

Select Committee on Appropriations Hearing on the Education Infrastructure Grant (EIG) 2017/18

Presenter| National Treasury | 30 May 2018



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Education Infrastructure Grant

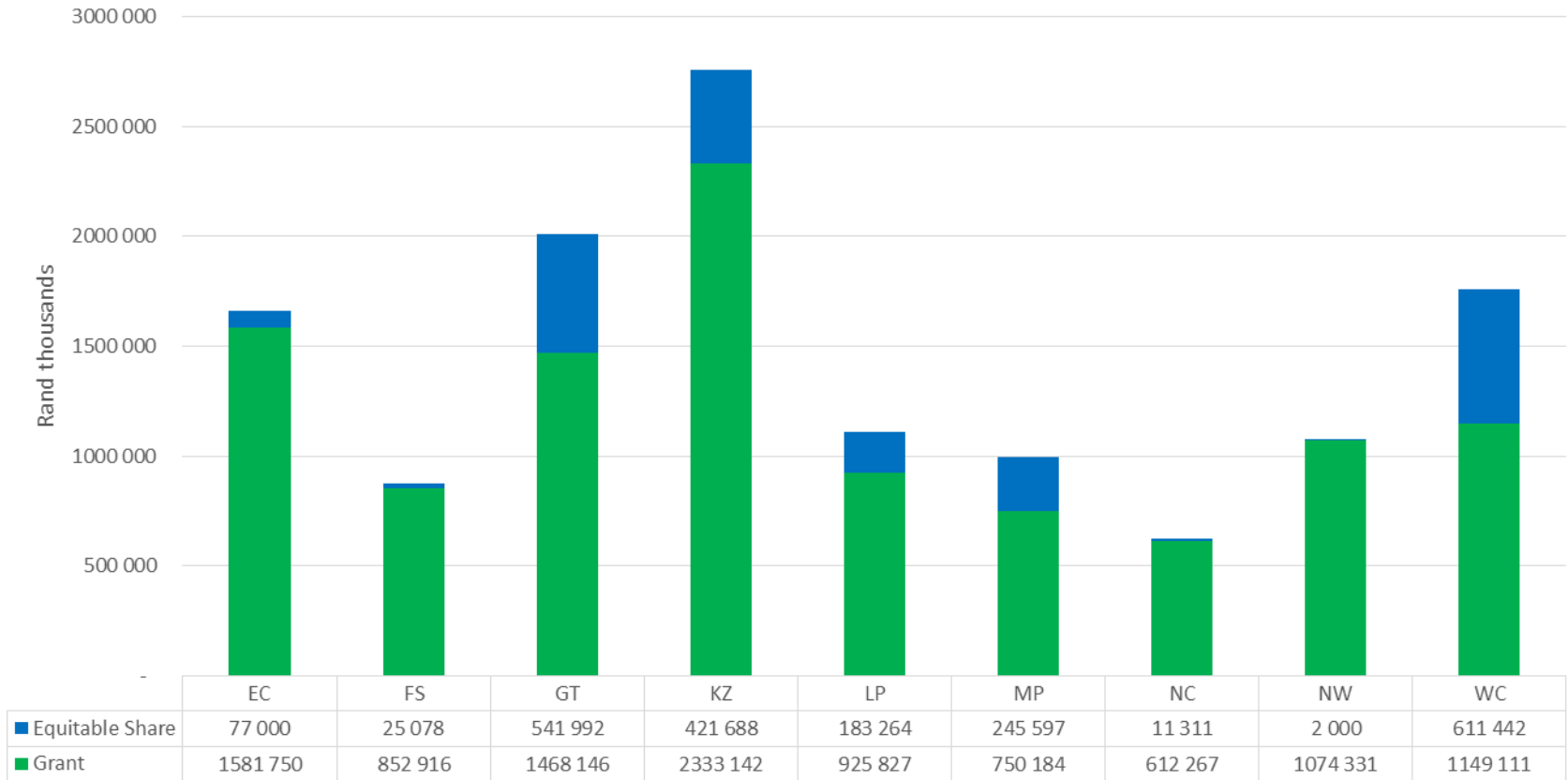
- Purpose of grant
 - To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation
 - To enhance capacity to deliver infrastructure in education.
 - To address damage to infrastructure.
 - To address achievements of targets set out in the minimum norms and standards for school infrastructure.

