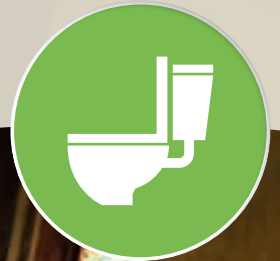


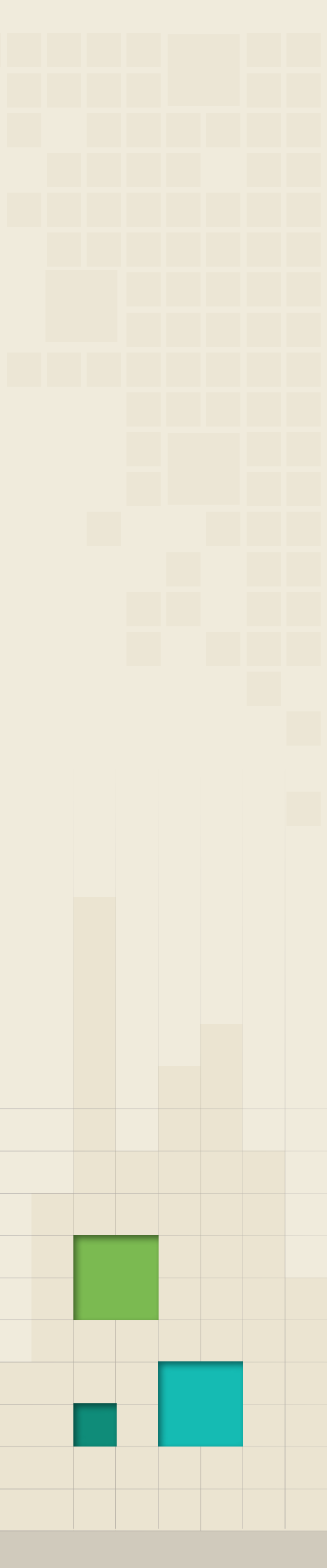
ANALYSIS OF THE FUNDING FOR SCHOOL INFRASTRUCTURE



CENTRE FOR
CHILD LAW



UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
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Contact

Karabo Ozah

Director

Centre for Child Law

University of Pretoria, Lynwood Road, Hatfield

Karabo.ozah@up.ac.za

Centre for Child Law

Faculty of Law, University of Pretoria (Hatfield)

Cnr Lynnwood and University Road

Hatfield

Pretoria

0002

Project Team

Carmen Abdoll: carmen@cornerstonsa.net

Senior Economist with Cornerstone Economic Research

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List of Abbreviations

APP	Annual Performance Plan
ASIDI	Accelerated Schools Infrastructure Development Initiative
CCL	Centre for Child Law
DBE	Department of Basic Education
DCOGTA	Department of Cooperative Governance and Traditional Affairs
EIG	Education Infrastructure Grant
IA	Implementing Agent
IGP	Infrastructure Grant to Provinces
MTEF	Medium-Term Expenditure Framework
NT	National Treasury
PEDs	Provincial Departments of Education
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
SAFE	Sanitation Appropriate for Education
SIBG	School Infrastructure Backlogs Grant
SIP	Strategic Integrated Project
SP	Strategic Plan

EXECUTIVE SUMMARY

The history of the education system in South Africa has always been one of separation and inequality. Not only the physical separation of black students from white students but also in how government funding was spent on the different groups. Since 1994 government has, through legislation and policies, attempted to achieve fiscal equity across schools using various mechanisms enabled by legislation. How and what funding is allocated is a key mechanism in achieving fiscal equity. In this paper, funding for school infrastructure is reviewed.

There are various sources of funding available for school infrastructure. Two of the sources of funding include conditional grants (the School Infrastructure Backlog Grant and the Education Infrastructure Grant) and provincial discretionary funding (the provincial equitable share and own revenue).

When the SIBG and EIG were introduced, the national government regarded them as parts of an integrated package to address infrastructure backlogs at schools. The SIBG was ‘separated out’ to prioritise the most urgent school infrastructure backlogs. What this paper found was that:

- Since 2014, the Northern Cape and Western Cape governments have consistently allocated more than 5% of their overall education budget to infrastructure development. Since 2019, Free State has consistently allocated more than 5%. What is concerning is that Gauteng went from allocating more than 7% in 2016 to allocating less than 4% in 2025 (indicative).
- Comparing the total education infrastructure budget with the total EIG, we see an increasing reliance on the EIG by provinces over the last 9 years:
 - Eastern Cape consistently allocates below 10% to education infrastructure from non-EIG discretionary funds. For the three years 2018–2021, the province allocated zero from non-EIG discretionary funds.
 - In 2014, 65% of Gauteng’s education infrastructure budget was funded from discretionary funding and this has decreased to only 4% in 2021.
 - Western Cape allocated consistently above 25% since 2014 from non-EIG discretionary funds to education infrastructure. Although the allocation went from 66% in 2014 to 47% in 2022 it is still well above the national average allocation.
- Following the publication of the Norms and Standards for School Infrastructure (which came about as a result of litigation), both the SIBG and the EIG received an increase in allocations.



INTRODUCTION¹

The history of the education system in South Africa centred on *Apartheid*, characterised by racial segregation and inequality. This was manifest in both the physical separation of students according to race, as well as in the allocation of government funding for different groups based on racial classification with an inherent systemic preference to advancing the white population.

In 1920, the Transvaal provincial government imposed a tax on black people, as the province was finding the education of black children to be too costly. By 1945, the government's spending on education for white, coloured and black students was according to the ratio 100:30:8. In other words, the government spent 12 times more on a white child's education than on that of a black child. The spending on Indian students was higher than for black students but lower than for white students, at a ratio of about 1:5² (meaning that for every Rand spent on a white student, only about R0.16 was spent on an Indian student). The spending on coloured students was slightly higher than on Indian students but still significantly lower than on white students. The disproportionate allocation catered more to the small population of white people compared to the much larger majority black population. In 1953, the Bantu Education Act was introduced, with the main aim of providing mass education for the black population with the sole purpose of creating cheap labour. The education provided under this system was deliberately inferior. The Bantu Education Act also removed the reliance on missionary schools (which were primarily for black students). In 1955, it was announced that all subsidies to mission schools would gradually be reduced and ended by 1958.

1 Information from this section was extracted from B Blumfield, 'A timeline of South African events in Education in the Twentieth Century: 1900–1999', 2008

2 "Apartheid and Education: The Education of Black South Africans" by Peter Kallaway (1984)

The administration of Bantu Education was decentralised to the governments of Bantustans. However, this decentralisation did not come with adequate funding or resources. The Bantustans were expected to run their own education systems with minimal financial support from the central apartheid government. Schools in the Bantustans suffered from extreme overcrowding, a lack of infrastructure, and severe shortages of qualified teachers and learning materials. These continue to be issues in the former Bantustan areas.

In 1969, the government stated that “education can be extended to Africans only when they themselves ask for it, when they can finance it themselves, and when their economy can absorb the increased number of educated people”.

