



Review of LG Infrastructure Grants

PRESENTATION BY



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

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HUMAN SETTLEMENTS GRANTS

- Human Settlements Development Grant
- Urban Settlements Development Grant
- Rural Household Infrastructure Grant
- Bucket Eradication (Schedule 6)
- Municipal Human Settlements Capacity Grant





HSDG



What has worked?

- Discussion regarding Grant Framework
 - Agreements on conditions on the framework e.g. HSS
- Business Plan template in place with all national programme and sub programs
- Approved business plans and payment schedule
- Quarterly reviews and monitoring including oversight visits

What has worked?.....Cont....

- Business plan template needs enhancement - financial interventions, disaster management, mining towns, cash flows and baseline
- OPSCAP increased from 3% to 5% ;
- The increase of subsidy quantum;
- Upgrading of informal settlements as a national priority under Outcome 8

What has not worked?

- Stakeholders do not submit inputs e.g. Bill/Act or frameworks
- Submission of the payment schedule before the approval of the business plan.
- Incomplete reporting
- Persistent under spending with high spikes in March
- Supply Chain Management processes



USDG



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What has worked?

- Metros ability to account for the expenditure incurred - reports submission
 - NDOHS ability to verify reported information - projects verification exercises
 - Annual USDG grant framework developed;
 - Forum established where performance is discussed – quarterly review;
 - Oversight visits and one-on-one sessions
 - CFO FORUM;
 - Agreed reporting matrix
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What has not worked?

- Misunderstanding of the Grant purpose and the scheduling (conditional vs supplementary)
- Dual reporting (NDOHS vs National Treasury)
- Under spending by metros;
- Not all metros report in line with the agreed performance matrix
- Reporting of the unspent (roll-over) allocation at the end of the FY

What has not worked?... cont...

- Monthly reporting of non-financial information by metros;
- Relaxation of DoRA clauses make it difficult for NDHS administer the grant.



Potential solutions for more efficient funding

- Clear understanding of the Grant purpose and scheduling advocacy - targeted workshops;
- Converting USDG from Schedule 4 to Schedule 5;
- A need to work closely with other departments that administer projects that are co-funded with USDG;
- Encourage integrated planning as there are other grants from other departments contributing to Human Settlements;
- Include monthly reporting in the DoRA.

THANK YOU



“We have come a long way – Celebrating 20 Years of Freedom!”



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