

CISKEI GOVERNMENT
SUBMISSION TO CODESA WORKING GROUP 4/3

SUMMARY

1. Administration
 - 1.1 Land Transfers - Separate memorandum submitted
 - 1.2 Optimal use of Infrastructure - Submission to follow difficulties experienced in collecting data.
 - 1.3 Good Administration During Transition
 - Civil Service Statistics Attached
 - Structural Adjustment Programme Attached
 - 1.4 Future of Civil Service
Civil Service Statistics Attached
 - 1.5 Parastatals
 - Functions, Responsibility & Rationalisation Programmes (if any) Attached
2. Financial
 - 2.1 Retention of Business Confidence
 - Tax issues, Economic Policy, industrial incentives & extent of investment Attached
 - 2.2 Disposal/Transfer of Assets
 - General Summary of Liabilities Already submitted
 - Summary immoveable/moveable assets As in 1.2 above
 - 2.3 Taxation
 - Differencies in taxation systems and property tax Attached
 - 2.4 Review of Development Projects pending & planned projects Attached

2.5	Pensions & Gratuities of Civil Service States, contribution rates and actuarial reports	Attached
2.6	Servicing and repayment of TBVC State debts	
	State direct and guarantee debts	Already submitted
	Parastals direct and guarantee debt	Attached
2.7	Financial Transfers	Already submitted
2.8	Parastatals	
	Current status, assets & liabilities	Attached

CISKEI GOVERNMENT

SUBMISSION TO CODESA WORKING GROUP 4/3

Civil Service Statistics (As at 01 February 1992)

Civil Servants	9268
Teachers	7939
Nurses	3577
General Assistants	9037
Total	<u>29818</u> =====

M M MAKI
R F SMITH
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91145

urgent

Ciskei's final comments are to be submitted to DBSA on TUESDAY

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FROM

PERSON: MR S MOLAPO X3600
DEPARTMENT: PROGRAMME MANAGEMENT GROUP
DATE: 21 FEBRUARY 1992

TO

RECIPIENT INSTIT./COMPANY: DEPT. OF FINANCE & DEV. PLAN.
CISKEI
FOR THE ATTENTION OF: MR P VICKERMAN
NO. OF PAGES TO BE SENT: 15
TELEFAX NO.: 0401-951403

**CISKEI SAPRO DOCUMENT DRAFTING COMMITTEE MEETING
- BISHO 27TH FEBRUARY 1992 AT 9H00**

MESSAGE:

With reference to the above meeting and following my fax of 18/02/92 please find attached the following documents that will form the basis of the meeting discussion, for your reproduction and distribution to the other Ciskei members of the above committee:

- The preparation of a multi-year Structural Adjustment Programme;
- The inter-governmental management system for the preparation and implementation of; and
- The role and function of the Executive Committee of the Ciskei Structural Adjustment Committee.

The other documents that you may find useful to carry along to the meeting are the following:

- Co-operation Agreement between SA and Ciskei on Structural Adjustment; and
- the minutes of the first CSAC meeting of the 5th December 1992.

Regards

S MOLAPO



APPROVED: DATE: BUDGET CONTROLLER:
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<projmg1>lg920221/3k

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- 1.6 It is important to note that the preparation of the multi-year SAPRO will have to be addressed within a strategic policy framework as approved by both governments. Furthermore the preparation of the programme needs to take place within the context of the existing socio-economic realities (especially the current socio-economic backlogs and availability of funds). *relative scarcity of resources*

2. THE MAJOR OBJECTIVES OF A STRUCTURAL ADJUSTMENT PROGRAMME

- 2.1 The approach to be applied should be derived from the basic objectives which must be achieved, and within the context of the principles embodied in the agreement.

- 2.2 In defining the major objectives, the most critical underlying problems which have become evident, as well as the underlying causes of such problems, are important aspects to be considered. (The specific problems identified below should be understood in the national context where the 'demands' to address socio-economic 'needs', currently exceed the availability of resources.)

- 2.2.1 The problems encountered thus far which gave rise to the decisions and the agreement to introduce the SAPRO can be summarised as follows:

The first relates to deficiencies in the existing bilateral system of financial relations between the South African Government and the Ciskei Government where the latter was expected to assume responsibilities for which its resource base was too small.

The second problem is that of the financial un-sustainability of Ciskei like other Regional Governments as reflected in ever increasing financial deficits which are not covered by appropriate sources of finance. *possible*

Thirdly, there are indications of structural imbalances in respect of the budget of Ciskei, which ~~could~~ ^{may} be indicative of an ineffective and inefficient applications of scarce resources *in certain respects.*

- 2.2.2 The ~~underlying~~ ^{underlying} causes of the problems identified above, can be summarised as follows:

Firstly, the absence of an agreed upon economically and financially sound basis from

CISKEI

DATE: 19 FEBRUARY 1992

**THE PREPARATION OF A MULTI-YEAR STRUCTURAL
ADJUSTMENT PROGRAMME.****1. INTRODUCTION**

- 1.1 The implementation of the 'co-operation agreement on structural adjustment', (hereafter referred to as 'the agreement') between South Africa and Ciskei, requires the preparation and subsequent implementation of a 'multi-year Structural Adjustment Programme' (SAPRO) as defined in the agreement.
- 1.2 Also evident from the agreement is that the primary objective to be achieved by way of the SAPRO is to promote and maintain economic growth and development with emphasis on socio-economic upliftment, by ensuring the efficient and effective mobilisation and utilization of scarce resources.
- 1.3 Whilst in no way usurping either governments existing responsibilities, the preparation and implementation of a SAPRO would require that appropriate management arrangements be put in place to facilitate the effective and efficient management of a jointly agreed upon work programme.
- 1.4 The approval of the approach and methodology to be applied in the preparation and implementation of a SAPRO would, after due consideration by the Ciskei Structural Adjustment Committee (CSAC), be the responsibility of both governments.
- 1.5 The purpose of this document is to indicate the basic approach to be applied and ^{substantive issues} 'contents' to be addressed in preparing and implementing the SAPRO. This document should be viewed as a draft, and is intended to serve as a basis for discussion between the two governments. Once an understanding and agreement has been reached in respect of the major elements and approach to be followed, the details in respect of the necessary joint work programme required, would be further spelt out for consideration and approval by both governments. (The related management and organisational arrangements are discussed in the document entitled 'The Inter-Governmental Management System for the Preparation and Implementation of a Structural Adjustment Programme').

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and other resource transfers

which to determine the nature and extent of budgetary transfers necessary from South African Government to the Ciskei Government on a multi-year basis to support the attainment of a sustainable budgetary situation.

Consideration.

Secondly, the existing arrangements and practices in respect of bilateral co-operation. It is clear that in certain instances financial and economic decisions are taken by one or both of the governments which have important fiscal impacts, but where such decisions are not co-ordinated with budgetary decisions. Such decisions are therefore, not necessarily financially sustainable. (Examples of such decisions are 'inter-alia' in respect of salary parity, partly in respect of social pensions and other government services, and decisions in respect of bridging finance).

Thirdly, the perception exists that there is a need for institutional strengthening in Ciskeian Public Sector which would lead to a more optimal mobilisation and utilisation of scarce resources.

2.3

The introduction of the SAPRO must achieve the establishment of a sound bilateral system of co-operation, which will integrate the processes of policy and decision making, and planning, programming and budgeting between both the South African and Ciskei Governments. The system can only be successful if special attention is given to the management of resources by both governments. As such, a well managed and formally agreed upon system of co-operation between the two governments is essential.