By 1970, for every R1 spent on a black child’s education, the government spent R31.50 on each white child. This disproportionate spending was also seen in the literacy rate of black children. An analysis of the 1970 Census revealed that an estimated 48% of black children over the age of 15 were illiterate in terms of the current United Nations criterion for “functional literacy”³ of a minimum of four years of schooling. In addition, in 1970 a black domestic worker paid roughly 47% of their income in school fees, including textbooks, writing materials, examination fees and sometimes sports fees, whereas white students had these fees subsidised by the state. By 1971, there were only 438 private schools for the approximately 3.5 million black students, compared to over 5 000 state-aided mission schools for black students in 1953. In contrast, there were approximately 2 500 schools for the approximately 1 million white students.

”

In 1969, the government stated that “education can be extended to Africans only when they themselves ask for it, when they can finance it themselves, and when their economy can absorb the increased number of educated people”.

3 The capacity of a person to engage in all those activities in which literacy is required for effective function of his or her group and community and also for enabling him or her to continue to use reading, writing and calculation for his or her own and the community’s development, UNESCO Institute for Statistics

The salaries of teachers also varied significantly. In 1973, the starting salary of similarly qualified male teachers was R71 per month for black teachers, R123 per month for coloured and Indian teachers, and R209 per month for white teachers.

Since 1994 government has, through legislation and policies, attempted to achieve fiscal equity across schools. These measures were intended to redress the considerable gap between rich and poor schools in terms of overall quality of education to improve access to education for an increasing number of learners and for poor learners, to promote inter-provincial equity in funding, given the differential tax base and educational infrastructure of the nine provinces.⁴

The mechanisms for achieving fiscal equity include (but are not limited to):

- Special funding programs – such as school nutrition schemes and transport subsidies to advance access to schooling.
- Exemption legislation to reduce the direct costs of schooling (such as school fees) to poor parents.
- Pro-poor funding of schools placed on a resource targeting list for special attention – i.e., the Norms and Standards for School Funding and the Infrastructure Norms and Standards.
- The Accelerated School Infrastructure Delivery Initiative (ASIDI).

ASIDI is a programme run by the National Department of Basic Education (DBE). It was established in 2011 to address backlogs in the provision of water, sanitation and electricity to schools as well as replace schools made from inappropriate material – such as mud and asbestos – with appropriate structures.⁵

ASIDI was established in response to litigation brought against the DBE by the Centre for Child Law (CCL) and schools in the Eastern Cape, represented by the Legal Resources Centre (LRC), to eradicate mud schools in the Eastern Cape (Mud Schools case). The outcome of the litigation not only had an impact on schools in the Eastern Cape but schools in other parts of the country as the DBE committed to identifying the needs of schools nationally and allocating the necessary funds to address them.⁶

This paper delves into the allocation of funds made available for school infrastructure; how these allocations have changed over the years, and whether litigation has had an impact on these changes and whether these interventions have practically translated to increased access to basic education for learners in South Africa.

4 Jansen, J and Taylor, N. 2003. Educational change in South Africa 1994–2003: Case studies in large-scale education reform. Vol. II No. 1 Available [efaidnbmnnnibpcajpcglclefindmkaj/https://documents1.worldbank.org/curated/en/129941468778149162/pdf/282500PAPER0Ed1outh0Africa01Public1.pdf](https://documents1.worldbank.org/curated/en/129941468778149162/pdf/282500PAPER0Ed1outh0Africa01Public1.pdf)

5 Department of Basic Education “ASIDI: Accelerated School Infrastructure Delivery Initiative” <https://www.education.gov.za/Programmes/ASIDI.aspx> (last accessed 2023-05-03).

6 See Paper 1 of this series of papers.

2

BACKGROUND

The right to basic education has long been seen as both a human right in itself, and an indispensable means of realising other human rights.⁷ It is viewed as an empowerment mechanism through which economically and socially marginalised children can lift themselves out of poverty and obtain the means to participate fully in their communities.⁸ The importance of education is not just practical: a well-educated, enlightened and active mind, able to wander freely and widely, is one of the joys and rewards of human existence.⁹ The Constitutional Court has affirmed the importance of education by noting the following:

“Teaching and learning are as old as human beings have lived. Education is primordial and integral to the human condition. The new arrivals into humankind are taught and learn how to live useful and fulfilled lives. So, education’s formative goodness to the body, intellect and soul has been beyond question from antiquity. And its collective usefulness to communities has been recognised from prehistoric times to now.”¹⁰

The conditions – such as the quality of school infrastructure – under which education is provided play a crucial role in successful schooling, and the ultimate fulfilment of the above-mentioned educational outcomes. This is a fact acknowledged by former President Thabo Mbeki, in 2004, when he noted that learning is critical to the improvement of quality of life, and committed to ensuring that no learners would learn under trees, in mud schools or other dangerous conditions that would expose them to the elements.¹¹

7 Committee on Economic Social and Cultural Rights “General Comment 13: The right to education” (1999) para 1.

8 *Ibid.*

9 *Ibid.*

10 *Federation of Governing Bodies for South African Schools (FEDSAS) v Member of the Executive Council for Education, Gauteng and Another* (CCT 209/15) [2016] ZACC 14 at para 1.

11 President Thabo Mbeki “Address of the President of South Africa, Thabo Mbeki, to the first joint sitting of the third democratic Parliament, Cape Town” (21 May 2004).

Apartheid's discriminatory policies resulted in problematic long-term education impacts for most children in South Africa (often black children from low-income communities and deprived contexts). These impacts have perpetuated inequality through circumstances such as the appalling conditions of schools. Children in provinces that have particularly high levels of poverty, such as Limpopo and Eastern Cape, bear the brunt of the inequality.¹² Challenges, such as no/unreliable water supply, pit latrines or no ablution facilities, no electricity supply, and dangerous and/or undesirable infrastructure, persistently and negatively affect children's experiences of learning.¹³

The year 2020 marked ten years since the Legal Resources Centre (LRC), the Centre for Child Law (CCL) and seven school governing bodies (representing seven schools in Eastern Cape) launched a court application in the Bhisho High Court, Eastern Cape ("Mud Schools case").¹⁴ The court application was launched in a bid to have the dilapidated infrastructure of the seven schools – and other schools with similar issues – refurbished in order to provide safe schools conducive to learning.

The court order obtained from this initial litigation was pioneering. The Department of Basic Education (DBE) was put to task and required to provide children with safe school infrastructure conducive to learning. The DBE reports that, because of the Accelerated School Infrastructure Delivery Initiative (ASIDI) project – initiated after the judgment – 246 new schools reached practical completion in the 2019/20 financial year. The initial litigation also paved the way for further litigation (by various impact litigation groups including Section27, Equal Education and the Equal Education Law Centre) on the safety of school infrastructure, and such issues as school sanitation and infrastructure norms and standards.

