

## Expenditure Policy Objectives & Targets

|  | National Sphere<br>(current /<br>capital) | Provincial<br>Sphere (current /<br>capital) | Local Sphere<br>(current /<br>capital) | Total (current /<br>capital) |
|--|---|---|--|------------------------------|
| Equitable Share                                  | NES +                                     | PES +                                       | LES =                                  | ES                           |
| S-Element (CMBS<br>Obligations)                  |   |   |  |                              |
| I-Element<br>(Institutional &<br>Administrative) |   |   |  |                              |
| B-Element (Other<br>Constitutional<br>Functions) |   |   |  |                              |
| Conditional Grants                               | -PCG - LCG                                | +PCG  | +LCG                                   | CG = PCG + LCG               |
| Total  | (NES - PCG - LCG)+                        | (PES + PCG) +                               | (LES + LCG) =                          | TNR                          |

## Revenue Policy Objectives & Targets

|              | National Sphere | Provincial<br>Sphere | Local Sphere | Total |
|--------------|-----------------|----------------------|--------------|-------|
| Taxes        |                 |                      |              |       |
| User Charges |                 |                      |              |       |
| Borrowing    |                 |                      |              |       |

$$\text{TNR} = (\text{NES} - \text{PCG} - \text{LCG}) + (\text{PES} + \text{PCG}) + (\text{LES} + \text{LCG})$$

Where:

TNR = Total national revenue available for equitable division

NES = National government equitable share

PES = Provincial government equitable share

LES = Local government equitable share

PCG = Provincial government conditional grants

LCG = Local government conditional grants