EIG - Outputs

- Outputs
 - New schools, additional education spaces, education support spaces, administration facilities constructed and equipment and furniture provided.
 - Existing schools' infrastructure upgraded and rehabilitated
 - New and existing schools maintained
 - Work opportunities created
 - New special schools provided
 - Existing special schools upgraded and maintained

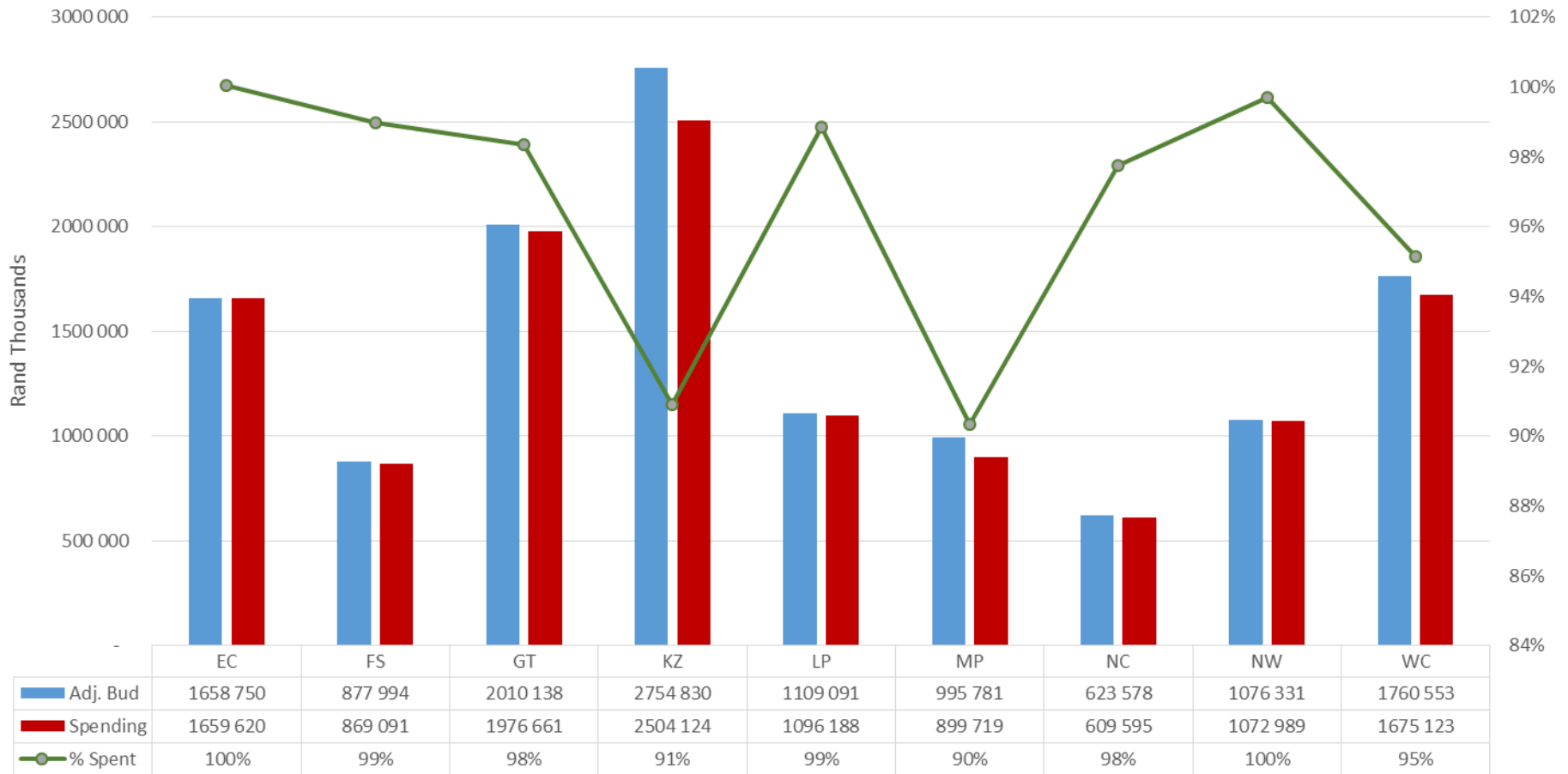
Education Infrastructure – Funding Sources 2017/18