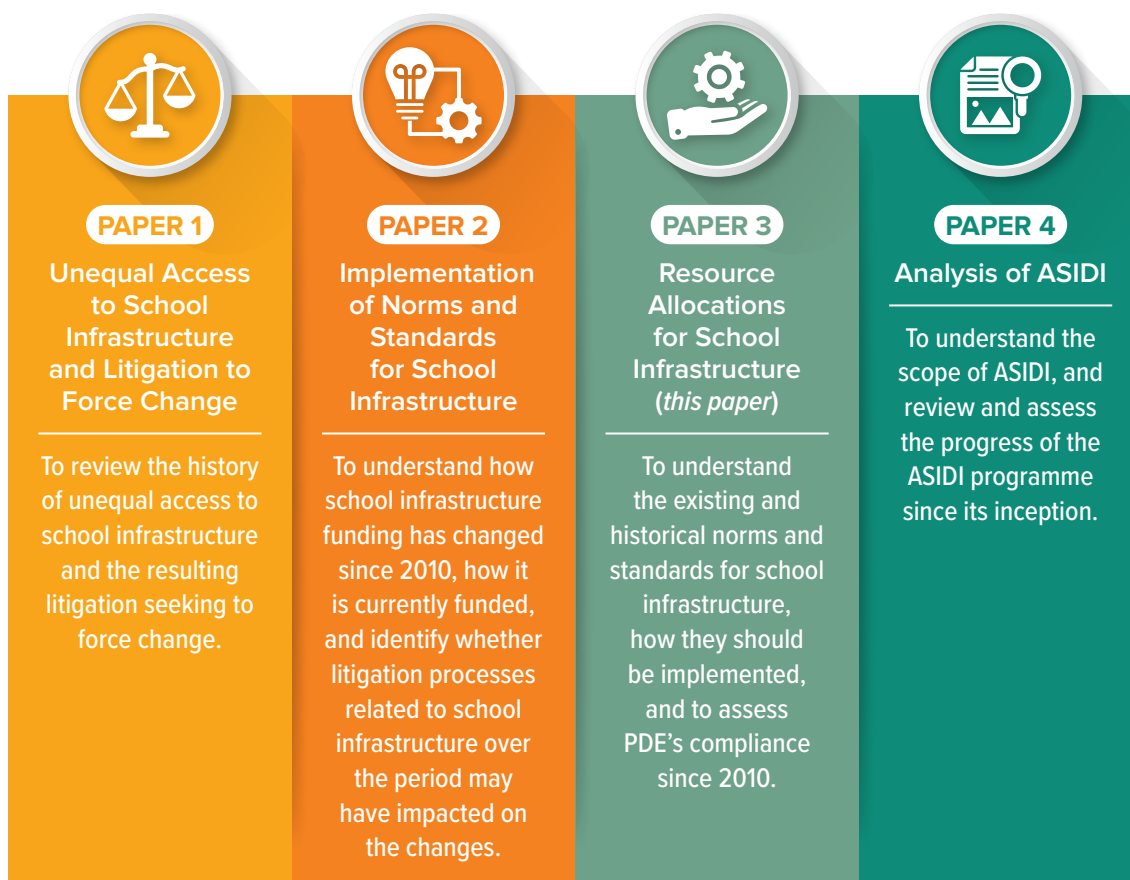
However, much remains to be achieved to ensure that all children attending school have access to safe schools conducive to learning. Ongoing reports about children falling into pit latrines and drowning and dying in human waste, dilapidated schools, schools made wholly from inappropriate materials and a lack of access to water are concerning and require effective intervention. This paper is the third in a series of linked papers assessing the progress made over the last ten years.

12 McConnachie C and Breener S "Litigating the Right to Basic Education" in Brickhill J *Public Interest Litigation in South Africa* 282–3.

13 *Ibid.*

14 *Centre for Child Law and 7 others v Government of the Eastern Cape Province and others*, Eastern Cape High Court, Bhisho, case no 504/10.

The titles and a short summary of each of the series of papers are:



Paper 1 – Unequal Access to School Infrastructure and Litigation to Force Change

Since 2010, activists and litigators – recognising the courts' potential to achieve children's right to basic education – have utilised litigation to seek the improvement of school infrastructure, set norms and standards for infrastructure, and challenge school rationalisation processes.

In 2010, the LRC, CCL, and the Infrastructure Crisis Committees of seven schools in the Eastern Cape, launched court action to eradicate mud schools in the Eastern Cape province. The government initially opposed the court application but then agreed – through a 2011 settlement – to provide the seven schools with mobile classrooms, sufficient desks and chairs, and water. It also agreed to commit R8.2 billion to replace inadequate school structures nationwide. Additional court action, advocacy and monitoring efforts ensured that the government could not renege on its obligations, and also highlighted the government's persistent failures to implement the original agreement timeously. The so-called "Mud Schools case" was followed by the "norms and standards case" launched by Equal Education. After years of advocacy and mobilisation campaigns around the Minister of Basic Education's failure to develop and implement minimum norms and standards for school infrastructure, Equal Education launched a court application in 2012 to compel the Minister to promulgate the norms and standards. The litigation, together with persistent

mobilisation campaigns, resulted in a settlement in which the Minister conceded and developed regulations – which had to be revised – and ultimately promulgated the norms and standards. Over the years, the provincial education departments have closed, and, in some instances, merged, many schools in outlying or rural areas due to small learner numbers as part of their rationalisation and re-alignment programme. This paper highlights instances of rationalisation and re-alignment, their impact on affected children, and advocacy and or litigation around them.

Progress has been made in addressing inappropriate and unsafe school infrastructure, in large part due to the litigation and advocacy efforts of civil society organisations and affected schools, communities and learners. However, the work is not over yet, and much remains to be achieved to ensure that all children going to school have access to safe schools that are conducive to learning. There are regular reports of concern about children learning in schools flooded by rain, and children dying due to falling into pit latrines.

Paper 2 – Implementation of Norms and Standards for School Infrastructure

Apartheid's discriminatory policies resulted in problematic long-term education impacts for most children in South Africa (usually black children from low-income households and deprived contexts). These impacts have perpetuated inequality through circumstances such as the appalling condition of many schools. Children in provinces that experience particularly high levels of poverty, such as Limpopo and Eastern Cape, bear the brunt of the inequality.¹⁵ Challenges, including no/unreliable water supply, pit latrines or no ablution facilities, no electricity supply, and dangerous and/or undesirable infrastructure, persistently and negatively affect children's experiences of learning.¹⁶

Much remains to be achieved to ensure that all children attending school have access to safe schools that are conducive to learning. There are concerning ongoing reports about children learning in schools flooded by rain or dying due to falling into pit latrines. The presence of, and response to, the COVID-19 pandemic has highlighted and further entrenched the deep inequalities in the education system.

The campaign for better education infrastructure started in 2008, and in January 2013 the Minister published draft norms and standards. So, what has been achieved since then? The report finds the following from the publicly available data:

- Since 2013, the number of independent school learners has increased by 43% (221 281 learners) compared to public school learner numbers, which increased by only 6% (709 042).
- Overall, the number of public schools declined by 1 547 schools, from 24 136 in 2013 to 22 589 in 2022.
- The independent school sector, across the different provinces, has increased its number of schools over the period between 20% and 105%, adding a total of 698 new schools since 2013.

¹⁵ McConnachie C and Breener S "Litigating the Right to Basic Education" in Brickhill J *Public Interest Litigation in South Africa* 282-3.

