2010/2011, 2011/12 and 2013 from May – July. |

ANNEXURE

| | | | | Grant Name: Revitalization of the Second Economy interventions | | |
|-----------------------------------|------|--------|----------------------------------|--|--------------------|--------------------|
| Category | DC | Number | New Municipality | 2010/11 | 2011/12 | 2012/13 |
| | | | | Allocation (R'000) | Allocation (R'000) | Allocation (R'000) |
| Total: Cacadu District | | | | | | |
| B (Idutywa) | DC12 | EC121 | Mbashe | 110 000 | 116 677 | 122 720 |
| B (Hamburg) | DC12 | EC126 | Ngqushwa | 110 000 | 116 677 | 122 720 |
| Total: Amathole District | | | | 220 000 | 233 354 | 245 440 |
| B | DC13 | EC134 | Engcobo | 110 000 | 116 677 | 122 720 |
| B | DC13 | EC135 | Intsika Yethu (Sabalele Village) | 110 000 | 116 677 | 122 720 |
| Total: Chris Hani | | | | 220 000 | 233 354 | 245 440 |
| B | DC14 | EC141 | Elundini (Mt Fletcher Village) | 110 000 | 116 677 | 122 720 |
| B (East) | DC14 | EC142 | Senqu (Barkly) | 100 489 | 106 591 | 112 115 |
| Total: Ukhahlamba District | | | | 210 489 | 223 268 | 234 835 |
| B | DC15 | EC154 | Port St John | 110 000 | 116 677 | 122 720 |
| C | DC15 | DC15 | Mhlontlo (Tsibiyane Village) | 110 000 | 116 677 | 122 720 |
| Total: O R Tambo | | | | 220 000 | 233 354 | 245 440 |
| B | DC44 | EC05b3 | Matatiele (Makomoreng Village) | 220 000 | 233 354 | 245 440 |
| C | DC44 | DC44 | Alfred Nzo | | | |
| Total: Alfred Nzo | | | | 220 000 | 233 354 | 245 440 |