



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

LIMPOPO MEDIUM TERM BUDGET POLICY STATEMENT

2021/22

The heartland of southern Africa - development is about people

Foreword

The global economic recovery continues amid a resurging pandemic that poses unique policy challenges. Meanwhile, inflation has increased markedly in the United States and some emerging market economies including South Africa. As restrictions are relaxed, demand has accelerated, but supply has been slower to respond. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers.

The International Monetary Fund (IMF) recently upwardly revised South Africa's GDP outlook from 4 percent to 5 percent. But the country is unlikely to sustain this pace of recovery beyond 2021, with growth expected to slow to 2.2 percent in 2022. In Limpopo, the provincial economy is expected to realize a rebound from the 2020 negative growth, stimulated by the international demand for minerals.

Vaccination efforts in the region are slower than others- largely due to hoarding by advanced economies, export restrictions by major vaccine manufacturing countries and demands for booster shots in advanced economies. Only 3 percent of the population in Sub-Saharan Africa has been vaccinated, compared to advanced and many emerging market countries which have vaccination rates close to 60 percent.

The 2021 MTBPS is presented during the continuing mist of Covid-19, where both the national and provincial government are continuing to protect the health of the citizens and to limit the impact of the crisis on the already ailing economy. The Covid-19 expenditure put pressure on the fiscus, that lead to higher debt to GDP levels on the national budget, accompanied by losses in revenue due to slow economy. The Provincial budget will strive to boost service delivery, reduce unemployment, poverty and inequality and better the livelihood of its citizens.

A handwritten signature in black ink, appearing to read 'S. Sekoati', is written over a horizontal line. The signature is stylized and somewhat cursive.

Hon. S. Sekoati (MPL)

MEC for Finance

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Chapter 1: ECONOMIC OUTLOOK

1.1 Introduction

Global recovery continues, but the momentum has weakened and uncertainty has increased. The greater sub-Saharan Africa region is expected to grow by 3.7 percent in 2021, the slowest recovery in the world compared to advanced markets and other emerging markets and developing economies. Despite possibly achieving growth of 5 percent in 2021, South Africa is unlikely to maintain this momentum into 2022 according to the International Monetary Fund (IMF). The upward revision to South Africa's 2021 growth outlook is largely linked to better than expected growth during the first half of the year before the unrest, as well as the impact of its improved national accounts position, which has been helped by a stronger trade account bolstered by the commodities boom.

However, the South African Reserve Bank (SARB) has warned that the country can't solely rely on upbeat commodities for the economic recovery, especially as commodity prices are cyclical. There risks being a downturn in commodities. The Reserve Bank has noted that the climb in commodity prices is starting to slow, and this can have a negative impact on the growth prospects of the country and the province due to over reliance on commodity exports.

Despite recent increases in headline inflation in both advanced and emerging market economies, long-term inflation expectations remain anchored. Looking ahead, headline inflation is projected to peak in the final months of 2021 but is expected to return to pre-pandemic levels by mid-2022 for most economies. But given the recovery's uncharted nature, considerable uncertainty remains, and inflation could exceed forecasts for a variety of reasons.

Strong policy effort at the multilateral level is needed on vaccine deployment, climate change, and international liquidity to strengthen global economic prospects. National and provincial policies to complement the multilateral effort will require much more tailoring to country and region specific conditions and better targeting, as policy space constraints become more binding the longer the pandemic lasts.

1.2 World Economic Outlook

The global economic recovery is continuing, even as the pandemic resurges. The fault lines opened up by COVID-19 are looking more persistent near-term divergences are expected to leave lasting imprints on medium-term performance. Vaccine access and early policy support are the principal drivers of the gaps.

Table 1: World Economic Outlook Real GDP, annual percent change

Country Group Name	2020	2021	2022
World	-3.1	5.9	4.9
Advanced economies	-4.5	5.2	4.5
Emerging market and developing economies	-2.1	6.4	5.1
Sub-Saharan Africa	-1.7	3.7	3.8
South Africa	-6.4	5.0	2.2

Source: International Monetary Fund, WEO, October 2021

The global economy is projected to grow by 5.9 percent in 2021 and 4.9 percent in 2022, 0.1 percentage point lower for 2021 than in the July forecast. Beyond 2022 global growth is projected to moderate to about 3.3 percent over the medium term. The downward revision for 2021 reflects a downgrade for advanced economies in part due to supply disruptions and for low-income developing countries, largely due to worsening pandemic dynamics. This is partially offset by stronger near-term prospects among some commodity-exporting emerging market and developing economies. Rapid spread of the Delta strain of the COVID-19 virus and the threat of new variants have increased uncertainty about how quickly the pandemic can be overcome. Policy choices have become more difficult, with limited room to maneuver.

Advanced economy output is forecast to exceed pre-pandemic medium-term projections, largely reflecting further sizable anticipated policy support in the United

States that includes measures to increase potential. By contrast, persistent output losses are anticipated for the emerging market and developing economy group due to slower vaccine rollouts and generally less policy support compared to advanced economies.

Headline inflation rates have increased rapidly in the United States and in some emerging market and developing economies. In most cases, rising inflation reflects pandemic-related supply-demand mismatches and higher commodity prices compared to their low base from a year ago. Price pressures are expected to subside in 2022. In some emerging market and developing economies, price pressures are expected to persist because of elevated food prices, lagged effects of higher oil prices, and exchange rate depreciation lifting the prices of imported goods. However, great uncertainty surrounds inflation prospects, primarily stemming from the path of the pandemic, the duration of supply disruptions, and how inflation expectations may evolve in this environment. Overall, the balance of risks for growth is tilted to the downside. The major source of concern is that more aggressive SARS-CoV-2 variants could emerge before widespread vaccination is reached.

1.3 SA Economic Overview

The South African Gross domestic product increased by 1.2 percent in the second quarter of 2021, following an increase of 1.0 percent in the first quarter of 2021. All other industries contributed positively towards the national GDP except for Manufacturing, construction, finance, real estate and business services. The industries that contributed positively towards the GDP growth were agriculture, mining, electricity, gas and water, trade, transport and personal services.

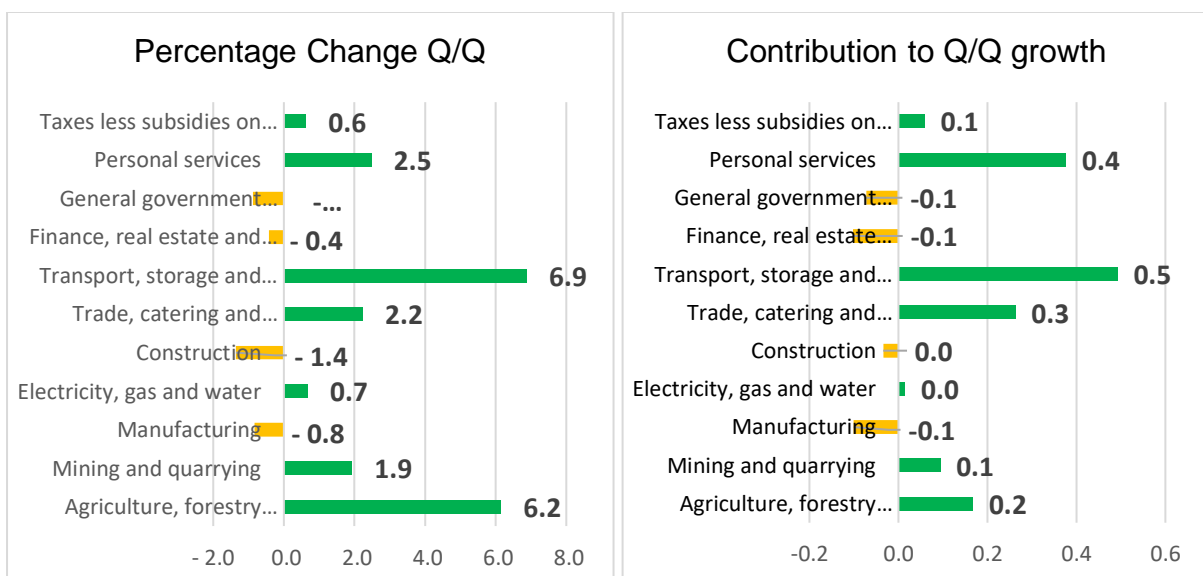
Figure 1:SA GDP growth in expenditure (constant 2015 prices seasonally adjusted percent change Q on Q)



Source: StatsSA, Gross Domestic Product, Q2 2021

The largest contributors to growth in GDP in the second quarter were transport, agriculture, personal services and trade industries. The transport industry, agriculture, personal services, and the trade industry increased by 6.9, 6.2, 2.5 and 2.2 respectively and contributed 0.5, 0.2, 0.4 and 0.3 of a percentage point to GDP growth.

Figure 2:SA Industries growth and Contributions to growth in GDP, Q2 2021 (percent points)



Source: StatsSA, Gross Domestic Product, Q2 2021

Transport, storage and communication industry

In the second quarter of 2021, Transport, storage and communication industry is the largest contributor with 0.5 percent point, this industry increased by 6.9 percent in second quarter of 2021. The increase resulted from land transport and communication services.

Agriculture, forestry and fishing industry

Agriculture, forestry and fishing industry increased by 6.2 percent in the second quarter of 2021. This industry contributed 0.2 percent points on the national gross domestic product growth. The increase was mainly due to increased production of field crops, horticulture and animal products.

Mining and quarrying industry

The mining and quarrying industry increased by 1.9 percent and it has contributed 1.0 percentage point to the GDP growth. The increase in production was reported for platinum group metals (PGMs), gold and coal.

The personal services industry

The personal services industry increased by 2.5 percent and has contributed 0.4 percentage point towards the GDP growth. Increases were reported for community services and other producers.

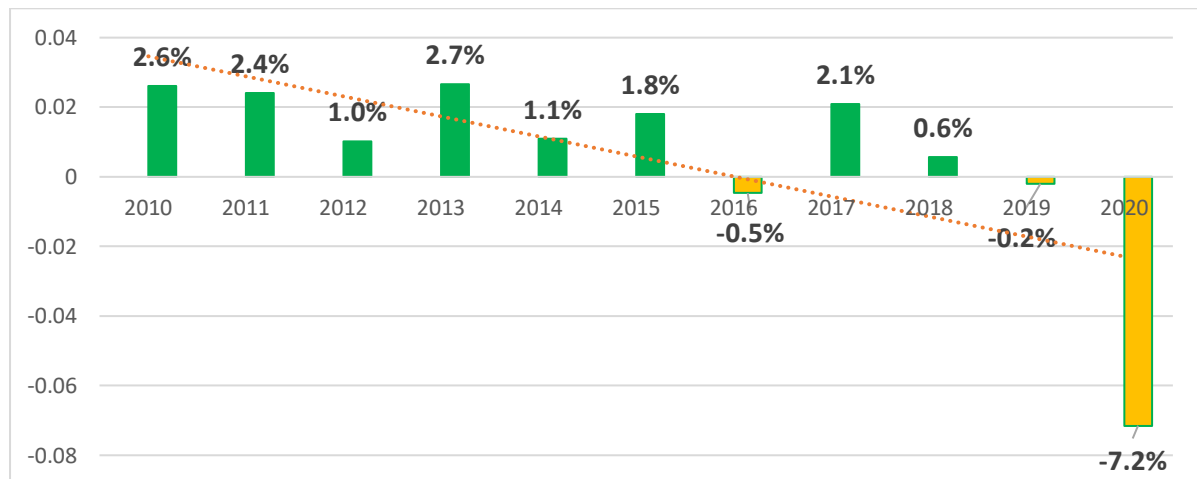
The trade, catering and accommodation industry

The trade, catering and accommodation industry increased by 2.2 percent and contributed 0.3 of a percentage point to GDP growth. increased economic activity was reported in wholesale, retail and motor trade, and there was increased spending on catering and accommodation services.

1.4 Limpopo Economic Growth

The Limpopo Gross Domestic Product has been on decline since 2018 where it decreased from 2.1 percent in 2017 to 0.6 percent in 2018. The provincial GDP further declined to negative 0.2 percent in 2019 and to negative 7.2 percent in 2020. It is expected that as the mining and other industries recover the provincial economy will also recover in 2021.

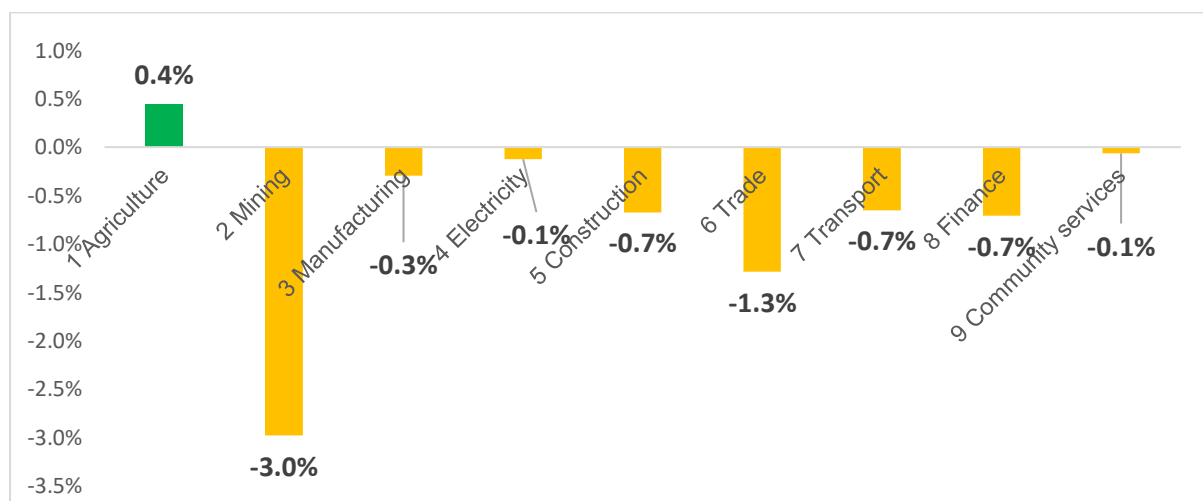
Figure 3: Limpopo GDP Constant 2010 prices percent change year-on-year



Source: IHS Regional Explorer, 2021

In 2020 the industry that contributed positively towards the provincial gross domestic product was agriculture sector with 0.4 percent point.

Figure 4: Contribution to total economic growth (percent point, Constant 2010 prices)



Source: IHS Regional Explorer, 2021

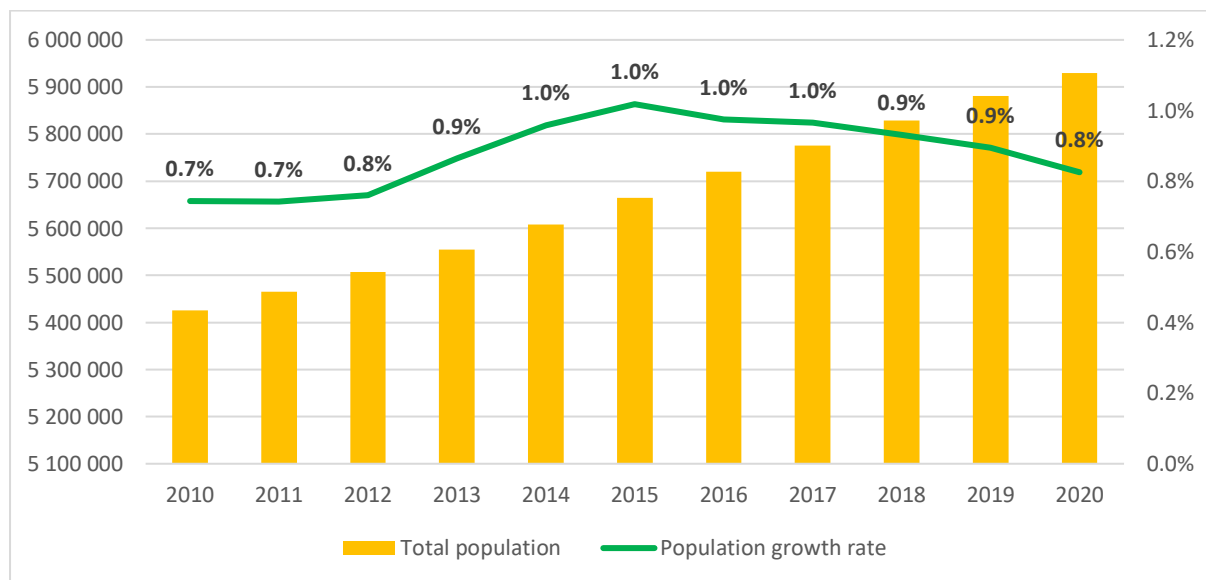
Due to the complications caused by the deadly Corona virus other industries contributed negatively towards the economic growth in Limpopo province. Mining industry recorded the highest negative point of 3.0 percent followed by trade with negative 1.3 percent.

1.5 Demographic

1.5.1 Limpopo population

Limpopo population was recorded at 5.4 million in 2010 and it has since increased to 5.9 million in 2020, this means that the provincial population has increased by around 500 thousand people between 2010 and 2020 period. The population growth rate has been on decline since 2016, in 2020 the population increased at a rate of 0.8 percent from a high of 1 percent in 2016.

Figure 5: Limpopo total Population and Population growth rate



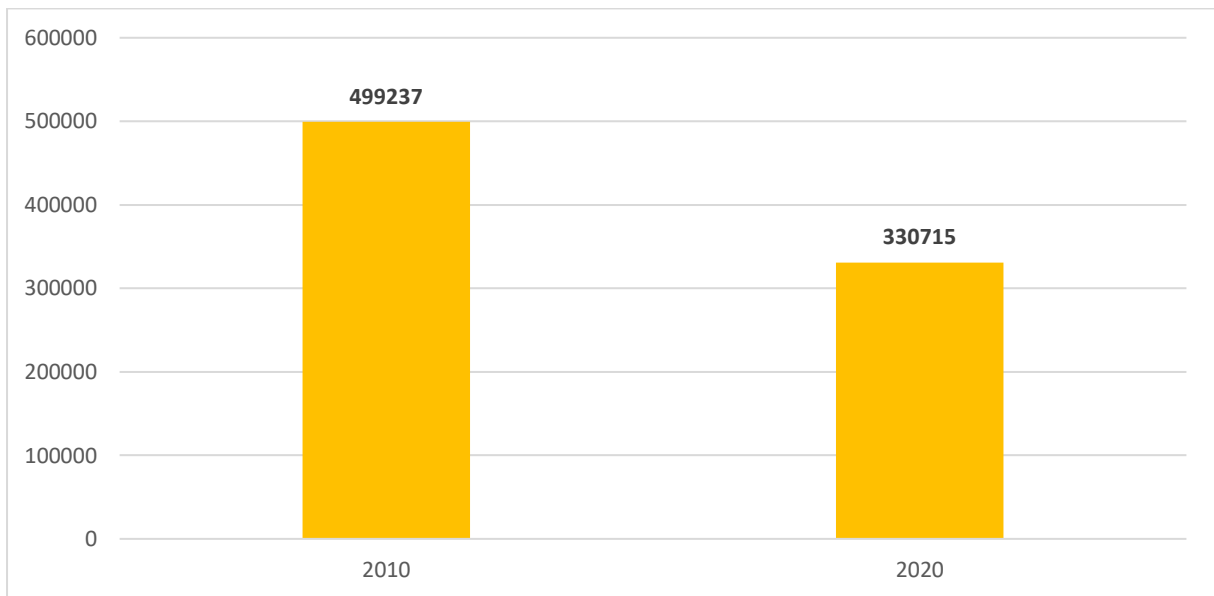
Source: IHS Markit- Regional Explorer, 2021

As the population number is forever increasing, it means there will be more demand for public goods such as water, housing, energy, healthcare, transportation and more.

1.6 EDUCATION

Education is more significant to everyone as it broadens up the mind and knowledge of a person. Those with no schooling hardly engage openly in many things as they lack educational knowledge.

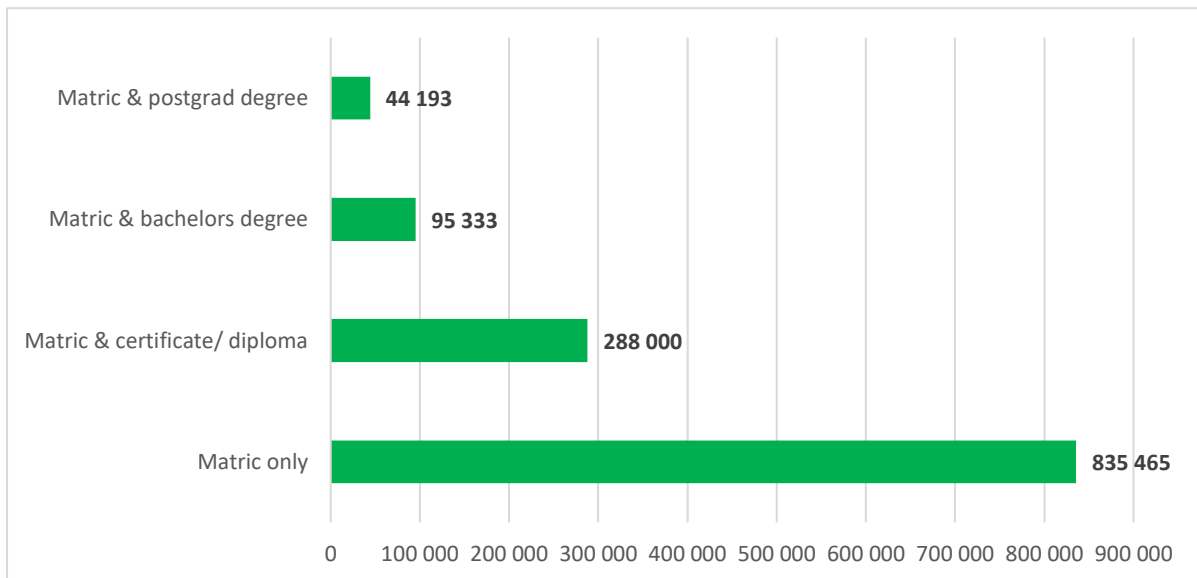
Figure 6: Number of no schooling persons in Limpopo



Source: IHS Markit- Regional Explorer, 2021

The number of people with no education was 499 thousand in 2010, the number decreased in 2020 to 330 thousand. This number shows that many people are now schooling more than before and Adult Basic Education and Training (ABET) has also helped the adults to go to school and learn how to read and write.