¹⁶ *Ibid.*

The data on the progress made to eliminate the schools built from inappropriate materials is inconsistent. The latest data that could be found was for 2017, which was compared to the prior report in 2011. The following deductions were made from the available data:

- There is significant variation between provinces in the proportion of schools constructed from appropriate materials.
- Most of the schools made of inappropriate materials affect the lowest three quintiles of learners.
- There was a clear drop in the number of schools without any water supply – the number reduced by more than half from 2013 to 2014, indicating that the advocacy for norms and standards had a positive effect.
- Whilst the target for schools with no water supply was met in time, it is noted with concern that the number of schools with unreliable water supply has doubled since 2011.
- In 2018, the government achieved the requirement that no school should be without sanitation facilities. There has also been a steady reduction in the number of schools relying only on pit latrines.
- There have been steady reductions in the number of schools without access to electricity since the implementation of the infrastructure norms and standards. However, the proportion of schools with unreliable electricity supply has increased since 2011 and comprised 14% of all schools in 2021.
- Schools with no communication tools reduced by half between 2011 and 2014, but since 2014, there has been little progress to further reduce this number.

For a complete analysis of sufficient school infrastructure, one needs to look at the available classrooms and their size. This is particularly important since the infrastructure norms and standards specifically prescribe the square metres per learner.

Incompetence and corruption play a significant role in the slow pace of school infrastructure delivery. To ensure accountability, advocacy efforts should therefore continue to push for consistent and reliable data on:

- progress made to eliminate schools constructed from inappropriate materials;
- the number of classrooms, and an adequate number of classrooms for the number of learners;
- type and size of rooms in schools;
- accessibility of schools;
- the number of toilets, basins, etc. relative to the number of learners.

Paper 3 – Resource allocations for school infrastructure (*this paper*)

Paper 4 – Analysis of ASIDI

ASIDI, the Accelerated Schools Infrastructure Delivery Improvement Programme, is a programme run by the national DBE. It was established in 2011 with the goal of addressing backlogs in the provision of water, sanitation, and electricity to schools, as well as the replacement of school structures made from inappropriate materials – such as mud and asbestos – with appropriate structures. ASIDI was established in response to litigation brought against the DBE by schools in the Eastern Cape and the Centre for Child Law, represented by the Legal Resources Centre, with the aim of eradicating mud schools in the Eastern Cape. Paper 4 delves into the running and implementation of the ASIDI programme since its establishment, including a review of the applicable policy documents, funding sources, outputs and barriers to successful implementation.

The running of ASIDI is governed by two documents developed by the DBE. The *ASIDI Process Flow* document details how schools that need their inappropriate and dangerous infrastructure refurbished, and/or need to receive other identified services, are added to the ASIDI Masterlist. The *ASIDI Disbursement, Professional and Management Fee Policy and Procedure* document provides the regulatory framework for overseeing the expenses associated with implementing ASIDI projects. It also outlines the process for determining the value of assets transferred to custodians (provincial education departments) and offers guidance to the DBE's Financial Services and Asset Management activities, including activities conducted by Implementing Agents and other appointed service providers.

ASIDI's funding comes from the SIBG. This paper discusses how funding from the SIBG has been allocated for the implementation of ASIDI over the years, including the impact of underspending during some financial years. It also raises questions regarding the constitutionality of the SIBG given it is an indirect conditional grant.

Since ASIDI's inception, the DBE has reported on the implementation, progress and setbacks of the programme in various ways, including in its annual reports, presentations to parliamentary committees and the quarterly *The ASIDI Brief*. A review of the ASIDI briefs shows significant progress in the implementation of the project over the years. However, the progress was subject to delays for various reasons, resulting in children being unnecessarily exposed to unsafe learning conditions. Some of the reasons for delay include corruption, incompetence, poor governance, and austerity budgeting. These, and the roles they play in adversely affecting the implementation of ASIDI, are discussed, as well as how accountability mechanisms have failed to proactively prevent or address some of the challenges.

3

FUNDING FOR SCHOOL INFRASTRUCTURE (INCL. ASIDI)

There are various sources of funding available for school infrastructure. These include:

- The Education Infrastructure Grant (EIG) (previously a component of the Infrastructure Grant to Provinces).
- The School Infrastructure Backlogs Grant (SIBG).
- The Provincial Equitable Share (PES) and provincial own revenues allocated to fund school infrastructure in the provincial budgets.
- School governing body funding (which is a very important but largely undocumented source of funding for school infrastructure, especially maintenance).

National government allocates a part of its share of revenue to provinces through conditional grants. All conditional grants to provinces are reflected in the annual Division of Revenue Act and on the vote of the national department responsible for managing the grant. The provinces' shares of the conditional grant are also reflected in the budget of each provincial department responsible for managing the implementation of the grant.

There are a few different types of conditional grants. Each type is known by the schedule in the annual Division of Revenue Act in which it appears. Each type is designed to fulfil a different purpose, and the planning, spending and reporting requirements associated with each type of grant differ, as follows:

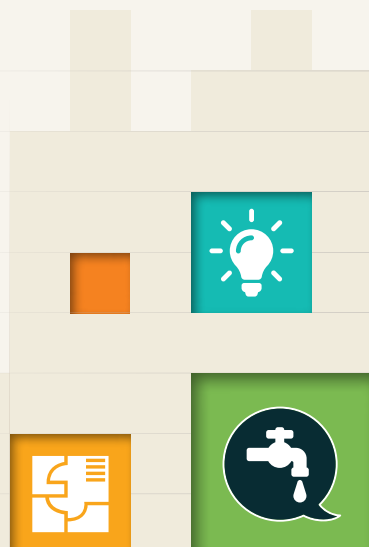


TABLE 1 Types of grants in the Division of Revenue Act 2 of 2023

TYPE OF GRANT	PURPOSE	RESPONSIBILITY FOR SPENDING	PLANNING AND BUDGETING	REPORTING ARRANGEMENTS
Schedule 2	Each province's equitable share of the provincial sphere's share of revenue raised nationally	Provinces Provincial departments	SPs and APPs Provincial budgets	Monthly financial reports Published by NT quarterly
Schedule 4A grant	Allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets	Provincial departments	Integrated into provincial dept's budget	No specific reporting, part of overall provincial financial report
Schedule 4B grant	Allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets	Municipalities	Integrated into the municipality budget	No specific reporting, part of overall municipal financial report
Schedule 5 grant	Specific purpose allocations to provinces	Provincial departments	Add-on to provincial dept's budget	Quarterly reporting on spending Published by NT Quarterly
Schedule 6A grant	Allocations-in-kind to provinces for designated special programmes	National departments	National department does planning	Depends on grant framework No information published routinely
Schedule 6B grant	Allocations-in-kind to municipalities for designated special programmes	National departments	National department does planning	Depends on grant framework No information published routinely
Schedule 7A grant	Unallocated provisions for provinces for disaster response	DCoGTA and province	In the event of disasters	Published by DCoGTA within a month of transfer
Schedule 7B grant	Unallocated provisions for municipalities for disaster response	DCoGTA and municipality	In the event of disasters	Published by DCoGTA within a month of transfer

Source: National Treasury

The SIBG is a Schedule 6A Grant, namely an indirect grant, or allocation-in-kind, to provinces for designated special programmes. This means that no funding flows to the provinces directly. Instead, the DBE is responsible for managing and spending the funds on behalf of the provinces. Given current arrangements for reporting and publishing information, this means there is no quarterly ‘reporting trail’ between provinces and the national department and National Treasury to track progress with the implementation of the SIBG.

