

PART 23 – ADMINISTRATION OF PROVINCIAL AND DISTRICT SUPPORT GRANTS

1. Introduction:

- a. Effective from 1996, all payments to individual Members of Parliament for EDF and Minor Transport Funds ceased. From that date, they were subsumed as part of the Development Grant to Provincial and Local-level Governments.
- b. The priorities for the use of these Grants will be, as required by the Organic Law on Provincial and Local-level Governments, established by the Joint District Planning and Budget Priorities Committee which is headed by the respective Member for the District and attended by representatives of various Community Groups and NGOs.
- c. Disbursement of Provincial Support Grants will be in accordance with guidelines approved by the National Executive Council endorsed financial guidelines prescribe under the use of District Support Grants.

2. Project Guidelines:

- a. District Support Grant funds now form part of Development Grants under the Organic Law on Provincial and Local-level Governments and are therefore subject to the specific requirements the law stipulates for the grant they are funded from. Specifically, they should only be used for:
 - 1) Social Services and Administrative Infrastructure - includes the maintenance and construction of schools, hospitals, aid posts and office buildings;
 - 2) Land and other Physical Infrastructure Development - includes the maintenance and construction of transport facilities, (eg. roads, bridges and airstrips), utilities supply (water, electricity) and economic infrastructure (warehouses, food storage units, etc); and
 - 3) Development of Village and Social Services - includes maintenance of existing assets especially schools and aid posts, purchase of equipment for service provision (eg. school books), and construction of community assets (eg. village halls).
- b. In addition to these requirements, projects approved for funding under the District Support Grant must also comply with the following guidelines:
 - 1) Projects are encouraged in, but not limited to, the following areas:
 - road (equipment, construction, upgrading and maintenance);
 - other infrastructure projects (maritime, aviation);

- health facilities (construction, upgrading and maintenance);
 - water supply and sewerage;
 - agriculture infrastructure
 - rural self-employment and economic activity generation;
 - rural electrification and housing; and
 - education facilities (construction, upgrading and maintenance).
- 2) Selection of all projects must comply with national and provincial planning priorities. Provincial planning authorities in consultation with the Office of Planning should be actively involved in the project selection procedure through the Joint District Planning and Budget Priorities Committees.

3. Project Nomination:

- a. Projects may be nominated by any member including the Chairman, who exercises the same rights and privileges as other members of the Joint District Planning and Budget Priorities Committees or their Constituency.
- b. Churches, Community Groups, Youth Groups and other NGOs should be actively involved in project identification and implementation. Where possible suitable representatives of these groups should be Members of the Committee.
- c. Each Province must design a suitable form for project nomination and assessment. This design should be made in consultation with the Office of Planning

4. Funding of the District Support Grant:

- a. The District Support Grant will be funded from Development Grants available under the Organic Law on Provincial and Local-level Governments. These funds will be distributed equally between the 89 Open Electorates.
- b. The cost of administering this programme, including the Joint District Planning and Budget Priorities Committees will be funded from the Development Grant itself. An amount equivalent to 5% of the grants should be set aside for this purpose and allowances payable, to the members of the Joint District Planning and Budget Priorities Committee, should be based on the rates appearing in the current Determinations of the Salaries and Remuneration Commission.

5. Distribution of District Support Grant Funds:

- a. The manner in which District Support Grant funds will be distributed is to be determined by the Joint District Planning and Budget Priorities Committee. These Committees, established under Section 33A of the Organic Law, are chaired by the Member of Parliament representing the Open Electorate. Their membership includes the Open Member, the heads of the Local-level Governments and up to three additional members nominated by the Chairman of the Committee. This Committee must be in existence for the District Support Grant funds to be distributed in a District.
- b. District Support Grant funds that are the responsibility of the Open Member must also be distributed through the Joint District Planning and Budget Priorities Committee as these funds form part of the Development Grant. This is so even if the member chooses to distribute his District Support Grant Funds evenly between Districts or use them to address equity considerations within the Province.

6. Financial Guidelines:

- a. The District Support Grant funds must be released and disbursed in accordance with Section 93 of the Organic Law on Provincial and Local-level Governments and Section 65 of the Public Finances (Management) Act.
- b. Levels of Development Grants are determined by the formulae included in Schedules 3 (Provincial Infrastructure Grant) and 5 (Local-level Government and Village Services Grant) of the Organic Law on Provincial and Local-level Governments. Both schedules provide for expenditure of these funds to be 50/50 for social services and administrative infrastructure; land and other physical infrastructure development; and 50/50 for the development of village and social services, and land and or other physical infrastructure development.
- c. All spending plans for District Support Grant funds must be approved by the appropriate Joint District Planning and Budget Priorities Committee. No individual Member of Parliament (or his agent) is to receive funds in his own name.
- d. The actual approval and release of funds will be made by both Provincial and District Treasurers in consultation with both Provincial Administrator and the respective District Administrator.
- e. Local-level Government and Village services Grants will be paid by both Provincial and District Treasurers directly to the Local-level Governments in accordance with Section 93 (3) of the Organic Law on Provincial and Local-level Governments.
- f. Procurement Procedures and Public Tendering requirements

Procurement must be conducted in accordance with the Public Finance Management Act, Regulations and Financial Instructions.

g. Maintenance of proper financial records

Section 102 of the Organic Law on Provincial and Local-level Governments requires both levels of Governments to maintain proper accounts and records of their transactions and affairs, in accordance with the Public Finances (Management) Act, 1995. Each Project Manager responsible for a project funded under the District Support Grant should therefore maintain such accounts and records and monthly financial reports and submit these to the Provincial Treasurer for consolidation and incorporation into the General Ledger. Copies of these reports should be made available to the Joint District Planning and Budgeting Priorities Committees including project disbursement records together with acquittal forms.

These records must be made available for audit by the Auditor General or inspection by Finance Inspectors at any time.

7. LIAISON WITH THE DEPARTMENT OF NATIONAL PLANNING AND MONITORING:

- a. A high degree of consultation and liaison needs to be undertaken with the Department of National Planning and Monitoring in the implementation of District Support Grants. The Department of National Planning and Monitoring will liaise with Provincial and Local-level Governments on the progress of current and future projects, and the maintenance and upkeep of completed projects, to ensure that National and Provincial Planning priorities are being achieved.

The Chairman is reminded that he must submit comprehensive supporting documentation to substantiate the disbursement of District Support Grant funds by submitting acquittal documents for each project or contract funded by this grant.