Figure 7: Limpopo Education



Source: IHS Markit- Regional Explorer, 2021

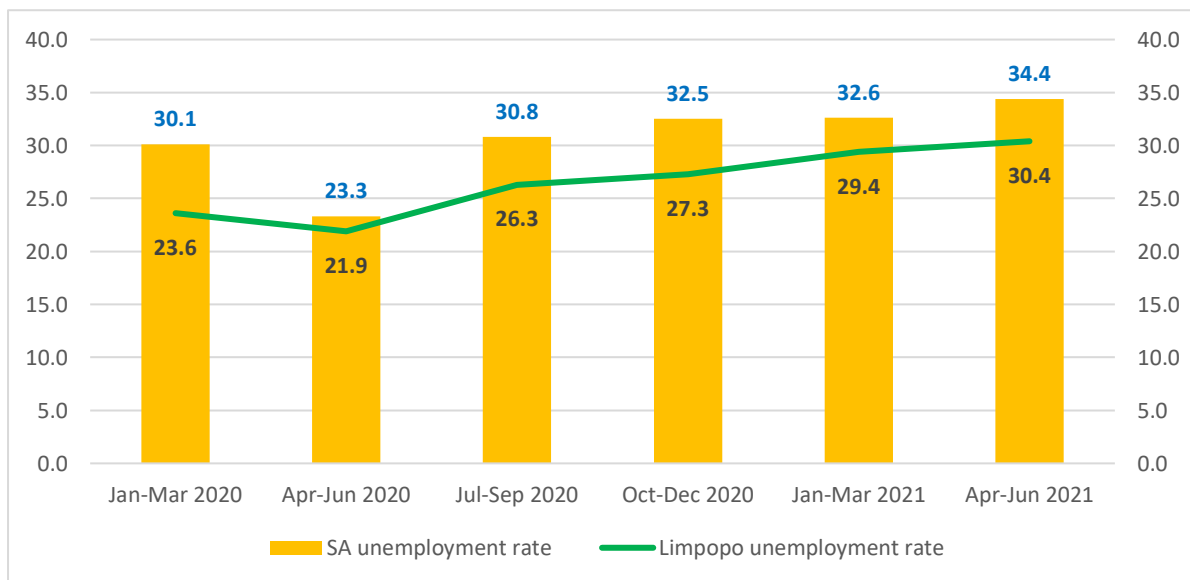
Limpopo province is dominated by people with matric only, these people amounted to 835 thousand in 2020 followed by those with matric, certificate and diploma (288 thousand). The highest category of education, people with matric and postgrad degree, only consisted of 44 thousand people. Although most public schools in the province still lack proper technology in the classes the number of people with matric, diploma and bachelors has increased between 2019 and 2020 except for those with matric and postgrad degree which declined from 46 thousand in 2019 to 44 thousand in 2020 owing to Covid-19 pandemic.

1.7 Labour characteristics

1.7.1 South Africa and Limpopo unemployment rate

The number of working age population in South Africa compared to the employed number is widening, meaning that there are not enough jobs being created to absorb more people. In just a space of one year the national unemployment rate increased by more than 10 percent.

Figure 8: SA and Limpopo unemployment rate



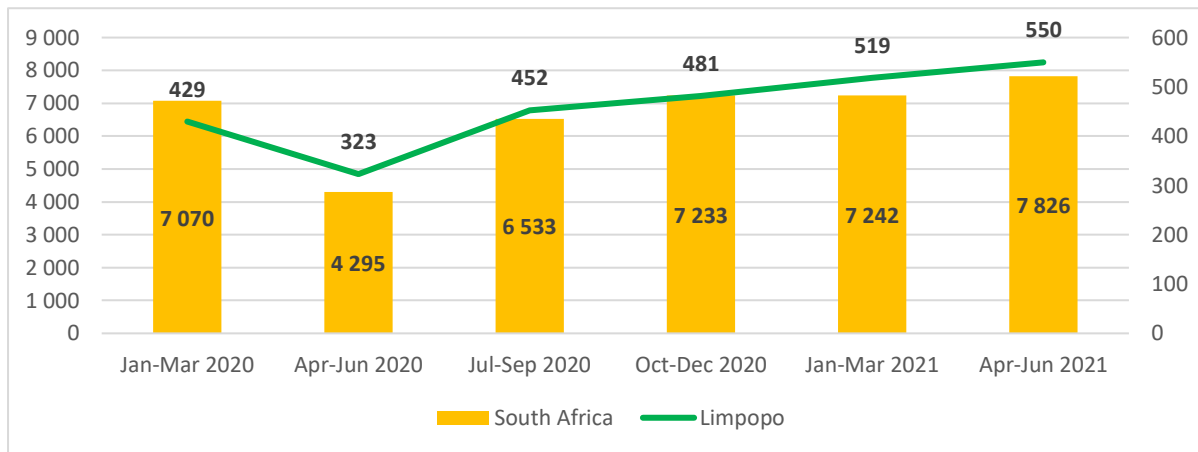
Source: StatsSA, 2021

According to the official definition of unemployment South African unemployment rate surged from 30.1 percent in the first quarter of 2020 to 34.4 percent in the second quarter of 2021. Limpopo province also recorded an increase in the unemployment rate from 23.6 percent between in the first quarter of 2020 to 30.4 percent on the second quarter of 2020.

1.7.2 SA and Limpopo unemployment number

South African unemployment and Limpopo unemployment number has been increasing in the last quarters.

Figure 9: South Africa and Limpopo unemployment number ('000)



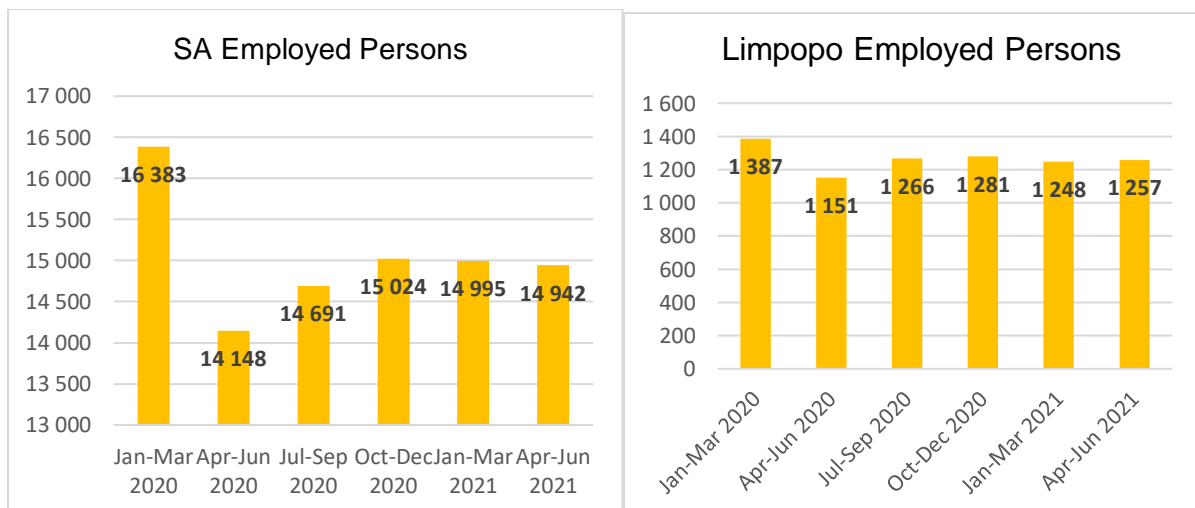
Source: StatsSA, 2021

Since April-June 2020 the unemployment number in South Africa and in Limpopo Province increased by 3.5 million and 227 thousand respectively. South Africa recorded an unemployment number of 7.8 million and Limpopo recorded 550 thousand on the second quarter of 2021.

1.7.3 SA and Limpopo employed persons

About 130 thousand jobs were lost during the first quarter of 2020 and second quarter of 2021. The Limpopo number of employed persons declined from 1.387 million between January and March 2020 to 1.257 million between April and June 2021.

Figure 10: South Africa and Limpopo employed persons

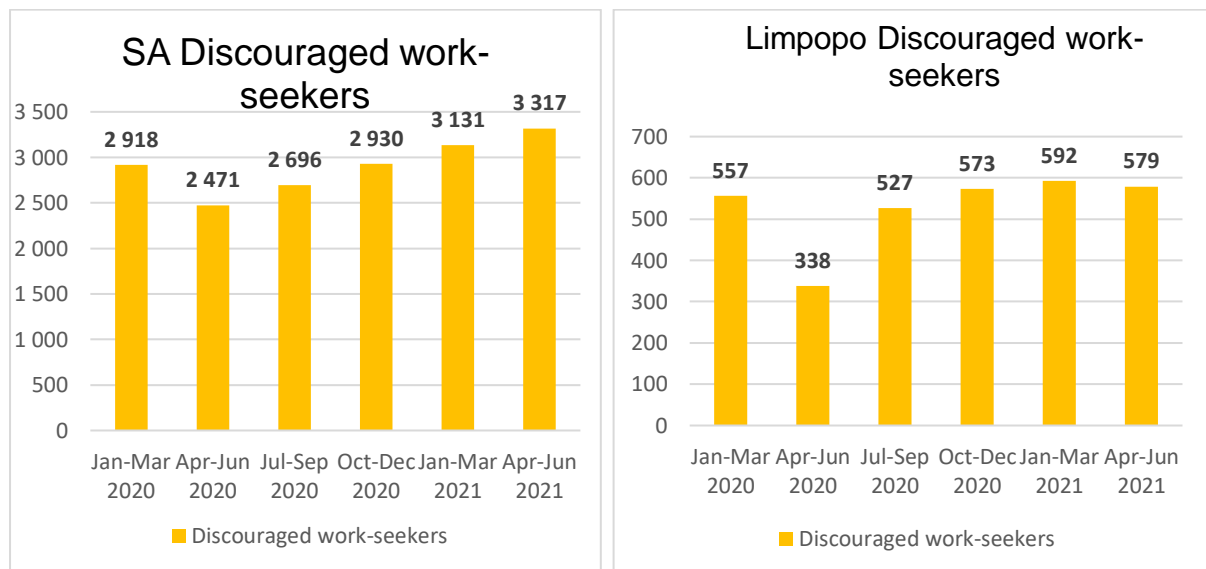


Source: StatsSA, 2021

1.7.4 SA and Limpopo discouraged work seekers

The Covid-19 has pushed many people to become discouraged to look for employment. It became difficult for most job-seekers to seek for employment at the time when Covid-19 was at the peak, also because many companies and businesses were closing down due to lack of profit.

Figure 11:South Africa and Limpopo discouraged work-seekers



Source: StatsSA, 2021

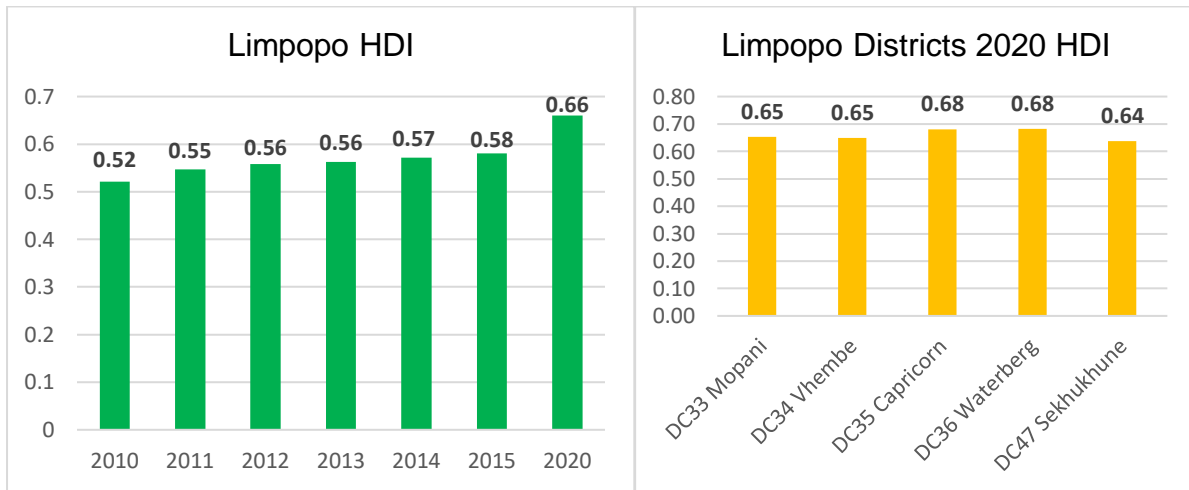
The discouraged work-seekers number has been increasing since the second quarter of 2020 from 2.6 million people to 3.3 million people in the 2nd quarter of 2021 in South Africa and from 527 thousand to 579 thousand people during the same period in Limpopo amid Covid-19.

1.8 Limpopo Human Development Index

Human Development Index (HDI) can be defined as a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development namely a long and healthy life, knowledge or education and a decent standard of living. The status of

health is measured by means of life expectancy at birth. The status of knowledge or educations is determined by measuring the levels of adult literacy and/or the enrolment in primary, secondary and tertiary schools. A decent standard of living is typically measured using GDP per capita. Limpopo province has improved when it comes to the standard of living since 2010.

Figure 12: Limpopo HDI



Source: IHS Markit- Regional Explorer

The provincial HDI increased from 0.52 in 2010 to 0.66 in 2020. Citizens of Waterberg and Capricorn district have higher standard of living compared with other districts in Limpopo province. Sekhukhune district recorded an HDI of 0.64 which shows less human prosperity in levels of education, standard of living and life expectancy compared with other districts.

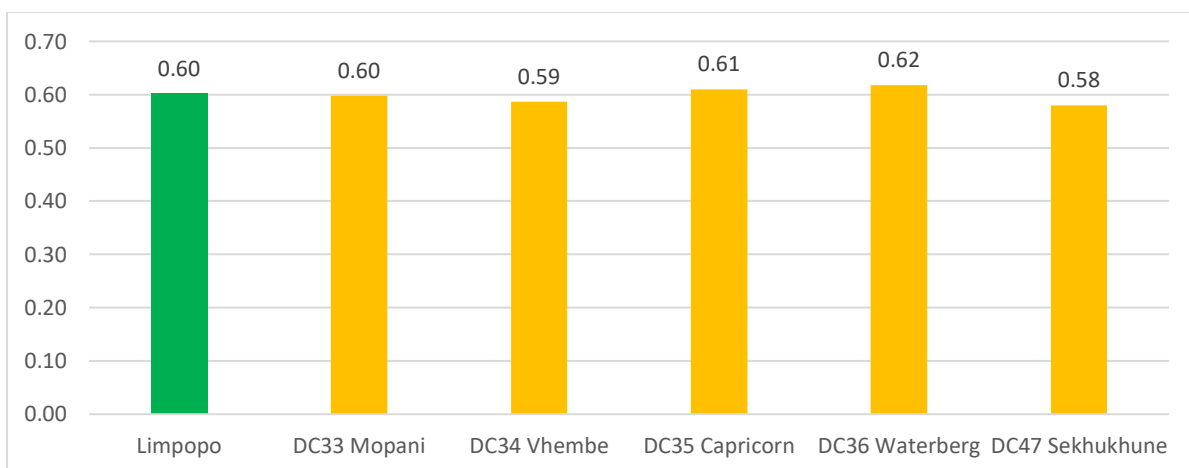
1.9 Limpopo Inequality

Income inequality continue to be a challenge that is facing not only the country, but also in the province and districts in Limpopo. In recent times, the province has been experiencing an increase in the number of unemployed persons, as a result unemployment is also considered one of the factors of income inequality. Low level of

education and skills limit people’s ability to access decent jobs and also participate fully in society.

The level of inequality can be measured by means of the Gini coefficient. The Gini Coefficient is a calculation that compares the cumulative level of income with the cumulative percentage of the population that is receiving the income. Theoretically the indicator can have a value of between 0 and 1. If the value of the Gini Coefficient is equal to 1 it implies that one person will receive all the income. If the value of the Gini Coefficient is equal to 0 it means that the distribution of income is perfectly equal.

Figure 13: Limpopo Gini coefficient



Source: IHS Markit- Regional Explorer

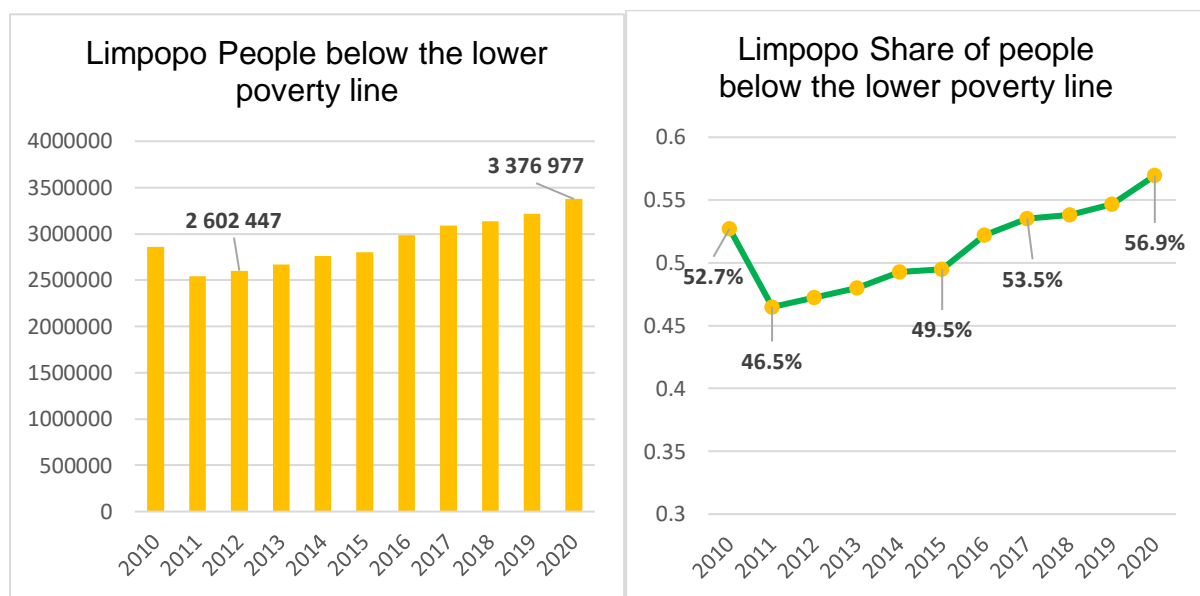
Limpopo province recorded a Gini Coefficient of 0.60 percent in 2020, there is no significant changes between 2019 and 2020 income inequality. Waterberg and Capricorn district recorded the highest income inequality which implies that the gap between rich and poor is widening. Sekhukhune and Vhembe districts recorded 0.58 and 0.59 percent in 2020.

1.10 Limpopo Poverty indicators

Poverty is more than lack of income and productive resources to ensure sustainable livelihoods. It includes hunger and malnutrition, limited access to education and other

basic services as well as lack of participation in decision making, therefore poverty continues to be a prevalent issue. People living in poverty come across challenges of meeting their basic need, most of them experience different types of health problems. Poverty eradication is a long-standing policy priority for various government programs with the aim to ensure an equitable society characterized by broad-based development. The number of people in poverty is anticipated to rise because of the consequences of COVID 19 where many people lost income streams from employment and business failures (particularly informal traders). The lockdown also highlighted the extreme plight of the poor with hundreds of people joining queues to get food.

Figure 14: Limpopo people living below the lower poverty line and share of people living below the poverty line

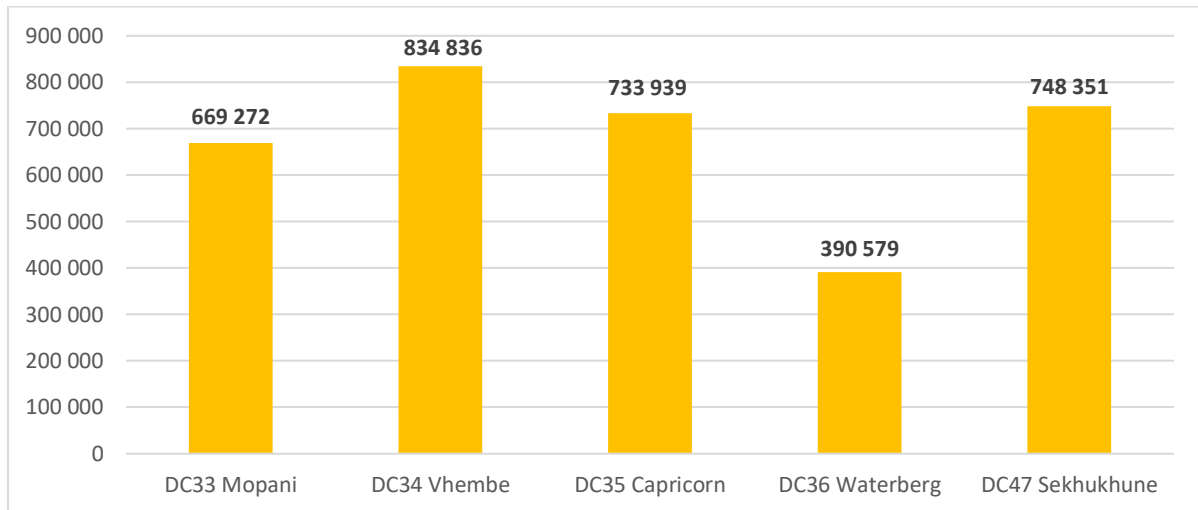


Source: IHS Markit- Regional Explorer

The number of people living below the lower poverty line has been increasing since 2012 to 2020. The Covid-19 pandemic has contributed in this increase as many people have lost their jobs and some businesses closed down. Limpopo province recorded a significant increase in the number of people living below poverty line from 2.6 million in 2012 to 3.3 million in 2020, which equates to about 56.9% of the population in

Limpopo. The percentage of people living below the lower poverty line increased by 10.4 percent from 46.5 percent in 2011 to 56.9 percent in 2020.

Figure 15: Limpopo people living below the lower poverty line per district



Source: IHS Markit- Regional Explorer

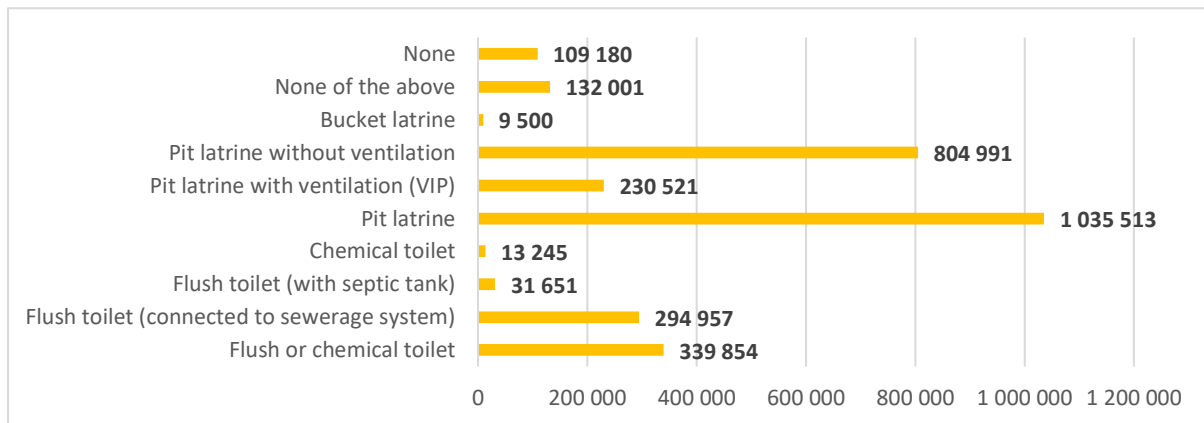
Vhembe district had the highest number of people living below the poverty line of 834 thousand followed by Sekhukhune district. Waterberg district recorded the least number of 390 thousand.

1.11 Household infrastructure

1.11.1 Sanitation

Limpopo province has experienced a huge backlog in sanitation due to its rurality. The public services take time to reach most rural areas. The development of advanced and hygienic toilets is still a challenge in some areas in the province.