The DBE does have the option to convert some of the grant into a supplementary grant that is transferred direct if it finds that a province has the capacity to deliver. This was done in the 2013 Division of Revenue Act when R533 million of the SIBG was converted to the EIG and earmarked for projects in the Western Cape.¹⁷

The EIG is a supplementary, or Schedule 4, grant. These grants supplement the funding allocated by a province from their own sources (provincial equitable shares and own revenues) to a programme or function (in this case, education infrastructure). Because the EIG is a Schedule 4A Grant, the PEDss are not required to report quarterly on the expenditure of the grant itself but must report on expenditure and non-financial performance information against their entire capital budgets for school infrastructure in accordance with section 11 of the Division of Revenue Act and section 32 of the Public Finance Management Act of 1999 (PFMA).

When the SIBG and EIG were introduced, national government regarded them as parts of an integrated package to address infrastructure backlogs at schools. The SIBG was ‘separated out’ to prioritise the most urgent school infrastructure backlogs. The integrated nature of the SIBG and EIG is emphasised by the following provision in the Division of Revenue Act 6 of 2011:

19(2) In respect of the School Infrastructure Backlogs Grant, the National Treasury may, at the request of the transferring national officer and a receiving province, convert the allocation to the province to become an allocation to the Education Infrastructure Grant, if the National Treasury and the transferring national officer are satisfied the province has demonstrated the capacity to implement projects and that the conversion will not be likely to result in—

- (a) underspending on the allocation; or
- (b) a lesser level of service delivery compared to if the allocation is provided to the province as a Schedule 7 grant-in-kind.

¹⁷ 2013 Division of Revenue Act pg. 123.

”

PEDs have collectively allocated more than R110 billion to education infrastructure between 2014–2022.

3.1 Total spending on education infrastructure

PEDs have collectively allocated more than R110 billion to education infrastructure between 2014–2022. This is nearly as much as has been spent on building the Medupi power station which started construction in 2007 (and ended in 2021). This amount excludes spending on education infrastructure by national government (e.g. SIBG).

TABLE 2 Provincial Education Infrastructure Budget 2014–2025

R'MILLION	2014/15 ACTUAL	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL
Eastern Cape	1 100	1 448	1 630	1 660	1 715	1 579	1 222
Free State	493	760	536	869	647	842	817
Gauteng	1 761	2 796	2 851	1 977	1 657	1 528	1 520
Kwazulu-Natal	2 211	2 614	2 529	2 492	2 409	2 762	2 891
Limpopo	1 306	1 077	848	1 302	954	637	997
Mpumalanga	780	1 068	831	900	1 226	1 242	911
North West	614	1 053	1 085	1 072	691	632	865
Northern Cape	362	443	500	610	568	648	627
Western Cape	1 439	1 550	1 573	1 675	1 818	1 877	1 513
Grand Total	10 065	12 810	12 383	12 555	11 685	11 747	11 364

Source: National Treasury, own calculations

Provincial Education Infrastructure Budget – Total allocated over 9 years 2014–2022

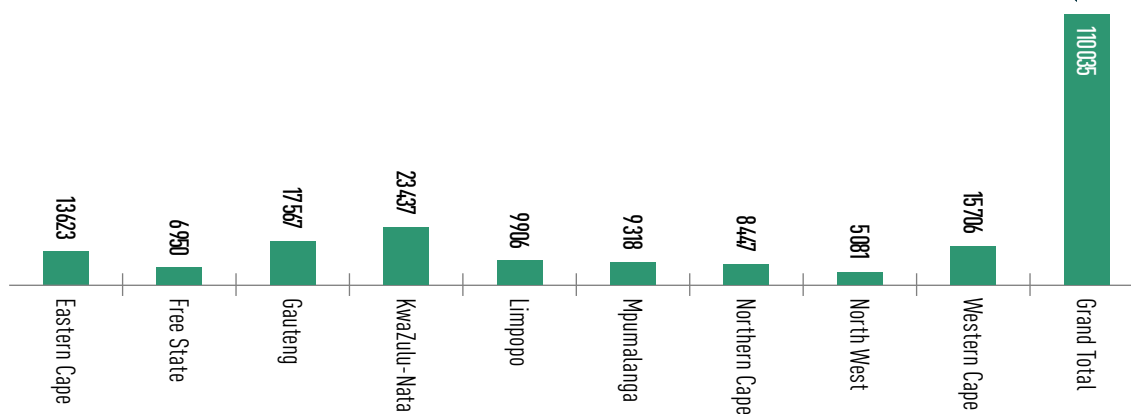


TABLE 2 continued

2021/22 ACTUAL	2022/23 ADJUSTED APPROPRIATION	2022/23 REVISED ESTIMATE	2023/24 REVISED BASELINE	2024/25 REVISED BASELINE	2025/26 INDICATIVE BASELINE	TOTAL ALLOCATED OVER 9 YEARS 2014–2022
1 215	2 055	2 055	1 829	1 782	1 862	13 623
904	1 082	1 082	1 028	954	995	6 950
1 652	1 826	1 826	2 461	2 515	2 588	17 567
2 742	2 786	2 786	3 206	2 927	3 058	23 437
1 178	1 607	1 607	1 486	1 549	1 513	9 906
1 154	1 206	1 206	1 207	1 238	1 293	9 318
1 192	1 242	1 242	1 298	1 238	1 293	8 447
637	687	687	717	635	663	5 081
1 722	2 539	2 539	2 930	2 385	2 126	15 706
12 397	15 030	15 030	16 161	15 222	15 392	110 035

The table below shows the proportion of the education budget in each province allocated to education infrastructure over the years 2014–2025 (indicative).

TABLE 3 Education infrastructure allocation as a percentage of total education budget

	2014/15 ACTUAL	2015/16 ACTUAL	2016/17 ACTUAL	2017/18 ACTUAL	2018/19 ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL
Eastern Cape	4.1%	5.1%	5.3%	5.1%	4.9%	4.2%	3.3%
Free State	4.5%	6.7%	4.5%	6.7%	4.7%	5.6%	5.3%
Gauteng	5.6%	7.7%	7.2%	4.8%	3.7%	3.1%	2.9%
Kwazulu-Natal	5.6%	6.1%	5.5%	5.2%	4.7%	5.0%	5.0%
Limpopo	5.3%	4.3%	3.2%	4.5%	3.1%	2.0%	3.0%
Mpumalanga	5.0%	6.2%	4.7%	4.7%	5.8%	5.5%	4.1%
North West	5.1%	8.0%	7.8%	7.2%	4.4%	3.8%	5.0%
Northern Cape	7.7%	8.7%	9.1%	10.1%	8.8%	9.4%	8.7%
Western Cape	8.7%	8.8%	8.1%	8.1%	8.1%	7.9%	6.2%
Total	5.5%	6.5%	5.9%	5.6%	4.8%	4.6%	4.3%

Source: National Treasury, own calculations

Since 2014, the Northern Cape and Western Cape governments have consistently allocated more than 5% of their overall education budget to infrastructure development. Since 2019, Free State has consistently allocated more than 5%. This shows that these provinces prioritise spending on school infrastructure when compared to other provinces. What is concerning is that Gauteng went from allocating more than 7% in 2016 to allocating less than 4% in 2025 (indicative). There has therefore been a deprioritisation of education infrastructure in Gauteng despite the annual influx of students to the province and the lack of sufficient space in schools for these students.