Education Infrastructure - Funding Sources

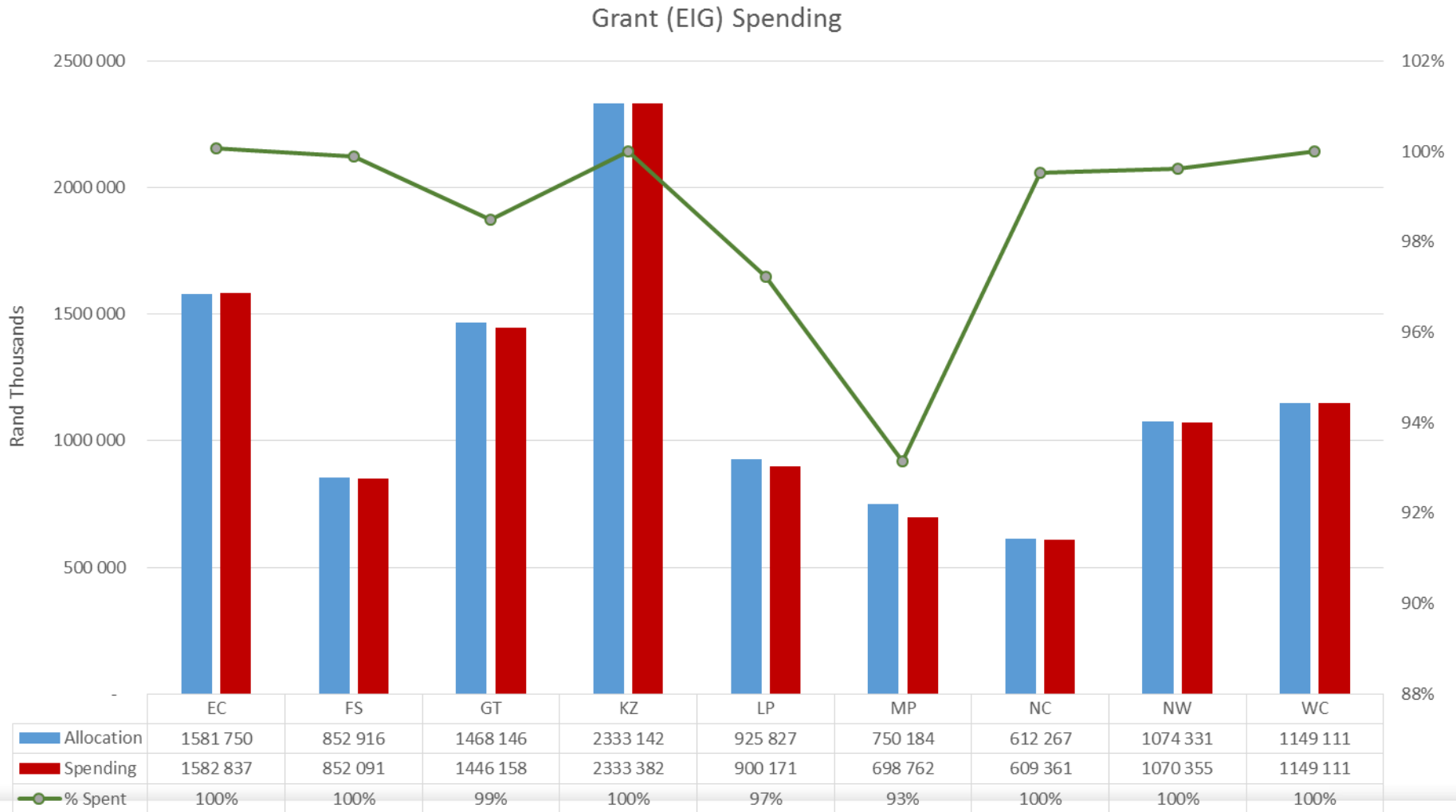


Total Infrastructure Spending - 2017/18

Total Infrastructure Spending



Grant (EIG) Spending – 2017/18



EIG expenditure trends 2013-2018

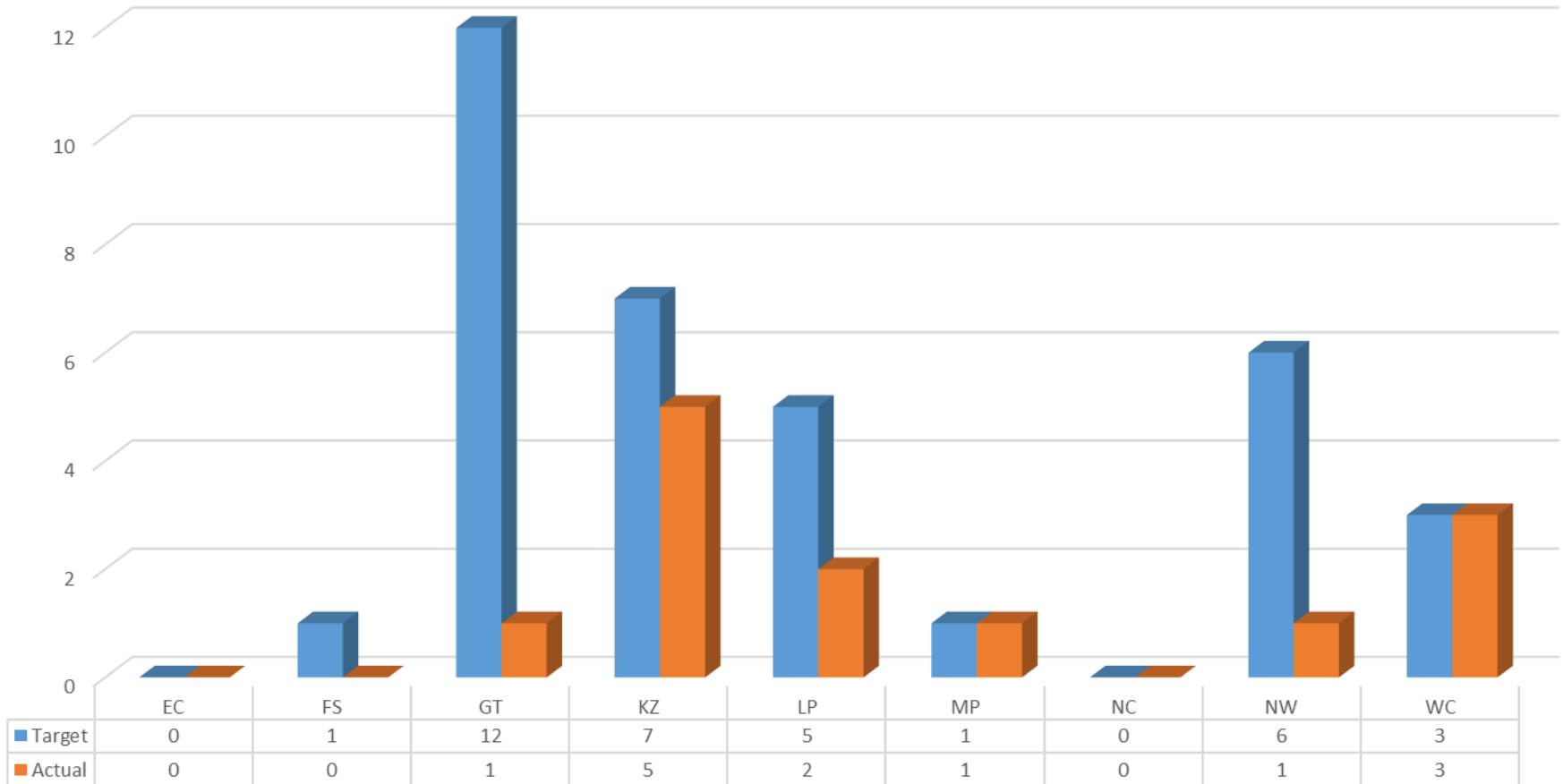
EIG expenditure trends 2013-2018



EIG Performance – 2017/18

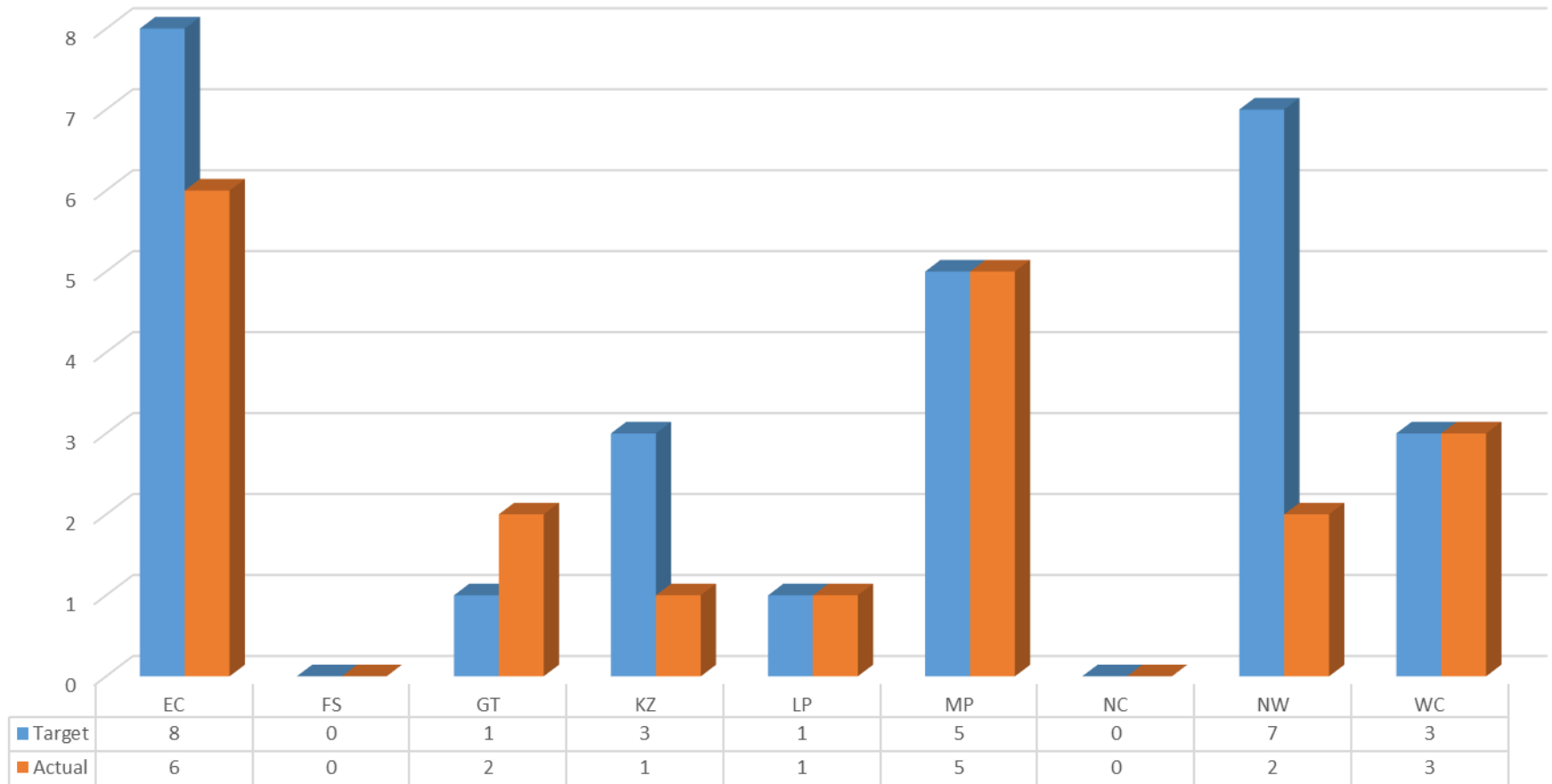
New Schools completed

New Schools - 2017/18



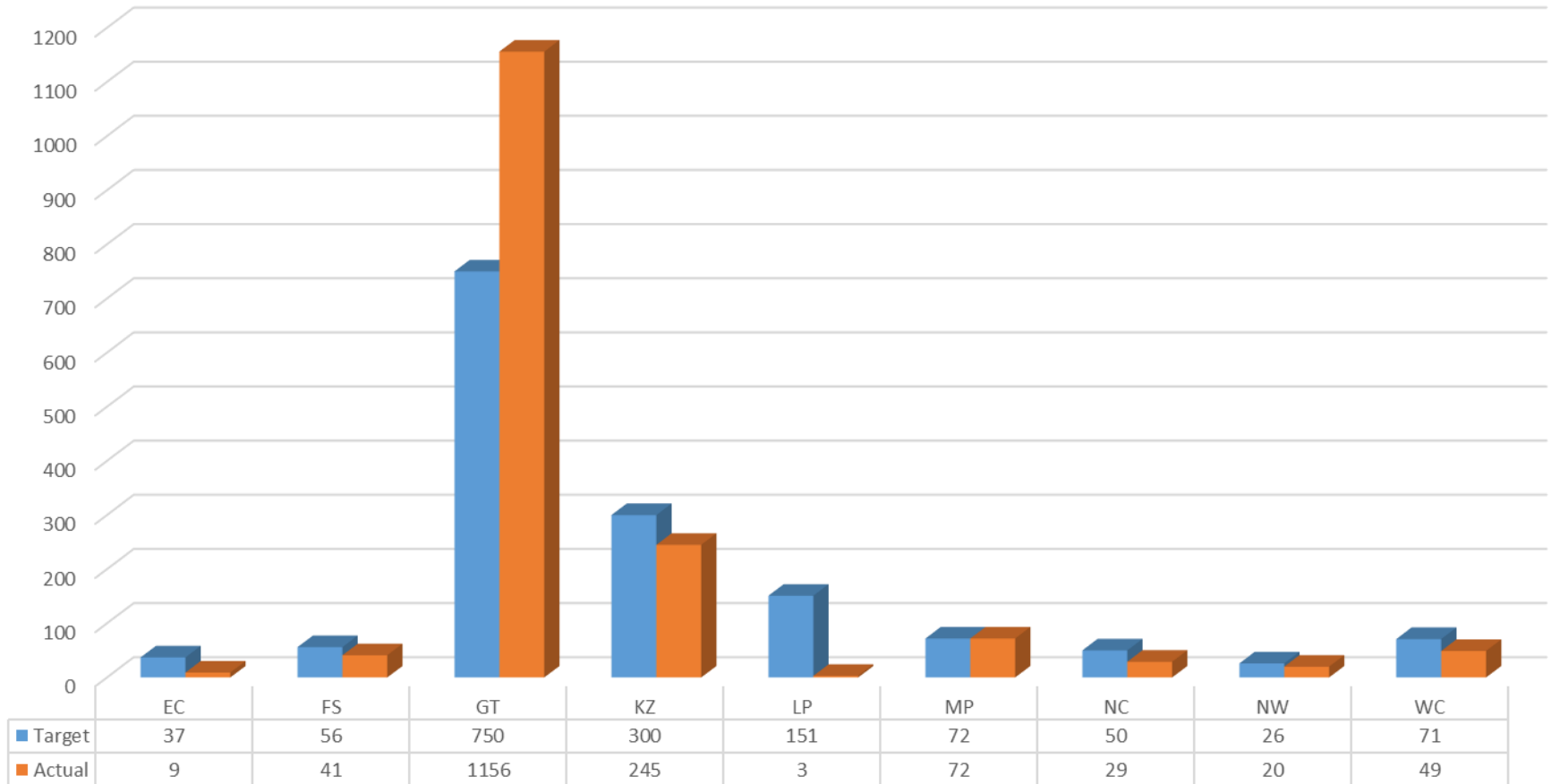
Replacement Schools

Replacement Schools- 2017/18



Maintenance Projects

Maintenance Projects - 2017/18



Progress on HR Capacitation

EDUCATION				
Province	No. of posts that exist on the approved departmental structure	No. of posts filled with incumbents that comply with requirements	No. of posts filled with incumbents that do not comply with competency requirements	No. of vacant posts
