

Manual

(Rules, Procedures and Templates)

for the transfer, drawdown, management & reporting
of funds of the

URBAN ENVIRONMENTAL MANAGEMENT
PROGRAMME

2. ed. 2007-0724

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1 Intro to this manual

This manual aims to provide the compiled guidelines for all aspects of the budgeting, draw-down, management, reporting etc. of funds of the Urban Environment Management Programme. The manual comprises and replaces previous guidelines on this specific programme issued by the National Treasury, Partner administrations and Danida as well as the principles decided by the Programme Steering Committee since inception.

The manual is provided by National Treasury of RSA who takes overall editorial responsibility and the Programmes PSC Secretariat in collaboration with partners and Danida. It will be updated with relevant new information, templates, contact details and other facts. Suggestions and other contributions for this are welcome, and should be directed to denise.marais@treasury.gov.za; ble@deat.gov.za (both email addresses).

The manual deals in principle with core funding of Component 1 (national and provincial UEM) and Component 3 (municipal UEM) of the UEM Programme. In addition the Programme offers two other sources of funding: the short term technical assignment facility and the research fund. These are briefly described in section 8.

The Urban Environmental Management Programme (UEMP) is run by 10 South African government institutions, supported by the Danish Development agency (Danida). It is scheduled for 2006-2010 and has a total budget frame of 220 mill DKK or some 280 mill ZAR (May 2007). The 10 partner institutions include 2 national, 3 provincial and 5 municipal/city administrations. More on the programmes website: www.uemp.co.za, to be active by end of August 2007.

The programme, including financial procedures - is designed in direct implementation of the *OECDs PARIS DECLARATION on Aid Effectiveness, Ownership, Harmonization, alignment, Results and Mutual Accountability*, March 2005. This implies, firstly, that decisions, responsibilities and initiative rest with the 10 partner administrations, and, secondly, that all Programme procedures, formats, time frames, reporting etc. duplicate or derive as directly as possible from those of the partner institutions proper.

More specifically, in the legislative and formal interpretation, the UEMP-Funds to the partners are regarded as a donation to the Republic of South Africa, to be managed in accordance with Section 76(1) of the Public Finance Management Act. Financial and accounting procedures shall in general follow the *accounting practice note from the Office of the Accountant-General (Accounting Practice Note 16 of 2001, Ref SX 8/1)*. This note was distributed to all Chief Financial Officers in October 2001 by National Treasury. A synthesis of the procedures is contained Reference 1. All UEM Programme financial management and reporting will comply with these requirements

While documentation can be found as described this manual aims to cover what the managers and financial managers of the Programme partner institutions need to read in order to administrate the core funds of the UEMP appropriately. However the manual does not address basic financial management such as setting up an accounting plan at the start of the budget year, etc. etc.

This manual deals with core funding of Component 1 (national and provincial UEM) and Component 3 (municipal UEM) of the UEM Programme.

2 Budgeting

Content: "What can the funds be spent for ?"

It is in line with the Paris Declaration, UEMP programme and component documents, general institution management and general programme management that:

- The content of the UEMP BPs & Budgets should be in line with the institutions own strategies, long term planning etc.
- The content should be in clear support of the Objectives and Outputs defined by the Programme and Component documents. This is reflected by the templates used for submission to the PSC (I+ 2)
- Plans and budgets should be realistic, i.e. feasible and doable; it should be credible that budgeted activities and disbursements can and will, in fact, take place as claimed and within the time frames claimed.

All budgets must be endorsed properly by the PSC.

Indicative 5 years overviews of fund allocations are presented by the Programme Document and the Component Documents. However, should it be found that partners are unable to absorb, spend or effectively use the funds provided in one financial year, the programme (PSC) is entitled to reduce and re-allocate funding.

Prior to endorsing new budget money the PSC must have a full transparent and reliable overview of previous budgets and expenditures as spent. The PSC will assess the overall disbursements pattern when endorsing new budget money. It may also as pertinent decide to reallocate unspent funds

The PSC may decide on particular priorities and principles and encourage partners to develop activities and BP & budgets along these lines. PSC may also pursue these in the overall budgeting and the endorsement of budgets. The Joint Annual Programme Review (fielded by Danida) can guide the PSC in these respects.

Technical: "how to produce the BP extracts /budgets".

Planning & Budgeting procedure for UEMP-line items is an integrated part of the government institutions own system for preparing business plans and budgets.

The institutions annual BPs & budgets will simply include line items for Danida funding, with the same type of descriptions and figures for the Danida-supported line items as for all other line items. The process is the ordinary process of the institution, from the first generation of ideas to endorsement by the institutions relevant body for this.