Figure 16: Limpopo household access to sanitation by type in 2020



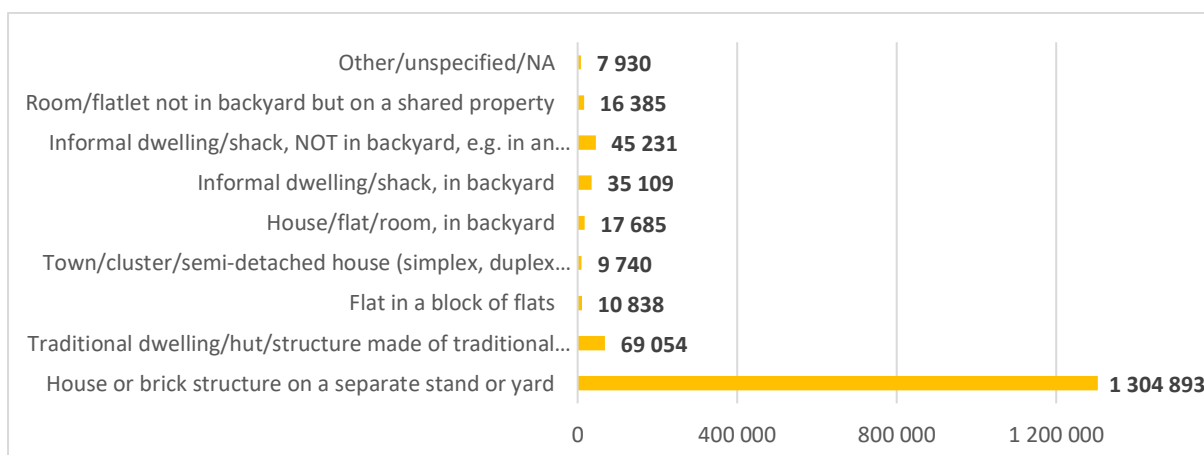
Source: Quantec, 2021

The total number of pit latrine toilet facilities in Limpopo province was 1 million in 2020. Although there is some improvement in the number of households with hygienic toilets, the households number of those who are still using pit latrine without ventilation was 804 thousand, while those with ventilation is at 230 thousand in 2020. The province will need to put in some effort in addressing households who still do not have toilet facility.

1.11.2 Dwelling

Limpopo province is dominated by people who live in houses or brick structure on a separate stand or yard.

Figure 17: Limpopo household access to dwelling by type in 2020

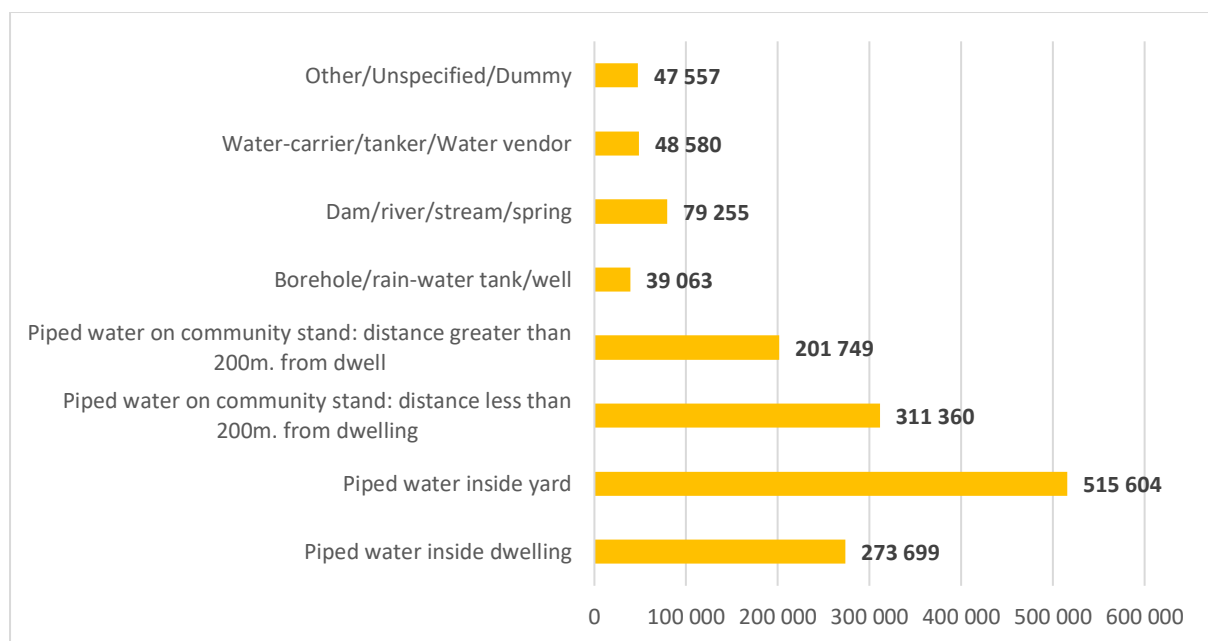


Source: Quantec, 2021

There are 1,3 million households who lives in houses or brick structures on a separate stand. This is followed by about 69 thousand households who live in a traditional dwellings/huts structures made of traditional material, while about 45 thousand households live in informal dwellings/shacks not in a backyard and about 35 thousand live in an informal dwellings/shacks in a backyard. Although Limpopo province is considered rural the number of people living in informal dwellings are less.

1.11.3 Water infrastructure

Figure 18: Limpopo household access to water by type in 2020



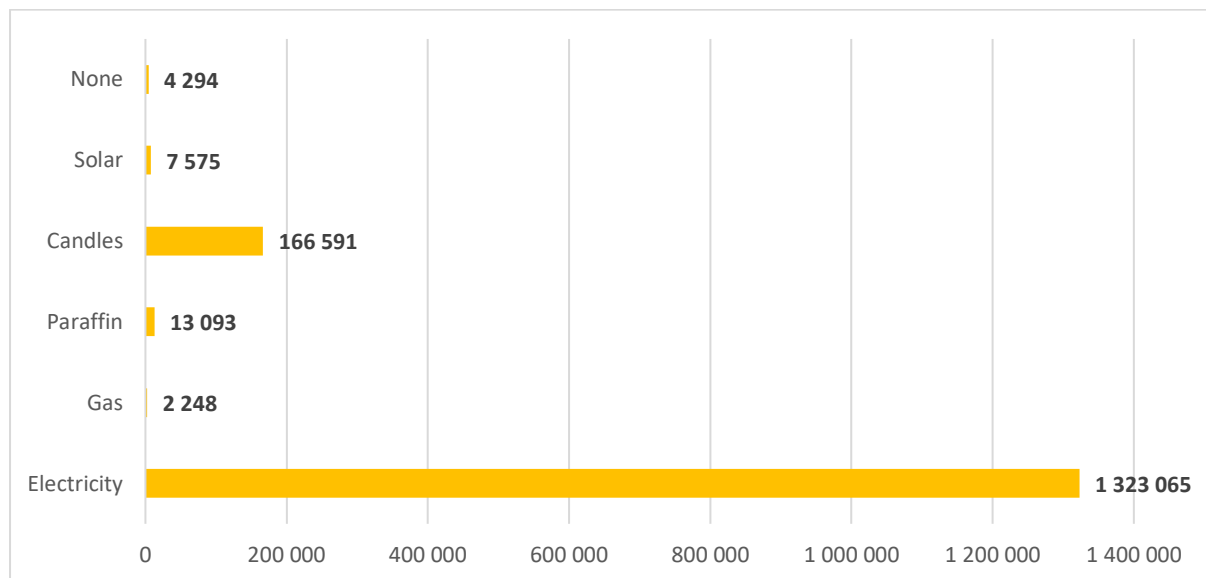
Source: Quantec, 2021

The number of households with access to piped water inside yard was 515 thousand during the year 2020, with those having piped water inside the dwelling being 273 thousand households. The level of access to water still needs to be improved in the province as the province still has about 79 thousand households who collect their water from dams/river/stream/spring and about 48 thousand households who receive water through water-carrier/tanker/water vendors.

1.11.4 Electricity connection

The use of electricity is significant especially in this era where the use of extensive Information Communication Technology (ICT) is taking place. For a province to advance the use ICT in business and service delivery, there needs to be sufficient and stable connections to electricity supply.

Figure 19: Limpopo household source of energy by type in 2020



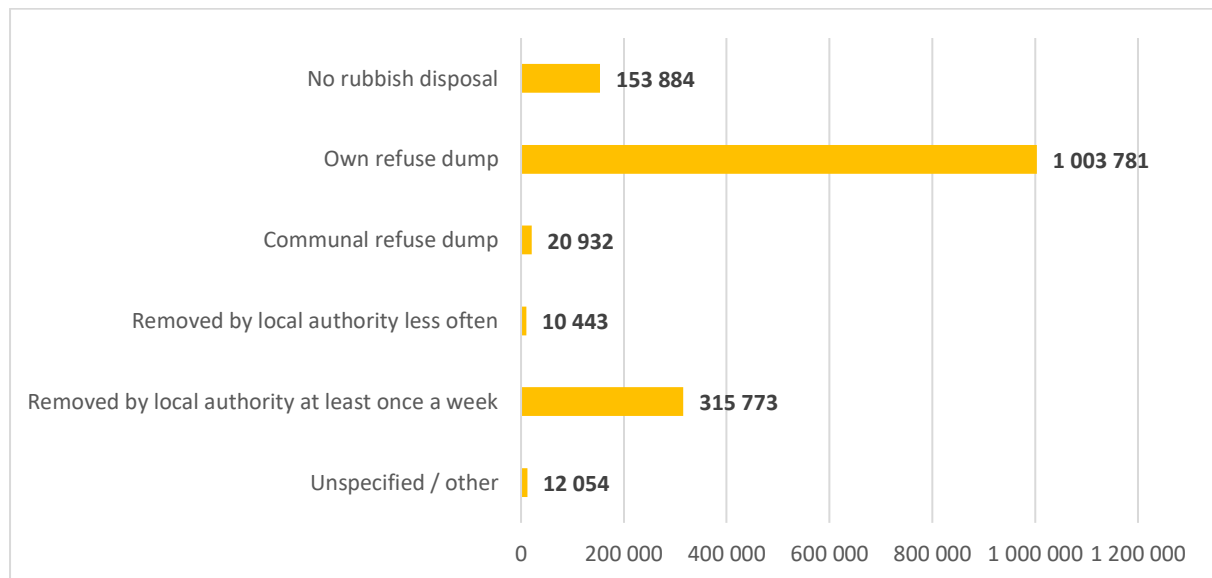
Source: Quantec 2021

Limpopo province has improved the number of households with electrical connection over the years, the number of households with electrical connection was recorded at around 1,3 million in 2020. Those households who depend on candles, paraffin, solar or gas for lighting were recorded at 166 thousand, 13 thousand, 7,5 thousand and 2,2 thousand respectively, while it is recorded that the province still has 4.2 thousand households that have no access.

1.11.5 Refuse removal

Proper management of refuse removal is significant to avoid polluting water, air and the environment.

Figure 20: Limpopo household access to refuse removal by type in 2020



Source: Quantec, 2021

In Limpopo province the local authorities remove the refuse at least once a week from around 315 thousand households. The province still has a large backlog in the provision of refuse removal. In 2020 Limpopo still has more than a 1 million households that use their own refuse dump and those with no rubbish disposal were about 153 thousand. The province thus still has a very high percentage of households who depend on themselves to dispose of their refuse and this may have negative environmental impacts.

1.12 Conclusion

The pandemic has regressed the gains made by governments in restructuring economies, curbing unemployment, reducing poverty and inequality. On average, living standards of the population has regressed as many had to contend with high electricity and fuel prices, reduced wages and totally losing their jobs. The most

noticeable impact of Covid-19 was also felt by households who experienced an average decline in household income. This implied high cost of living for many who have lost their jobs or had their income reduced.

The Province and the Country will need to gear up the vaccination programs so that herd immunity can be achieved to allow the country and the province to return to normal operations. A comprehensive set of policies will be required to promote a strong recovery that mitigates inequality and enhances environmental sustainability. The province will need to gear up in terms of planning and implementation of infrastructure projects so that the intended benefits to the communities are achieved.

A fundamental approach is needed for the province to move from an extractor of raw material and to become a processor and add value through manufacturing and processing. This will help creating industries and employment in the province. Investments in green infrastructure, climate-smart agricultural technologies, and climate resilience combined with sustainable energy policies can play a pivotal role.

Policy makers will need to promote growth-enhancing reforms and steer the economy on to a green, resilient, and inclusive development path as guided by the National Economic Reconstruction and Recovery Plan, the Limpopo Socio Economic Recovery Plan and the Limpopo Development Plan. The province will also need to position itself as an investment designation of choice to both foreign and local investors, as this will help to create employment for the youth and allow the government to focus on service delivery issues.

CHAPTER 2: BUDGET POLICY PRIORITIES

2.1 Introduction

The World economy is expected to show a rebound in 2021 from the 2020 decline that was due to the outbreak of COVID-19 towards the end of 2019 in China. The economic rebound is expected to be led by many emerging markets and developing nations economies. The South African and Limpopo economies are also expected to see positive growths in 2021 in line with the global economy. The countries recovery will be largely derived by the demand for minerals products. The economic rebound will be highly dependent on the speed of the vaccination process in the country and the province, as the sooner the country reaches herd immunity the better will be the prospects of returning to full operation.

The COVID-19 pandemic has led the country to an unstable financial position with the South African economy already in a recession before the disaster. The situation worsened with the downgrade that was also received and the current electricity crisis is expected to worsen the situation, as businesses are struggling to cope. The current financial state of the country is unsustainable, with the economic growth being stagnant, unemployment rising to record highs, and inequality being extremely high as worsened by the COVID-19 pandemic. The South African economic conditions are mostly affected by local and global forces, such as the deteriorating financial conditions of the country caused by the continuing bailouts of state owned entities by the national treasury and continuous electricity challenges in the country. On an international space the trade war between China and the United States of America, is not doing South Africa any good. In terms of fiscal policy, it is expected that the debt to GDP ratio will struggle to stabilize in the near future, leaving fairly limited scope for further fiscal intervention if the COVID-19 crisis worsens.

The 2021 Limpopo MTBPS (Medium Term Budget Policy Statement) framework is modelled in line with the national MTBPS, which aims to lead the country's and

provincial economies to reconstruction and recovery, by ensuring that fiscal discipline is maintained given the social and economic conditions that are more challenging and need to be addressed.

The mid-term budget adjustment is based on addressing the provincial priorities as outlined by the Provincial government in the revised 2020-2025 Limpopo Development Plan (LDP). The 2020-2025 LDP highlights the need to address the provincial development challenges and to unlock economic opportunities through increased productivity in the manufacturing sectors and a transformed economic structure with greater emphasis on value addition and high investment on infrastructure projects that will help in the creation of employment and stimulating the economy.

The province continues to focus on four key areas for development namely: increased economic growth rates, decreasing unemployment rates, decreasing poverty rates and decreasing inequality levels. The 2021 MTBPS provincial budget policy framework is driven by the need to achieve the provincial LDP targets as well as striving to help to improve the quality of implementation of existing programmes, thereby not exerting additional pressure on the provincial budget. On a National level this MTBPS is also aligned the Medium Term Strategic Framework (MTSF) (2019-2024) and the reconstruction and recovery plan for the economy.

The South African government and the Limpopo provincial government will continue to implement the reconstruction and recovery plan and the localised version the Limpopo Socio Economic Recovery Plan, as well as the District Development Model, which is aimed at strengthening cohesion between all spheres of government and boosting growth in the economy in the short term, while also creating the conditions for higher long-term sustainable growth.

2.2 Implementation approach of the provincial priorities

For the province to achieve the 2020-2025 LDP goals, practical and implementable action plans from the sector Departments will need to transform the LDP targets into their respective strategic objectives in their Strategic Plans and Annual Performance

Plans (APP's). The implementation of the LDP targets are based on stakeholder participation and intergovernmental collaborations, as stakeholders and partners continue play vital roles in the achievement of the developmental agendas of the province. Private Sector should be given sufficient latitude, through the development of a conducive environment by provincial government, to expand and develop their operations through increased capital expenditure in the province to support employment creation and economic growth through the development of strong infrastructure investments and development of the manufacturing sector. Integrated and aligned intergovernmental relations could help to achieve optimal developmental outcomes in addressing the socio-economic challenges facing the Limpopo communities.

2.3 Discussion on provincial priorities

The revised 2020-2025 Limpopo Development Plan is strategically aligned to the NDP, the South African Economic Reconstruction and Recovery Plan as announced by President Ramaphosa, and the 2019 specific and detailed reforms for “Economic Transformation, Inclusive Growth, and Competitiveness” from the National Treasury as announced by the Minister of Finance. It is also aligned the MTSF 2019-2024. The alignment of the economic framework to the national strategies is to ensure that provincial government give support to the national developmental agenda. The implementation will also continue to take place within the framework for district-based planning, as launched by the Presidency. It should be noted that Covid-19 has destabilised the government plans in meeting the targets as set and as such most of the targets were not met as planned.

The LDP 2020-2025 was adopted by the Limpopo Executive Committee on the 10 March 2021 to serve as an overarching Growth and Development Plan for the province during the 6th Term of Administration. The plan is designed to ensure that there is a social compact between government and private sectors, organised labour and civil society towards addressing the triple challenges of poverty, inequality and unemployment.

The 6th term of Administration ushered in the District Development Model (DDM) as an operational model to enhance inter-sphere coordination and collaboration with all stakeholders during planning and delivery of services to avoid silo operations.

Figure 21:2020/2025 LDP Priorities



Source: 2020-2025 LDP

The LDP is the socio-economic growth and development blueprint for the Limpopo Provincial Government. The first edition of the LDP guided the 5th Administration (2014 – 2019) in terms of integrated planning and ensuring the effective and efficient delivery of services. The 6th Administration edition of the LDP focuses on the mandate to place the Province on a higher economic development trajectory and to recover from the impact that COVID-19 has imposed.

This socio-economic development blueprint has an entrenched focus on mining, agriculture and tourism sectors, inclusive of manufacturing, and a biased focus on support for Small, Medium and Micro Enterprises (SMMEs) and Co-operatives. The challenges in the South African economy have overtime been worsened by sustained low levels of investment and growth. The current electricity challenges will also need to be addressed with immediate effect as this has a potential to scare off foreign investment. To break the stranglehold of these challenges and other economic constraints, a plan is required that will help us take advantage of the opportunities presented by the recovering global economy.

The country and the province was already faced with difficult economic situations before the lockdowns and this situation was exacerbated by the Covid-19 pandemic. More and more citizens in the province have lost their employments, others have gone without income for extended periods, and many have been pushed towards extreme poverty as the prices of basic necessities continued to escalate. Given the extent of the devastation, the economic response required should match or even surpass the scale of the disruption caused by the pandemic. A stimulus package, which will stimulate the economy of the country is comprised of the implementation of growth-enhancing economic reforms, and the reprioritisation of public spending to support growth and job creation. Other issues to consider is addressing the urgent and pressing matters in education and health and investing in municipal social infrastructure improvements, as well as development of the manufacturing sector in the province.

The 2021 Provincial MTBPS is in alignment to the South African economic reconstruction and recovery plan as announced by the President and the Limpopo socio economic recovery plan, as well as the 2019-2024 MTSF and the 2020-2025 Limpopo Development plan. It is important to note that the province has shaped the economic framework in line with the provincial natural competitive and comparative advantages which are unique to the geographical area of the province.

In the following section an alignment of the provincial targets to the national MTSF outcomes will be discussed.

Priority 1: Transform the public service for effective and efficient service delivery

The Development Strategy is generally focused on improved governance, thereby creating an investment-friendly climate, and prioritising service delivery to Limpopo residents, in a sustainable way. Technical skills, resourcing and partnerships are key to the successful implementation of the 2020-2025 LDP. Key actions include:

1.1 Institutionalise and implement the District Development Model

The District Development Model (DDM) was launched by President Cyril Ramaphosa in 2019, the department of LEDET has identified key economic development and environmental as well as tourism projects as part of the DDM for implementation in five district municipalities in the province. Progress on their implementation is closely monitored and reported to the relevant IGR structures in the province including the Provincial Executive Council.

The province has embraced the Presidential pronouncement of DDM to operationalize inter-sphere integration. The DDM has been aligned to the Integrated Development Planning (IDP) process. In ensuring that resources are maximized the DDM has been launched in all districts and support has also been provided to the districts to develop a “One Plan”. The department of CoGHSTA also assisted with inputs into the IDP’s, and ensured alignment with the Department’s Business Plan, and ultimately, its Provincial Strategic Goals (PSG’s) and DDM, to enable a resilient, sustainable, quality and inclusive living environment. All districts have developed DDM One Plans, which includes contributions from national and provincial departments.

1.2 Implement “Operation Clean Audit”

The support provided by Provincial Treasury in 2020/21 resulted in improvements in the audit outcome of the department of LEDET which moved from Unqualified Audit outcome to Clean Audit. The Office of the Premier, Treasury and Transport and Community Safety maintained their 2019/20 clean audit outcome during the 2020/21

financial year. Department of Agriculture and Rural Development, Public Works, Roads and Infrastructure, CoGHSTA, Social Development and Sport, Arts and Culture maintained their Unqualified Audit opinions during 2020/21. Provincial Legislature regressed from Clean Audit in 2019/20 to Unqualified Audit opinion in 2020/21, with Department of Health regressing from Unqualified Audit opinion in 2019/20 to Qualified in 2020/21 financial year. Provincial Treasury maintaining its clean audit for the fifth successive year, while Department of Education received a Qualified audit opinion for the fifth successive year and more assistance needs to be offered to the department so that it can improve its outcomes.

In terms of the provincial public entities, Limpopo Economic Development Agency (LEDA) regressed from Unqualified Audit opinion to Qualified in 2020/21, while Limpopo Gambling Board (LGB) maintained its Clean Audit and Limpopo Tourism Agency (LTA) and Roads Agency Limpopo (RAL) maintained their Unqualified Audit status in 2020/21. Gateway Airports Authority Limited (GAAL) regressed from a qualified audit opinion to an Adverse Audit opinion.

There is still a need for continuous monitoring support to ensure that these trends are improved and sustained and that the Qualified and Adverse Audit opinions are eliminated in the province.

1.3 Implement the Anti-Corruption Strategy of the Limpopo Province and the Integrity Management Unit

Departments have approved Anti-Corruption Policies and Ethics Policies and all Senior Management Service (SMS) employees annually disclose and submit their financial interest forms to the Public Service Commission for review and assessment. All SMS members, including other officials dealing with sensitive information and all supply chain officials are subjected to the State Security Agency (SSA) security assessments and clearance processes. Due to the capacity constraints at the SSA the Office of the Premier has also initiated a process to train a group of officials in the various departments to conduct security pre-screening assessments on new employees and or suppliers. In recent years all Middle Management employees are

now also compelled to make financial disclosures which are assessed by the Ethics Champions in the Departments.

Fraud risks are continuously assessed in each department and mitigation strategies developed to prevent the occurrence of the identified risks. The province has also improved the cooperation with the law enforcement agencies, such as SAPS, HAWKS and SIU to strengthen the anti-corruption processes in the province.

1.4 Improve conviction rate on reported corruption among government officials

During the 2020/21 financial year, 7214 cases / complaints that were reported through the Presidential Hotline were resolved, and 270 cases / complaints are outstanding. This translates to 96.39 percent resolution rate. Of the 2750 cases/complaints reported through the Premier's Hotline, 2496 cases were resolved and 254 cases / complaints are outstanding and this translates to 91 percent resolution rate.

1.5 Finalise, adopt and implement priority four of the Limpopo Human Resource Development (HRD) Strategy

The organisational structures of the Provincial departments have been reviewed to be in line with the mandates and service delivery imperatives. The Human resource and organisational capacity of departments has been determined based on the prescripts of the Public Service Act. The employment equity targets have steadily improved since 2009. The number of females in SMS currently sits at 42.37 percent, with two (2) departments having achieved 50 percent. The province has achieved its equity target with regards to the number of people with disabilities within the SMS ranks at 2.2 percent.

In the 2020/21 financial year the Province has 11 departments with nine (09) of them having their HOD and Accounting Officers positions filled. Out of nine (09) HOD posts filled, four (04) are filled with males while five (05) are filled with females. The employment contracts of the two HODs, i.e. for Transport and Community Safety as well as Sport, Arts and Culture expired at the end of March 2021.

1.6 Support district and local municipalities to fill strategic positions

Limpopo Provincial Treasury has a transversal role of supporting provincial departments, public entities and Municipalities on issues of governance and accountability, as well as financial management matters. The department is responsible for the Provincial Risk profile and reports progress bi-annually to the HOD's forum.