Therefore, to achieve this, the following specific objectives must be attained.

2.3.1 Firstly, to *enhance* introduce appropriate economic programming departing from the consideration and introduction of sound economic policies, strategies and plans at both the macro and sectoral levels.

2.3.2 Secondly, to determine the multi-year basis upon which budgetary transfers will take place *from* between the South African Government and the Ciskei Government so as to address those structural imbalances which came about as a result of the existing *and other resources* financial arrangements.

2.3.3 Thirdly, to move as soon as possible to a situation of a more sustainable budgetary *bilateral* situation over the medium term. (Sustainable

continued

budgetary situation to imply the funding of agreed to expenditure levels from appropriate sources including concessionary funding, budgetary transfers and own revenue).

- 2.3.4 Fourthly, to review and where necessary strengthen existing institutional capacity and arrangements.

3. THE CONTENT AND CHARACTERISTICS OF A STRUCTURAL ADJUSTMENT PROGRAMME

3.1 The content of a Structural Adjustment Programme

From the above it can be concluded that:

- 3.1.1 The SAPRO should consist of a multi-year budget which can be sustained by appropriate financial resources.

- 3.1.2 The multi-year budget should be based on appropriate policies, strategies, plans and programmes to ensure the effective mobilisation and utilization of scarce resources.

- 3.1.3 The optimal mobilisation and utilization of scarce resources require that specific attention is given to institutional strengthening. (Clearly the above contents must be pursued within the context of effective management and organisational arrangements, including bilateral arrangements. Refer to the document 'The Inter-Governmental Management Systems for the preparation and implementation of a Structural Adjustment Programme').

3.2 Characteristics of the SAPRO

In addressing the basic contents of the SAPRO it is important that:

- 3.2.1 Multi-year budgets once thoroughly prepared, should be considered and agreed to by the two governments. Thereafter, all decisions should take account of their fiscal impact on the multi-year budget, and would need to include clear decisions on how such fiscal implications will be accommodated to ensure that the multi-year budget maintains its balanced position and can be sustained.

- 3.2.2 To address the structural imbalances and to move towards a more optimal mobilisation of resources, a systematic process should be introduced to appraise existing policies,

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strategies, plans, programmes, budgets and the related institutional arrangements, and to introduce appropriate reforms (i.e on the basis of work already completed) which will be required to achieve the objectives stated above. This extensive process of analysis and appraisal should depart from a clear and agreed ~~to~~ strategic policy framework. The appraisal can best and most objectively be undertaken if a comprehensive framework of appropriate yardsticks is developed within the context of the agreed ~~to~~ strategic policy framework.

3.2.3 The outcome of the various processes of investigation and analysis, and the related decision making will necessitate that the multi-year budget be adjusted appropriately on an ongoing basis.

3.2.4 The annual budget should be prepared ^{within} the ^{framework} of a ~~agreed to~~ multi-year budget ~~as the point of~~ departure.

3.2.5 Once there is agreement on the annual budget, this outcome needs to be 'fed into', and adjustments/revisions made to the 'rolling multi-year budget'.

3.2.6 The above also requires that all decisions taken by any one or both of the governments, and which will have a fiscal impact, need to be cleared through the structural adjustment system as provided for in the agreement. By so doing it could ~~either be verified~~ that such decisions are in harmony with agreed ~~to~~ budgetary arrangements, or if not, ~~what~~ ^{whether} adjustment in budgetary arrangements will need to be considered.

will be possible to verify

3.2.7 It is clear from the above that the SAPRO, in its preparation, consists of a wide array of ongoing actions which need to be completed. In light of the extent and diversity of the actions in preparing a SAPRO, ~~it would require~~ very clear managerial arrangements, to ensure the programme reaches its ~~goals~~ and objectives.

are required

DBSA to Add introductory paragraph on National Development Plan

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4. THE PREPARATION OF A STRUCTURAL ADJUSTMENT PROGRAMME

4.1 Structuring of a work programme

The preparation of proposals in respect of the first structural adjustment programme which needs to be considered and agreed to by the two Governments, will require an extensive and well managed work programme. (See attached Annexure I which contains the "main agenda" for such a work programme.)

Whilst taking due cognisance of work done to date and work in progress relating to socio-economic development and the alleviation of backlogs, the work programme will need to include the following:

- 4.1.1 The preparation of a 'fiscal plan' which is to be developed and agreed to as soon as possible. The fiscal plan will be developed within the context of the existing socio-economic environment. The fiscal plan should include an agreed upon financial framework and guidelines. The agreed upon financial framework and guidelines would then serve as the point of departure for further work in respect of multi-year planning and programming, as well as the preparation of the multi-year budget.
- 4.1.2 Such a fiscal plan will also need to address alternative financial scenarios with specific emphasis on the main financial variables namely; expenditure, revenue and other sources of finance. Such scenarios would by necessity have to take cognizance of data and analysis pertaining to macro (regional and sub-regional) socio-economic and political trends, and planning, policy and strategy initiatives.
- 4.1.3 The establishment of agreed upon targets/guidelines in respect of the budget. The fiscal plan would also need to contain specific guidelines or targets based on the application of appropriate yardsticks in respect of the main elements of a budget. Such guidelines would include recurrent expenditure vis-a-vis capital expenditure, personnel costs, provision for the procurement, utilisation and maintenance of assets, provision for the main functions and sectors, etc.
- 4.1.4 Programme of 'zero base' analysis: Utilizing the results from the agreed to fiscal plan, an extensive programme needs to be launched departing from 'zero base' analysis of existing socio-economic policies and

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strategies, as well as related plans, programmes, budgets and institutional arrangements. This analysis will be in respect of the most important horizontal or non-sector specific budgetary items (such as personnel expenditure), as well as in respect of each main function or sector (such as health and education).

4.2 Formulation of recommendations

This work needs to be undertaken ~~on a~~ systematically basis to result in recommendations in respect of policy reform, and the adjustment of strategies, plans, programmes and budgets which can lead to a more sustainable position as well as a more effective and efficient utilization of scarce resources. Such recommendations should also be related to appropriate measures in respect of institutional strengthening and rationalisation.

4.3 Submission and approval of recommendations

The recommendations will need to be considered via the CSAC which, after due consideration, will forward the recommendations to the ~~two governments~~ for their consideration. Once decisions have been taken and agreed to in respect of these matters, such decisions will again be the basis of preparing both subsequent multi-year, as well as the annual budgets.

relevant Ministers of the two Governments

ANNEXURE I

**WORK PROGRAMME FOR THE PREPARATION OF A MULTI-YEAR
STRUCTURAL ADJUSTMENT PROGRAMME**

All the work that needs to be done in terms of this work programme, will be undertaken whilst taking account of the following macro issues; macro economic planning, policy and strategy at regional and sub-regional levels, macro socio-economic issues and trends, macro economic data base and developments on the political front.

First step to be National Development Plan

1. PREPARATION OF A FISCAL PLAN AND MULTI-YEAR BUDGET
 - 1.1 The Fiscal Plan will include an analysis of:
 - Existing budgetary trends;
 - structure of the sources of funds mobilized; and
 - structure of the application of funds.
 - 1.2 On the basis of the above analysis alternative financial scenarios will be prepared. The scenarios will focus on:
 - Expenditure
 - Revenue
 - Other sources of finance
 - 1.3 The Fiscal Plan will contain guidelines and targets in respect of the following main elements of the budget:
 - Recurrent vs capital expenditure
 - Personnel costs
 - Provision for the procurement and utilization of assets
 - Provision for the main sectors
 - 1.4 Lastly, the Fiscal Plan will:
 - Provide an overall financial framework which will serve as the point of departure for multi-year planning, programming and budgeting;

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- identify issues to be further addressed such as the future basis of budgetary transfers on a multi-year basis; and
- serve as a basis for identifying the nature and context of the work programme to be launched in respect of zero base analysis of existing socio-economic policies and strategies, as well as related plans, programmes and budgets.

