



**31 January 2022**

## **RESEARCH ANALYSIS: PBO's EVALUATION OF THE CONDITIONAL GRANTS IN THE TRANSPORT SECTOR**

### **INTRODUCTION**

The brief provides key questions and issues for consideration in a meeting with the Parliamentary Budget Office (PBO). The meeting is in relation to the PBO's evaluation of the conditional grants in the transport sector.

#### **Key Questions for and Issues for Consideration on**

- Perhaps the Committee would have also benefited had the study provided an indication of whether each of these grants perform better when funding is managed by national government or by subnational government spheres (. i.e. provincial or local)
- The biggest concern for the Committee has been the lack of spending and performance on the Public Transport Network Grant, especially the withholding of funds in metros like Buffalo City
  - In this instance the Committee wanted to get an evidence-based and in-depth insight into the reasons for non-spending and performance
- Perhaps the PBO should assist the Committee with a detailed analysis of the challenges surrounding the performance of the Public Transport Network grant, this will really assist in preparation for the next meeting with the Department of Transport.
- In each of the grants that the PBO evaluated, which province or municipality tend to struggle with either expenditure and performance; and what are the issues that are often cited as contributing factors to poor performance?
- Additional to the analysis based on official reports, will it be possible for the PBO to supplement studies of this nature with information emanating from discussions with the relevant departmental official (both at National Treasury and DoT)
- Are there any grants that could be better consolidated or whose scope, design and purpose needs to be reconsidered?
- In most instances National Treasury withholds conditional grants and cites lack of compliance as the main reasons for withholding of conditional grants:
  - In this case, are there grants that are repeatedly withheld because of lack of compliance and has the PBO picked up any reasons for non-compliance by some departments and municipalities

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- After this analysis, would the PBO say there is value for money and return on investments on the budget that is allocated in the transport sector?
- Of all the grants that the PBO evaluated, which one seem to be well managed and well executed?
- In the final analysis and based on general observation of public reaction, would the PBO say the funds allocated to these conditional grants are effectively and efficiently managed and spent by the responsible government spheres?

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**Source**

PBO (2022) *Performance on Transport Conditional Grants in 2020/21*