Only difference from normal BP/ budget documentation is that the donor financing must be clearly indicated. The clear indication of the UEMP funding will follow the line items in all subsequent financial documents and reporting. It is in line with international best practice and with the intentions of National Treasury of RSA that all donor funding is reflected in this way in any institutions annual budget, accounting and financial reports. Apart from this indication (which is parallel to all alternative funding) documents are set up as for the usual RSA-taxpayer funding.

When endorsed by the institution proper, **an UEMP-extract of the institutions Business Plan including the budget line items** is prepared for endorsement by the UEMP's Steering Committee. The templates for this are shown in Annex 1 (national and provincial partners) and Annex 2 (municipal partners).

The principle of these extracts is simple: Copy from the institutions own BP, budget and time schedules and paste into the template. A little editing may be pertinent to make a comprehensive, self-explanatory document for the PSC. The template also provides for submission of basic info, a table for 6 months and 12 month reporting (both of which are similar cut and past from institutions own reporting) and a short motivation, in which the partner clarifies if needed and as pertinent to the PSC that these particular budget lines are, in fact, in line with the Objectives and Outputs of the Programme. The Objectives and Outputs are indicated on the template.

The template is submitted - in time, please! - to the PSC Secretariate (ble@deat.gov.za; ranjinip@deat.gov.za submit to both addresses) for processing and subsequent assessment/endorsement by the PSC.

The process of releasing Danida funds can only occur in response to business plans and budgets which have been approved properly by the PSC - as parts of the usual annual BPs and budgets, approved by the institution proper.

3 Fund transfer process - how to draw down funds

The entire process, from Danida's payment into the RDP Fund account at the Reserve Bank to the transfer payment into the implementing agency's account should not take longer than **one week**.

However, delays do occur, if procedures / formalities are not in order, such as

- there is no proper notification of payment by Danida,
- failed requests by the recipients (partners financial department) or
- the Accountant-General's office does not have the updated and exact information from the recipient required to make the transfer payments. The procedure described below is prescribed in the RDP Fund Amendment Act.

The following is a description of the steps to be taken and by whom.

3.1 The 10 steps of successful transfer

- 1) **Partner institution** submits the following UPDATED AND CORRECT details to the PSC Secretariat (ble@deat.gov.za; ranjinip@deat.gov.za). (The Secretariat will collect this info as pertinent, but it is the partners' responsibility to ensure that correct updated info is filed t all times).
 - a. **PSC-Representative**: Name, telephone, fax and e-mail (overall implementing agency manager responsible for the UEM programme);
 - b. **CFO** (Chief Financial Officer): Name, telephone, fax and e-mail of
 - c. **Financial officer(s)** assigned to handle UEMP funds: Name, telephone, fax and e-mail
 - d. **Bank-data**: Branch; Branch Number and Account Number of the partners Paymaster-General Account.
- 2) **The Programme Steering Committee (PSC)** endorses submitted proposals for Business plans budgets. **PSC Secretariat (RP)** forwards a copy of the

PSC minutes, including a recording of the approved budget line items to Danida (Portia Poulsen (porpou@um.dk) and NT (Denise Marais, denise.marais@treasury.gov.za).

- 3) **Danida** (PP) deposits funds into the RDP Fund account at the South African Reserve Bank, Account No 8030-175-4.
- 4) **Danida** (PP) notifies the following of the deposit:
 - NT (DM)
 - PSC Secretariat (RP and BLE)
 - Partners (the financial manager section 1 c).
 - CC's to the partners' CFO and PSC-member, as designated in section 1b and 1a) of the deposit.
- 5) Upon receipt of the notification of payment into the RDP Fund, **NT** (DM) notifies the Office of the Accountant General and forwards a letter of acknowledgement to Danida.
- 6) **NT**(DM) also notifies the financial section (1b and 1c above) of the partner institution, by CC to these addresses.
- 7) **The Partner** (responsible fin officer) completes, and the **Chief Financial Officer signs** the RDP Fund requisition form (annex 3) and submits the completed form (hard copy – original!) and a copy of the PSC-approved Business Plan to:

the Accountant-General's Office,

Phys. address:

Director: Financial Reporting Services, National Treasury
17-th Floor,
240 Vermeulen Street,
0002 Pretoria ATT: Ria Erasmus

Postal Address:

Private Bag x115
0001 Pretoria

This requisition form is the authorisation instructing the Accountant-General to make a transfer payment to the implementing agency. This step is an essential requirement to ensure proper financial control. ***No funding can or will be transferred unless a correctly completed requisition form (original!) is received by the Office of the Accountant General.***

If the partner institution is NOT 100 % familiar with the procedure or the form, it is advised to forward a draft by mail/fax and confirm this by phone (DM) before delivery of the original.