2. ANALYSIS OF NON-SECTOR-SPECIFIC ISSUES AND SECTORS OR FUNCTIONS.

For both sectoral and non-sector specific issues, this will include a zero base analysis of existing strategies, policies, plans, programmes, budgets and institutional arrangements. A strategic policy framework will be prepared as well as derived yardsticks to serve as basis for the analysis to be undertaken. The outcome of the analysis will be considered and policy decisions will need to be taken based on issues and choices which will be brought forward by the analysis. Such policy decision will serve again as basis for multi-year planning, programming and budgeting in respect of each non-sector specific issues and sectors/functions.

In terms of the above the following elements will be considered:

2.1 NON-SECTOR SPECIFIC ISSUES

2.1.1 Institutional issues

2.1.1.1 Management of human resources

- Manpower
- Organisational arrangements i.r.o. Government administration

2.1.1.2 Management of Financial Resources

- Effectiveness of Treasury and the office of the Accountant-General
- Effectiveness of the audit function
- Financial management of all departments

2.1.1.3 Other Institutional Issues

- Parastatals
- Local authorities
- Role of NGO'S

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2.1.2 Economic and Financial Issues

2.1.2.1 Procurement, utilisation and maintenance of assets

- Facilities
- Infrastructure
- Vehicles
- Stocks and stores

2.1.2.2 Management of financial resources

- Debt management
- Revenue
- Mobilisation of financial resources

2.2 SECTORAL/FUNCTIONAL ISSUES

- Rural and Agriculture
- Urban
- Infrastructure
- Human Resources Development (including Primary and Secondary Education)
- Business and Entrepreneurial
- Health
- Social Security
- Security Services
- Law and Order
- Other sectors/functions

CISKEI

DATE: 19 FEBRUARY 1992

**THE INTER-GOVERNMENTAL MANAGEMENT SYSTEM FOR THE
PREPARATION AND IMPLEMENTATION OF A STRUCTURAL
ADJUSTMENT PROGRAMME (SAPRO)**

1. INTRODUCTION

The introduction of the multi-year SAPRO, on a bilateral basis between the South African Government and the Ciskei Government, necessitates an effective management system to ensure that the programmes reach the stated overall goals and objectives.

To this end, the co-operation agreement on structural adjustment provides the basis for the two Governments to prepare and implement a SAPRO and to introduce an appropriate inter-governmental management system necessary for the efficient and effective management of this process.

The purpose of this document is ~~to~~ ^{AAA} propose the broad outline of an inter-governmental management system in respect of the agreement. The document therefore deals with the overall structures, as a broad proposal. It is important to note, however, that these proposals do not suggest an elaborate and involved system, but one which is merely a systematic description of a process which already exists. Neither is it suggested that the bodies would have to follow a cumbersome meeting schedule, but rather that regular communication should take place among the various representatives by using modern communication methods. These proposals thus serve only as a basis for further bilateral negotiation and refinement.

As indicated, the document only addresses the required management system i.r.o the cooperation arrangements between the two Governments. It will, however, be important for each of the parties involved to develop their own internal management systems and to link these internal systems to the proposed inter-governmental management system. This will allow greater internal coordination, and prevent ad hoc bilateral actions. How these respective internal management systems interface with the overall management system for the SAPRO, will also have to be determined.

2. THE OVERALL MANAGEMENT SYSTEM I.R.O. THE CO-OPERATION ARRANGEMENTS

The management system can be seen to operate on two levels - firstly the strategic policy level and secondly the operational level (see Diagram I). On the strategic level, the whole process is given strategic guidance, and managed as a total programme pertaining to all the participants. At the operational level the SAPRO is prepared, implemented, managed, monitored and adopted as an ongoing dynamic process.

2.1 The strategic level

The main body providing the overall strategic guidance and monitoring, is the Bilateral Ministerial Committee, which was instituted in 1982.

Article 7(3) of the agreement refers to this. This Committee should guide and monitor the adjustment process on both the political and strategic policy level in order to ensure that the spirit of the agreement is adhered to. Furthermore, the Committee should provide policy guidance and takes the required policy decisions, and should do so by striving to reach consensus.

Also on the strategic level (in an executive capacity) is the Ciskei Structural Adjustment Committee (CSAC) itself. The objective of the CSAC is described, as follows, in the agreement: "... to facilitate and guide the structural adjustment process, to investigate issues pertaining to the management of the process, take management decisions in this respect, and to advise and make recommendations to the Parties on the content of, or any policy issue related to the SAPRO" [Article 4 (2)].

It is clear from the above that the CSAC is mainly responsible for the preparation and evaluation of the implementation of the SAPRO and its strategic management. As such, it will consider the definition of objectives, interpret strategic imperatives and mould them into broad guidelines for the operational level. The CSAC forms, on the strategic level, the link between the political level and the technical/professional level.

It is important to note that once the required decisions have been taken at political level, after consideration of recommendations of the CSAC, the responsibility for the implementation of decisions and the SAPRO as a whole, rests with the two governments. This is to be monitored by CSAC with the assistance of the Secretariat.

*Bank to:**Include that EXCO can decide quickly.*

2.2 The operational level

2.2.1 Executive Committee

At the operational level, the CSAC is assisted by an Executive Committee (EXCO). The main purpose of the EXCO is to strengthen the functioning of CSAC at operational level by facilitating the management of the structural adjustment process on an ongoing basis. The EXCO, therefore, assists the CSAC in the execution of its responsibilities by facilitating the operational management of the SAPRO. It must, therefore, have the ~~required~~ ^{sufficient} delegated authority so as to be able to ensure that the decisions of CSAC are correctly executed. It must also report back to the CSAC on progress ~~and~~ ^{that} all decisions taken.

The EXCO will be responsible for the organisational structure at operational level and will appoint steering committees and task teams to implement the decisions of CSAC. It will also be the prime responsibility of the EXCO to monitor and ensure the efficient functions of the management system as a whole (see separate document for further details).

2.2.3 Steering Committees and Task Teams

A whole range of investigations and detailed follow-up actions, will be required in the preparations of the SAPRO. In order for the CSAC to give proper effect to this, a system of Steering Committees (S.Cs) and Task Teams (T.Ts) is proposed. The Steering Committees will act as operational management teams with a very specific focus. It will as such, assume responsibilities for specific components/elements of the programme. In performing a managerial role, the S.Cs will be responsible for the execution of the work programme as determined by the CSAC.

The following two elements of the work programme, towards the preparation of a SAPRO, are macro in nature and are therefore defined as non-sector specific:

- (i) economic and financial issues, and
- (ii) institutional issues.

It is therefore proposed that the appointment of the following two main steering committees be considered:

- (i) The Economic and Financial Steering Committee
- (ii) The Institutional Steering Committee

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The Economic and Financial Steering Committee will have to take overall responsibility for the preparation of the multi-year budgets and the annual budgets and, therefore, replaces the "budgetary task team" which fulfilled this role previously where such arrangements were in place. The Institutional Steering Committee is responsible for facilitating the process of addressing institutional issues in a coherent way. (Refer to Annexure I for a comprehensive list of responsibilities).