The province is facing major risks of municipalities not being sustainable due to cash flow challenges and inability to settle their debts timeously. In 2018, 12 municipalities were identified to have made investments with a mutual bank namely Venda Building Society(VBS) Mutual Bank during 2015 to 2018, which were in contravention with the Municipal Finance Management Act (MFMA) and its regulations and these investments continue to pose a financial risk to the municipalities as there is a strong possibility that the funds invested by the 8 municipalities may not be recovered from VBS, as the bank has since been placed in liquidation.

During the 2020/21 financial year, the Limpopo Provincial Treasury provided focus support to the municipal intervention team at Mogalakwena municipality that was facing governance and financial challenges. Through focused municipal support from CoGHSTA and Provincial Treasury, the province is at a point where it can confidently report that governance in municipalities is improving, and therefore capable to discharge their duties in line with the dictates of the Constitution and relevant pieces of legislation governing the local sphere of government. Much as Mogalakwena local municipality remains under administration, this intervention is beginning to bear fruits and soon the municipality will revert to normal and assume its full powers and functions. Municipal Audit Outcomes bear testimony to remarkable recovery of municipalities across the province and continued support by the Municipal Finances Support Unit is beginning to bear fruits with much improved audit outcomes.

Provincial Treasury continued with capacity building programmes which provided skills and knowledge to officials in departments and municipalities, in financial management, governance and supply chain management through short courses and on job training.

Provincial Treasury is however still faced with capacity challenges in this area that will need to be addressed.

1.7 Activate partnership with the Provincial Research and Development Hub (academia and research institutions)

Public sector HRD programmes were implemented successfully. SMS Capacity building was successfully implemented through the Wits University Capacity Building Programme. About 2 674 employees trained in different programmes in their Departments in line with Workplace Skills Plans (WSP) and 91 SMS Members were capacitated through the WITS School of Governance.

1.8 Develop technical and programme/project management capacity of public servants and institutions

The Office of the Premier monitoring of the implementation of Workplace Skills Plan (WSP) in all the Provincial Departments has been improved. Development and implementation of Integrated Planning Framework has regressed in the year under review due to COVID-19 pandemic. The Office is improving the Provincial ITC capacity through the PGITO office.

About 581 learners were trained in the Internship Programme, with a further 1 559 students interns trained on the Experiential Learning programme. A total of 335 unemployed people attended the Learnership programme and 23 learners were put through an apprenticeship programme.

The province awarded 199 employees bursaries under the Bursaries for employees, with 305 people awarded bursaries under the Bursaries for Unemployed.

1.9 Limpopo Development Plan 2020-2025

In the period under review the Limpopo Development Plan (LDP) for the 2020-25 MTSF period was developed and approved by EXCO. Due to the onslaught of the

Covid-19 pandemic, the Office of the Premier was delayed in finalizing the document as the impact of the pandemic had to be incorporated into the document.

Some indicators and targets in the LDP are already showing that the pandemic has reversed some of the gains that the province had registered in previous periods. The LDP has targeted for the province to progressively increase the Matric pass rate to 80 percent by the end of the MTSF period, however a 5 percent regression has been registered in the 2020 Matric results. The relapse has been largely attributed to the national lockdown that followed because of the Covid-19 pandemic which interrupted schooling. Similarly, the employment and unemployment targets were affected by the lockdown consequentially also having a knock-on effect on the economy of the province. Unemployment in the province has shot up to 27 percent at the end of 2020 moving from 23 percent at the beginning of the year. This has been because of the slump in economic activity of the province. Equally the employment figures went down resulting in the loss of 8.5 percent of the workforce. The province had 1 400 000 registered workforces at the end of 2019 but only 1 281 000 people were employed by the end of 2020 with a loss of 119 000 jobs. The province will commence with the comprehensive production of the Limpopo Development Plan annual report at the end of 2021/22 Financial Year as implementation of the plan formally begins.

The delivery of the provincial priorities and outcomes as per 2020-25 MTSF during the 2020/21 Financial Year was satisfactory despite the challenges that were brought along by the emergence of the Covid-19 pandemic. Adequate progress was registered in the implementation of the Musina-Makhado SEZ; delivery of basic service in the upgrading of informal settlements; delivery of schoolbooks and school nutrition although there has been a regression of the Matric pass rate for the class of 2020 due to disrupted schooling. The province also responded effectively in the face of the pandemic distributing more than 215 000 food parcels to assist the indigent households to cope with the challenges brought by the destruction of livelihoods as the pandemic ravaged the local economy. The province has developed and approved a socio-economic recovery plan that will be implemented to revive the provincial economy

Priority 2: Transformation and modernisation of the provincial economy

Priority is focused on growing, transforming, diversifying and modernising the economy, creating additional jobs, reducing poverty and unemployment, and ramping up measures to promote industrialisation, localisation, diversification, resilience and adaptability, to embrace the 4IR. In the short term, there are also commitments to recover the economy from the impact of COVID-19, as detailed in the Limpopo Socio-Economic Recovery Plan.

Central to attaining the vision enshrined in the NDP, is the implementation of the Industrialisation Agenda that promotes economic growth, manufacturing, value addition (beneficiation and agro-processing), and technological innovation. A long-term vision is provided for dealing with the challenges of unemployment, inequality and creating a more inclusive society. Economic transformation can be achieved only when the private sector and government work together.

The vision is to have rural areas that are spatially, socially and economically integrated, and where residents have access to economic opportunities, food security and jobs, as a result of agrarian transformation and infrastructure development programmes. By 2030, agriculture will contribute more significantly to the GGP of Limpopo. With regard to economic sectors, the LDP will focus on the growth and enrichment of the following strengths, and/or potential strengths, of the Province: agriculture, tourism, mining, manufacturing, construction, and the waste economy. The key actions for each sector are listed below.

2.1 Agriculture

The agro-processing industry is among the industries identified by the Industrial Policy Action Plan (IPAP), the New Growth Path and the National Development Plan (NDP) for its potential to spur growth and create jobs owing to its strong backward linkage with the primary agricultural sector. Agro-processing forms a sub-set of the manufacturing sector and involves the processing/changing form of raw materials from the agriculture, forestry and fisheries sector and includes a wide range of edible and non-edible agricultural products. It is worth noting that although agro-processing is a sub-set of manufacturing, it is not separately classified and reported on. Although

significant progress has been recorded, wherein most of the projects have been completed and are operational, such as Nwanedi vegetable hub, GRASP hub, potato belt development, Tshakuma atchar, progress has been slow on some, namely operationalization of Lebowakgomo Abattoir, Norjax tomato processing and fish processing facility at Tompi Seleka.

The development of the Revitalization of Agriculture and Agro-processing Value-Chain (RAAVC) Plan sought to address the identified gaps and to accelerate a drive to revitalize primary production and strengthen agro-processing. During the year under review the RAAVC Plan was finalized, following extensive consultations with the industry. The RAAVC Plan provides a framework and mechanisms for partnership collaboration between government and the industry stakeholders towards integrated and inclusive agriculture sector growth in Limpopo Province. Growth is to be achieved through maximisation of primary agriculture and expansion of agro-processing as envisaged by the Provincial Industrialisation Strategy and contributions to the Provincial Socio-economic Recovery interventions.

Market access and entry into the mainstream food value chain system continues to be a challenge for farmers. The Department of Agriculture in the province has signed a Memorandum of Understanding (MOU) with the Perishable Product Export Control Board (PPECB) to assist farmers with market standards certification programmes that aims to improve their access to local and international markets. The support is aimed at assisting the farmers on phytosanitary measures to comply with General Agricultural Practices (GAP) for purposes of GAP certification. Marketing infrastructure such as pack houses and on-farm pack sheds also provide improved market access in terms of improved quality of the produce through value adding and proper grading. The construction of the Matsika pack house is complete and the infrastructure support entails a pack house structure, banana pack line, cold storage, office, and ablution facilities. This facility will provide packaging and value adding service to Matsika and Tshikonelo banana farmers. The Nwanedi and Masalal pack houses are operational and are GlobalGap certified. As the effects of climate change continue to manifest, natural disasters are increasing in frequency and intensity, requiring continued assistance to farmers to prevent and mitigate against the effects of agri-disasters such as drought, floods, storms and crop pests and animal diseases. During the year under

review the Department continued to assist farmers affected by these disaster incidences. Disaster risk management was implemented through risk reduction, adaptation, and mitigation programmes as well as drought relief measures to assist farmers affected by the prolonged and severe dry climatic conditions that continue to affect some parts of our Province. A total of 1 426 farmers were assisted through disaster relief schemes. This assistance included the provision of drought resistant seeds through the climate smart agriculture programme. Four surveys on the uptake of early warning information were conducted. These surveys are of particular importance to determine the number of farmers accessing monthly advisories and daily extreme weather warnings and to establish if the suggested strategies are being utilised by farmers to prevent and mitigate the impact of natural hazards.

As part of risk reduction environmentally controlled structures have proven to reduce the impact of adverse climatic conditions and improve the level of production. Two efficient water use systems were developed, and two environmentally controlled production structures constructed as a way of promoting the utilisation of climate smart production technology. As a custodian of the Conservation of Agricultural Resources Act, the Department continued to promote compliance to the legislation by supporting farmers and communities. The support included the development of plans for agro-ecosystem management and farm management. Furthermore, to promote the adoption of resource conservation practices, farmers and communities were assisted to rehabilitate 4 050 ha, cultivated 500 ha under Conservation Agriculture practises and cleared 2 610 ha from alien invasive plants.

Skills development and capacity building remains an integral part of farmer development and contribute to increasing the skills base in the agricultural sector. In collaboration with Agricultural Sector Education Training Authority (AgriSETA) and other relevant Sector Education Training Authorities (SETAs), Colleges of Agriculture and Accredited Training Institutions, the Limpopo Department of Agriculture and Rural Development (LDARD) has offered a comprehensive capacity building programme to 911 participants. Six Mentorship Programmes were facilitated as part of the Producers Commercialization Programme to accelerate economic transformation and job creation in the sector.

During 2020/21, twenty research projects were undertaken in-house by LDARD, as well as through collaborative partnerships to develop new technologies for the farmers. Targeted clients and stakeholders were empowered with the research results and findings of the implemented research projects, being communicated through various platforms. Ten scientific papers were published, two more than targeted, as the collaboration with external collaborations led to the acceptance and publishing of the additional publications. Twelve research presentations were made at technology transfer events, including Farmers Days and Information Days. Supportive to the research process was the utilisation of research farms and facilities for seventeen demonstration trials. The maintenance of the research infrastructure at Mara Research Station in Vhembe District and Towoomba Research Station in Waterberg District enabled the implementation of research projects

2.2 Tourism

The Covid-19 lockdown period did not only stop international travel, but also impacted on local tourism businesses that provide essential services to the industry. To save the tourism industry, the National Department of Tourism launched a Tourism Relief fund specifically earmarked for small to medium sized tourism enterprises. Four-hundred-and-twenty-eight (428) tourism establishments in Limpopo received over R21 900 000 relief from the fund. In support of this initiative, Limpopo province further allocated an additional R10 million to support recovery of the industry during the pandemic. In total, 655 applications were received, of which 294 tourism SMMEs successfully benefited from this fund. Over 500 jobs were saved directly through this initiative.

Due to COVID-19 pandemic and lockdown restrictions, the Department of Economic Development, Environment and Tourism could not host the Annual Marula Festival, which had a negative impact on the economy of Mopani District Municipality and local businesses within the Ba-Phalaborwa Local Municipality.

2.3 Manufacturing

In Limpopo, mining, agriculture and the tourism sectors still remained strategic pillars of the provincial economy. The provincial economy remains dominated by primary and

tertiary sectors with mining contributing the biggest share of 25 percent of the total economy. Despite this contribution towards the total economy, measures put in place are not able to accelerate economic growth and create jobs. This could be attributed to the economic literature, which has revealed that economies that rely on primary output have fewer growth opportunities than those who focus on value addition and manufacturing of complex products. There is a need to increase the contribution of manufacturing to the GDP. The agricultural sector, though contributing less to the provincial GDP compared to mining, has been able to create more jobs. To turn-around this socio-economic trajectory, the Executive Council approved the reviewed Industrial Master Plan 2020-2030 in November 2020.

With regard to performance on MTSF priority 2 regarding economic transformation and job creation, the province set the following milestones in terms of procurement spend: 60 percent for black owned businesses; 20 percent for black Youth owned businesses; 20 percent for black women businesses, 10 percent for black owned Cooperatives; 7 percent for business owned by persons with disability; 5 percent for rural and township businesses; 3 percent black military veterans and 65 percent for SMMEs and 10 percent for rural and township. While many of these procurement targets have not been met significant performance has been realised and there is still a need for the province to strengthen the support to local businesses.

The COVID-19 pandemic outbreak has brought along opportunities for government and the business sector to realise potential in Special Economic Zones (SEZs) as a catalyst and great infrastructure for investment into setting up new manufacturing entities in our province. The Limpopo provincial government recognizes the SEZ programme as one of the strategic tools for industrialization, promotion of investments and exports as well as creation of much needed jobs especially for the youth. The province has since adopted both Musina-Makhado SEZ (MMSEZ) and Fetakgomo-Tubatse SEZ (FTSEZ) programmes as a tool to create new industrial hubs in the country, focusing strongly on sectors that are capable of accelerating economic growth and development. The key milestones achieved during the year under review for the MMSEZ was the completion of the Internal Infrastructure Master Plan for the North Site. The Environmental Impact Assessment Report was also completed.

2.4 Waste economy

LEDET implemented a R4,5 million Waste Management Relief Fund benefiting a total of 48 waste recyclers. Through this initiative the department was able to ensure that 595 direct jobs were saved and 4 600 indirect jobs (waste pickers) were saved due to the continued operation of the recycling facilities.

The significance of the waste industry cannot be underestimated in assisting municipalities to safeguard the limited landfill airspace, cleaning our streets and providing much-needed jobs.

In 2020/2021 financial year, the department issued over 130 decisions within legislated timeframes on Environmental Impact Assessments (EIA) applications for infrastructure projects inclusive of basic services provision with an estimated investment worth approximately R3 billion to the provincial economy. That represents 100 percent achievement of the EIA applications within the legislated timeframes. Of course, this achievement is above the 98 percent target set nationally by the Office of the President. These developments have the potential to create approximately 500 job opportunities once construction has commenced on the approved infrastructure projects. Despite the Covid-19 pandemic, provincial Environmental Management Inspectors (EMIs) continued to ensure the realization of the constitutional right to an environment that is not harmful to people's health or well-being and to protect the environment.

2.5 4IR/ ICT

The 4th Industrial Revolution (4IR) presents a juggernaut of technological disruption that could bring immense growth potential to unlock new market opportunities and fuel growth across the global economy. ICT is a critical enabler for new technologies unleashed by the 4th Industrial Revolution such as robotics, artificial intelligence (AI), Data Analytics and the Internet of Things. It is also a prerequisite to help countries effectively navigate the potential opportunities and risks presented by this shift towards 4IR. Accordingly, Limpopo Connexion SOC Limited has rolled-out the broadband telecommunication network infrastructure in municipalities for access by the population of Limpopo Province. The broadband is a necessary infrastructure and a

foundation for the Fourth Industrial Revolution. A total of 52 sites have been connected to the network and approximately 140km of fibre has been rolled out in municipalities since the project's inception.

Nine (9) Wi-Fi Hotspots are connected to the network to enable communities and learners to have reliable connectivity. The Data Centre, the Network Operating Control Centre and Call Centre facilities are in place and operational. The Call Centre is currently offering economic development advice through LEDA. About eight business advisors have been deployed to manage and operate the Call Centre remotely. 2083 local clients were assisted with information dissemination, statutory compliance and advisory services to take advantage of available opportunities from different types of finance schemes related to Covid-19 lockdown in the public and private sectors. The expansion of the broadband telecommunication network infrastructure is achieved in partnership with the construction partner, municipalities and national state-owned companies.

The Limpopo Science and Technology Park is a catalytic investment project which creates, captures and delivers value, not just for tenants of the park, but also for the community, it supports research in the key dominant sectors of the provincial economy. Significant progress has been made with this Project. In addition to the Regional Innovation Strategy, Environmental Impact Assessment (including a Record of Decision) has been completed. The Master Plan and Business Plan is also completed. Township establishment is now being finalized.

Priority 3: Provision of quality education and a quality health care system

By 2030, Limpopo must have a basic education system with high-quality, universal early childhood education and quality school education, with globally competitive literacy and numeracy standards. Education is seen as an important instrument in equalising individuals' life chances, preparing next generations to be economically mobile and successful, and is critical to poverty reduction.

Limpopo residents should have access to education and training of the highest quality, leading to improved learning outcomes. The education, training and innovation system should cater for different needs and produce highly-skilled individuals. The graduates

of Limpopo's universities and colleges should have the skills and knowledge to meet the present and future needs of the economy and society. Research and development should be significantly expanded.

Long-term health goals for national and provincial government range from provision of quality primary health care services to reduced mortality rates, filling of critical posts, and improving health information management systems.

The two social sector pillars of the LDP, health and education, are foundational to addressing well-being and unemployment. The key actions in these sectors are:

3.1 Education

Limpopo is a province that is prone to risks of natural disasters, particularly storms and floods in the northern and north-eastern parts of the province. A high number of schools were negatively affected by such natural incidents. Cyclone Eloise brought heavy rains in the province in late January to middle February 2021. While learners were not physically affected then as it was still during school holidays, the rains destroyed low lying bridges and this affected access to school especially in some areas of Vhembe and Mopani Districts. A number of school buildings were destroyed in the province as a result of Cyclone Eloise.

Besides the health issues that had to be taken care of, resulting from COVID-19, there was a phased-in approach to schooling, Curriculum Coverage was severely affected during the 2020 academic year. The Annual Teaching Plans (ATPs) had to be re-organised and trimmed for all other grades other than Grade 12. Learners in grades lower than Grade 12 had to be assessed on the trimmed and reorganised ATPs.

The COVID-19 pandemic necessitated the establishment of structures to work collaboratively with key stakeholders and role-players. COVID 19 Steering Committee functions were later taken over by the Health and Safety Committee. The Head of Department established seven (7) Provincial COVID 19 essentials committees mirroring the National COVID 19 essentials focus committees (Curriculum and

Examinations Committee, COVID-19 Essentials and Resources, Health and Safety and Psychological support, Infrastructure, Orientation, Training and HR Provisioning, Institutional Development ,management and Governance and E-Learning and E-Governance).

While the measure of performance continues to be the rate of passes in the National Senior Certificate (NSC), the department responded to the MEC's call to refocus energies and time towards strengthening the foundation phases. This is demonstrated by the approval of the Early Childhood Development (ECD) Strategy and Reading Plan. In order to streamline and put all ECD interventions under one roof, the department, together with Department of Social Development collaborated in developing an ECD Function Shift Action Plan, whose main purpose is to ensure that ECD services are housed in the Department of Education with effect from 1 April 2022.

The department also made strides to promote knowledge and skills that will contribute towards building the following three priority economic sectors as identified by the province, Agriculture, Tourism and Mining. To achieve this goal, the department identified eight (8) Agricultural Schools as focus schools. In line with the MEC's budget vote speech, the department began the revitalisation of the Dinaledi Schools that are also part of the Maths, Science & Technology schools (MST Conditional Grant Schools).

In April 2020, The State President, Mr Cyril Ramaphosa announced a R500 billion fiscal stimulus package. Subsequently, the Department of Basic Education (DBE) submitted funding requests to the National Treasury for various projects. A R7 billion allocation was set aside for the implementation of the Education Employment Initiative across the nine provinces. Limpopo Province was allocated R987 826 000, out of which 52 055 posts for Education Assistants (EAs) and General School Assistants (GSAs) were created and deployed to public ordinary and special schools to ensure continued learning and teaching in a safe environment. The EAs and GSAs were appointed on a three months' contract from 1 December 2020 to 31 March 2021.

Teenage pregnancy remains one of the serious challenges facing the education system in the country as it contributes to learner absenteeism, drop-out and poor

performance. According to the GHS 2019, 5.7 percent (*as opposed to 5.1 percent in 2017 and 5.2 percent in 2018*) of females in the age group 14-19 years were pregnant during the 12 months before the survey. The percentage of pregnancy increased with age, rising from 0.4 percent for females aged 14 to 12.5 percent for females aged 19. According to SA-SAMS in 2020-21, a total number of 587 learners in public schools fell pregnant. LDoE continues to address this scourge through its Life Skills Programme, which is funded through a national grant (Life Skills HIV and AIDS). This is one challenge which requires collaborations with both Departments of Health, Social Development as well as the community in general. The Life Skills Programme will continue to be strengthened in order to address this challenge.

Majority of schools in Limpopo are situated in farms and rural parts of the province. Learners and educators attached to these schools were amongst those that were negatively impacted by the Covid-19 pandemic. Whilst their urban counterparts exploited the virtual space and continued with lessons, they bore the brunt of unavailability of technology in their environments to bridge the digital divide. LDoE, in collaboration and support of some private sector donors, is procuring and distributing technological gadgets to schools with a view to ensuring that they can take advantage of technological developments and exploit the virtual space in furtherance of teaching and learning.

3.2 Health

Despite the impact of COVID -19 during the 2020/21 financial year, the department of Health has performed well in some key performance areas and not so well in some others as outlined below:

The number of youth developed through experiential / learnership programmes increased to 888 from the annual target of 750. The implementation of the Mother and Child Centre of Excellency (MCCE) strategy resulted in a reduction in maternal deaths and under 5 mortality. The child mortality rate due to severe acute malnutrition was reduced by 1.8 percent for children under 5 years. Death under 5 years against live birth rate recorded 1.5 per 1000 live births against the target of 1.6 per 1000 live births.

Maternal mortality in facility ratio of 46.6/100 000 was achieved at district hospitals which was well below the annual target of 220/100000.

In line with the 90/90/90 HIV/ AIDS strategic plan, the department recorded an increase in Infant PCR test positive around 10 weeks' rate due to interruption of ART amongst ANC and breastfeeding mothers during COVID-19 pandemic. This will be addressed through tracking and tracing clients who interrupted treatment and link them back to care. Delivery rate among 10-19 years is still high due to a low uptake of long acting method of contraception. Awareness campaigns to be intensified on the use of long acting method of contraception through Youth Friendly Services. The interventions by Youth Sector will be critical at community level to reverse the impact of teenage pregnancy.

ART child viral load suppressed rate at 12 months is low due to treatment interruption during COVID-19 pandemic. The Department will intensify health education about the importance of treatment compliance.

Lost to follow-up of TB patients target was not achieved due to low number of client's presenting at health facilities during the COVID-19 pandemic and will be addressed through tracking and tracing treatment interrupters through CCGs and CHWs. The TB death rate remains high due to undiagnosed cases of TB in the community, who present with advanced TB disease in health facilities that tends to have poor outcomes. On reducing morbidity and mortality, HIV positivity rate among 15-24 years was 1.9 percent against the target of 8 percent. The adult viral load suppression cohort over 12 months reached 88 percent which is much closer to the 90 percent target.

Priority 4: Integrated and sustainable socio-economic infrastructure development

Good infrastructure forms the backbone of unlocking the latent economic potential of the Province, and to improve the quality of life of residents. The infrastructure network is at the heart of enabling and supporting economic growth, while also serving social objectives by providing basic services such as electricity, water, sanitation, telecommunications and public transport to improve quality of life for the residents of

the Limpopo Province. By 2030, everyone must enjoy an adequate standard of living. The lack of reliable services could be a deterrent to potential investors, and infrastructure such as wastewater treatment works that are oversubscribed, lead to environmental degradation. Furthermore, the lack of sufficient bulk service capacity is hampering the development of human settlements and economic investment, to address the backlog and serve latent demand.