Eastern Cape, Limpopo and Mpumalanga consistently spend below 5% on education infrastructure, these provinces also coincidentally consistently rank lower, compared to other provinces, in matric pass rates over the last few years. In addition between 40%–80% of these provinces consist of former Bantustan areas. They are also more rural which means that the provision of education infrastructure is more expensive due to the increased cost of transportation for materials and labour to remote areas. With all these factors, one would assume that these provinces would spend proportionally more than or at least equal to other provinces.

TABLE 3 continued

2021/22 ACTUAL	2022/23 ADJUSTED APPROPRIATION	2022/23 REVISED ESTIMATE	2023/24 REVISED BASELINE	2024/25 REVISED BASELINE	2025/26 INDICATIVE BASELINE
3.3%	5.2%	5.2%	4.4%	4.3%	4.3%
5.5%	6.1%	6.0%	5.9%	5.5%	5.5%
2.9%	3.0%	3.0%	3.9%	3.9%	3.8%
4.7%	4.6%	4.6%	5.3%	4.8%	4.8%
3.3%	4.3%	4.3%	3.9%	3.9%	3.7%
4.8%	4.9%	4.9%	4.8%	4.8%	4.8%
6.2%	6.0%	6.0%	6.3%	5.9%	5.9%
8.5%	8.7%	8.7%	8.9%	8.0%	8.0%
6.7%	9.0%	9.0%	9.9%	8.2%	7.2%
4.4%	5.1%	5.0%	5.3%	5.0%	4.8%

3.2 Education Infrastructure Grant

In 2011 the Infrastructure Grant to Provinces (IGP) was restructured to improve the alignment of provincial infrastructure transfers with sector needs, and the EIG was one of three new conditional grants created in the process. The EIG is supplementary funding to provinces. The purpose of the grant is to accelerate the construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education. Although the EIG can be used for both maintenance and new infrastructure, the way the EIG formula is currently structured means that provinces with larger school infrastructure backlogs get more funding.

Since 2014, the EIG was allocated R83 billion at an average annual growth rate of 8%. Following the publication of the Norms and Standards for School Infrastructure in 2013, the grant increased by 37% between 2014 and 2015.

TABLE 4 Education Infrastructure Grant, 2014–2022

R'MILLION N&S published	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Eastern Cape	1 177	1 703	1 569	1 583	1 710	1 579
Free State	554	762	533	852	632	827
Gauteng	623	935	1 386	1 468	1 373	1 290
Kwazulu-Natal	1 385	1 978	2 050	2 333	2 018	2 288
Limpopo	1 108	805	938	839	953	636
Mpumalanga	623	857	689	701	780	1 047
North West	623	995	1 012	1 070	690	630
Northern Cape	346	446	487	609	568	640
Western Cape	485	1 032	1 079	1 149	763	1 077
Total EIG	6 924	9 513	9 743	10 604	9 487	10 012
Total education infrastructure budget	10 065	12 810	12 383	12 555	11 685	11 747
EIG % of total	69%	74%	79%	84%	81%	85%

Source: National Treasury, own calculations

Comparing the total education infrastructure budget with the total EIG, we see an increasing reliance on the EIG by provinces over the last 9 years. This is discussed further in the following section.



On average provinces have allocated 18% from the non-EIG discretionary funding to education infrastructure in 2022 – down from 31% average allocation in 2014.

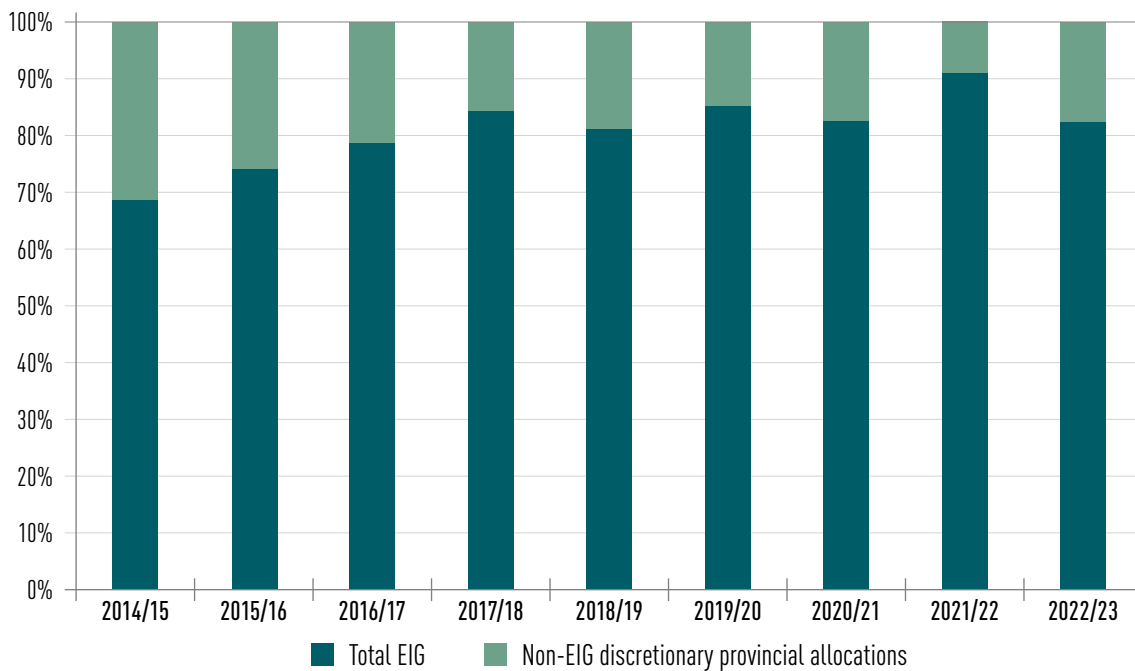
3.3 Discretionary allocations to school infrastructure

In addition to the EIG, provinces can allocate funds to education infrastructure from provincial own revenue and the equitable share, what we will call non-EIG discretionary provincial allocations. On average provinces have allocated 18% from the non-EIG discretionary funding to education infrastructure in 2022 – down from 31% average allocation in 2014 (see Figure 1).

TABLE 4 continued

2020/21	2021/22	2022/23	TOTAL ALLOCATED OVER 9 YEARS 2014–2022	ANNUAL AVERAGE GROWTH 2014–2022
1 222	1 215	1 854	13 612	6%
808	844	814	6 626	5%
1 275	1 589	1 983	11 922	16%
1 923	2 326	2 483	18 783	8%
996	1 177	1 484	8 937	4%
831	1 152	832	7 511	4%
856	1 190	903	7 969	5%
619	633	686	5 034	9%
858	1 157	1 348	8 948	14%
9 388	11 282	12 387	89 341	8%
11 364	12 397	15 030	110 035	5%
83%	91%	82%	81%	2%

FIGURE 1 Non-EIG discretionary provincial allocation, 2014–2022



Source: National Treasury, own calculations

Individually provincial allocations indicate the following:

- Eastern Cape consistently allocates less than 10% of its education infrastructure budget from non-EIG discretionary funds. For the three years 2018–2021 the province allocated zero from non-EIG discretionary funds.
- In 2014, 65% of Gauteng education infrastructure budget was funded from discretionary compared with 4% in 2021.
- Western Cape allocated consistently above 25% since 2014 from non-EIG discretionary funds to education infrastructure. Although the allocation went from 66% in 2014 to 47% in 2022 it is still well above the national average allocation.

