



**national treasury**

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Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Practice Note for the evaluation of Conditional Grant Programmes  
for the 2008/09 financial year, in compliance with the 2009 Division  
of Revenue Act (Act no. 12 of 2009)**

**TO: ACCOUNTING OFFICERS OF NATIONAL AND PROVINCIAL  
DEPARTMENTS**

**PRACTICE NOTE: COMPLIANCE WITH SECTION 52 OF THE 2009 DIVISION OF  
REVENUE ACT**

**Introduction**

Section 52(2) of the 2009 Division of Revenue Act states:

“The repeal of the 2008 Division of Revenue Act does not affect any duty or obligation set out in that Act, the execution of which is still outstanding”

In order to manage the service delivery objectives of conditional grants, it is necessary to engage in a thorough and effective evaluation process for each funding programme. These evaluations should focus on the service delivery outcomes as stipulated in both the business plan and the conditional grant framework, published in terms of section 22 of the 2008 Division of Revenue Act.

The requirements stipulated in sections 9, 10, 11 and 12 of the 2008 Division of Revenue Act fall within the ambit of outstanding obligations from 2008/09, as they must take place after the financial year has ended. It is therefore necessary to implement a process that will culminate in the submission of comprehensive evaluation reports to National Treasury.

Ideally, the evaluation approach must include and consolidate the current quarterly reports, as required by the Act, as well as the grant frameworks. This will provide a logical flow to the monitoring and evaluation process, as well as ensuring efficiency and reducing the administrative burden.

Although previous guidelines have been issued in the form of practice notes from the Office of the Accountant-General, this guide largely maintains the requirements outlined in the past, while seeking to make the process simpler and more streamlined.

## **1. PURPOSE**

- 1.1 The purpose of this guideline document is to provide departments with guidance to allow them to implement the following sections of the Division of Revenue Act, 2008, which relate to the evaluation of conditional grant programmes:
  - 1.1.1 Section 9(1)(c) - Duties of transferring national officers in respect of Schedule 4 allocations;
  - 1.1.2 Section 10(6) - Duties of transferring national officers in respect of Schedule 5, 6 and 7 allocations;
  - 1.1.3 Section 11(5) - Duties of receiving officers in respect of Schedule 4 allocations;
  - 1.1.4 Section 12(6) - Duties of receiving officers in respect of Schedule 5 and 6 allocations.

## **2. PERFORMANCE EVALUATION OF CONDITIONAL GRANTS**

- 2.1 In term of Section 9(1)(c) of the 2008 Division of Revenue Act (hereinafter referred to as “the Act”), the transferring national officer must evaluate the performance of programmes that are fully or partially funded by a schedule 4 conditional grant and submit such evaluations to the National Treasury within four months after the end of the financial year for provinces, and within six months after the end of the financial year for municipalities.
- 2.2 Section 10 (6) of the Act requires the transferring national officer to evaluate the performance of programmes fully or partially funded from schedules 5, 6 and 7 conditional grants and to submit such evaluations to the National Treasury within four months after the end of the financial year in the case of provinces, and within six months after the end of the financial year in the case of municipalities.
- 2.3 In terms of section 11(5) of the Act, the receiving officer must annually evaluate the performance of programmes that are fully or partially funded from schedule 4 conditional grants and submit such evaluations to the transferring national officer within two months after the end of the financial year.
- 2.4 In term of Section 12(6) of the Act, the receiving officer must annually evaluate the performance of programmes that are fully or partially funded by a schedule 5 or 6 allocation and submit such evaluation to the transferring national officer within two months from the end of the financial year.

## 2.5 Performance evaluation plans

It is recommended that performance evaluation plans be formulated, and should contain the following:

### 2.5.1 *Activity*

Provide a description of the activity that will be evaluated (what, who, when, how and where).

### 2.5.2 *Purpose of Evaluation*

- The service delivery impact of the programme (outcomes must be in line with the grant framework).
- Outputs and deliverables achieved, as well as the key performance areas (in line with the grant framework).
- Outlining the external challenges (external to the programme) that impact on performance.
- Assessing whether any elements of the current business plan and framework are hindering delivery and how the situation can be improved.

### 2.5.3 *Audience(s) for the evaluation*

Indicate the recipients of the information resulting from the evaluation, including the following categories or entities:

- National Departments
- Provincial departments
- National Treasury
- SCOF
- Municipalities
- Other(s)

### 2.5.4 *Type of information to be included*

- Data sources utilised or information-gathering approach used.
- The process of service delivery (the inputs, activities and outputs).
- Beneficiaries of the service or programme.
- The specific outcomes of the programme.
- Strengths and weaknesses of the service programme. This can be presented in the form of a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats)

- If and how the programme has under-performed and why, what the risks are on future performance (this can also be included in the SWOT analysis).
- The specific steps being envisaged and those being put in place to improve performance.
- The timelines for each performance improvement measure (when it will be initiated and how it will be measured).
- Who will receive the analysis and be ultimately responsible for acting upon its findings.
- Each functional responsibility for each performance improvement measure and timeline provided.
- Any other information that may be considered useful.

### **3. EVALUATION APPROACH AND DELIVERABLES**

- 3.1 Departments administering or implementing conditional grants may set up evaluation teams for each grant with a member from the Monitoring and Evaluation unit or directorate as the coordinator of the evaluation exercise. It is imperative that the programme and/or project manager for each grant is part of such a team.
- 3.2 The receiving officer within a province must submit a draft evaluation report, together with the plan upon which it is based (referred to in point 2.5 above), to the national department administering the conditional grant, as well as the provincial treasury, by **29 May 2009**.
- 3.3 The receiving officer within a municipality must submit a draft evaluation report, together with the plan upon which it is based (referred to in point 2.5 above), to the national department administering the conditional grant, by **31 August 2009**.
- 3.4 National departments implementing conditional grant programmes are to evaluate their programmes. As outlined in the evaluation plan, each evaluation report should include specific recommendations for the future (for both the national and provincial levels of government), as well as how to improve future evaluations of the grant performance.
- 3.5 In order to comply with the Act, national departments administering conditional grants to provinces must analyse the draft documentation, communicate with provincial departments in order to revise and refine findings, and consolidate the conclusions and recommendations for submission to the National Treasury by **31 July 2009**.

- 3.6 National departments administering conditional grants to municipalities must consolidate the relevant reports and provide a final report to National Treasury by **30 October 2009**.

#### **4. APPLICABILITY**

The procedures contained in this guideline are effective from 1 April 2009 until 31 March 2010, and are relevant for all accounting officers of national departments administering conditional grants, as well as accounting officers of provincial departments and municipalities receiving conditional grants.

#### **5. AUTHORITY TO ISSUE PRACTICE NOTE**

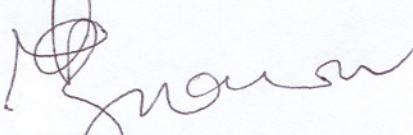
This practice note is issued in terms of section 52 of the 2009 Division of Revenue Act, to comply with outstanding obligations for the 2008/09 financial year as contemplated in sections 9, 10, 11 and 12 of the 2008 Division of Revenue Act.

#### **6. CONTACT PERSONS:**

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Approved



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