- 8) **Partners** may make multiple draw-downs in one budget year and are encouraged to leave funds in the RDP Fund until such time as they are to be

spent. The accumulation of unspent funds in partner accounts (as opposed to in the RDP Fund) creates additional demands in terms of paying back the interest earned (see below). *On this note it is recommended that partners set up a cash flow overview at the start of the budget year and plan/execute draw-downs accordingly.* (DEAT, for example, keeps its donor account as low as possible and makes regular draw-down requests from the RDP Fund.)

- 9) **The IDC / NT (DM)** verifies the provisions in the Programme Agreement, and cross-checks with the PSC-endorsed business plan and budget and then initiates the transfer payment.

10) **The Transfer**

(a) National Departments

The Accountant-General makes the transfer payment to the spending agency's **Paymaster-General's (PMG)** account as specified in the requisition form.

(b) Provincial Departments

The Accountant-General makes the transfer payment to the **Provincial Treasury's Account** from where the **Provincial Departments** then requests the funds.

(c) Municipalities

The Accountant-General makes the transfer payment to the **Municipal Treasury's Account** from where the **Municipal Departments** then requests the funds.

(Remark: *This direct route* is not usual in transfer of donor funds from NT to Municipalities. National Treasury has requested and obtained letters from the respective Provincial Treasuries regarding the transfer of UEM funds to all 5 municipal partners. These letters indicate that the Provincial Treasury does not find it necessary for the funds to be transferred via the Provincial Treasury (which is the usual route), and the letters approve of the Accountant-General making a direct transfer to the Municipal Treasury.)

4 How to financially manage the funds

4.1 General

The Danish grant shall be spent solely on the objectives specified in the agreement (Programme and Component documents); and as contained in the business plans and budgets, endorsed by the Programme Steering Committee. Partner departments and designated managers responsible are expected to do everything within their power to ensure that the grant is in fact spent, within the budget year and in accordance with approved budgets.

Spending in excess of the endorsed budget – even when the excess spending has been caused by an increase in costs – cannot be covered by the Danish grant.

4.2 Start of the budget year

IN line with the above is strongly recommended to make sure that the following is properly executed at the beginning of the budget year

- **Set up an accounting plan** in the institutions bookkeeping system which is directly corresponding to the line items endorsed by the PSC. Later management and audit will rely on this.
- **Set up a cash flow plan** for the upcoming year, in approval between project managers and financial management, specifying when to do the appropriate draw-down of the funds
- **Set up the system of financial reporting** (in line with all other financial reporting) which gives an ever updated, transparent picture of drawdowns, spending etc. as well as indication of actions, should the BP not be timely followed.

4.3 Budget reallocations

When necessary and indicated these may be done, at the partners own discretion within the following frames:

- Reallocation may take place from one budget line to another budget line (both lines endorsed by the PSC). New budget lines may be established, only by endorsement of the PSC.
- Reallocation must be processed and approved in accordance with the government institution's own procedures.
- Reallocation must be clearly and transparently accounted for in the following progress reports and all financial reporting.
- The pattern of spending and reallocation may be included as decision parameter of the PSC when assessing future budgets.

It is the responsibility of the partner organisation to open negotiations with Danida and the PSC Secretariat in seeking approval to change to new line items, not endorsed by the PSC.

4.4 Roll-over

When pertinent rollover of non-spent funds from one budget year to the next may occur, following the following procedure:

A budget line stays on budgets, progress reports and financial reports until reported spent and closed (or the figure reallocated).

Each year's budget overview includes the budget lines of previous budget years and indicate whether the money allocated last year is now:

- (a) spent => budget line closed
- (b) not spent/partly spent => the money is rolled over and the activity continues budget year
- (c) reallocated - and how
- (d) not spent and not planned to be spent => money transfer is stopped and money which is transferred will be returned.

These lines of financial reporting - along with new budget lines for the year - will provide the partner and the PSC with a comprehensive overview. One will see how much "roll-over-money" and new budget money there is on the total budget. This will enable the

partner and the PSC to make an informed budget decision, taking into account the spending capacity demonstrated and the scope of the partner. For an example of this principle see the endorsed budget for Municipal Partners, 2007-08 (PSC #5 Item 5, table).