The Department Public works has an obligation to promote accessibility and safe affordable movement of people, goods and services through the delivery and maintenance of roads infrastructure that is sustainable, integrated and environmentally sensitive, and supports economic growth of the Province. In the building and maintenance of the road infrastructure, the Department through its Agency RAL utilises SMMEs, trains local labour and employs local labour including youth, women and people with disabilities thereby contributing to the objectives of the NDP, that is, eliminating poverty and reducing inequality. The agency has also adopted an integrated approach to its road infrastructure development by aligning with the Limpopo Integrated Infrastructure Master Plan (LIIMP). RAL's approach to road infrastructure development is based on stronger partnerships between the public and private sectors, and with local communities.

The Department will continue to provide work opportunities and income support to poor and unemployed people using labour-intensive methods in the delivery of public and community assets and services, thereby contributing to development. The planned targets are funded through Equitable share, Infrastructure grants and Municipal Infrastructure Grant. In this Phase IV, the demographic employment target for Women has been increased from 55 percent to 60 percent whilst that for Youth and People with Disability respectively remain unchanged at 55 percent and 2 percent. The following structures are in place to ensure the improvement of EPWP coordination: Provincial Steering Committee (PSC) that sits quarterly to review and advise on the strategic formulas for improving performance; Quarterly Monitoring & Evaluation, which visits projects to monitor compliance of EPWP guidelines; Joint Infrastructure meetings that reviews performance of Infrastructure delivery; Pre-Audits that ensures safe record keeping and reporting of work opportunities created or uploaded on the EPWP Reporting System. The implementation of the turn-around

strategy will be monitored closely to ensure that all objectives and pillars are realised for the maximisation of work opportunities.

Priority 5: Accelerate social change and improve quality of life of Limpopo's citizens

Apart from focusing on basic services such as water and sanitation, as well as access to information and communication technology (ICT), the aim is to create an environment that makes room for all nationalities, races, ethnicities, genders, ages, as well as differently-abled persons. There is also a strategic imperative to move people away from a dependence on social grants, towards becoming income-earners.

It is envisioned in the NDP that, in 2030, residents of Limpopo will be more conscious of that which they have in common, than their differences. Their lived experiences will progressively undermine and cut across the divisions of race, gender and ethnic divides. By 2030 there must be basic social protection guarantees aimed at preventing or alleviating poverty, and protecting against vulnerability. These guarantees should be easily accessible and available to those who need them the most. Transforming society and uniting the country will be hard to achieve without addressing social division, exclusion, and inequality. This will lead to reduced poverty, active citizenry and equity. It is therefore imperative to shift the attitudes of society.

Over the entire course of the 2020/21, the Department of Social Development continued to experience the detrimental effects of COVID -19 pandemic which saw most of the plans being reviewed and budget reprioritized to ensure an effective response to the challenges brought as a result of the invisible virus. The pandemic demanded the Department to respond to the challenges that most of the communities in rural Limpopo Province are faced with. Some people lost their jobs, meaning that the Department of Social Development had to double its effort to assist with food security in households and also respond to Gender Based Violence incidents that skyrocketed.

The Department of Social Development was able to manoeuvre and navigate through the challenges posed by COVID-19 as follows:

- Provided for the escalated numbers of Gender based Violence incidences and **3 649** victims of crime and violence empowered
- Distributed **215 333** food parcels to households that were negatively affected by the pandemic through DSD food relief programmes.
- Appointed **116** unemployed Social Workers on a short term contract who provided psychosocial support services to **2 952** infected and affected individuals and families.
- All centre based services such as CYCC's, Old Age Home centres and Frail Care Centres were kept open and operational with full compliance to all COVID-19 Health protocols.

Priority 6: Spatial transformation for integrated socio-economic development

Aligned to the MTSF Priority 4 and the NDP, the primary outcome of new development in the Province should be to achieve spatial transformation and asset poverty alleviation through improved integrated settlement development and linking job opportunities and housing opportunities, whereby all residents have access to at least basic engineering, economic and social infrastructure and security of tenure. The spatial transformation of human settlements will be achieved through the consolidation of multi-programme investment in the eleven declared Priority Human Settlements and Housing Development Areas (PHSHDAs) (urban focus), and the Provincial Growth Point Programme.

There is a need to transform the functioning of human settlements so as to observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements by 2030. This requires institutional capabilities for effective co-ordination and spatial investment decisions to effect spatial transformation across all geographic scales supported by policies, plans and instruments to reduce travel distances and costs, especially for poor households.

The Department of CoGHSTA on the realm of integrated sustainable human settlements, the Freedom Charter clause of, "There shall be houses, security and comfort", remains the departments 's clarion call. CoGHSTA seeks to address housing needs of vulnerable citizens. This is achieved through research and planning, setting

targets to impact on spatial transformation and managing housing assets and property. As in the previous reporting period, the department during 2020/21 FY managed to review and table a multi-year housing development plan in an effort to improve households living in informal settlements.

Covid-19 challenges notwithstanding, the department of CoGHSTA, through the upgrading of informal settlements programme has approved plans for Lephalale, Fetakgomo Tubatse and Greater Tzaneen municipalities, which paves a way for township establishment processes to be concluded. During the 2020/21 financial year, the department delivered 4 486 units against a target of 5 039 and 2 835 sites delivered against a target of 2 839. Registered 1 414 title deeds against the target of 6039. The main challenge in title deeds is incomplete township establishment processes. Community Residential Units (CRU) programme continues to perform below desired expectations. This programme is largely affected by unavailability of bulk infrastructure to connect the rental units and project completion challenges.

The Rental Tribunal has assisted the department in promoting compliance with regards to Housing Act 107 of 1997 and Rental Housing Act 50 of 1999. In case management, the Tribunal achieved 43 percent (132 of 305 cases) resolution rate after commencing their work from July 2020. On the acceleration of the delivery of housing opportunities, the department focussed on rural and urban housing, issuing of title deeds, community residential units (CRUs), Finance-Linked Individual Subsidy Programme (FLISP), intervention in mining towns and upgrading of informal settlements.

Priority 7: Strengthen crime prevention and social cohesion

The Province has committed to creating an environment where people living in Limpopo will feel safe at home, at school and at work, and are able to enjoy a community life free of fear. There will be zero tolerance for serious crime, sexual offense or corruption. Citizens should be confident that trespassers will be held accountable and that the law will protect the innocent.

Rising crime levels is also one of the biggest challenges faced by our province. Despite all these shortcomings, the Department of Transport and Community Safety achieved commendable results during 2020/21 and made valuable inroads by attending and resolving challenges faced by citizens of the province. The Department is striving to achieve solutions, with the ever-present realisation that none of our efforts is achievable without consistent and sustained collaborations between all law enforcement agencies, Government Departments, stakeholders in the transport industry and NGO's working towards the safety of people of Limpopo.

Through the Civilian Oversight Programme, the Department continued to monitor SAPS establishments to ensure enhanced service delivery. Utilising the National Monitoring Tool, the Department continued to perform its oversight role over 103 Police Stations, 13 cluster commanders, 8 specialised units, 7 SAPS garages and 12 SAPS Head Office Components. 103 Stakeholder surveys were conducted in the precincts of all police stations monitored. Oversight was also exercised on SAPS Compliance to the Domestic Violence Act in all the 103 police stations. The Implementation of the recommendations of the Independent Police Investigative Directorate (IPID) by SAPS was also monitored and there was remarkable improvement. Reviewing the Limpopo Provincial Crime Prevention Strategy was also prioritized:

The remaining two PCPS consultation sessions that were not held in the last financial year 2019/20 due to Covid-19 were held in the Waterberg and Sekhukhune districts in the third quarter of 2020/21.

These statutory and mandatory community structures and the Police in all 5 Districts were capacitated through 5 Domestic Violence Act (DVA) workshops and outreach Programmes. With regards to youth involvement in the fight against crime, the Department registered 340 Young Civilians on Patrol (YCOP) to patrol their respective communities for a period of four months together with members of the Police. As part of empowering community policing structures (Community Policing Forums) a total of 900 volunteers were employed under an EPWP projects to debut crime hotspot areas in the province for a period of three months Five (5) Social Crime Prevention programmes namely Rural safety, Violence against Vulnerable Groups, Anti-Substance abuse Campaigns, Volunteers Programme EPWP -Crime Prevention

Through Environmental Design and (YCOP) and Public participation campaigns were implemented by the Department to raise awareness and mobilize communities against crime.

The Office of the Premier (OTP) coordinated the activities of the Youth Parliament in partnership with Limpopo Legislature. The OTP presented the progress on 2018 youth parliament resolutions and successfully coordinated education and awareness programmes targeting the youth during youth month, back to school campaigns and Mandela day celebrations.

The Department of Sport, Arts and Culture is mandated to coordinate and implement MTSF priority 6 “Social Cohesion and Safer Communities”. In order to achieve this priority, the Department implement various social cohesion and nation building programmes to ensure sharing of common space and services. These interventions include inter-alia, the celebration and commemoration of historic and national significant days viz. Africa day, Freedom Day and Heritage Day. In the 2020/21 the above mentioned days could not be implemented due to the COVID-19 regulations which restricted people gathering, events, conferences etc.

The Department of Sport, Arts and Culture in collaboration with Active 8 organised a BOOTCAMP which was a platform for identifying talent in soccer. With regard to unlocking the socio-economic potential of the creative industry in the Province, the Department in collaboration with relevant stakeholders in the industry developed the Creative Industry Strategy for the Province. The strategy will provide the broader strategic direction towards supporting and promoting the creative industry in the Province as a key driver to unleash the potential of Mzansi’s Golden Economy.

In order to contribute towards the preservation and promotion of the heritage landscape in the Province, the Department of Sport, Arts and Culture continued to maintain the three museums viz. Dzata, Muti wa VaTsonga and Schoemansdal. Feasibility studies for the three Provincial Liberation routes projects was completed. The feasibility study for D’Nyala museum was put on hold as funds were surrendered for COVID-19 relief. The Department implemented two significant events during the

2020/21 financial year, which are COVID -19 awareness, Heritage Day Celebration, Provincial Sport Awards, and Miss South Africa welcoming event.

Priority 8: Economic transformation and job creation through regional integration

The National Development Plan and Agenda 2063 sets out a Vision for a future Africa, and the world. Limpopo has a unique advantage in that it borders three countries, namely Botswana, Zimbabwe and Mozambique. This presents an opportunity to export goods and services to these neighbouring countries, establish trade relations, and forge an integrated region, in support of an integrated continental and global political economy. Exports and trade have been identified as a key driver for economic growth.

Although the immediate task of the department of LEDET remains to ensure sustainable growth of the economy and job creation, the province continues to reflect an economy that has been unable to create enough jobs to the multitude of unemployed youth including discouraged job seekers.

In Limpopo, mining, agriculture and the tourism sectors still remained strategic pillars of the provincial economy. The provincial economy remains dominated by primary and tertiary sectors with mining contributing the biggest share of 25 percent of the total economy. Despite this contribution towards the total economy, measures put in place are not able to accelerate economic growth and create jobs. This could be attributed to the economic literature, which has revealed that economies that rely on primary output have fewer growth opportunities than those who focus on value addition and manufacturing of complex products. There is a need to increase the contribution of manufacturing to the GDP. The agricultural sector, though contributing less to the provincial GDP compared to mining, has been able to create more jobs. To turn-around this socio-economic trajectory, the Executive Council approved the reviewed Industrial Master Plan 2020-2030 in November 2020.

With regard to performance in relation to economic transformation and job creation, the province set the following milestones in terms of procurement spend: 60 percent

for black owned businesses; 20 percent for black Youth owned businesses; 20 percent for black women businesses, 10 percent for black owned Cooperatives; 7 percent for business owned by persons with disability; 5 percent for rural and township businesses; 3 percent black military veterans and 65 percent for SMMEs. While many of these targets have not been met, significant performance has been realised and there is still a need for the province to strengthen the support to local businesses.

2.4 Conclusion

The COVID-19 has presented the country and province with challenges. The challenges ranged from national allocation budget cuts, as funds were redirected to deal with the Covid-19 pandemic. World economy was sluggish and demand for goods and commodities was low. The electricity interruptions have worsened the situation as business could barely thrive under the load shedding conditions, as they were still trying to cope with the effects of the pandemic. This in turn has led to high unemployment rate for in the country, caused by closure of businesses and slow productions in the province. The Limpopo Provincial Government is left with limited options but to use its budget to ignite and reassure the investors that there is a chance for economic development and growth in the local economy. Fiscal policy, which will be more directed to infrastructure development, investment in manufacturing and value addition will be very key for the province to encourage private sector investment and stimulate job creation for the young people in the province.

The 2021 MTBPS will rely heavily on evidence based planning and resource allocation, given the limited available resources as outlined by the National Minister of Finance, as these resources will need to be allocated to projects and programmes that will have high return on investment and have a strong impact on employment creation. This will make it easier for the provincial government to achieve its goals of stabilising the provincial economy as well as ensuring the delivery of basic services to the provincial citizens. Provincial Departments and municipalities will need to strengthen integrated infrastructure and service delivery planning as outlined in the District Development Model to realise better outcomes, thereby promoting value for money and attainment of inclusive growth in Limpopo.

The province will need to enforce and speed-up the implantation of the recovery plans by the provincial departments and Municipalities as outlined on the 2020-2025 Limpopo Development Plan, the National Reconstruction and Recovery Plan and the localised Limpopo Socio Economic Recovery Plan as the provincial budget is aligned to these plans.

Chapter 3: PROVINCIAL INFRASTRUCTURE DEVELOPMENT AND DELIVERY

3.1 Introduction

The Limpopo Province Infrastructure Development Cluster is one of the structures supporting the Executive Council by way of providing oversight on the infrastructure delivery in the Province on a monthly basis. Thus responsible for monitoring the implementation of the infrastructure delivery projects and programmes that are implemented in the Province.

The Provincial Treasury chairs and coordinates the meetings of the Infrastructure Cluster Committee, assisted by the Department of Public Works, Roads and Infrastructure (DPWR&I). All provincial departments with infrastructure budgets and projects are members of the Infrastructure Development Cluster, including Public Entities and Implementing Agencies.

Performance expenditure on infrastructure has been sluggish during the previous financial year giving an indication that the infrastructure projects are not implemented at a desired pace due to the effects of COVID19 pandemic. Various reasons such as poor performance by Implementing Agents, underperformance by contractors, late acquisition of land, supply chain management process challenges, amongst others are cited as contributory factors.

A successful implementation of infrastructure projects would result in the improvement of employment opportunities in communities as well as the overall achievement of service delivery, but cannot happen in the absence or lack of forward planning by the Province. It is for this reason that Provincial Treasury and DPWR&I have reformed the Infrastructure Planning landscape in the Province, so that on a regular basis the Province can convene and agree on the deliverables for infrastructure projects for the year under implementation and forthcoming financial years, as a prerequisite.

The Infrastructure planning reforms timeously allow the Province to reflect on common challenges being experienced in the implementation of infrastructure projects by departments; propose strategies which can be applied to enhance and/or strengthen the provision of oversight on infrastructure delivery; the capacity of the Infrastructure

planning within the DPWRI to provide support to departments on their infrastructure programmes including Implementing Agents; and agree on the deliverables for the infrastructure projects implemented by departments for the current and forthcoming financial years or 2022/23 MTEF.

3.2 Limpopo Provincial Government Infrastructure Adjustment Estimates

The provincial infrastructure planning and readiness report for 2021/22 which was based on the main appropriation of R7 billion was finalised during March 2021 for implementation with effect from 01 April 2021.

Table 2: Summary of provincial infrastructure adjustments estimates

Provincial Adjustment Appropriation 2021/22								
Department (Votes)	Provincial Adjustment Appropriation 2021/22							
	2021/22 Main appropriation	2021/22 Adjustment	2021/22 Proposed appropriation	Adjusted appropriation	% Growth	Expenditure 30 September 2021	Main Appropriation % Expenditure 30 September 2021	Adjusted Appropriation % Expenditure 30 September 2021
Education	1,336,570	1,401,810	65,240	1,401,810	5%	497,199	37%	35%
Agriculture & Rural Development	162,140	109,088	-53,052	109,088	-49%	17,438	11%	16%
LEDET	25,200	19,200	-6,000	19,200	-31%	2,503	10%	13%
Health	1,360,754	1,457,250	96,496	1,457,250	7%	293,690	22%	20%
PWR&I - Roads	2,119,151	2,612,123	492,972	2,612,123	19%	984,746	46%	38%
PWR&I - Works	721,921	721,921	-	721,921	0%	398,612	55%	55%
Transport and Community Safety	53,242	36,242	-17,000	36,242	-47%	4,611	9%	13%
CoGHSTA	1,133,445	1,133,445	-	1,133,445	0%	320,870	28%	28%
Social Development	38,308	55,103	16,795	55,103	30%	16,993	44%	31%
Sport, Arts & Culture	81,060	89,890	8,830	89,890	10%	38,375	47%	43%
TOTAL	7,031,791	7,636,072	604,281	7,636,072	7.9%	2,575,037	37%	34%

The provincial infrastructure budget is proposed to be adjusted upwards from R7 billion main appropriation to R7.64 billion which represents an increase of 7.9 percent. The upward movement is attributed to the Departments of Education, Health and Social Development, the Roads component of Public Works, Roads and Infrastructure as well as Sport, Arts and Culture as outlined below:

Department of Education

The department's infrastructure budget is proposed to be adjusted upwards from R1.336 billion to R1.401 billion, an increase of R 65.2 million or 5.0 percent mainly consisting of a roll-over amount.

The provisioning of infrastructure is a major expenditure item for the department. The Infrastructure expenditure for the department as at 30th September 2021 is at R497 million or 37.0 percent of an appropriated budget of R1.366 billion prior adjustments. The department's plans are as follows:

20 Public ordinary schools are targeted to be provided with water infrastructure and 8 was achieved. 100 public ordinary schools targeted to be supplied with sanitation facilities and 58 of that has been achieved. The outstanding targets of the two programmes will be achieved by the end of the financial year. A target of 50 additional classrooms has been planned at new and replacement schools and 43 of the targeted 50 has been completed. 15 new Grade R classrooms are planned to be built at new, existing and replacement school and 3 have been completed.

The department is implementing a mega project at Rivoni School for the Blind for a contract value of R168.7 million with a total amount of R39. 5 million having been spent. The project progress is at 18 percent construction. The project duration is 36 months and the expected completion date is June 2024.

Department of Health

The department's infrastructure budget is proposed to be adjusted upwards from R1.361 billion to R1.457 billion, an increase of R96.5 million or 7.0 percent.

The department's purpose is to implement a high level plan to address the key health infrastructure needs of the province. The main objective of the health infrastructure plan is to strengthen the health system's effectiveness hence the plan to construct a state of the art central academic hospital in the near future within the Polokwane region. Progress to date regarding the construction of the central academic hospital is that the Polokwane City Council has approved the land donation to the Limpopo Department of Public Works, Roads and Infrastructure which will be transferred through the state attorney. The planning for the project is at an advanced stage.

Department of Social Development

The department's infrastructure budget is proposed to be adjusted upwards from R38.3 million to R55.1 million, an increase of R16.8 million or 30.0 percent on the Early Childhood Development Grant.

Department of Public Works, Roads and Infrastructure

The department's infrastructure budget is proposed to be adjusted upwards from R2.119 billion to R 2.612 billion, an increase of R492.9 million or 19.0 percent that includes the R193 million rollover for roads maintenance grant from prior year; R250 million from Equitable Share to cater for pressures on road upgrade projects.

Department of Sport, Arts and Culture

The department's infrastructure budget is proposed to be adjusted upwards from R81 million to R89.9 million, an increase of R8.9 million or 10.0 percent mainly from the Equitable Share for the upgrade of Schoemansdal Museum.

The Provincial State Theatre, which is a key infrastructure project in the Department, is at an initiation level. The Provincial State Theatre will be implemented by the Department of Public Works, Roads and Infrastructure. A comprehensive feasibility had been completed in the previous financial year and currently the planning, design and installation of bulk services are being implemented.

Acceleration of Infrastructure Projects on Pre-Construction

At the end of July 2021; the Limpopo Provincial Treasury in collaboration with the Department of Public Works, Roads and Infrastructure, being the provincial implementing agent of choice, were directed by the Infrastructure Cluster Committee to establish a technical committee to accelerate projects that are still at pre-construction stages, and accounted for at least over R1 billion from various infrastructure departments in the 2021/22 financial year infrastructure budget. At the end of September 2021 at least 27 percent or R272 million of the R1 billion has been moved to construction phase due to this initiative. The positive impact of the technical committee established to accelerate projects has been commended by the infrastructure cluster, therefore recommendations have been made for this committee to be made permanent.

3.3 Limpopo Provincial Government Infrastructure Expenditure Plans

The infrastructure budget is primarily funded from both conditional grants and equitable share. The Limpopo Provincial Government has allocated R19.8 billion for infrastructure delivery over the 2022 Medium Term Expenditure Framework (MTEF) period. All infrastructure departments will prioritise projects in line with the allocation and conditions stipulated in the grants framework.

Table 3: Summary of provincial infrastructure payments and estimates by vote

Rand thousand	Outcome			Main appropriation	Medium term estimates		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Vote 03: Education	955,051	636,873	1,133,327	1,336,570	1,316,711	1,373,984	1,873,385
Vote 04: Agriculture and Rural Development	201,723	137,147	88,002	162,140	267,931	240,375	251,168
Vote 06: Economic Development, Environment and Tourism	64,678	20,120	11,360	25,200	20,500	19,100	19,960
Vote 07: Health	651,784	821,173	1,029,029	1,360,754	781,283	823,524	823,524
Vote 08: Transport	5,691	15,709	41,574	53,242	49,688	49,688	51,919
Vote 09: Public Works, Roads and Infrastructure	1,956,343	3,010,294	2,972,594	2,841,073	2,673,416	2,642,181	2,642,181
Vote 10: Sport, Arts and Culture	35,405	51,150	57,239	81,060	60,670	52,500	56,582
Vote 11: Co-operative Governance, Human Settlements and Traditional	1,235,123	1,373,594	964,517	1,133,445	1,176,418	1,227,401	1,282,511
Vote 12: Social Development	37,705	36,796	25,213	38,308	20,717	21,629	22,710
Total Infrastructure (including non infrastructure items)	5,143,503	6,102,856	6,322,855	7,031,792	6,367,334	6,450,382	7,023,940

Over the 2022 MTEF the Department of Public Works Roads & Infrastructure is allocated a total budget of R7.95 billion or 40.1 percent; Co-operative Governance, Human Settlement and Traditional Affairs allocation of R3.30 billion or 19.0 percent; the Department of Education R4.60 billion or 23.0 percent; and the Department of Health R2.43 billion or 12.2 percent. The provincial infrastructure is mainly funded, approximately 66.0 percent, through conditional grants and the remainder is Provincial Equitable Share. The focus of this budget over the three years is towards investment in maintenance and upgrades & additions.