The work programme also provides for sectoral and/or functional elements and it is therefore proposed that additional steering committees¹ also be considered for each sector or function that needs to be addressed (for example rural and agriculture, health, urban, etc. (Refer to Diagram I)

The same elements that apply with regard to the preparation of the annual budgetary process of the two main steering committees are also applicable to these other steering committees, but with a different emphasis. It is, therefore, recommended that these steering committees also participate in the facilitation of the preparation and implementation of the multi-year and the annual budgets but within a sectoral or functional context. (Refer to Annexure 1)

It is also important to note that each of the main elements, as defined in the work programme, would need to be undertaken in such a way that the overall optimization of the mobilization and application of resources is promoted. This means that the management approach and system needs to ensure that the necessary co-ordination and integration of all the work takes place. This also means that all decisions in respect of SAPRO needs to be internally consistent and that the proposals in respect of a SAPRO would need to be considered in a coherent manner.

Steering committees will consist of representatives of both governments, as well as the Secretariat. These steering committees will have to be kept as small as possible in order to ensure effectiveness of their managerial role. The specific managerial responsibility requires that representation would need to be at senior level.

The responsibilities of the system of steering committees as described above, would be managerial in nature. The technical work that needs to be done under the guidance of such steering committees will

¹ The SA Government will include representatives of functional line departments in its delegations to these sectoral/functional steering committees.

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be undertaken by task teams, or where appropriate by way of technical assistance projects which provide for the contracting of experts/consultants to undertake such technical work.

The principle would need to be applied that the most effective task team is very often also the smallest task team. It will not be necessary to ensure representation of all parties. If technical work is to be undertaken by way of technical assistance projects, an approval of the CSAC or EXCO will be deemed as a formal application to DBSA for such support.

According to the stipulations of the agreement, the Secretariat will act as convenor of both the steering committees and task teams.

2.2.4 The Secretariat

In terms of the agreement [Article 6 (1)], a Secretariat of the CSAC will be appointed by agreement between the signatories.

The functions of the Secretariat are spelt out in Article 6(4) of the agreement. Its primary function is to provide professional advice and/or mobilise professional input required for any matter pertaining to the SAPRO. Furthermore, other resultant functions of an administrative nature will be provided.

To enhance its capacity the Secretariat may from time to time find it necessary to contract with either individuals or institutions to act as part of or on behalf of the Secretariat².

An integral part of the Secretariat is the Programme Co-ordinating Committee which acts as an extension of the Secretariat but stationed in Bisho. This Committee under the chairmanship of a person designated by the Secretariat, will in terms of the agreement [Article 6(5)] mainly act as official point of liaison between the signatories, CSAC, EXCO and the Secretariat (see separate document for further details).

ciskei/gen

² SECOSAF has been contracted in this way to provide administrative secretariat functions in respect of the TBVC States

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STEERING COMMITTEES

RESPONSIBILITIES

1. MAIN STEERING COMMITTEES

1.1 Economic & Financial

Multi-year
Adjustment:

Structural

- Preparation of a fiscal plan
- Preparation of multi-year budget
- Debt management
- State revenue
- Mobilization of other financial resources
- Procurement, utilisation and maintenance of assets

Annual Budget:

- Preparation of overall budget *thereof*
- Monitoring of budget *with and* ~~emphasis on~~ the control on the flow of funds, utilisation of overdraft facilities and the lifting of suspensions
- Overall coordination of budgetary and other financial arrangements.

1.2 Institutional
Committee

Steering

- Facilitate the coordination of institutional activities of a macro nature, as well as across sectors.
- Facilitate the management of Human Resources, including manpower and salary policies and the overall organisational arrangements of the public sector in general and the government administration specifically.
- Financial management (in close consultation with the Economic and Financial Steering Committee)

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- The role and functioning of parastatals and local authorities
 - The role of NGOs
 - The budgetary implications of manpower
2. SECTORAL AND/OR FUNCTIONAL STEERING COMMITTEES
- Responsible for analysis and recommendations in respect of sectoral/functional plans strategies, policies, programmes, budgets, and institutional arrangements.

Steering committees are to be implemented for the following sectors and/or functions:-

- Rural and Agricultural development
- Urban development
- Infrastructure development
- Health services and social security
- Law & Order
- Security services
- Human Resource development (including education and labour relations)
- Business and entrepreneurial development (all economic sectors except agriculture and forestry)

CISKEI/GEN2

Organogram (see art design - jk911107/SAP)

CISKEI

DATE: 20 FEBRUARY 1992

THE ROLE AND FUNCTIONS OF THE EXECUTIVE COMMITTEE OF THE CISKEI STRUCTURAL ADJUSTMENT COMMITTEE

1. INTRODUCTION

As envisaged in the recently signed Co-operation Agreement regarding Structural Adjustment, appropriate management and organizational arrangements are to be negotiated between the parties in order to facilitate the effective and efficient management of the structural adjustment process.

In this regard initial work has already been done by the Secretariat in formulating proposals on the total management system including the role and functions of CSAC, the Programme Co-ordinating Committee, the Secretariat and all the relevant parties working within the structural adjustment process.

In order to strengthen the managerial system, it is proposed that an executive committee (EXCO) be established to facilitate the management of the structural adjustment process. As such EXCO will form part of the total managerial system.

The rest of the document consists of:

- The functions and responsibilities of EXCO;
- Composition of EXCO;
- How the EXCO is to operate;
- Recommendations.

2. FUNCTIONS AND RESPONSIBILITIES OF EXCO

In order to view the proposed functions of EXCO in the right context, it is important to briefly confirm the levels at which CSAC and EXCO will have to operate. CSAC will primarily function at the strategic level guiding the SAPRO towards reaching specific objectives. EXCO in contrast, should function at the operational level facilitating the management of the process and derives its mandate from the basic decisions made at the CSAC meeting.

It is therefore proposed that the functions of EXCO be the following:

- Act as the operational management and administrative support committee to CSAC;

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- steer/guide the SAPRO on an operational basis;
- be responsible for the organisational structure at operational level to achieve its purpose and shall appoint the steering committees and task teams to implement the decisions of CSAC;
- facilitate the implementation of the SAPRO;
- expedite follow-up actions emanating from CSAC meetings;
- manage the process procedurally, i.e. ensure that activities pertaining to the SAPRO are appropriately scheduled/programmed and executed, including those resulting from CSAC resolutions; and
- serve as a consultative forum where members would be able to resolve issues between CSAC meetings. (Subject to the appropriate delegation from CSAC).

3. COMPOSITION OF EXCO

In light of its function it is proposed that the EXCO consists of:

- Ciskei leader of CSAC delegation (or his nominee);
- RSA leader of CSAC delegation (or his nominee);
- The Chairman (or vice-chairman) of CSAC;
- The Secretariat. (As determined by the agenda of EXCO meetings); and
- The Chairman of the CSAC Programme Co-ordinating Committee as an extension of the Secretariat.

As a general principle the EXCO need to be kept as small as possible but each of the members can expand its delegation according to the agenda.

4. OPERATIONALISATION OF EXCO

The functioning of the EXCO is derived from its very purpose, namely to strengthen the management of the adjustment process and facilitate its implementation by ensuring that the follow-up work is managed accurately. In this regard it would be important for EXCO to be provided detailed follow-up action lists with critical paths clearly indicated on key issues requiring attention. The EXCO can therefore not only

- 3 -

rely on regular meetings, but members need to be in continuous contact and manage the process in a dynamic way.