At the end of the financial year unspent funds may remain on the accounts where they are: Either in RDP Fund or the particular funds. The comprehensive budget endorsed by the PSC will inform how the money is to be spent or otherwise managed.

4.5 Return of funds

Funds should be returned to Danida via the RDP fund in the following cases:

- If the situation is that there is NOT scope for pertinent use of unspent funds
- Budgets (for non-spent funds) are NOT endorsed by the PSC
- In the event that the partner should step out of the programme, that the programme be closed or for other special reasons (irregularity, etc.).

4.6 Interest

All interest which accrues on funds received through this programme and placed on in and interest bearing account of the partner must be returned via the RDP Fund to Danida on an annual basis.

Partners should complete this return transfer within 2 months after the completion of the relevant financial year (i.e. before 31 May for national and Provincial partners, and before 31 august for Municipal Partners). The procedure is as follows:

- **Partner** requests a bank statement from his own bank, stating the interest earned
- **Partner** requests the relevant bank - and transfer details with Denise Marais (RDP - fund Account)
- Partner transfers the interest earned is transferred to this account - AND notice NT/Denise Marais in mail or fax.
- NT/ Denise Marais will make overviews, send these to Danida and transfer the funds.

4.7 VAT

(Awaits SARS - will be dealt with in a later memo)

5 Reporting

Every six months programme **partners** must report to the PSC Secretariat. **Two reports** are due:

1. Overall progress of activities
2. Financial Report

Reg. 1: A narrative report based on the BP templates and on "Cut and Paste" from internal institutional reporting

Reg. 2: This informs about disbursements received from the programme and actual expenditure to date by the partner in accordance with the formal records of the financial management system of the partner.

Deadlines:

National and Provincial partners:

- First half of the budget year (Apr. - Sep.) before **31. October**
- Second half of the budget year (Oct -Mar) before **30 April**

Municipal Partners:

- First half of the budget year (Jul. - Dec.) before **31. January**
- Second half of the budget year (Jan - Jun) before **30 April**

Guideline and templates

For business plans, Annex 1 and Annex 2 (section 3 of these templates). Note that also these sections of the templates are based on the cut and paste principles, adhering to the normal institutional reporting which in all 3 spheres of government in RSA is quarterly. Thus apart from some pertinent editing to make a comprehensive document, no extra narrative effort is required.

For financial reporting see annex 4

6 Audit

As part of partner institutions normal annual audit of accounts, etc., all accounts shall be appropriately audited. The audit must be completed by the Auditor-General's Office.

The Auditor General's report, including a financial statement for the financial period audited, is to be submitted to Danida not later than six months after the end of the financial year. A final audit will be undertaken within three months after the completion of the Programme's Components.

South African Treasury Regulations require that annual financial statements of departments, which are audited annually by the Auditor General, must include the following information with regard to donor funding:

- Balance sheet (current assets, amounts recoverable from donors, *current liabilities, amounts repayable to each programme and donor*).
- Income statement and amount spent in respect of *each local and foreign donor assistance*.
- Notes to annual financial statements (use of foreign aid assistance, detailing the source and intended use of the assistance, performance information on the institution using the assistance, any pending application for assistance).
- Analysis of donor funded expenditure (expenditure per item, e.g. administration, equipment, etc).
- Statement of foreign aid assistance received (intended use, amount rolled over from previous year, amount received in current year, amount spent during the year, balance at the end of current year, performance information on the use of assistance).

In relation to the Auditor-Generals yearly reports on each partner administration Danida may request a more detailed and specific audit on programme funds accounts to be conducted, should this be deemed relevant.

7 Help-lines

All **partners are encouraged** to use these help-lines when ever necessary:

Questions on funds transfer, financial management procedures, document technicalities, VAT rules, other financial rules and regulations, etc.

NATIONAL TREASURY

Denise Marais (DM)
Deputy Director, International Development Cooperation
denise.marais@treasury.gov.za
Tel: 012-315-5968
Fax: 012-324-2456

Alternatively to:

Mr Shaheed Rajie
Shaheed.rajie@treasury.gov.za
Tel 012-315-5969
Fax: 012-324-2456

Questions on future budgets, budget reallocations, content or procedure for rollovers, etc. which are to be or not to be endorsed by the PSC should primarily go to:

PSC SECRETARIAT

Bo Leth-Espensen (BLE)
International Programme Advisor
ble@deat.gov.za
012 310 3228

Alternatively to:

Ranjini Pillay (RP)
Programme Administrator
Ranjinip@deat.gov.za
012 310 3028

Other questions

THE ROYAL DANISH EMBASSY in Pretoria

Portia Poulsen
Programme manager
Porpou@um.dk
012 430 9351

Alternatively

Troels Bruun Jorgensen
Environmental councillor
trojor@um.dk
012 430 9340

8 Other funding from the UEM Programme

Apart from the core funding the programme offers two additional sources of funding to the partners:

8.1 Short Term Technical Assistance

The Components 1 + 3 have a special facility for immediate procurement and payment of technical expertise to the partners: On request and drafts from the partner to the PSC Secretariat / BLE this facility will can provide the ToR + procurement of a suitable technical expert from RSA or the World. As payment is done through the account for this in the Programme, this will not need any procedure with the partners

financial department etc. Partners may on their own suggest a suitable consultant. Additionally, the partners and the Secretariat has a database of CVs. When pertinent the Secretariat will do specific and immediate head hunting for the request.

A manual and a guiding template for this facility is available on the Programme web site or via ble@deat.gov.za . Partners are also welcome to contact the Secretariat (BLE/RP) for queries on this

8.2 Support for Research, Knowledge Organizations and NGOs

The Component 2 of the Programme has a major research component and other facilities for knowledge sharing, knowledge organizationa and NGO, which upon request may be made available. The Royal Danish Embassy in Pretoria (PP/TBJ) may be contacted for more information and queries on these possibilities.

9 Annexes

1. UEMP-extract of Business Plan - National and Provincial (xx BLE)
2. UEMP-extract of Business Plan – Municipal (xx BLE)
3. RDP FUND REQUISITION SCHEDULE – **Nat., Prov. And Municipal** partners
4. Table for financial reporting (6 month and 12 month)
5. Memo, 15 April from NT to all UEM-Partners, rollover of UEMP funds.

10 References

1. “Policy Framework and Procedural Guidelines for the Management of Official Development Assistance” www.dcis.gov.za
2. Paris Declaration of 2. Mar. 2005:
<http://www.oecd.org/dataoecd/11/41/34428351.pdf>
3. MINUTES PSC # 3 (070131), See item 7: Decision on budget reallocation procedure. Available from ble@deat.gov.za
4. List PSC-members and financial persons. Available from ble@deat.gov.za

Annex 1: TEMPLATE for UEMP-extract of Business Plan - National and Provincial

Please fill in as appropriate. Edit all that is written in red.

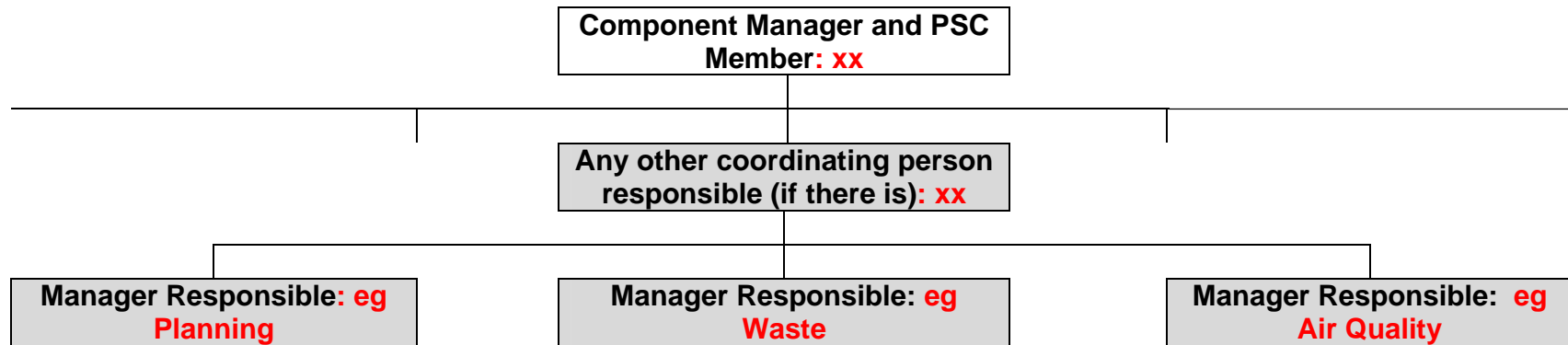
Contact person of this draft: xxx
Date of this draft: xxx
Status of this draft:
 for discussion in the partner institution
 for endorsement of the partner institution
 Endorsed by partner institution
 For endorsement of the PSC
 endorsed by the PSC, DATE: XXXXXXXX

(Name of provincial/national department)
(Branch / sub-department)
Extract from Approved Business Plan
To show Danida-supported
UEM Outputs and Budgets
1 APR 200X to 31 MAR 200X