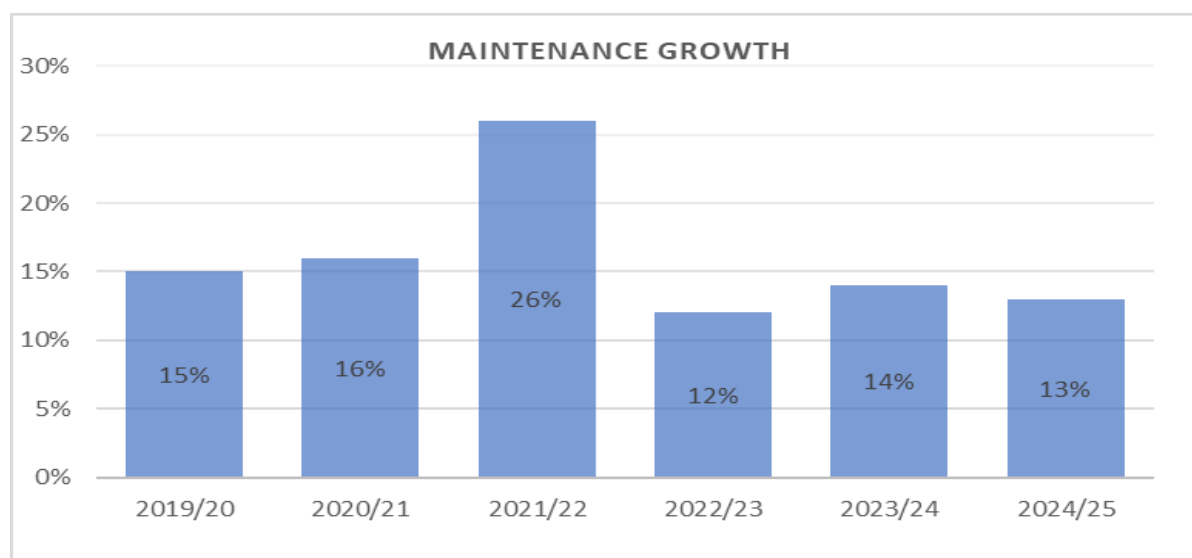
Table 4: Summary of provincial infrastructure payments and estimates by category

Rand thousand	Outcome			Main appropriation	Medium term estimates		
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Existing infrastructure assets	2,379,051	1,613,534	1,599,842	3,246,363	2,252,498	2,417,090	2,889,455
Maintenance and repairs	1,270,466	892,668	1,018,697	1,852,797	763,910	921,416	888,290
Upgrades and additions	940,067	583,885	250,264	1,268,674	1,312,625	1,316,639	1,321,141
Rehabilitation and refurbishment	168,518	136,981	330,881	124,892	175,963	179,035	680,024
New infrastructure assets	320,940	423,073	650,434	814,826	480,387	419,289	461,965
Infrastructure transfers	2,178,704	2,720,700	2,316,348	2,252,607	2,254,682	2,242,850	2,298,409
Infrastructure transfers - Current	490,483	2,149	-	762,913	9,000	10,000	10,449
Infrastructure transfers - Capital	1,688,221	2,718,551	2,316,348	1,489,694	2,245,682	2,232,850	2,287,960
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-
Infrastructure: Leases	-	47,226	49,776	-	51,246	52,501	52,501
Non Infrastructure	264,808	1,298,323	1,706,455	717,996	1,328,521	1,318,652	1,321,610
Total Infrastructure (including non infrastructure ite	5,143,503	6,102,856	6,322,855	7,031,792	6,367,334	6,450,382	7,023,940

In the 2022 MTEF, expenditure estimates for rehabilitation and refurbishment is R1.04 billion; upgrading and additions of existing facilities is R3.95 billion; and R2.57 billion is allocated for maintenance. A shift in focus is towards investment in the refurbishment and renewal of ageing infrastructure, which respond to lifecycle planning.

The graph below illustrates the Province’s commitment to maintain existing infrastructure over time, resulting in an average of allocation of twenty-four per cent from 2019/20 FY to 2024/25 FY.

Figure 22: Infrastructure maintenance expenditure estimates



3.4 Overview of Infrastructure Planning and Readiness for 2022/23 financial year

During June 2021, the Province conducted a refresher workshop on the development of the User Asset Management Plans (2022/23) with the objective to assist departments to improve the quality of the plans, and also to submit credible documents as prescribed in Government Immovable Asset Management Act (GIAMA) and the Division of Revenue Bill (DoRB) for 2021/22 financial year. All provincial departments have since submitted their draft plans for 2022/23 to both Provincial Treasury and Department of Public Works Roads and Infrastructure (DPWR&I).

Another workshop was convened during August 2021, to assist all provincial departments with the finalisation of Infrastructure Programme Management Plans (IPMPs) focussing on the 2022 MTEF and linking to the baselines.

The Limpopo Provincial Treasury and Department of Public Works Roads and Infrastructure (DPWR&I) convened a third planning workshop from 17 – 18 November 2021, with the objective to synchronize all plans of departments in order to inform the final provincial infrastructure planning and readiness for 2022/23 financial year. Departments were given an opportunity to present their plans for 2022/23 financial for endorsement by the Infrastructure Technical Management Committee (ITMC) and to improve the quality of the plans and enhance ownership by departments. Limpopo Provincial Treasury and Department of Public Works Roads and Infrastructure (DPWR&I) are further analysing and appraising the plans submitted by departments; following which a consolidated provincial infrastructure and readiness plan for 2022/23 financial year will be presented to the infrastructure cluster for endorsement.

3.5 Conclusion

It is worth noting that despite the challenges of COVID-19, the delivery of infrastructure in the Province is improving. Of-course, the pandemic will continue to have an impact on the implementation of infrastructure in the current financial year. The interim infrastructure acceleration committee is yielding fruits, and recommendations to have it established as a permanent structure are at an advanced stage.

Departments are commended for the quality of preliminary infrastructure plans that are under review and appraisal by both the Provincial Treasury and Public Works Roads & Infrastructure. Two years lead time planning for infrastructure projects is at the center of discussions by the Infrastructure Technical Management Committee (ITMC); that during the year of implementation departments should allocate sufficient budget for planning of projects and tendering in preparation for the following year.

CHAPTER 4: PROVINCIAL BUDGET AND SPENDING PATTERNS

4.1. Introduction

The 2021/22 provincial budget was allocated taking into consideration the continuation of the fight against the spread of the COVID-19 virus. The Departments were advised to reprioritize their budgets accordingly in order to set aside funds to purchase supplies and consumables towards COVID-19. The 2021/22 budget was negatively affected by the massive budget cuts due to fiscal consolidation and wage bill freeze. However, the Provincial Treasury continues to monitor the implementation of plans against the expenditure incurred by the departments and entities to ensure that departments remain within the allocated budget. The planning for the current financial year was much better as compared to 2020/21 as the province and the country were aware and better prepared to operate under COVID-19 regulations.

Due to COVID-19 regulations, most of the provincial and departmental meetings and workshops are performed virtually which has assisted in reducing venues and facilities, accommodation and traveling expenses. The half yearly performance of the province has improved in 2021/22 financial year as compared to the 2020/21 financial year. As at 30 September the Province spent 45.3 percent of the budget in 2020/21 and 49.3 percent in 2021/22 financial year. This is attributed to proper planning in the current financial year and that the country's lock down levels were less severe than in the previous financial year. Government Institutions put in measures in place to ensure that the officials who are working from home perform their duties optimally. Since the country moved to level 1, some of the officials have started to work from the offices, however precautionary measures are put in place and COVID-19 regulations are adhered to at all times.

Limpopo Provincial Treasury's oversight role is enshrined by the Public Finance Management Act, 1 of 1999 as amended, section 18 to ensure integrated planning, effective and efficient spending through continuous monitoring and reporting.

4.2. Cash Management

The payment runs in both PERSAL and BAS were scheduled and implemented based on cash flow projections submitted by departments, as well as actual funds received from National Revenue Funds and National Departments. Interim arrangements were put in place pending Cash Allocations Letters from National Treasury which were delayed.

The province has schedule the following monthly payment runs

- PERSAL runs are scheduled 5 times a month, i.e. the 15th for normal salaries, 22nd for Educators' salaries, two Supplementary payments (claims) and month-end for probation, contract employees and third party deductions.
- BAS runs (payments of suppliers) are scheduled twice, i.e. for the action dates 15th and for month-end.

Table 5: Exchequer Receipts – As at 30 September 2021

Fund/Grant Names	Receipts from National Revenue Fund					
	Annual Budget	Cash Flows Against National Payments Schedule				Balance to Annual Budget
		Allocation 30-Sep-21	% Allocation 30-Sep-21	Actual Receipt 30-Sep-21	Deviation from Schedule	
Equitable Share	58 247 270	28 539 889	49,0%	28 539 889	-	29 707 381
Conditional Grants:-	10 523 177	5 534 890	52,6%	5 518 167	16 723	5 005 010
National School Nutrition Prog.	1 456 918	731 374	50,2%	731 374	-	725 544
HIV/AIDS	26 552	10 621	40,0%	10 621	-	15 931
Education Infrastructure	1 334 570	800 742	60,0%	800 742	-	533 828
Learner with profound intellectual disabilities	32 666	23 700	72,6%	9 800	13 900	22 866
Maths, Science and Technology	48 143	24 071	50,0%	24 071	-	24 072
Letsema Projects	73 709	44 594	60,5%	44 594	-	29 115
CASP	233 511	105 080	45,0%	105 080	-	128 431
Land Care Programme	13 016	5 858	45,0%	5 858	-	7 158
Health Facility Revitalisation	755 533	377 766	50,0%	377 766	-	377 767
Comprehensive HIV/AIDS	2 495 590	1 247 790	50,0%	1 247 790	-	1 247 800
National Tertiary Services	453 296	226 650	50,0%	226 650	-	226 646
Statutory Human Resources	80 990	40 494	50,0%	40 494	-	40 496
Training and Development	149 330	74 664	50,0%	74 664	-	74 666
National Health Insurance	31 952	15 978	50,0%	15 978	-	15 974
Public Transport Operation	424 147	173 959	41,0%	173 959	-	250 188
Provincial Roads Maintainance	1 333 213	787 482	59,1%	787 482	-	545 731
Human Settlement Development	877 072	460 321	52,5%	460 321	-	416 751
Informal Settlements Upgrading Partnership Grant	254 336	142 883	56,2%	142 883	-	111 453
EPWP Integrated Grant	33 749	23 625	70,0%	20 802	2 823	12 947
Social Sector (EPWP) Incentive	67 687	47 381	70,0%	47 381	-	20 306
Early Childhood Development	143 443	69 191	48,2%	69 191	-	74 252
Mass Participation & Sport Development	63 148	31 574	50,0%	31 574	-	31 574
Community Library Services Grant	140 606	69 092	49,1%	69 092	-	71 514
Total National Payments	68 770 447	34 074 779	49,5%	34 058 056	16 723	34 712 391

Other Receipts

R'000

Fund/Grant Names	Adjusted Budget	Receipts from Provincial Departments				Balance to Annual Budget
		Actual Collected by Depts 30-Sep-21	% Collected to Budget 30-Sep-21	Actual Received by PRF 30-Sep-21	Collected by Depts but not paid to PRF 30-Sep-21	
Provincial Receipts (Own Revenue)	1 458 055	646 971	44,4%	659 904	-12 933	798 151
Net CGs Surrenders: 2019/20 Unspent Funds	-	-	0%	-	-	-
Conditional Grants surrendered by depts into PRF			0%		-	-
Conditional Grants surrendered by PRF to NRF			0%		-	-
Total Other Receipts	1 458 055	646 971	44,4%	659 904	-12 933	798 151

TOTAL PRF RECEIPTS	70 228 502	34 721 750	49,4%	34 717 960	3 790	35 510 542
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The 2021/22 annual receipts were budgeted at R70.2 billion which comprises of R68.8 billion in national payments and R1.5 billion in provincial own revenue. National payments comprise of the Equitable Share amounting to R58.2 billion and Conditional Grants to the tune of R10.5 billion. As at 30 September 2021 the province had received R28.5 billion or 49.0 percent of Equitable Share as scheduled. According to the National Payments Schedule the province should have received an amount of R5.534

billion or 52.6 percent of the Conditional Grants budget at the end of the 2nd quarter, but has only received an amount of R5.518 billion. An amount of R16.723 million in various Conditional Grants was not received by the province as delayed by various national departments during the period.

Departments, as Collecting Agents on behalf of the Provincial Revenue Fund, collected an amount of R646.971 million or 44.4 percent of the annual target as at 30 September 2021. Departments paid R659.904 million into the Provincial Revenue Fund which is more than the collected amount by R12.933 million due to revenue accruals from prior financial year.

Comparing expenditure to funds transferred, provincial departments were over-transferred by a total amount of R3.5 million. The under-transfer and over-transfer of the Equitable Share and Conditional Grants respectively is due to lack of proper system reports breaking down BAS payments per fund on the dates of disbursement.

4.3. Interest Performance

The province generates interest from its daily favorable group bank balance comprising Exchequer Account, Exchequer-linked Call Account, PMG Accounts, as well as Wildlife Resorts and Agricultural Colleges sub-accounts held with the provincial banker. It further generates interest from its CPD account held at the South African Reserve Bank for Equitable Share flow and investment purposes.

As at 30 September 2021 the province generated R112.0 million in interest, and that is 6.63 percent higher compared to R105.1 million generated during the same period in the last financial year.

4.4. Expenditure outcomes as at 30 September 2021

As at 30 September 2021, the province spent R33.9 billion or 49.3 percent of the total budget of R68.8 billion as compared to 45.3 percent spent in the previous financial year which shows an improvement of 4.0 percent in spending. The Department of Social Development, Legislature, Economic Development, Environment and Tourism, Transport and Community Safety as well as Education spent slightly above 50 percent of their budgets as at the end of September 2021.

Table 6: Provincial overall expenditure as at 30 September 2021

	2019/20			2020/21			2021/22		
	Main Appropriation	Actual as at September 2019	Actual spending as % of Main Budget	Main Appropriation	Actual as at September 2020	Actual spending as % of Main Budget	Main Appropriation	Actual spending as at September 2021	Actual spending as % of Main Budget
Education	32 291 008	15 504 715	48,0%	33 577 565	15 114 163	45,0%	32 586 347	16 468 804	50,5%
Health	20 777 068	10 361 331	49,9%	23 227 253	10 930 126	47,1%	21 972 934	10 683 376	48,6%
Social Development	2 181 129	1 066 695	48,9%	2 171 921	1 028 236	47,3%	2 016 493	1 035 010	51,3%
Public Works , Roads and Infrastructure	443 476	204 582	46,1%	3 450 440	1 401 250	40,6%	3 211 927	1 580 821	49,2%
Agriculture and Rural Development	375 755	179 559	47,8%	1 712 750	738 523	43,1%	1 547 780	750 581	48,5%
Transport and Community Safety	4 228 317	1 901 872	45,0%	2 312 643	936 385	40,5%	2 089 781	1 052 430	50,4%
Co-Operative Governance Human Settlements And Traditional Affairs	506 841	231 518	45,7%	2 215 037	848 038	38,3%	2 310 764	872 038	37,7%
Sport, Art And Culture	1 722 710	804 155	46,7%	409 252	179 097	43,8%	473 381	200 046	42,3%
Office Of The Premier	3 616 964	1 588 915	43,9%	399 722	184 051	46,0%	405 049	178 476	44,1%
Provincial Legislature	117 638	52 220	44,4%	364 137	178 613	49,1%	395 479	201 742	51,0%
Provincial Treasury	2 720 467	1 291 270	47,5%	441 113	210 875	47,8%	364 910	170 384	46,7%
Economic Development Environment And Tourism	519 537	221 098	42,6%	1 327 631	723 323	54,5%	1 395 602	711 793	51,0%
Total	69 500 910	33 407 930	48,1%	71 609 464	32 472 680	45,3%	68 770 447	33 905 501	49,3%
Economic classification									0,0%
Current payments	59 300 122	29 022 173	48,9%	61 935 858	28 635 160	46,2%	58 305 112	29 238 792	50,1%
Compensation of employees	49 191 589	24 092 440	49,0%	50 602 563	24 008 443	47,4%	46 863 675	24 175 164	51,6%
Goods and services	10 107 563	4 929 732	48,8%	11 332 349	4 625 764	40,8%	11 440 457	5 062 714	44,3%
Interest and rent on land	970	1	0,1%	946	953	100,7%	980	914	93,3%
Transfers and subsidies	8 185 421	3 804 320	46,5%	7 463 671	3 253 313	43,6%	7 584 855	3 831 358	50,5%
Payments for capital assets	2 015 367	581 386	28,8%	2 209 935	584 207	26,4%	2 880 480	835 239	29,0%
Payments for financial assets	-	51	100,0%	-	-	0,0%	-	112	0,0%
Total	69 500 910	33 407 930	48,1%	71 609 464	32 472 680	45,3%	68 770 447	33 905 501	49,3%

4.4.1. Spending per Economic Classification

4.4.1.1. Compensation of Employees

Overall, the provincial Compensation of Employees (COE) spending is at R24.2 billion or 51.6 percent at end of September 2021 which is 4.2 percent more than the previous corresponding year of 47.4 percent or R24.0 billion. The highest percentage spending department as at 30 September 2021 is the Provincial Legislature which spent R128.9 million or 61.6 percent compared to R119.8 million or 53.4 percent spent during the same period in 2020/21. The Departments of Education and Social Development has spent 53.3 percent and 53.4 percent respectively of their COE budget.

Table 7: Compensation of Employees as at 30 September 2021

Department/Vote	2019/20			2020/21			2021/22		
	Main Budget	Actual spending as at 30 September 2019	% spending	Special Adjusted	Actual spending as at 30 September 2020	% spending	Main Budget	Actual spending as at 30 September 2021	% spending
Education	25 957 635	13 046 377	50,3%	27 092 371	12 958 498	47,8%	24 915 419	13 286 772	53,3%
Health	15 808 869	7 508 792	47,5%	16 193 488	7 605 316	47,0%	15 289 877	7 496 159	49,0%
Social Development	1 182 104	582 983	49,3%	1 260 999	596 688	47,3%	1 170 872	624 986	53,4%
Public Works, Roads and Infrastructure	1 165 707	532 051	45,6%	1 090 814	500 569	45,9%	958 424	480 970	50,2%
Agriculture	1 205 829	553 439	45,9%	1 163 917	538 651	46,3%	1 001 187	513 479	51,3%
Transport and Community Safety	1 113 323	537 912	48,3%	1 118 546	534 057	47,7%	1 035 817	515 706	49,8%
Co-Operative Governance Human Settlements	1 094 897	518 018	47,3%	1 024 571	489 421	47,8%	969 571	475 399	49,0%
Sport, Art And Culture	220 471	99 587	45,2%	191 980	98 744	51,4%	207 728	99 475	47,9%
Office of the Premier	318 611	152 276	47,8%	322 134	148 399	46,1%	289 533	142 692	49,3%
Legislature	203 913	112 193	55,0%	224 475	119 789	53,4%	209 206	128 960	61,6%
Treasury	322 089	155 879	48,4%	320 019	145 966	45,6%	283 299	136 730	48,3%
Economic Development	598 142	292 933	49,0%	599 249	272 345	45,4%	532 742	273 836	51,4%
Total	49 191 590	24 092 440	49,0%	50 602 563	24 008 443	47,4%	46 863 675	24 175 164	51,6%

4.4.1.2. Goods and Services

Goods and Services spent R5.1 billion or 44.3 percent of the total budget of R11.4 billion by the end of September 2021 and the expenditure has increased from 40.8 percent in 2020/21 to 44.3 percent in 2021/22 financial year, an increase by 3.5 percent. The following departments have improved their spending from the 2021/21 financial year to the current financial year: Transport and Community Safety from 50.5 percent to 59.6 percent, Public Works, Roads and Infrastructure from 30.8 percent to

58.4 percent, Social Development from 42.9 percent to 51.2 percent while Economic Development from 45.8 percent to 52.4 percent.

Table 8: Goods and Services as at 30 September 2021

Department/Vote	2019/20			2020/21			2021/22		
	Main Budget	Actual spending as at 30 September 2019	% spending	Special Adjustment	Actual spending as at 30 September 2020	% spending	Main Budget	Actual spending as at 30 September 2021	% spending
Education	2 804 857	954 433	34,0%	3 011 470	669 149	22,2%	3 471 384	1 027 879	29,6%
Health	4 194 955	2 522 133	60,1%	5 865 881	2 967 807	50,6%	5 455 305	2 748 380	50,4%
Social Development	354 895	156 663	44,1%	248 094	106 486	42,9%	256 585	131 333	51,2%
Public Works, Roads and Infrastructure	808 259	422 214	52,2%	884 751	272 671	30,8%	895 782	523 187	58,4%
Agriculture	491 904	221 493	45,0%	314 539	152 839	48,6%	372 174	184 148	49,5%
Transport and Community Safety	356 408	169 040	47,4%	274 417	138 690	50,5%	278 662	166 020	59,6%
Co-Operative Governance Human Settlement	196 832	104 594	53,1%	160 168	75 926	47,4%	134 495	52 066	38,7%
Sport, Art And Culture	234 671	92 755	39,5%	157 484	55 366	35,2%	168 675	60 535	35,9%
Office of the Premier	117 395	49 894	42,5%	69 422	31 376	45,2%	110 708	30 995	28,0%
Legislature	76 288	34 270	44,9%	51 421	13 486	26,2%	52 021	20 912	40,2%
Treasury	173 531	72 890	42,0%	107 650	56 270	52,3%	79 187	30 609	38,7%
Economic Development	297 567	129 353	43,5%	187 052	85 698	45,8%	165 479	86 650	52,4%
Total	10 107 562	4 929 732	48,8%	11 332 349	4 625 764	40,8%	11 440 457	5 062 714	44,3%

4.4.1.3. Transfers and subsidies

The provincial spending is at R3.8 billion or 50.5 percent of the allocated budget of R7.6 billion. The spending has increased from 43.6 percent in 2020/21 to 50.5 percent in 2021/22 financial year, an increase by 6.9 percent.

Table 9: Transfers and subsidies as at 30 September 2021

Department/Vote	2019/20			2020/21			2021/22		
	Main Budget	Actual spending as at 30 September 2019	% spending	Special Adjustment	Actual spending as at 30 September 2020	% spending	Main Budget	Actual spending as at 30 September 2021	% spending
Education	2 491 081	1 258 304	50,5%	2 559 944	1 252 208	48,9%	2 927 696	1 729 148	59,1%
Health	376 108	153 056	40,7%	169 245	134 375	79,4%	254 441	179 690	70,6%
Social Development	591 292	307 426	52,0%	632 159	293 479	46,4%	545 728	269 373	49,4%
Public Works, Roads and Infrastructure	1 476 899	580 739	39,3%	1 404 521	597 269	42,5%	1 171 431	533 280	45,5%
Agriculture	202 401	93 221	46,1%	194 111	30 918	15,9%	25 082	22 060	88,0%
Transport and Community Safety	808 293	339 621	42,0%	883 957	257 484	29,1%	708 690	355 022	50,1%
Co-Operative Governance Human Settlement	1 366 507	647 932	47,4%	994 463	274 621	27,6%	1 146 248	334 342	29,2%
Sport, Art And Culture	13 244	10 275	77,6%	6 457	5 858	90,7%	8 333	3 982	47,8%
Office of the Premier	732	1 718	234,7%	5 645	2 300	40,7%	2 429	3 967	163,3%
Legislature	82 435	33 004	40,0%	81 342	45 338	55,7%	126 252	51 420	40,7%
Treasury	6 528	1 951	29,9%	2 736	1 801	65,8%	924	1 907	206,4%
Economic Development	769 901	377 073	49,0%	529 091	357 662	67,6%	667 601	347 167	52,0%
Total	8 185 421	3 804 320	46,5%	7 463 671	3 253 313	43,6%	7 584 855	3 831 358	50,5%

4.4.1.4. Payment for Capital Assets

The spending for capital assets has increased from R584.2 million or 26.4 percent in 2020/21 to R835.2 million or 29.0 percent as at 30 September 2021. When comparing the two financial years the province improved slightly by 2.6 percent.