Although the effectiveness of the EXCO ought not to rely on meetings per se, it would be necessary for the EXCO to meet regularly. In this regard it could be useful for instance to meet very soon after a CSAC meeting to assign responsibilities and programme follow-up actions and again later at regular intervals to monitor the follow-up required and provide further guidance. Also, the EXCO could meet before a scheduled CSAC meeting to discuss the agenda and preparation for the CSAC meeting itself.

In the light of the EXCO's operational nature, it would function primarily via regular contact and must be able to reach decisions efficiently and effectively in a process of expediting and facilitating the structural adjustment process. It is obviously difficult to determine meeting intervals and clear guidelines regarding communication between EXCO members should be established. In this regard it should be emphasized that the focus should rather be on regular communication among the various representatives by whatever modern communication methods rather than following a cumbersome meeting schedule interlocked into bureaucratic systems and procedures. It would be important therefore for its members to reach a sound working relationship thus enhancing effectiveness and efficiency.

In order to avoid duplication of functions and establishing an orderly management system and procedures, it would be important for the CSAC to provide EXCO with clear operational delegations within which it will operate.

5. RECOMMENDATIONS

It is recommended that this document serve as a basis for discussion between the parties concerned and the Secretariat. Once agreement has been reached on the role and functions of EXCO, a "charter" be drawn up formalising the establishment of the EXCO and submitted to the next CSAC meeting for approval.

<projmgt1>clskel/gen3

CISKEI

DATE: 20 FEBRUARY 1992

**CISKEI STRUCTURAL ADJUSTMENT COMMITTEE:
APPOINTMENT OF A PROGRAMME CO-ORDINATING COMMITTEE**

1. INTRODUCTION

The Co-operation Agreement regarding Structural Adjustment specified in Article 6(5) that: "Each party may designate one of its representatives on CSAC to serve on a 'CSAC Programme Co-ordinating Committee' under the chairmanship of a person designated by the Secretariat who shall be stationed in Bisho."

The agreement also stipulates that the details to the role, functions and responsibilities of the CSAC Programme Co-ordinating Committee (CSAC-PCC) shall be agreed upon by the parties. This document is aimed at facilitating a discussion between the parties and the Secretariat in this regard. Following is a brief outline of the key performance areas, organisational arrangement and related aspects.

2. KEY PERFORMANCE AREAS OF THE CSAC - PCC

The key performance areas of the CSAC-PCC should be seen in the context of Article 6(4) of the agreement which stipulates the broad outline of the functions of the Secretariat.

The CSAC-PCC is thus an extension of the Secretariat and its specific responsibilities are to:

- Act as official point of liaison in Ciskei between the signatories to the agreement, CSAC, CSAC EXCO and the Secretariat;
- Advise the parties on the technical and professional aspects pertaining to the SAPRO which consists of Economic Programming, Financial Adjustment and Institutional development;
- Act as a locally based central point of communication to ensure that a co-ordinated and consistent approach is applied in so far as the preparation of CSAC meetings, documentation formats, planning and programming of activities, following-up procedures and communication are concerned;

- 2 -

- Communicate to the relevant officials of the parties those recommendations and follow-up actions as determined at the CSAC or at EXCO;
- Monitor the implementation of those recommendations and follow-up actions and to report progress on and/or deviations in regard to CSAC decisions to the Secretariat and Chairman;
- Monitor transactions of Ciskei Government and Ciskei Government supported institutions in accordance with agreed budgets, principles and the spirit and understandings reached at CSAC. Rather than an audit function, the Committee should be alert to any deviations from the agreed to programme and performance criteria.
- Monitor and co-ordinate the submission of regular financial progress reports to the Secretariat on the structural adjustment process, cash flow and bank balances; and
- The Committee will also, on request, obtain and furnish specific information pertaining to structural adjustment to the Secretariat and all the parties. It is also expected that the Committee will, on own initiative, inform the Secretariat of any occurrences or facts that could affect the agreed to SAPRO or contravene guidelines.

In order to give effect to the abovementioned functions, the CSAC-PCC will have to have access to the administrative and executive Heads of Departments, financial management and administration of Ciskei, necessary for the execution of its responsibilities, which shall include access to all transaction agreements, bookkeeping and computer systems, bank accounts and supporting documentation of the Ciskeian Public Sector (Article 6(5)(C)).

3. ORGANISATIONAL ARRANGEMENTS

The Chairman of the CSAC-PCC will be a full member of the Secretariat and the lines of communication and managerial responsibility are to be arranged, agreed and maintained in terms of DBSA arrangements. In those cases where the to-be-appointed Chairman of the CSAC-PCC happens to be employed by a professional consulting firm, it would thus be required that, in terms of his appointment as Chairman of the CSAC-PCC, he should distance himself from the consulting firm and act as a contractual employee of DBSA.

- 3 -

Being an extension of the Secretariat, he/she will be ultimately responsible to the CSAC Chairman via the existing Secretariat organizational arrangements. The Chairman of the CSAC-PCC will be appointed on a contract basis. In terms of the financing of the agreed upon costs related to this position, they will be shared by both parties and payment will be made on their behalf by the Secretariat.

Externally to the Secretariat, no formal reporting lines will be required, but it is envisaged that the leader of the Ciskei CSAC delegation could be nominated to act as a key point of liaison within the Ciskei Government to ensure that the CSAC-PCC is able to fulfil its responsibilities.

An appropriate physical location, including support services such as typing, telephones and telefax, within the Ciskei Government would also need to be identified. It is envisaged that such a location will be in either the Department of Finance and Economic Development or Treasury.

4. APPOINTMENT OF THE CHAIRMAN OF THE CSAC-PCC

The Chairman will be appointed on a full time basis after a process of tendering based on the brief of the key performance areas of the CSAC-PCC. It is envisaged that such a person will be contracted for a set time period with a provision that the arrangements can be terminated with three months respective notice.

<projmgt1>ciskei/gen4

CISKEI GOVERNMENT
 SUBMISSION TO CODESA WORKING GROUP 4/3
 PARASTATALS

NAME	REPORTING RELATIONSHIP	RATIONALISATION PROGRAM (IF ANY)	FUTURE ROLE	FIXED ASSETS	LONG TERM LIABILITIES	GUARANTEES
1. Ciskeian Agricultural Bank	Department of Agriculture, Forestry & Rural Development	None	<u>Current</u>	R3 734 411	R1 588 021	Nil
			(a) Rural savings (b) Farmer Financing Program			
			<u>Future</u>			
			(a) Extend to financing of Rural Development Projects			
2. Ciskei Small Business Corporation	Department of Finance & Economic Development	In progress - under the Ciskei Structural adjustments program	<u>Current</u>	R6 800 000	R3 810 000	Nil
			(a) Funding and training of informal sector (b) Advisory Services (c) Provision of Workshops, Hawker stalls & Commercial hives			
			<u>Future</u>			
			Continued and expanded role in the informal sector			
3. Mayibuye Transport Corporation	Department of Transport	None	<u>Current</u>	R14 329 500	Nil	Nil
			Conveyance of passengers on a fee or contract basis			
			<u>Future</u>			
			(a) Provision of a safe, economically viable, technically efficient and socially acceptable transport service.			