1. GENERAL DESCRIPTION

1.1 NAME OF DIRECTORATE / DEPARTMENT: **XXX**

1.2 **ORGANOGRAM (Fill in official positions of persons responsible for management of the UEM programme – adjust according to thematic areas of intervention for which your department is using Danida support)**



1.3 NAMES OF MANAGERS RESPONSIBLE FOR REPORTING AND SIGNING OFF ON UEM FUNDS

POST	NAME OF INCUMBENT	CONTACT DETAILS		
		Tel:	Mobile:	e-mail
Official Position of component manager in your province / national department (ie overall person accountable for UEM Programme and PSC representative)	Name	tel	Mob	email
Position of mandated alternate member of Programme Steering Committee				
Official position of manager responsible for thematic area xxx (eg air quality)	Name	tel	Mob	email
Official position of manager responsible for thematic area xxx (eg waste)	Name	tel	Mob	email
Official position of manager responsible for thematic area xxx (eg planning)	Name	tel	Mob	email
CFO (Chief financial Officer) with regard to the UEM Programme	Name	tel	Mob	email
FO (financial officer, assigned to deal with the UEM –Programme)	Name	tel	Mob	email

1.4 BANK DETAILS TO BE USED FOR THE TRANSFER OF FUNDS

BANK	BRANCH	BRANCH NUMBER	ACCOUNT NUMBER OF PAYMASTER-GENERAL ACCOUNT

2. OBJECTIVES and ACTIVITIES

Programme Development Objective is:

“Sustainable and poverty-oriented environmental management of urban areas in South Africa”.

Component One Development Objective is:

“National and provincial framework for pro-poor integrated urban environmental management operational.”

Component One Immediate Objective is:

“National and Provincial governance institutional capacity for Urban Environmental Management enhanced.”

The Outputs identified to support the achievement of the above agreed objectives are as follows:

(These are taken from the Component Document - Choose the outputs relevant to your BP this year - and delete the rest):

- 1. Framework in place for integration of Urban Environmental Management in planning***
- 2. The Waste Management Act implemented***
- 3. The National Air Quality Management Act implemented***
- 4. Section 20 waste facility permitting operational***
- 5. Joint DEAT and DoH mandate on environmental health prepared and operational***
- 6. Integrated Urban Environmental Management implemented in Western Cape province***
- 7. Integrated Urban Environmental Management implemented in Gauteng province***
- 8. Integrated Urban Environmental Management implemented in KwaZulu-Natal province***

Table of activities

Key Performance Area (related to your output/s)	Key Performance Indicators Relating to specific thematic areas within the output – eg planning, waste, air quality	Targets for 2007/2008	Key activities	Time Frames for delivery in 2006/2007	Department Budget	Danida Budget
Re. Output 1: XXXXX	E. g. - Develop SEA for prioritised zones - Completion of sustainability indicators to in line with growth and development strategy to be included in the 2007/8 business plans Etc.	Must be specific, measurable, verifiable E.g. - SEAs completed for 2 zones -100% completion and sustainability indicators available in a report / on city website Etc.				
Re. Output 2: xxxx ETC ETC						

3. MOTIVATION OF BUDGET LINES

If not self evident in the above please motivate the relevance of the budget lines as pertinent. This is in order for the PSC to assess what is relevant and what not. **The PSC will look into the following 3 main areas when assessing whether a particular budget line is well indicated (motivated):**

1. *That it is evident **how** the budget lines proposed for support by the UEM-Programme will support this programmes*
 - *Development objectives (programme and component)*
 - *Immediate objective for Municipal UEM and*
 - *one/more of the 5 outputs defined for Municipal UEM*
2. *That it is **clear** (based on the milestones in section 3) that BP and budget is practically realistic within the budget year.*
3. *That the proposed activities are in line with your institutions strategies and plans and that the BP + budget is supported and endorsed by the governance of your institution in complete parallel to tax-payer financed activities.*

MAX 1 page.