Table 10: Payment for Capital Assets as at 30 September 2021

Payment for capital Assets	2019/20			2020/21			2021/22		
Department/Vote	Main Budget	Actual spending as at 30 September 2019	% spending	Special Adjustment	Actual spending as at 30 September 2020	% spending	Main Budget	Actual spending as at 30 September 2021	% spending
Education	1 037 435	245 601	23,7%	913 780	234 308	25,6%	1 271 848	425 005	33,4%
Health	397 136	177 350	44,7%	998 639	222 628	22,3%	973 311	259 147	26,6%
Social Development	52 838	19 623	37,1%	30 669	31 583	103,0%	43 308	9 318	21,5%
Public Works, Roads and Infrastructure	166 099	53 862	32,4%	70 354	30 741	43,7%	186 290	43 384	23,3%
Agriculture	100 636	34 652	34,4%	40 183	16 115	40,1%	149 337	30 782	20,6%
Transport and Community Safety	67 161	4 712	7,0%	35 723	6 154	17,2%	66 612	15 682	23,5%
Co-Operative Governance Human Settlements And	62 231	20 726	33,3%	35 835	8 070	22,5%	60 450	10 231	16,9%
Sport,Art And Culture	51 151	18 481	36,1%	53 331	18 176	34,1%	88 645	36 054	40,7%
Office of the Premier	6 738	694	10,3%	2 521	1 976	78,4%	2 379	822	34,6%
Legislature	13 119	92	0,7%	6 899	-	0,0%	8 000	450	5,6%
Treasury	4 693	798	17,0%	10 708	6 838	63,9%	1 500	1 138	75,9%
Economic Development	56 130	4 795	8,5%	11 293	7 618	67,5%	28 800	3 226	11,2%
Total	2 015 367	581 386	28,8%	2 209 935	584 207	26,4%	2 880 480	835 239	29,0%

4.5 Equitable share spending

The Equitable Share expenditure as at 30 September 2021 is at 51.1 percent or R29.7 billion as compared to 47.3 percent or R29.4 billion in 2020/21. The province improved by 3.8 percent from 2020/21 financial year.

Table 11: Equitable share spending as at 30 September 2021

R'000	2019/20			2020/21			2021/22		
	Main Budget	Actual spending as at 30 September 2019	% spending	Special Adjustment	Actual spending as at 30 September 2020	% spending	Main Budget	Actual spending as at 30 September	% spending
Education	29 830 491	14 603 313	49,0%	31 117 224	14 392 112	46,3%	29 664 203	15 250 414	51,4%
Health	17 703 818	8 996 255	50,8%	19 302 159	9 312 568	48,2%	17 967 366	9 014 453	50,2%
Social Development	2 099 948	1 032 483	49,2%	2 032 243	972 266	47,8%	1 861 131	938 654	50,4%
Public Works, Roads and Infrastructure	2 452 943	1 281 442	52,2%	2 346 075	1 259 087	53,7%	1 866 691	1 034 642	55,4%
Agriculture and Rural Development	1 658 425	787 475	47,5%	1 465 812	681 689	46,5%	1 220 531	650 083	53,3%
Transport and Community Safety	1 966 395	926 387	47,1%	1 908 608	811 505	42,5%	1 663 597	892 508	53,6%
Co-Operative Governance Human Settlements And Traditional Affairs	1 380 944	657 775	47,6%	1 251 796	582 695	46,5%	1 177 319	568 852	48,3%
Sport, Art And Culture	301 734	137 254	45,5%	266 531	128 530	48,2%	267 590	139 924	52,3%
Office Of The Premier	443 476	204 582	46,1%	399 722	184 051	46,0%	405 049	178 476	44,1%
Provincial Legislature	375 755	179 559	47,8%	364 137	178 613	49,1%	395 479	201 742	51,0%
Provincial Treasury	506 841	231 518	45,7%	441 113	210 875	47,8%	364 910	170 384	46,7%
Economic Development Environment And Tourism	1 719 147	803 706	46,8%	1 324 637	723 043	54,6%	1 393 404	710 870	51,0%
Total	60 439 917	29 841 749	49,4%	62 220 057	29 437 034	47,3%	58 247 270	29 751 002	51,1%

4.6 Conditional Grants

Table 12: Conditional Grants spending per department as at 30 September 2020

R'000	2019/20			2020/21			2021/22		
	Department / Vote	Main Budget	Expenditure %	Main Budget	Expenditure %	Main Budget	Expenditure %		
Vote 3: Education									
		2019/20		2020/21		2018/19			
National School Nutrition Programme	1 292 011	610 840	47,3%	1 369 485	395 256	28,9%	1 456 918	677 580	46,5%
Maths Science and Technology	45 802	3 577	7,8%	38 140	62 325	163,4%	48 143	7 193	14,9%
HIV/AIDS (Life Skills Education)	29 124	11 227	38,5%	21 339	2 097	9,8%	26 552	9 270	34,9%
Education Infrastructure Grant	1 050 160	254 937	24,3%	976 043	243 173	24,9%	1 334 570	496 865	37,2%
EPWP Incentive Allocation	2 385	1 285	53,9%	2 069	426	20,6%	2 080	1 350	64,9%
Social Sector (EPWP) Grant	14 196	6 574	46,3%	20 833	8 671	41,6%	21 215	13 643	64,3%
Learners with Profound Intellectual disabilities	26 839	12 962	48,3%	32 432	10 103	31,2%	32 666	12 489	38,2%
Total	2 460 517	901 402	36,6%	2 460 341	722 051	29,3%	2 922 144	1 218 390	41,7%
Vote 4: Agriculture and Rural Development									
		2019/20		2020/21		2018/19			
Land Care	12 863	8 364	65,0%	12 970	16	0,1%	13 016	472	3,6%
Comprehensive Agriculture Support Programme	246 542	90 059	36,5%	174 498	42 037	24,1%	233 511	54 045	23,1%
EPWP Incentive Allocation	7 686	6 193	80,6%	6 610	2 943	44,5%	7 013	3 968	56,8%
ILima/Letsema Projects	75 254	10 714	14,2%	52 860	11 838	22,4%	73 709	42 013	57,0%
Total	342 345	115 330	33,7%	246 938	56 834	23,0%	327 249	100 498	30,7%
Vote 6 - Economic Development, Environment and Tourism									
		2019/20		2020/21		2018/19			
EPWP Incentive Allocation	3 563	449	12,6%	2 994	280	9,4%	2 198	923	42,0%
Total	3 563	449	12,6%	2 994	280	9,4%	2 198	923	42,0%
Vote 7: Health									
		2019/20		2020/21		2018/19			
Health Professions Training and Development	147 168	72 982	49,6%	232 171	100 277	43,2%	230 320	116 822	50,7%
Hospital Revitalisation	457 951	195 553	42,7%	742 473	230 073	31,0%	755 533	248 958	33,0%
Comprehensive HIV and AIDS	1 947 302	781 916	40,2%	2 402 449	987 761	41,1%	2 495 590	1 044 187	41,8%
National Tertiary Services	409 263	230 733	56,4%	445 200	220 528	49,5%	453 296	231 701	51,1%
Human Papilloma Vaccine	29 009	9 935	34,2%	-	-	0,0%	-	-	0,0%
Disaster Management	-	-	-	42 449	42 448	100,0%	-	-	-
Health Insurance	-	-	-	32 066	22 831	71,2%	31 952	11 715	36,7%
EPWP Incentive Allocation	2 000	471	0,0%	-	-	0,0%	1 986	934	47,0%
Social Sector (EPWP) Grant	37 299	15 827	42,4%	28 286	13 640	48,2%	36 891	14 606	39,6%
Human Resources Capitalisation Grant	43 258	57 659	133,3%	-	-	0,0%	-	-	-
Total	3 073 250	1 365 076	44,4%	3 925 094	1 617 558	41,2%	4 005 568	1 668 923	41,7%
Vote 8 - Transport and Community Safety									
		2019/20		2020/21		2018/19			
Public Transport Operations	376 790	124 900	33,1%	402 035	124 880	31,1%	424 147	159 922	37,7%
EPWP	-	-	-	2 000	-	0,0%	2 037	-	-
Total	376 790	124 900	33,1%	404 035	124 880	30,9%	426 184	159 922	37,5%
Vote 9 - Public Works, Roads and Infrastructure									
		2019/20		2020/21		2018/19			
Provincial Infrastructure	1 158 253	302 785	26,1%	1 098 659	136 458	12,4%	1 333 213	542 988	40,7%
EPWP Incentive Allocation	5 768	4 688	81,3%	5 705	5 705	100,0%	12 023	5 191	43,2%
Total	1 164 021	307 473	26,4%	1 104 364	142 163	12,9%	1 345 236	548 179	40,7%
Vote 10 - Community Safety									
		2019/20		2020/21		2018/19			
EPWP Incentive Allocation	2 000	-	0,0%	-	-	0,0%	-	-	0,0%
Total	2 000	-	0,0%	-	-	0,0%	-	-	0,0%
Vote 11 - Cooperative Governance, Human Settlements and Traditional Affairs									
		2019/20		2020/21		2018/19			
Human Settlement Development	1 301 677	629 538	48,4%	948 161	264 190	27,9%	877 072	303 186	34,6%
Informal Settlement grant	-	-	0,0%	-	-	0,0%	254 336	-	0,0%
EPWP Incentive Allocation	2 026	-	0,0%	2 000	-	0,0%	2 037	-	0,0%
Deeds Restoration grants	35 820	3 957	11,0%	13 080	1 153	8,8%	-	-	-
Total	1 339 523	633 495	47,3%	963 241	265 343	27,5%	1 133 445	303 186	26,7%
Vote 12 - Social Development									
		2019/20		2020/21		2018/19			
Social Sector (EPWP) Grant	10 189	3 091	30,3%	9 954	5 245	52,7%	9 581	3 583	37,4%
Early Childhood development	68 992	29 744	43,1%	127 724	49 780	39,0%	143 443	91 240	63,6%
Social Worker Employment	-	-	#DIV/0!	-	-	#DIV/0!	-	-	0,0%
EPWP Incentive grant	2 000	1 377	68,9%	2 000	945	47,3%	2 338	1 533	65,6%
Total	81 181	34 212	42,1%	139 678	55 970	40,1%	155 362	96 356	62,0%
Vote 13 - Sport, Arts and Culture									
		2019/20		2020/21		2018/19			
Mass Participation and Sport Development Grant	71 489	38 809	54%	32 291	6 730	20,8%	63 148	9 510	15%
Community Library Services	144 314	44 195	31%	108 430	43 448	40,1%	140 606	49 594	35%
EPWP Incentive Allocation	2 000	840	42%	2 000	390	19,5%	2 037	1 018	50,0%
Total	217 803	83 844	38%	142 721	50 568	35,4%	205 791	60 122	29,2%
Total Conditional grants	9 060 993	3 566 181	39,4%	9 389 407	3 035 647	32,3%	10 523 177	4 156 499	39,5%

The expenditure for conditional grants as at 30 September 2021 is 39.5 percent or R4.2 billion as compared to 32.3 percent or R3.0 billion in 2020/21. The highest percentage spending departments as at the end of September 2021 are Social Development at R96.3 billion or 62.0 percent, Economic Development and Tourism at 42.0 percent or R0.923 billion while both Health and Education are at 41.7 percent or R1.7 billion and R1.2 billion respectively. The lowest spending departments are Sport, Arts and Culture at 29.2 percent or R60.1 million, CoGHSTA at 26.7 percent or R303.2 million and Agriculture at R100.5 million or 30.7 percent.

4.7 COVID-19

Table 13: COVID-19 Expenditure

LIMPOPO COVID-19 CONSOLIDATED REPORT-SEPTEMBER 2021			
DEPARTMENT	BUDGET	EXPENDITURE	% SPENDING
Premier	1 116	3 494	313,1%
Legislature	1 000	36	0,0%
Education	315 889	114 570	36,3%
Agriculture and Rural Development	3 000	1 862	62,1%
Provincial Treasury	300	279	93,0%
Economic Development	1 398	176	12,6%
Health	2 106 605	865 016	41,1%
Transport and Community Safety	458	125	27,3%
Public Works, Roads and Infrastructure	6 971	4 500	64,6%
Sport Arts and Culture	2 700	27	1,0%
CoGHSTA	1 892	-	0,0%
Social Development	1 500	1 371	91,4%
TOTAL	2 442 829	991 456	40,6%

The Provincial departments has spent R991.5 million or 40.6 percent on the COVID-19 pandemic allocation. The Department of Health takes the biggest share of the COVID-19 allocation due to the fact that the department is at the forefront in fighting and preventing the COVID-19 spread. Health has spent R865.0 million or 41.1 percent of the R2.1 billion budget allocated to it.

4.8 Provincial own revenue performance

4.8.1 Overall receipts

Table 14: Revenue collection as at 30 September 2021

REVENUE COLLECTION	2019/20 Actual Receipts			2020/21 Actual Receipts			2021/22 Actual Receipts		
	Main appropriation	Actual Collection as at 30 September 2019	Collection % as at 30 September 2019	Main appropriation	Actual Collection as at 30 September 2020	Collection % as at 30 September 2020	Main appropriation	Actual Collection as at 30 September 2021	Collection % as at 30 September 2021
Office of the Premier	583	297	51.0%	608	210	34.5%	641	348	54.3%
Education	43,826	46,672	106.5%	51,034	17,591	34.5%	53,234	24,093	45.3%
Agriculture and Rural Development	12,579	4,367	34.7%	12,320	2,987	24.2%	12,936	4,116	31.8%
Provincial Treasury	280,874	117,636	41.9%	247,781	104,793	42.3%	260,170	106,617	41.0%
Economic Development, Tourism and Environment	158,941	80,089	50.4%	167,683	22,683	13.5%	176,905	81,301	46.0%
Health	193,610	89,478	46.2%	212,297	64,459	30.4%	222,913	87,046	39.0%
Transport	584,740	317,897	54.4%	651,293	251,056	38.5%	684,189	320,870	46.9%
Public Works, Roads and Infrastructure	30,438	16,752	55.0%	34,962	15,790	45.2%	36,563	15,485	42.4%
Sport, Arts and Culture	2,224	384	17.3%	2,253	190	8.4%	2,384	198	8.3%
Co-operative Governance, Human settlements and Traditional Affairs	5,119	23,293	455.0%	5,323	1,575	29.6%	5,552	1,408	25.4%
Social Development	4,182	1,414	33.8%	2,500	1,108	44.3%	2,568	5,488	213.7%
Total departmental receipts	1,317,116	698,279	53.0%	1,388,054	482,441	34.8%	1,458,055	646,971	44.4%

The Provincial own revenue collection as at 30th September 2021 is R646.9 million or 44.4 percent of the main appropriation, against own revenue projections of R582.6 million or 40.0 percent of the main appropriation. The revenue collected is above that of the previous year corresponding period of R482.4 or 34.8 percent. The Province has over collected by R64.3 million or 4.4 percent. The over collection is mainly on motor vehicle licenses; penalties on motor vehicle license; horse racing taxes and recovery of previous year's expenditure related debts by the Departments of Transport and Community Safety; Health; LEDET and Social Development. The over collection is mainly attributed to the improved economic activities due to relaxation of strict covid-19 lockdown regulations.

4.8.2 Own Revenue per economic classifications

Table 15: Own revenue per economic classification as at 30 September 2021

Revenue collection	2019/20 Actual Receipts			2020/21 Audited outcome			2021/22 Actual Receipts		
	Main appropriation	Actual Collection as at 30 September 2019	Collection % as at 30 September 2019	Main appropriation	Actual Collection as at 30 September 2020	Collection % as at 30 September 2020	Main appropriation	Actual Collection as at 30 September 2021	Collection % as at 30 September 2021
Tax receipts	604,232	326,647	54.1%	660,665	229,998	34.8%	694,649	321,369	46.3%
Sale of goods and services other than capital assets	306,029	138,162	45.1%	324,527	108,307	33.4%	343,721	141,870	41.3%
Transfers received from:	5,700	170	3.0%	-	-	-	9,683	16,911	174.7%
Fines, penalties and forfeits	54,823	34,862	63.6%	72,041	26,048	36.2%	75,657	35,867	47.4%
Interest, dividends and rent on land	281,719	139,894	49.7%	249,166	105,248	42.2%	261,620	107,128	40.9%
Sales of capital assets	12,768	2,901	22.7%	17,055	493	2.9%	13,019	-	0.0%
Revenue financial transactions in assets and liabilities	51,844	55,644	107.3%	55,421	12,347	22.3%	59,705	23,826	39.9%
Total provincial receipts	1,317,116	698,279	53.0%	1,378,875	482,441	35.0%	1,458,055	646,971	44.4%

4.8.2.1 Tax Receipts

An amount of R321.4 million on tax receipts or 46.3 percent has been collected against the projections of R277.6 million or 40.0 percent. The over collection of R43.8 million or 6.3 percent is mainly on motor vehicle licenses registration and renewal fees by Department of Transport and Community Safety as well on horse racing taxes by Department of Economic Development, Environment and Tourism. Collection is above that of the previous year corresponding period of R229.9 million or 34.8 percent.

4.8.2.2 Sale of Goods & Services other than capital assets

As at 30th September 2021, actual revenue collected is R141.9 million or 41.3 percent against the revenue projections of R139.4 million or 40.5 percent. The over collection of R2.5 million or 0.7 percent is mainly influenced by improved collection on patient fees by the Department of Health. Collection is above that of the previous year corresponding period of R108.3 million or 33.4 percent.

4.8.2.3 Transfers received from public entities

Transfers received from public entities amounts to R16.9 million as own revenue and unspent funds for the previous financial year of 2020/21 from Limpopo Tourism Agency (R5.4 million) and LGB (R11.5 million).

4.8.2.4 Fines, penalties and forfeits

Fines, penalties and forfeits collected R35.9 million or 47.4 percent against the set own revenue projections of R25.3 million or 33.4 percent. Over collection of R10.6 million or 14.2 percent is mainly due to improved collection from penalties on motor vehicle licences and traffic fines by Transport and Community Safety.

4.8.2.5 Interest, Dividends and Rent on Land

Collection as at the 30th September 2021 is R107.1 million or 40.9 percent against the set own revenue projections of R108.2 million or 41.4 percent. Under collection of R1.1 million or 0.4 percent is mainly influenced by less interests earned from favourable bank balances by Provincial Treasury. However, collection is above that of the previous year corresponding period of R105.2 million or 42.2 percent.

4.8.2.6 Sale of Capital Assets

Sale of capital assets as at end September amounts to zero against the projection of R3.0 million due to delay in conducting auction sale of capital assets and scraps by department of Public Works, Roads and Infrastructure.

4.8.2.7 Transactions in Financial Assets and Liabilities

The item collected R23.8 million or 39.9 percent against the set own revenue projections of R29.2 million or 48.9 percent. Under collection of R5.3 million or 9.0

percent is mainly from LEDET, due to less recovery of previous year's expenditure related debts than anticipated.

4.9 Conclusion

Provincial own revenue collection amounted to R646.9 million or 44.4 percent of the main appropriated own revenue target of R1.458 billion. Based on collection trends, provincial own revenue target is adjusted down to R1.396 billion or reduced by R62.1 million or 4.3 percent of the main appropriation. It must be noted that the decline in revenue baseline is mainly influenced by collection trends as result of economic activities still in progress from relaxed stricter covid-19 regulations.

Chapter 5: Mid Term Review

5.1 Introduction

In terms of Section 18 (1) (b) of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) (PFMA), Provincial Treasury must exercise control over the implementation of the provincial budget. The Limpopo Provincial Treasury conducts the quarterly Expenditure Monitoring Bilateral to monitor the spending for departments. The In-Year-Monitoring reports are also submitted by departments to Provincial Treasury on a monthly basis which are analysed and feedback is given to departments for improvement.

During the mid-term, Provincial Treasury conducted the adjustment budget bilateral meetings with Departments and Public Entities with a view to assess the budget pressures in departments. The funding pressures were presented by departments and were unaffordable due limited available funds. The Provincial Treasury made recommendations for 2021/22 adjustment budget allocations and made presentations to the Heads of Department's Forum and the Executive Council Budget Committee respectively. The 2021/22 adjustment budget was later approved by the Executive Council.

5.2 Basis of budget adjustment estimates for 2021/22 financial year

In terms of section 31 of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999) (PFMA) the MEC for Finance in a province may table an adjustment budget in the Provincial Legislature. Section 31 (2) prescribes that an adjustments budget of a province may only provide for: -

- (a) The appropriation of funds that have become available to the province;
- (b) Unforeseeable and unavoidable expenditure recommended by the provincial Executive Council of the province;
- (c) Any expenditure related to emergency situations;
- (d) The shifting of funds between and within votes or when assets and liabilities are transferred emanated from the transfer of functions;

- (e) The utilization of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote; and
- (f) The roll-over of unspent funds from the preceding financial year.

5.3 Provincial Own Revenue

5.3.1 Summary of Provincial Own Receipts per department

Table 16: Summary of Provincial Own Receipts per department

	2021/22			
	Proposed Receipts (Own Revenue)			
R thousand	Main appropriation	Movement	Revised estimate	% Growth
Office of the Premier	641	-	641	0.0%
Education	53,234	-	53,234	0.0%
Agriculture and Rural Development	12,936	-	12,936	0.0%
Provincial Treasury	260,170	(10,142)	250,028	-3.9%
Economic Development, Environment and Tourism	176,905	(25,933)	150,972	-14.7%
Health	222,913	(28,545)	194,368	-12.8%
Transport and Community Safety	684,189	-	684,189	0.0%
Public Works, Roads and Infrastructure	36,563	-	36,563	0.0%
Sport, Arts and Culture	2,384	(1,802)	582	-75.6%
Co-Operative Governance Human Settlements and Traditional Affairs	5,552	-	5,552	0.0%
Social Development	2,568	4,291	6,859	167.1%
Total departmental receipts	1,458,055	(62,130)	1,395,925	-4.3%

The original provincial own revenue target decreases by R62.1 million or 4.3 percent of the main appropriation, i.e. from R1.458 billion to R1.396 billion. The decrease is mainly attributed to slow performance on patient fees, casino taxes, less recovery of previous year's expenditure debts, rental dwelling, interest and entrance fees from the Departments of Health (R28.6 million); Economic Development, Environment & Tourism (R25.9 million), Provincial Treasury (R10.1 million) as well as non-hosting of Mapungubwe Arts Festival in 2021 by Sport, Arts & Culture (R1.8 million) respectively.

However, it should be noted that despite the overall decline on the provincial own revenue baseline, the revenue target for Social Development has improved by R4.3 million or 167.1 percent due to once-off recovery of previous year's debts (shared services).

5.3.2 Own revenue adjustment budget per department

Vote 1: Office of the Premier

Office of the Premier derives its revenue mainly from commission on insurance and parking fees. The revenue budget remains unchanged at R0.641 million however, adjustments to be made within the item level based on performance.

Vote 3: Education

The main source of revenue for the department is commission on insurance. The budget of the department remains unchanged at R53.2 million however, to adjust within item level based on collection trends as well making provision for anticipated proceeds from auction sale of capital assets and scraps.

Vote 4: Agriculture and Rural Development

The departmental own revenue collection is derived from commission on insurance, academic services, boarding services and sale of agricultural produce. The budget of the department remains unchanged at R12.9 million however, to adjust within item level based on collection trends as well as anticipated proceeds from auction sale of capital assets/scraps and biological assets.

Vote 5: Limpopo Provincial Treasury

The own revenue budget of the department is mainly from interests earned on the Intergovernmental Cash Coordination account and the Paymaster General account. Other sources of revenue are commission on insurance and parking fees. The revenue budget is decreasing from R260.2 million to R250.0 or by R10.1 million which translates to 3.9 percent decline mainly due to less collection of interest from favourable bank balances and less recovery of previous year's expenditure related debts than anticipated.