CISKEI GOVERNMENT
 SUBMISSION TO CODESA WORKING GROUP 4/3
 PARASTATALS (CONTINUED)

NAME	REPORTING RELATIONSHIP	RATIONALISATION PROGRAM (IF ANY)	FUTURE ROLE	FIXED ASSETS	LONG TERM LIABILITIES	GUARANTEES
4. Ciskei Peoples Development Bank	Department of Finance & Economic Development	In progress - under The Ciskei Structural Adjustment Program	<u>Current</u> a) Commercial Development b) Industrial Development <u>Future</u> a) As above expanded into a defined economic region	R319 972 594	R97 139 084	R2 456 311
5. Ciskei Agricultural Corporation	Ministry of Agriculture, Forestry & Rural Development	No formal programme - however privatisation will affect job levels	<u>Current</u> a) Agricultural production in citrus, dairy, pineapple, livestock dairy with a view to privatise <u>Future</u> a) Specialist farmer support services b) Implementing agent on new agricultural developments	R32 443 123	R14 723 845	Nil

CISKEI GOVERNMENT

SUBMISSION TO CODESA WORKING GROUP 4/3

PARASTATALS (CONTINUED)

NAME	REPORTING RELATIONSHIP	RATIONALISATION PROGRAM (IF ANY)	FUTURE ROLE	FIXED ASSETS	LONG TERM LIABILITIES	GUARANTEES
6. Ciskei Broadcasting Corporation	Department of Foreign Affairs	None	Broadcaster	R2 430 000	R283 000	R36 000
7. CONTOUR	Department Finance & Economic Development	None	Promotes, develop and maintain tourism plant	Newly established parastatal took over assets from Ciskei Wild Life Resources, Department of Tourism and further complication in splitting assets between Contour and commercialised sections. Auditors attending to the matter. Figures to be provided as soon as they are available.		
TOTALS (EXCLUDING CONTOUR)				<u>R379 709 628</u>	<u>R117 543 950</u>	<u>R2 492 311</u>
				=====	=====	=====

CISKEI GOVERNMENT

SUBMISSION TO CODESA WORKING GROUP 4/3
PARASTATALS (CONTINUED)

PENDING PROJECTS - 1992/93 FINANCIAL YEAR

1.	<u>Mayibuye Transport Corporation</u>	
	Refurbishment of buses and replacement of scrapped business	R1 168 090
	Project dependent on approval of funds by Government in the form of Share Capital allocation.	<hr/>
2.	<u>Ciskeian Agricultural Bank</u>	
	(a) Funding of Commercial and Emerging Farmers	R5 620 000
	(b) Rural Development Projects	R1 000 000
		<hr/>
		R6 620 000
		=====
	Project implementation dependent on Government funding as in 1 above.	
3.	<u>Ciskei Small Business Corporation</u>	
	Training Centres	R3 450 000
	Premises - Workshops etc.	R1 820 000
		<hr/>
		R5 270 000
		=====
	Implementation - as in 1 above	
4.	<u>Ciskei Peoples Development Bank</u>	
	Mdantsane City Shopping Mall	R18 000 000
	Industrial Buildings & Infrastructure	R17 361 050
	Commercial Loans	R10 900 000
	In-house assets - computers, vehicles etc.	R 5 367 081
		<hr/>
		R51 628 131
		=====

Notes

- a) Shopping Mall commenced 01/04/91 - funds already allocated.
- b) Other items dependent on share capital allocation by Government and extent of available funds in-house.

CISKEI GOVERNMENT
SUBMISSION TO CODESA WORKING GROUP 4/3
PARASTATALS (CONTINUED)

PENDING PROJECTS - 1992/93 FINANCIAL YEAR (CONTINUED)

5. Ciskei Agricultural Corporation

Irrigation Equipment	R2 549 520
Agricultural Equipment	R 753 000
Tractors	R1 740 269
Trailers, Transport	R2 681 000
Buildings	R 439 000
Other miscellenous items	R1 945 816
	<hr/>
	R10 108 605

Subject to budgetary allocation and on funds available in-house.

6. Ciskei Broadcasting Corporation

Conversion of studio to steriophony	R575 050
Other	R407 800
	<hr/>
	R982 850

Subject to government budgetary allocation.

7. CONTOUR

Refer to previous comment

Totals (Excluding CONTOUR)	<hr/>
	R75 777 676
	=====

CISKEI GOVERNMENT

SUBMISSION TO CODESA WG4/3

	RSA	CISKEI
1. Taxes on Income: Persons other than companies	Various depending income/marital status	14%-20%
2. Company Taxation (Ciskei non tax free companies)	48%	48%
3. Tax free companies	N/A	0%
4. Fringe Benefit Tax	Yes	Yes
5. Non Resident Withholding Tax	Yes	Yes
6. Estate Duty	Yes (15%)	No
7. Value Added Tax	Yes (10%)	Yes (10%)
8. Regional Services Levy	Yes	No
9. Regional Industrial Development	Yes	Yes
10. Export Promotion	Yes	No
11. Stamp, Transfer and Company Duties	Yes	Yes

CISKEI GOVERNMENT

SUBMISSION TO CODESA WORKING GROUP 4/3

RETENTION OF BUSINESS CONFIDENCE

1.1 Related Tax Issues

Refer to taxation summary.

1.2 Economic Policy

- (a) Support business development by concentrating principally on industrial and commercial projects as well as programmes which are deemed to be viable and sustainable, which will create permanent job opportunities and promote active participation by Ciskeians to improve quality of life.
- (b) To pursue optimal utilisation of all economic resources in order to promote and maximise a multisectoral development approach and impact based principally on comparative advantages. This by implication will necessitate greater crossborder interaction and co-operation.
- (c) Endorsement of the free enterprise system.
- (d) To support long term financial and operational autonomy of parastatals in line with government's policies and strategies.
- (e) To maximise private sector participation in the development process in Ciskei, by facilitating a conducive investment climate and economic stability in the long term.
- (f) To actively promote, participate and co-operate in regional economic initiatives in such a way that there will be self sustained viability and growth across political boundaries in the region.
- (g) To upgrade the socio-economic base in both rural and urban areas and to develop these areas in an intergrated, orderly and self-sustaining manner.
- (h) To support and help cultivate the effective and efficient management and utilisation of scarce resources.

- (i) To support land reform programmes with the objectives to provide Ciskeians with the opportunity to own and effectively manage their land and to provide for the full commercialisation of Ciskei's land resource with due cognisance of safeguard to avoid unfair exploitation.
- (j) To support and promote the effective participation of organised business institutions and recognition of their role in promoting regional co-operation.