Annex 2: TEMPLATE for UEMP-extract of Business Plan – Municipal

**Please fill in as appropriate
Edit all that is written in red.**

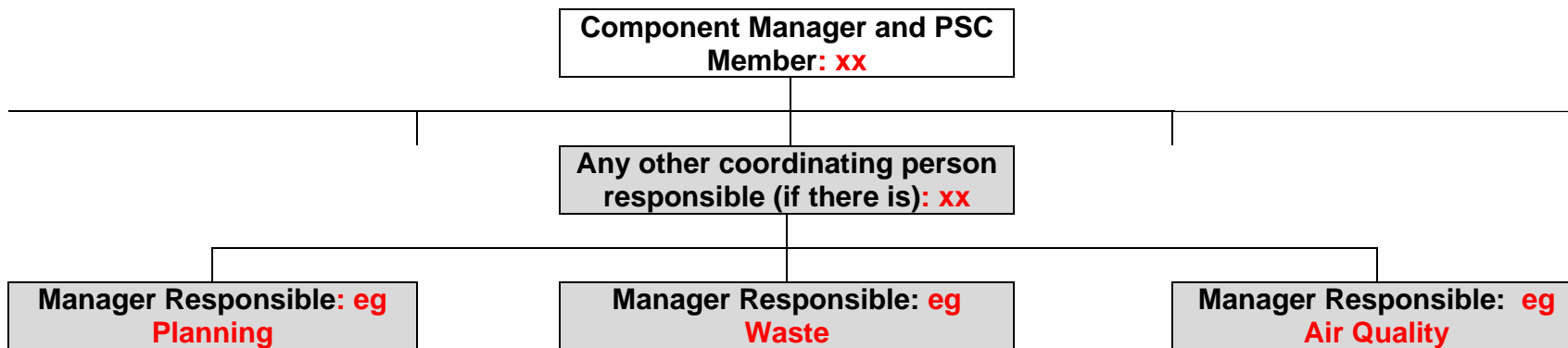
Contact person of this draft: xxx
Date of this draft: xxx
Status of this draft:
 for discussion in the partner institution
 for endorsement of the partner institution
 Endorsed by partner institution
 For endorsement of the PSC
 endorsed by the PSC, DATE: XXXXXXXX

**(Name of municipal department)
(Branch / sub-department)
Extract from Approved Business Plan
To show Danida-supported
UEM Outputs and Budgets
1 JUL 200X to 31 JUL 200X**

1. GENERAL DESCRIPTION

1.1 NAME OF DIRECTORATE / DEPARTMENT: **XXX**

1.5 **ORGANOGRAM (Fill in official positions of persons responsible for management of the UEM programme – adjust according to thematic areas of intervention for which your department is using Danida support)**



1.6 NAMES OF MANAGERS RESPONSIBLE FOR REPORTING AND SIGNING OFF ON UEM FUNDS

POST	NAME OF INCUMBENT	CONTACT DETAILS		
		Tel:	Mobile:	e-mail
Official Position of component manager in your province / national department (ie overall person accountable for UEM Programme and PSC representative)	Name	tel	Mob	email
Position of mandated alternate member of Programme Steering Committee				
Official position of manager responsible for thematic area xxx (eg air quality)	Name	tel	Mob	email
Official position of manager responsible for thematic area xxx (eg waste)	Name	tel	Mob	email
Official position of manager responsible for thematic area xxx (eg planning)	Name	tel	Mob	email
CFO (Chief financial Officer) with regard to the UEM Programme	Name	tel	Mob	email
FO (financial officer, assigned to deal with the UEM –Programme)	Name	tel	Mob	email

1.7 BANK DETAILS TO BE USED FOR THE TRANSFER OF FUNDS

BANK	BRANCH	BRANCH NUMBER	ACCOUNT NUMBER OF PAYMASTER-GENERAL ACCOUNT

2. OBJECTIVES and ACTIVITIES

Programme Development Objective is:

“Sustainable and poverty-oriented environmental management of urban areas in South Africa”.

Component Three Development Objective is:

“Improved local urban National and provincial framework for pro-poor integrated urban environmental management operational.”

Component Three Immediate Objective is:

“National and Provincial governance institutional capacity for Urban Environmental Management enhanced.”

The outputs identified to support the achievement of the above agreed objectives are as follows:

(These five outputs the Component Document - Choose the outputs relevant to your BP this year and delete the rest):

- 1. UEM integrated in city planning cycle and city management**
- 2. Environmental Health capacity and implementation**
- 3. Local air quality monitored and managed**
- 4. Local sustainable energy solutions developed and implemented**
- 5. UEM Capacity development and coordination**

Table of activities

Key Performance Area (related to your output/s)	Key Performance Indicators Relating to specific thematic areas within the output – eg planning, waste, air quality	Targets for 2007/2008	Key activities	Time Frames for delivery in 2006/2007	Department Budget	Danida Budget
Re. Output 1: XXXXX	E. g. - Develop SEA for prioritised zones - Completion of sustainability indicators to in line with growth and development strategy to be included in the 2007/8 business plans Etc.	Must be specific, measurable, verifiable E.g. - SEAs completed for 2 zones -100% completion and sustainability indicators available in a report / on city website Etc.				
Re. Output 2: xxxx ETC ETC						