Vote 6: Economic Development, Environment and Tourism

The department derives its own revenue mainly from tax receipts comprising of casino taxes, horse racing taxes and liquor licenses. Other sources of revenue are hunting permits and entrance fees from nature resorts and reserves. The revenue budget of the department decreases from R176.9 million to R150.9 million, showing a decline by

R25.9 million or 14.7 percent of the main appropriation, mainly due to slow performance on casino taxes, entrance fees and camping fees.

Vote 7: Health

The own revenue of the department is mainly generated from patient fees. The own revenue budget of the department decreases from R222.9 million to R194.4 million or a decline by R28.5 million which is 12.8 percent of the main appropriation. The decrease is mainly due slow collection on patient fees and less recovery of previous years' debts than anticipated.

Vote 8: Transport and Community Safety

The main source of own revenue for the department is from tax receipts in the form of motor vehicle licences as well as penalties on motor vehicle licenses, traffic fines and abnormal load licences. The own revenue budget of the department remains unchanged at R684.2 however, to adjust within item level based on collection trends and improved collection on motor vehicles licences since the relaxation of lockdown regulations as well as the implementation of Revenue Enhancement projects.

Vote 9: Public Works, Roads and Infrastructure

The revenue of the department of Public Works, Roads & Infrastructure is mainly derived from rental of government properties. Other revenue sources are commission on insurance and parking fees. The revenue budget of the department remains unchanged at R36.6 million however, to adjust within item level based on collection trends and improved collection on revenue collected from RAL (departmental agency).

Vote 10: Sport, Arts and Culture

The revenue of the department derives from commission on insurance, parking fees and entrance fees from hosting of the Mapungubwe Arts Festival. The revenue budget of the department decreases from R2.3 million to R0.582 million or by R1.8 million, which is 75.6 percent of the main appropriation. The decrease is mainly due to the cancellation of the hosting of Mapungubwe Arts Festival in current financial year. However, the department is anticipating to have an auction sale of capital assets/scrap before the end of the 2021/22 financial year.

Vote 11: Co-operative Governance, Human Settlement & Traditional Affairs

The main sources of revenue of the department are commission on insurance and parking fees. The revenue budget of the department remains unchanged at R5.6 million however, to adjust within item level based on collection trends and anticipated interest generated from implementing agency and sales of capital assets and scraps.

Vote 12: Social Development

The main sources of revenue are commission on insurance, rentals and parking fees. The revenue budget of the department increases from R2.6 million to R6.9 million or by R4.3 million or 167.1 percent of the main appropriation due to once-off recovery previous year's debts (shared services) than anticipated.

5.4 Budget Adjustment Estimates for 2021/22 financial year

5.4.1 Provincial Available Resources

The 2021/22 provincial available funding sources are adjusted upwards by **R6.602 billion** or 9.6 percent from of **R68.770 billion to R75.373 billion**.

The total provincial receipts will increase by **R3.152 billion** which comprises of:

- Equitable Share which is revised upwards by **R2.529 billion** which comprise of **R1.675 billion** for funding of 2021 Wage Agreement and **R853.7 million** for Presidential Youth Employment Initiatives which is allocated to Department of Education, Health and Social Development.
- Conditional Grants Allocation is also revised upwards by **R685.734 million** which comprises of rollovers from 2020/21 to 2021/22 year amounting to R620.131 million and additional allocations of R39.128 million for Department of Health (R3.357 million for Mental Health Services Component, R20.000 million for Oncology Services Component and R15.771 million for Human Resource and Training Grant), additional R24.164 million for Early Childhood Development in Department of Social Development and additional R2.311 million for Provincial Emergency Housing Grant in Department of Co-operative Governance, Human Settlement and Traditional Affairs.

- The Provincial Own revenue is adjusted downwards from **R1.458 billion** by **R62.1 million** or **4.3 percent** to **R1.396 billion**.

Table 17: Adjustment budget for 2021/22

Description	2021/22 Main Appropriation	Proposed Adjustment	2021/22 Adjusted Appropriation	% Growth
Provincial Receipts				
Equitable Share	60 027 513	2 528 698	62 556 211	4.2%
Conditional Grants	10 523 177	685 734	11 208 911	6.5%
Own Revenue	1 458 055	(62 130)	1 395 925	-4.3%
Total Receipts	72 008 745	3 152 302	75 161 047	4.4%
Departments / Votes				
Vote 1 : Office of the Premier	405 049	(5 974)	399 075	-1.5%
Vote 2 : Provincial Legislature	395 479	34 375	429 854	8.7%
Vote 3 : Education	32 586 347	3 139 630	35 725 977	9.6%
Vote 4 : Agriculture and Rural Development	1 547 780	97 386	1 645 166	6.3%
Vote 5 : Provincial Treasury	364 910	-	364 910	0.0%
Vote 6 : Economic Development, Environment and Tourism	1 395 603	253 000	1 648 603	18.1%
Vote 7 : Health	21 972 934	1 507 367	23 480 301	6.9%
Vote 8 : Transport and Community Safety	2 089 781	239 500	2 329 281	11.5%
Vote 9 : Public Works, Roads & Infrastructure	3 211 927	931 972	4 143 899	29.0%
Vote 10 : Sport, Arts and Culture	473 381	41 830	515 211	8.8%
Vote 11 : CoGHSTA	2 310 764	71 436	2 382 200	3.1%
Vote 12 : Social Development	2 016 493	291 581	2 308 074	14.5%
Total	68 770 448	6 602 103	75 372 551	9.6%

5.4.2 Adjustment per department:

Vote 1: Office of the Premier – (R5.974 million)

The institution is allocated R12.000 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement and R21.000 million to fund pressures in Goods and Services. The institution will however surrender (R38.974 million) for E-Leave and E-Recruitment Projects that will not be implemented.

Vote 2: Provincial Legislature – R34.375 million

The institution is allocated R24.500 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement and R9.875 million for revenue retention as per Section 22 of the PFMA.

Vote 3: Education – R3.140 billion

The department will receive R2.000 billion to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R802.210 million for Presidential Youth Employment Initiatives, Equitable Share rollover of R216.761 million (R184 million for the Presidential Youth Employment Initiative and R32.7 million Sanitary Dignity programme) and Conditional Grant rollovers of R120.659 million.

Vote 4: Agriculture and Rural Development – R97.386 million

The department will receive R60.000 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R30.000 million to fund pressures in Goods and Services and conditional grant rollovers of R19.886 million. The department will however surrender (R12.500 million) previously allocated for Makgoba Fruit and Zebediela Citrus Projects.

Vote 5: Provincial Treasury – No changes

The department's allocation will remain at R364.910 million and the department will reprioritize within the allocation since there were no pressures submitted by the department.

Vote 6: LEDET – R253.000 million

The department is allocated R35.000 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R6.500 million to fund pressures in Goods and Services, R182.500 million for Turn Around Plan in Great North Transport (GNT), R11.000 million for Limpopo Gambling Board (LGB) Revenue Retention, R4.000 million for Limpopo Gambling Board (LGB) for 2021 Salary Wage Agreement pressures and R20.000 million for Operational Costs for Limpopo Connexion.

The department will however surrender (R6.000 million) from Refurbishment of State Resorts Project.

Vote 7: Health – R1.507 billion

The department receives rollover amount of **R177.642 million** for the following conditional grants:

- HIV, TB, Malaria and Community Outreach Grant - R64.144 million;
- Health Facility Revitalization Grant – R96.497 million;
- National Tertiary Services Grant – R16.586 million and
- Statutory Human Resource Management – R0.415 million.

The department also receives additional conditional grant allocations of **R39.128 million** as follows:

- Mental Health Services Component – R3.357 million;
- Oncology Services Component – R20.000 million; and
- Human Resource and Training Grant – R15.771 million

The department is allocated additional equitable share budget of **R400.000 million** to fund pressures in Compensation of Employees, including 2021 Wage Agreement, **R800.000 million** to fund pressures in Goods and Services, **R50.500 million** for Medico Legal (Claims Against the State), **R40.097 million** for Presidential Youth Employment Initiatives and **R40.000 million** for Scanning an Archiving Project.

The department will however surrender (**R40.000 million**) from the previously planned Emergency Medical Services Communication Centres Project.

Vote 8: Transport – R239.500 million

The department is allocated **R16.500 million** to fund pressures in Compensation of Employees, including 2021 Wage Agreement, **R143.500 million** to fund pressures in Goods and Services, **R68.500 million** for Bus Subsidies and **R28.000 million** for GAAL Operational Costs and CAA Findings. The department will however surrender (**R17.000 million**) from Earmarked Funding Projects (Mampakuil - R10.000 million and K53 Projects - R7.000 million)

Vote 9: Public Works, Roads and Infrastructure – R931.972 million

The department is allocated R47.000 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R126.000 million to fund pressures in Goods and Services, R144.500 million for Municipal Rates for Makhuduthamakga Municipality, R121.500 million for Municipal Rates for Other Municipalities, R250.000 million for pressures in Roads Agency Limpopo (RAL) Capital Projects and R242.972 million for Provincial Roads Maintenance Grant rollover.

Vote 10: Sport, Arts and Culture – R41.830 million

The department is allocated R5.000 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R28.000 million to fund pressures in Goods and Services and R10.000 million for Schoemansdal Museum. The department also receives a conditional grant rollover of R6.830 million for Community Library Services Grant.

The department will surrender (R8.000 million) from Earmarked Funding for the Provincial Theatre.

Vote 11: CoGHSTA – R71.436 million

The department is allocated R58.700 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R21.300 million for Re-instatement of Traditional Leaders (Court Order), conditional grant rollover of R6.125 million for Title Deeds Restoration Grant and additional R2.311 million for Provincial Emergency Housing Grant. The department will however surrender (R17.000 million) from Construction of Traditional Council Offices.

Vote 12: Social Development – R291.581 million

The department receives an allocation R118.434 million to fund pressures in Compensation of Employees, including 2021 Wage Agreement, R71.566 million Accelerated Grade Progression (backlog), R20.000 million for pressures in Goods and Services, R11.400 million for Presidential Youth Employment Initiatives, additional R24.164 million for Early Childhood Development Grant (Subsidy Component) and a rollover of R46.017 million for Early Childhood Development Grant.

5.5 Conclusion

The wage agreement for 2021 between organised labour and the state resulted in pressures in Compensation of Employees due to the budget cuts that were effected in 2020 and 2021 financial year. National Treasury has allocated the Province with an additional allocation of **R1.675 billion** to fund the pressures in 2021 wage agreement.

COVID-19 has worsened the unemployment, poverty and inequality of people of South Africa. In order to respond to this, the Province has been allocated **R853.7 million** for Presidential Youth Employment Initiatives which is allocated as follows:

- **R802.210 million** in Department of Education;
- **R40.097 million** in Department of Health; and
- **R11.400 million** in Department of Social Development.

Chapter 6: PROVINCIAL FISCAL ENVELOPE – 2022/23 MTEF

6.1 Introduction

As tabulated in Table 18 below, during the 2021 MTEF equitable share allocation, the National Treasury implemented the budget cuts that affected the 2022/23 to 2023/24 financial years. These cuts are implemented as follows:

- R825 million and R1.308 billion in 2022/23 and 2023/24 respectively for New Data updates due to a **decrease in population** numbers;
- R971.000 million, R1.747 billion in 2022/23 and 2023/24 respectively for Fiscal Consolidation; and
- R8.518 billion in 2022/23, R7.232 billion in 2023/24 for Compensation of Employees Budget Cuts due to public service wage freeze.

In 2022 MTEF the Province has been allocated additional funds as follows:

- R82.596 million, R585.551 million and R661.709 million for new data updates in 2022/23, 2023/24 and 2024/25 respectively; and
- R1.579 billion for Wage Agreement (Non Pensionable Allowance) which is allocated in 2022/23 financial year only and not factored in over the MTEF.

6.2 Medium Term Expenditure Framework Estimates

Table 18: National allocation to the Limpopo Province

National Allocation	2020/21	2021/22	2022/23	2023/24	2024/25
Equitable Share Baseline	62 986 213	66 255 935	69 935 348	67 845 593	61 969 051
Adjustment to baseline 2021/22: New data updates	-152 769	-465 564	-824 833	-1 308 283	-
Adjustment to baseline 2022/23: New data updates	-	-	82 596	585 551	661 709
Revised allocation	62 833 444	65 790 371	69 193 111	67 122 861	62 630 760
Less: Fiscal Framework Reduction	(561 327)	(5 762 858)	(7 910 433)	(7 231 644)	-
Compensation of Employees 2020 (MTEF)	(289 611)	(4 199 785)	(5 131 559)	-	-
Compensation of Employees 2021 (MTEF)	-	(1 741 844)	(3 387 204)	(5 484 531)	-
Non-Compensation of Employees Fiscal Consolidation 2021	(271 716)	(737 729)	(970 801)	(1 747 113)	-
Wage agreement - Non Pensionable Allowance	-	-	1 579 131	-	-
Plus: COVID-19 Support (Health Sector)	-	916 500	-	-	-
Earmarked allocations: Included in the Equitable Share Baseline	56 814	146 944	153 580	160 709	160 709
Plus: Social Development Food Relief function shift	6 635	7 072	7 404	7 731	7 731
Plus: Social Development Social Work grant conversion	58 381	61 592	64 487	67 329	67 329
Plus: Social Worker Addition	11 260	13 940	14 610	15 254	15 254
Plus: Social: Gender Based Violence and STI	12 805	14 965	15 680	16 731	16 731
Plus: Education: Sanitary Dignity Project	32 749	34 042	35 345	36 903	36 903
Plus: Treasury: Municipal Interventions	9 889	10 333	10 819	11 295	11 295
Plus: Treasury: Infrastructure Development	5 000	5 000	5 235	5 466	5 466
Total Preliminary Provincial Equitable Share	62 328 931	60 027 513	61 282 678	59 891 217	62 630 760
<i>Equitable Share year-on-year growth</i>		-3.7%	2.1%	-2.3%	4.6%

The total provincial equitable share allocation for Limpopo in 2022/23 financial year amounts to R61.283 billion, R59.891 billion in 2023/24 and R62.631 billion in 2024/25 financial year and these allocations represent a positive increase of 2.1 percent in 2022/23 financial year, negative 2.3 percent in 2023/24 and a positive 4.6 percent in 2024/25 financial year.

Table 19: Provincial Sources of Funding

Provincial 2020 MTEF Allocation	2021/22	2020/21	2022/23	2023/24	2024/25	Total
	R '000	R '000	R '000	R '000	R '000	R '000
	Main Appropriation	Adjusted Appropriation	Medium-term estimates			
Limpopo share of equitable share	11.5%	11.5%	11.39%	11.39%	11.40%	
Source of funding						
Equitable share	60,027,513	62,556,211	61,282,678	59,891,217	62,630,760	183,804,655
Provincial Own revenue	1,458,056	1,395,925	1,534,855	1,603,231	1,603,231	4,741,317
Total Provincial	61,485,569	63,952,136	62,817,533	61,494,448	64,233,991	188,545,972
Conditional grants	10,523,177	11,208,911	10,184,542	10,371,003	10,371,003	30,926,548
Total	72,008,746	75,161,047	73,002,075	71,865,451	74,604,994	219,472,520
<i>Year-on-year growth</i>			1.4%	-1.6%	3.8%	
National Treasury CPI-X Assumption	4.1%		4.2%	4.3%	4.5%	
Provincial Allocations	68,770,448	75,372,551	71,764,436	72,583,845	73,712,717	218,060,998
Equitable Share Allocation	58,247,271	64,163,640	61,579,894	62,212,842	63,341,714	187,134,450
Conditional Grant Allocations	10,523,177	11,208,911	10,184,542	10,371,003	10,371,003	30,926,548
Surplus to fund unauthorised expenditure	3,238,298	-211,504	1,237,639	-718,394	892,277	1,411,522

Total provincial funding is increased by 1.4 percent in 2022/23 from R72.008 billion to R73.002 billion, reduces by -1.6 percent in 2023/24 to R71.865 billion and then increases by 3.8 percent to R74.604 billion in 2024/25 financial year.

The total provincial equitable share allocation to departments in 2022/23 financial year amounts to R61.579 billion which reflects positive growth of 5,7 percent when compared to R58.247 billion of 2021/22 financial year. In 2023/24 and 2024/25 financial years, equitable share allocations amount to R62.212 billion or growth of 1 percent and R63.341 billion or 1.8 percent growth year-on-year respectively.

6.3 Conditional Grants

National departments will finalize their respective conditional grant allocations per province after consultations with relevant stakeholders. In terms of Section 26(2)(e) of the 2021 Division of Revenue Act, national departments responsible for administering conditional grants must submit the allocations for each grant per province to the National Treasury by **2 December 2021**.

6.4 Provincial Own Receipts

Table 20: Provincial Own Revenue estimates over the MTEF

	Main appropriation	Revised estimates	Medium-term estimates		
	2021/22	2021/22	2022/23	2023/24	2024/25
Summary of provincial own receipts by Vote					
Vote 01: Office of the Premier	641	641	674	703	734
Vote 03: Education	53 234	53 234	60 906	63 586	66 639
Vote 04: Agriculture and Rural Development	12 936	12 936	13 557	14 181	14 818
Vote 05: Provincial Treasury	260 170	250 028	369 923	382 758	322 404
Vote 06: Economic Development, Environment & Tourism	176 905	150 972	121 887	131 510	141 999
Vote 07: Health	222 913	194 367	201 637	210 508	220 612
Vote 08: Transport and Community Safety	684 189	684 189	717 094	748 645	782 258
Vote 09: Public Works, Roads & Infrastructure	36 563	36 563	38 242	39 925	41 841
Vote 10: Sport, Arts & Culture	2 384	582	2 515	2 625	2 743
Vote 11: Co-Operative Governance, Human Settlements	5 552	5 552	5 791	6 046	6 317
Vote 12: Social Development	2 568	6 859	2 630	2 745	2 867
Total provincial own receipts by Vote	1 458 055	1 395 925	1 534 855	1 603 231	1 603 231

Provincial own revenue is anticipated to decrease from the baseline of R1.458 billion to R1.396 billion in 2021/22 financial year which represent a negative growth of 4.3 percent. However, increased to R1.535 billion or 10.0 percent in 2022/23 and increased further to R1.603 billion or 14.9 percent in the outer two years over the MTEF. The average growth over 2022 MTEF period is 4.7 percent. Over the past seven (7) financial years, the province managed to sustain the R1 billion mark” on own revenue collection. However, the socio-economic outlook of the province and nationally makes it compulsory for provinces to continuously strive to enhance revenue collection in an effort to generate more revenue.

The Department of Transport and Community Safety remains the main contributor to the provincial own revenue at 49.0 percent in 2021/22 financial year and marginally decline to 48.8 percent over the 2022 MTEF period mainly due to the increase in vehicle population and tariffs. The own revenue target of the department remains unchanged at R684.2 million in 2021/22 financial year, increase to R717.1 million or 4.8 percent in 2023/24 financial year as well as the average increase of 4.6 percent

over 2022 MTEF period. The revenue of the department is primarily derived from motor vehicle licensing fees. The department of Transport and Community Safety is committed to its own revenue collection and relentlessly put more effort to increase own revenue generation through the identification and implementation of own revenue enhancement projects.

Following the Department of Transport and Community Safety, Provincial Treasury is the second largest own revenue contributor in the province at 17.9 percent in 2021/22, 24.1 percent in 2022/23, 23.9 percent 2023/24, and 20.1 percent in 2024/25 financial year. The revenue of the department is mainly on interest generated from favorable bank balances. However, interest earned is one of the sources of revenue that are volatile in nature and therefore not sustainable.

The Department of Health also plays a critical role in contributing to provincial own revenue collection at 13.9 percent in 2021/22 financial year and improved to an average of 14.0 percent over 2022 MTEF period. The implementation of patient verification system (PVS) and the electronic data interchange (EDI) in the department of Health have strengthened revenue collection efficiencies.

The Department of Economic Development, Environment and Tourism (LEDET) contribute 10.8 percent in 2021/22 financial year however decline to an average of 9.0 percent over 2022 MTEF period. The revenue is mainly generated from casino and horse racing taxes. More revenue could be generated through improving, maintaining and marketing of state resorts.

Department of Education contributes 3.8 percent in 2021/22 and improved to 4.2 percent over 2022 MTEF period. The revenue in this regard is primarily generated from commission on insurance. The other remaining six (6) departments contribute 4.6 percent to the total provincial own receipts. Given the current economic downtimes, all departments are required to put more effort in maximizing own revenue generation.

6.5 Provincial MTEF Allocations

Table 21: 2022 MTEF Provincial Allocations

Departments	2021/2022 Main Appropriation	2021/2022 Adjusted Appropriation	2022/2023	2023/2024	2024/2025	2022/23 % growth on 2021/22 ADjust	2022/23 % growth	2023/24 % growth	2024/25 % growth
Vote 01: Office of the Premier	405 049	399 075	395 501	403 087	413 044	-0.9%	-2.4%	1.9%	2.5%
Vote 02: Legislature	395 479	429 854	385 979	391 709	399 412	-10.2%	-2.4%	1.5%	2.0%
Vote 03: Education	32 586 347	35 725 977	34 492 802	35 039 719	35 578 943	-3.5%	5.9%	1.6%	1.5%
Vote 04: Agriculture and Rural Development	1 547 780	1 645 166	1 646 913	1 649 650	1 683 636	0.1%	6.4%	0.2%	2.1%
Vote 05: Provincial Treasury	364 910	364 910	364 910	372 396	382 436	0.0%	0.0%	2.1%	2.7%
Vote 06: LEDET	1 395 602	1 648 603	1 515 574	1 461 165	1 483 680	-8.1%	8.6%	-3.6%	1.5%
Vote 07: Health	21 972 934	23 480 301	21 991 459	22 191 739	22 568 984	-6.3%	0.1%	0.9%	1.7%
Vote 08: Transport	2 089 781	2 329 281	2 356 123	2 427 851	2 409 273	1.2%	12.7%	3.0%	-0.8%
Vote 09: Public Works, Roads and Infrastructure	3 211 927	4 143 899	3 452 990	3 403 887	3 497 652	-16.7%	7.5%	-1.4%	2.8%
Vote 10: Sport, Arts & Culture	473 381	515 211	526 086	513 312	494 405	2.1%	11.1%	-2.4%	-3.7%
Vote 11: CoGHSTA	2 310 764	2 382 200	2 418 737	2 471 878	2 497 589	1.5%	4.7%	2.2%	1.0%
Vote 12: Social Development	2 016 493	2 308 074	2 217 362	2 257 454	2 303 665	-3.9%	10.0%	1.8%	2.0%
Total	68 770 448	75 372 551	71 764 436	72 583 845	73 712 717	-4.8%	4.4%	1.1%	1.6%

The total provincial allocation for 2022/23 financial year amounts to R71.764 billion which reflects positive growth of 4.4 percent when compared to R68.770 billion main appropriation of 2021/22.

All votes show positive growths, except Office of the Premier and Provincial Legislature, with Transport and Community Safety at 12.7 percent, Sport, Arts and Culture at 11.1 percent, LEDET at 8.6 percent, Social Development at 10.0 percent. In 2023/24 and 2024/25 financial years, allocations amount to R72.584 billion or growth of 1.1 percent and R73.713 billion or 1.6 percent growth year-on-year respectively.

6.6 Conclusion

The provincial equitable share receipts are not increasing at a favourable level, even below the Consumer Price Index (CPI), against the high service delivery needs and as it increasing by 2.1 percent in 2022/23, negative of 2.3 percent in 2023/24 and 4.6 percent in 2024/25. The Province needs to be prudent in allocating and spending the allocated funds and apply spending reviews and zero based budgeting to realize savings to augment service delivery shortfalls.



LIMPOPO

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