1.3 Industrial Incentives

- (a) Regional Industrial Development Programme

Same as RSA - document not yet available

- (b) Tax Free Companies

Company Taxation	Nil
Schedule 3 Long Term Incentives	Expire June 1993
Geographic Distance Equalizer	16% X 32 of RIDP Scheme

1.4 Extent of Investment

- (a) Industry

- Land, buildings & infrastructure (Ciskei Peoples Development Bank)	R200 160 000
- Fixed Assets (Plant, buildings etc privately owned by industrial concerns)	R386 702 000
	<hr/>
Sub-total	R586 863 000
	<hr/>

- (b) Commerce [Estimate from various sources]

R217 060 000

Submission to Codesa W9413
Development Projects

DEPARTMENT OF PUBLIC WORKS						
VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	REMAINDER	PROJECT TOTAL
23	PUBLIC WORKS SUMMARY					
A	COUNCIL OF STATE	0	1,040,000	1,000,000	0	2,040,000
B	DEFENCE FORCE	0	0	2,300,000	0	2,300,000
C	EDUCATION	5,715,000	20,732,000	71,968,000	71,000,000	163,700,000
D	AGRICULTURE & RURAL DEVELOPMENT	757,000	2,290,000	5,250,000	0	7,540,000
E	JUSTICE	0	330,000	6,800,000	7,000,000	14,130,000
F	HEALTH	10,982,000	6,000,000	7,200,000	11,250,000	24,450,000
G	INTERNAL AFFAIRS & LAND TENURE	50,000	810,000	20,500,000	14,950,000	36,260,000
H	MANPOWER UTILISATION	0	0	0	0	0
I	TRANSPORT	995,000	915,000	2,450,000	1,400,000	4,765,000
J	PUBLIC WORKS	22,496,000	76,573,900	99,990,000	105,755,000	281,810,900
K	FOREIGN AFFAIRS	0	0	0	0	0
L	POSTS & TELECOMMUNICATIONS	2,300,000	1,066,000	540,000	2,250,000	3,576,000
M	POLICE	3,312,000	1,200,000	19,000,000	0	20,200,000
N	PRISONS	18,727,000	12,250,000	15,000,000	1,500,000	30,350,000
TOTAL VOTE 23:		66,234,000	124,126,900	252,998,000	215,405,000	592,529,900
			124,126,900			

1. 1992/93 budget estimates subject to Treasury Approval and also subject to bilateral discussions between RSA & Ciskei

DEPARTMENT OF PUBLIC WORKS

VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	REMAINDER	PROJECT TOTAL
23	E JUSTICE					
	(i) MAGISTRATES OFFICES SEYMORE		250,000	6,000,000	7,000,000	13,250,000
	MIDDLEDRIFT					0
	PEDDIE					0
	WHITTLESEA					0
	(ii) ZWELITSHA MAGISTRATES COURT		80,000	600,000		680,000
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
	ITEMS NOT REPEATED					0
	TOTAL 23 E	0	330,000	6,800,000	7,000,000	14,130,000
23	F HEALTH					
	(i) BISHO HOSPITAL	4,125,000	500,000			500,000
	(ii) HEALTH DEVELOPMENT PROGRAMME	4,750,000				0
	a) EXISTING CLINICS - Thornhill etc		100,000			100,000
	b) HOSPITALS- Nonpumelelo		800,000	2,000,000	7,500,000	10,300,000
						0
	c) NEW CLINICS		750,000	2,000,000	750,000	5,500,000
	d) UPGRADE EXISTING CLINICS		1,000,000			1,000,000
						0
						0
	(iii) CECILIA MAKINANE UPGRADING		2,500,000	3,000,000	3,000,000	6,500,000
	(iv) ZIGGOLO VILLAGE HEALTH CENTRE		100,000			100,000
	(v) THEMDELIMLE TRAINING SCHOOL		50,000			50,000
	(vi) SOCIAL WORKERS OFFICES (5)		0			0
	(vii) HEALTH INSPECTORS OFFICES (4)		0	0		0
	(viii) UPGRADE SOCIAL WELFARE OFFICES (5)		0			0
	(ix) UPGRADE OLD AGE HOME PEDDIE		200,000			200,000
	(x) PERMANENT STAND AGRICULTURAL SHOW		0			0
	(xi) IZIKO LOLUTSHA			200,000		200,000
	(xii) UPGRADE KHAYATHEMBA CHILDRENS HOME					0
	HEMU HOSPITAL	2,107,000				0
	ITEMS NOT REPEATED					0
	TOTAL 23 F	10,982,000	6,000,000	7,200,000	11,250,000	24,450,000

DEPARTMENT OF PUBLIC WORKS

VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	REMAINDER	PROJECT TOTAL
23	L POSTS AND TELECOMMUNICATIONS					
	(i) WEISKAMA HDEK PD		326,000			326,000
	(ii) BISHO PD			300,000	2,250,000	2,550,000
	(iii) DEBE NECK PD			100,000		100,000
	(iv) ALICE PD	2,300,000	200,000			200,000
	(v) PEDDIE PD AND EXCHANGE		360,000			360,000
	(vi) MIDDLEDRIFF PD			140,000		140,000
	(vii) WESLEY PD					0
	(viii) HAMBURG PD					0
	(ix) SADA PD					0
	(x) EKUPHUMLENT PD					0
	(xi) MDANTSANE EXTENSIONS	700,000	200,000			200,000
	(xii) PHAKAMISA PD					0
	(xiii) SEYMORE PD					0
	(xiv) UPGRADE EXCHANGES					0
	(xv) MICRO WAVE TOWERS					0
						0
						0
						0
						0
						0
						0
	ITEMS NOT REPEATED					0
	TOTAL 23 L	3,300,000	1,036,000	540,000	2,250,000	3,876,000
23	M POLICE					
	I (i) POLICE DEVELOPMENT PROGRAMME	1,000,000	550,000			550,000
	(ii) BISHO		300,000	15,000,000		15,300,000
	(iii) SECURITY RISK POINTS	2,312,000	350,000	4,000,000		4,350,000
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
	ITEMS NOT REPEATED					0
	TOTAL 23 M	3,312,000	1,200,000	19,000,000	0	20,200,000

DEPARTMENT OF PUBLIC WORKS

VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	REMAINDER	PROJECT TOTAL
23 J	(i) WATER DEVELOPMENT					0
1						0
2						0
3	WATER DEVELOPMENT PLAN	344,000	50,000			50,000
4	PEDDIE REGIONAL WATER SUPPLY		1,000,000			1,000,000
5	WESLEY REGIONAL W/S CTB 2108/1-6		660,000			660,000
6	TYUMIE REGIONAL WATER SUPPLY		300,000	3,000,000		3,300,000
7	RODIKRANTZ WATER SUPPLY		500,000	12,048,000		12,548,000
8	LOWER FISH RIVER	100,000	500,000	500,000		1,000,000
9						0
10	HOGSBACK HYDRO-PROJECT	313,000	500,000			500,000
11						0
12	RURAL DOMESTIC WATER SUPPLIES					0
	(a)					0
	(b)					0
	(c) Mncotsha CTB 2099		200,000	1,500,000		1,700,000
	(d) Henu CTB 2098		83,000			83,000
	(e)		0	250,000		250,000
	(f) Kezo Area		500,000	3,250,000		3,750,000
13	NGWEKAZI WATER WORKS UPGRADING	35,000	7,700			7,700
14	TELEMETRY	195,000	150,000	150,000		300,000
15	CISKEI DAM SAFETY & SILT SURVEY	300,000	800,000	500,000		1,100,000
16			see Vote 23 J 15	125,000		125,000
17	SANDILE WATER SUPPLY	464,000	23,000	0		23,000
18						0
19	BERLIN PUMP MAIN AND MID BUF UPGRAD		53,000			53,000
						0
						0
20	TAMARA POLICE STATION SEWAGE PONDS		6,000	0		6,000
21	YELLOWWOODS REGIONAL W/S SCHEME	50,000	150,000			150,000
22	DIMBAZA SEWAGE WORKS REPL. GEARBOXES	153,000	complete	0		0
23	ILITHA SEWAGE WORKS UPGRADING		1,650,000	65,000		1,715,000
24	MDANTSANE SEWEPAGE WORKS REFURBISH	800,000	1,000,000	0		1,000,000
25	BINFIELD PARK RECREATION		0	200,000	290,000	490,000
26	ROCKLANDS POLICE STATION OXI. PONDS		180,000	40,000		220,000
27	NTABA KANGODA WATER SUPPLY UPGRADE		0	no longer required		0
28	FRANKFORT WATER SUPPLY	603,000	50,000	0		50,000
29	COMMERCIALISATION OF SEWEPAGE WORKS	100,000	800,000	2,150,000	2,150,000	5,100,000
30	SYSTEMS ANALYSIS	150,000	150,000	0		150,000
31	FEASIBILITY STUDIES	100,000	138,200	projects to treasury		138,200
32	PRIVATE CONNECTIONS		150,000	150,000		300,000
	SMART KEI BASIN STUDY (RSA)		160,000			160,000
	PROVISION OF BOREHOLES & EQUIPMENT		450,000			450,000
						0
						0
						0
	TOTAL 23 J (i)	3,707,000	10,015,900	23,928,000	2,440,000	36,382,900