3. MOTIVATION OF BUDGET LINES

If not self evident in the above please motivate the relevance of the budget lines as pertinent. This is in order for the PSC to assess what is relevant and what not. **The PSC will look into the following 3 main areas when assessing whether a particular budget line is well indicated (motivated):**

4. *That it is evident **how** the budget lines proposed for support by the UEM-Programme will support this programmes*
 - *Development objectives (programme and component)*
 - *Immediate objective for Municipal UEM and*
 - *one/more of the 5 outputs defined for Municipal UEM*
5. *That it is **clear** (based on the milestones in section 3) that BP and budget is practically realistic within the budget year.*
6. *That the proposed activities are in line with your institutions strategies and plans and that the BP + budget is supported and endorsed by the governance of your institution in complete parallel to tax-payer financed activities.*

MAX 1 page.

Annex 3: SCHEDULE FOR RDP FUND REQUISITION**(ORIGINAL must be submitted!!!)**

TO:

ACCOUNTANT-GENERAL'S OFFICE: NATIONAL TREASURY**ATT: DIRECTOR: FINANCIAL REPORTING SERVICES**

Phys. address: Financial Reporting Services, National Treasury, 17-th Floor, 240 Vermeulen Street, 0002 Pretoria ATT: Ria Erasmus

Postal Address: Private Bag x115, 0001 Pretoria

FAX NO: (012) 324 2456 Tel: 012-315-5968, mail denise.marais@treasury.gov.za
(for consultancy of drafts only)**PROGRAMME:** Danida Urban Environmental Management Programme**DEPARTMENT:** _____

Please credit our PMG account with the amount indicated in column six below

PMG account details are as follows:

Bank: South African Reserve Bank

Branch: Paymaster General

Account No: _____

Date	Donor	Amount deposited	Paid to date	Available	Requisition

	SPENDING AGENCY		National Treasury Approved by
	Requested by	Approved by (CFO of Department)	
Name			
Designation			
Signature			
Date			

Annex 4:

Table for financial reporting (6 month and 12 month)

(Available on x-L sheet via ble@deat.gov.za or Ranjini@deat.gov.za)

Annex 5:

Memo, 15 April from NT to all UEM-Partners, regarding the rollover of UEMP funds from one budget year to the next.

national treasury

Department: National Treasury

REPUBLIC OF SOUTH AFRICA

Enquiries: D Marais Ref: RDP

Tel: 012 315 5968 Fax: 012 324 2456 Mail: denise.maraistreasury.gov.za

15 March 2007

To all staff persons of the Urban Environment Management Programme.

RE: ROLL OVER / RETAINING OF DONOR FUNDS AT THE END OF A FINANCIAL YEAR

In relation to the Urban Environment Management Programme, collaboration between RSA and Danida 2006-2010, this office has received a request to clarify the process with regard to the donor funds at the end of a financial year.

Our comments are as follows:

All donor funding deposited into the RDP Fund and subsequently transferred to a spending/implementing agency is subject to the following Acts and Financial Instructions:

- (a) RDP Fund Act 9 of 1994
- (b) RDP Fund Amendment act 79 of 1998.
- © Practice Note 16 of 2001
- (d) the Public Finance Management Act No.1 of 1999 as amended by Act 29 of 1999)

Introduction: In the case of the UEM Programme this has been clarified in the "*Financial Management Procedures*" prepared by the NT and endorsed by the programmes PSC, 26. Ap. 2006. *<now replaced by 2. ed., 2007-0724>*

In continuation of this document it should be noted that in the RDP Fund act and Amendment Act, the funds are transferred to and spent by the implementing agency

strictly in terms of the technical assistance agreement and as such is bound by the principles set out there in.

With regard to the retaining or surrendering of funds back to the RDP Fund at the end of financial year, it has been the practice since 2001 that where a programme spans a period of more than one financial year, the funds may be retained (rolled over) in the said institution and be utilised for the continuance of the relevant project/programme.

Where funds were surrendered at the end of a financial year and requested again in the new financial year, problems were experienced due to the additional administration that was required and in the light thereof, a Practice Note was drafted and forwarded to all Chief Financial Officers in which it clearly states that “Any remaining funds should not be paid into the RDP Fund if it is subject to a technical assistance agreement, which provides for the funds to be retained.”

Please do not hesitate to contact this office should you require additional information in this regard.

Copies of the relevant documents are disseminated with this memo for your information and records.

Shaheed Rajie'

Chief Director: International Development Co-operation