Eastern Cape	57	38	3	16
Free State	51	21	3	27
Gauteng	83	64	0	19
KwaZulu- Natal	75	47	9	19
Limpopo	47	33	0	14
Mpumalanga	62	44	9	9
Northern Cape	32	15	9	8
North West	33	13	5	15
Western Cape	51	40	3	8
TOTAL	491	315	41	135

- A total of R42 million (2017-18) was made available from the EIG for appointment of permanent officials in the provincial infrastructure units of education.
- Slow progress in the FS and NW

Challenges

- Contractors not being paid on time, which results in them abandoning site and stalling projects.
- Poor contractor performance, which results being delays and poor workmanship on projects. Non performing contractors are not adequately dealt with.
- Some contractors appointed do not have the appropriate grading for the type of infrastructure that is required to be built.
- Delay in receiving practical completion certificate from the consultants, projects cannot be closed
- Community unrest & labor disputes, partly the result of all stakeholders not being consulted adequately.
- Supply Chain Management blockages causes delays on project implementation.

Conclusion

- The EIG is a schedule 4 grant which supplements provincial allocations, however, over the past few years provincial contributions have been dwindling, with some provinces relying almost entirely on grant funding.
- The completion of new and replacement schools in 2017/18 were well below target in most provinces, while the maintenance output performed slightly better. Considering that provincial budgets were almost fully spent, there is a clear gap between expenditure and performance.
- contractors with appropriate grading should be appointed, and penalties must be imposed when there is non performance. This has to be made clear in the contract documents.
- Capacitate the SCM units with the required competencies to manage the infrastructure procurement effectively.
- There needs to be proper consultation with all stakeholders, especially communities to minimise the risk of unrest later in the project implementation
- Departments need to ensure the contractors are paid within 30 days so that they remain on site to complete implementation and the projects do not stall because of cash flow reasons

Thank you