In a response to a question in parliament in May 2023, DBE noted that some provinces had stopped their sanitation projects as soon as it implemented the ASIDI programme.¹⁸ This is a concerning trend prioritising resources away from school related infrastructure development from provincial governments.

3.4 School Infrastructure Backlogs Grant

The Accelerated School Infrastructure Delivery Initiative (ASIDI) is funded through SIBG,¹⁹ which is the focus of this section.

The SIBG was introduced in 2011 as a short-term, high-impact grant to ‘eliminate’ backlogs in inappropriate school structures and address school access to basic services during the 2011 MTEF (2011/12 to 2013/14). The SIBG is a Schedule 6A Grant – an allocation-in-kind grant (or indirect grant) to provinces for designated special programmes. This means that no funding flows to the provinces directly through the annual Division of Revenue Act. Instead, the DBE is responsible for managing and spending the funds on behalf of the provinces.

According to the 2023 grant framework, DBE must submit to National Treasury an infrastructure programme management plan by 11 February 2023. In addition:

- the provincial planning and monitoring teams, or equivalent, in each province should meet monthly to ensure information flows between the stakeholders, unblock processes, monitor progress and enhance cooperation.
- the DBE must load all infrastructure funded projects in the Infrastructure Reporting Model before the start of the financial year (01 April 2023).
- the DBE must submit monthly project reports with cash flows to National Treasury 15 days after the end of each month, showing how actual payments and cash flows reconcile with the projected cash flow schedule, and explaining any deviations from the original projected cash flow.

¹⁸ <https://pmg.org.za/committee-meeting/37096/>

¹⁹ <https://www.education.gov.za/Programmes/ASIDI.aspx>

- the DBE must update the infrastructure project details for each funded project in the Infrastructure Reporting Model. This must be approved and submitted to National Treasury within 22 days after the end of each quarter.
- assets are to be transferred to custodians in the respective provinces at final completion. The PEDs must specify, in their annual report, how the schools have been considered in their future maintenance plans.
- the DBE must agree, in writing, with the provinces on projects that they will administer on behalf of each province.
- the DBE and/or IAs must ensure that, as part of the implementation of projects, skills transfer takes place.

Substantial funds have been allocated to the SIBG in the Division of Revenue Act and voted into Vote 15: Department of Basic Education. The grant frameworks place specific planning obligations and deadlines on the DBE. However, there is no information in the public domain as to whether these planning obligations have been met, despite the rigid reporting conditions in the framework for the grant.

When the SIBG was introduced in 2011, R8.2 billion was allocated to it over the 2011/12 MTEF.

The national department will administer the school infrastructure backlogs grant – a grant-in-kind for provinces to ensure a national, coordinated and high-impact approach to eradicating backlogs in inappropriate structures and access to basic services at schools. The grant has been allocated R8.2 billion over the MTEF during which all backlogs will be eradicated and the grant will cease to exist at the end of this period.

In the following year, the allocation to this grant was increased to R13 billion over the 2012 MTEF, despite the DBE only spending 10% of the first year's allocation. Following the underspending of the funds once again in 2012/13, National Treasury reallocated a large portion of the SIBG funds to the EIG in 2013 so that the PEDs could use the funds for school infrastructure. In the 2013 Budget Review, National Treasury indicated that the grant's funds were rescheduled to align the baseline with capacity to spend:

An amount of R2.5 billion is shifted from 2013/14 to 2015/16. A reprioritisation of R1.7 billion over the MTEF is also effected to make resources available for the construction of new universities in Mpumalanga and the Northern Cape as part of the SIPs identified by the Presidential Infrastructure Coordinating Committee; the community library services grant, which provides a complementary service to education; and the education infrastructure grant. The grant now amounts to R8 billion over the 2013 MTEF.

In other words, the DBE's poor spending record in ASIDI resulted in a substantial quantity of funds originally budgeted for addressing school infrastructure needs being reallocated to other priorities.

Between 2011 and 2022, just over R24 billion has been spent through the SIBG – substantially more than the original R8.2 billion that was initially agreed upon for the eradication of backlogs. Following the publication of the Norms and Standards for School Infrastructure, the SIBG received a considerable boost in allocation in 2014/15 to fund the implementation of the norms and standards – an increase of 32% compared to the prior year. However, the increase was not maintained (see Table 5).

TABLE 5 SIBG allocation, 2011–2022

	2011/12	2012/13	N&S published 2013/14	2014/15	2015/16	2016/17
Total	700	2 065	1 931	2 541	2 046	2 180
Year on year increase/decrease	–	195%	–6%	32%	–19%	7%
Total expenditure	76	860	1 370	2 543	1 622	1 316
Under/-Over	624	1 205	561	–2	424	864
% of budget spent	11%	42%	71%	100%	79%	60%

*2020/21 expenditure includes an approved shift of R628m from the SIGB to the EIG

Source: National Treasury, own calculations.

The expenditure captured in Table 5 was received directly from the Public Finance Division within National Treasury. The SIBG expenditure is not captured like this in any of the published budget documents. Instead, it is seen on the national vote for DBE under spending on capital assets, where it is lumped together with all other spending on capital assets by the department.

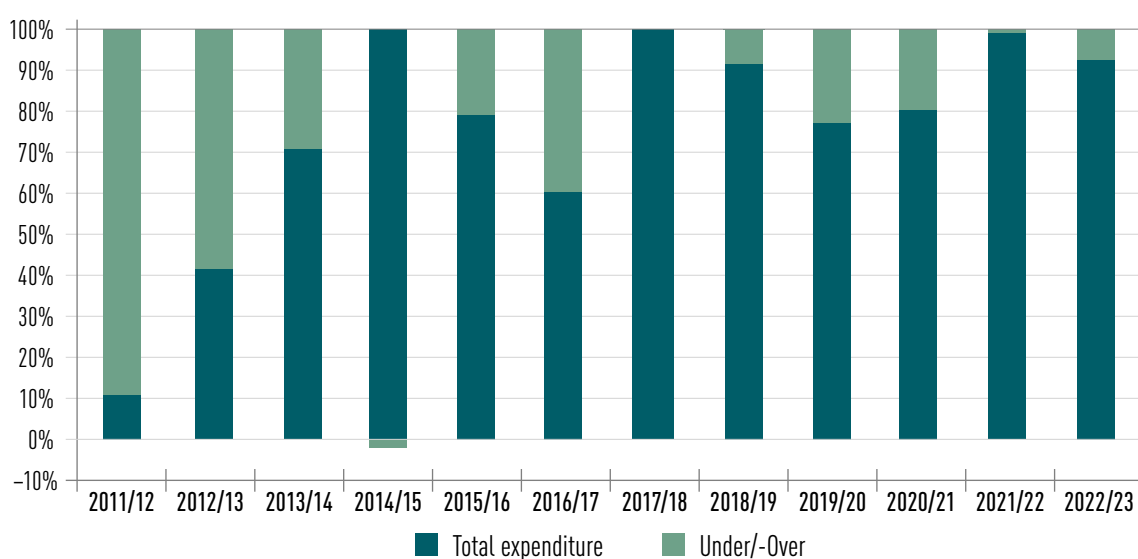
Based on the information provided, the DBE's ability to spend the grant has improved significantly since its introduction in 2011. There is no doubt that litigation and the associated campaigns contributed to creating political pressure (see Figure 2).