DEPARTMENT OF PUBLIC WORKS

VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	REMAINDER	PROJECT TOTAL
23 J (iii)	ROADS DEVELOPMENT					
1	SMALL BRIDGES AND MAJOR CULVERTS	580,000				0
	a) Contract		900,000			900,000
	b) Departmental		600,000			600,000
2	ZWELITSHA - NEEDS CAMP		400,000			400,000
3	BORROW PIT DEVELOPMENT		69,000			69,000
4	UPGRADE MAIN ROAD ZOKWA (LUSHINGTON)		0	0 apply to DBSA		0
5	PEDDIE - CROSSROADS		200,000			200,000
6	ROADS CAMPS UPGRADE		230,000			230,000
7	BISHO - KEI ROAD		300,000			300,000
8						0
9	LOVERS TWIST - LILYVALE		12,000,000	25,000,000	30,000,000	67,000,000
10	FISH RIVER - KING WILLIAMS TOWN		100,000			100,000
11	FENCING TRUNK ROADS 100km		2,500,000	2,000,000		4,500,000
12	ROAD MANAGEMENT STUDY	200,000	200,000	50,000		250,000
13	UPGRADING OF SIGNPOSTING		575,000	500,000		1,075,000
14	INTERNATIONAL BRIDGES		1,955,000	2,000,000	2,000,000	5,955,000
15	TYUTYU BALASI LINK		100,000	1,000,000		1,100,000
16	FEASIBILITY STUDIES DIL FUNDS PROJECTS		175,000 7,600,000			175,000 7,600,000
	ITEMS NOT REPEATED					0
	TOTAL 23 J (iii)	780,000	27,994,000	30,550,000	32,000,000	90,454,000
23 J (iv)	MINOR WORKS					
1	COMPLETIONS WORKS	500,000	500,000			500,000
2	DRILLING OF BOREHOLES		see vote 23J134			0
3	EQUIPMENT WINDMILLS & RESERVOIRS		see vote 23J134			0
4	EMERGENCY MISCEL. NEW MINOR WORKS		0			0
5	UPGRADE KIWANE		150,000			150,000
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
						0
	ITEMS NOT REPEATED					0
	TOTAL 23 J (iv)	500,000	650,000	0	0	650,000

DEPARTMENT OF PUBLIC WORKS

VOTE	DESCRIPTION	91/92	92/93 TOTAL	93/94	PROJECT TOTAL
7	MDANTSANE BULK INFRASTRUCTURE AUGM.	2,940,000			
	a) Project Management		460,000	460,000	1,400,000
	b) Water Supply		160,000	3,300,000	6,000,000
	c) Roads Gwasa and Steep Roads		1,615,000	5,800,000	19,000,000
	d) Electrical		460,000	5,000,000	20,000,000
	e) Town Planning		36,000	20,000	56,000
	f) Sewerage		1,250,000	2,500,000	1,500,000
	g) Sisa Dukashe Stadium Upgrade		115,000	150,000	265,000
	h) Financial Evaluation		0	30,000	30,000
					0
8	ZWELITSHA PROGRAMME	1,660,000			
	a) Road Resealing		250,000		250,000
	b) Services Infill Areas		0		0
	c) Industrial Area Bulk Services		40,000		40,000
	d) Water Reticulation Upgrade		1,800,000	2,300,000	5,000,000
	e) Intersection Upgrade		100,000		100,000
	f) Bus Route Upgrade		100,000	1,000,000	2,000,000
	g) Sewerage Upgrade		20,000	100,000	3,100,000
	h) Water Tower		1,000,000	200,000	1,200,000
9	SOLID WASTE	800,000			
	a) Mdantsane		300,000	300,000	600,000
	b) Potsoam		100,000	200,000	200,000
	c) Diebaza		200,000	100,000	300,000
	d) Sada		10,000	0	10,000
	e) Zwelitsha		150,000	0	150,000
10	PHAKAMISA PROGRAMME	550,000			
	a) Bulk Water South		1,000,000	275,000	1,275,000
	b) Internal Reticulation South		500,000	50,000	550,000
	c) Electrical Reticulation South		1,000,000	800,000	1,800,000
	d) Sewer South		2,000,000	1,910,000	3,910,000
	e) Roads & Storm Water South		1,600,000	700,000	1,700,000
	f) Phase II		50,000	50,000	100,000
	g) Services Phase III & IV		0	2,500,000	2,500,000
	h) Recreation Facilities		Vote 125vii		0
	i) Project Management		80,000	50,000	15,000
11	ILITHA PROGRAMME	220,000			
	a) Ilitha Toilet Replacement		220,000		220,000
	b) Ilitha Reservoir		20,000	500,000	500,000
	c) Community Hall		0	450,000	450,000
	d) Sewerage Upgrade		100,000	1,100,000	1,200,000
12	PUBLIC WORKS				
	a) Depots		550,000	100,000	650,000
	b) Fire Stations	600,000	400,000	100,000	500,000
	c) Housing Sewer Workers		300,000	30,000	330,000
	d) Head Office Accomodation		0		0
	e) Security Upgrade		200,000	600,000	400,000
	f) Electrical Depot		0	0	0
13	FEASIBILITY STUDIES				
					0
	TOTAL 23 J (v)	6,770,000	15,586,000	31,895,000	57,615,000
					105,026,000

CISKEI GOVERNMENT

CODESA WG4/3

1. CISKEI GOVERNMENT PENSION FUND

	EMPLOYEE	EMPLOYER
1.1 Pension Fund		
Males	8%	R2,20
Females	8%	R2,20
1.2 Gratuities		
- 6,72% X Final salary notch X service		

2. CISKEI PEOPLES DEVELOPMENT BANK PENSION FUND

2.1 PENSION FUND		
Males/Females	7,5%	15,4%
2.2 Gratuities (Other than 1/3 Lump Sum payment on retirement)	NIL	NIL

3. LAST ACTUARIAL VALUATION DATE

3.1 Government Pension Fund	31 March 1990
3.2 CPDB Pension Fund	28 February 1990

4. Funding Level at Valuation Date

4.1 Government Pension Fund	102%
4.2 CPDB Pension Fund	112%

5. Membership

5.1 Ciskei Government Pension Fund
- All Civil Servants

5.2 Ciskei Peoples Development Bank Pension Fund

- Ciskei Peoples Development Bank
- Ciskei Agricultural Corporation
- Ciskei Agricultural Bank
- Ciskei Farmers Co-operative
- Ciskei Agricultural Marketing
- CONTOUR
- Ciskei Broadcasting Corporation
- Bisho City Corporation
- Ciskei Small Business Corporation
- Hamburg Municipality