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The expenditure captured in Table 5 was received directly from the Public Finance Division within National Treasury.

TABLE 5 *continued*

2017/18	2018/19	2019/20	2020/21	2021/22	2022/23 ADJUSTED APPROPRIATION	TOTAL ALLOCATED SINCE INCEPTION 12 YEARS
1 786	2 272	1 327	2 408	2 396	2 403	24 055
-18%	27%	-42%	81%	0%	0%	-
1 786	2 084	1 026	1 938	2 377	2 223	19 221
0	188	301	470	19	180	-
100%	92%	77%	80%	99%	93%	-

FIGURE 2 SIBG over/underspending, 2011–2022



4

CONCLUSION

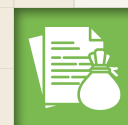
Since 1994 government has, through legislation and policies, attempted to achieve fiscal equity across schools using various mechanisms enabled by legislation. How and what funding is allocated is a key mechanism in achieving fiscal equity. In this paper, funding for school infrastructure is reviewed.

There are various sources of funding available for school infrastructure. Two of the sources of funding include conditional grants (the School Infrastructure Backlog Grant and the Education Infrastructure Grant) and provincial discretionary funding (or own revenue).

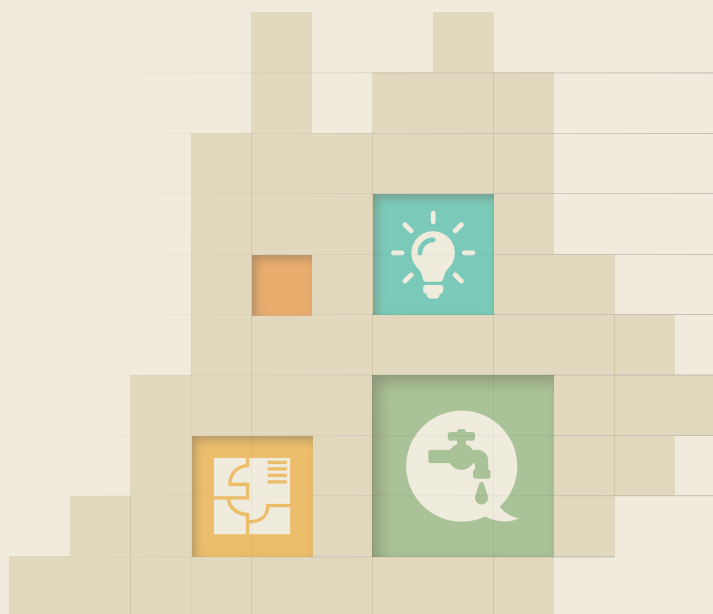
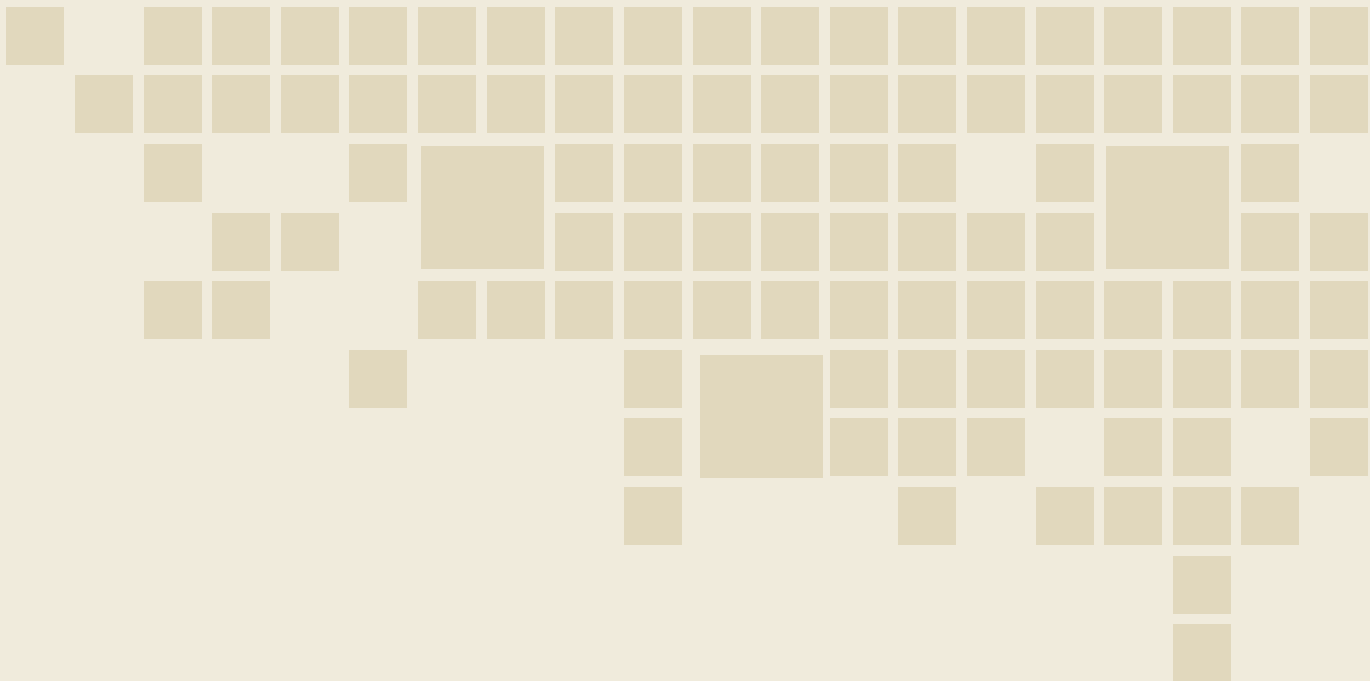
What we found in this report is a clear deprioritisation in school infrastructure funding allocation across most provincial governments and an increased reliance on conditional grant funding for school infrastructure. What is also clear is that litigation has worked given that following the publication of the Norms and Standards for School Infrastructure which came about as a result of litigation, both the SIBG and the EIG received an increase in allocations.

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What we found in this report is a clear deprioritisation in school infrastructure funding allocation across most provincial governments and an increased reliance on conditional grant funding for school infrastructure.



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THE CENTRE FOR CHILD LAW



Law Building, Room 4–31, Faculty of Law,
University of Pretoria, South Africa



+27 12 420 4502



centreforchildlaw@up.ac.za



www.linkedin.com/company/centre-for-child-law/



@UPChildLaw



www.centreforchildlaw.co.za



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