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**GOVERNMENT NOTICES**

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**DEPARTMENT OF TRADE AND INDUSTRY**

No. R. 644

20 July 2010

**Lotteries Act, 1997****Direction and Procedure for the Distribution Agencies in relation to the distribution of funds from the National Lottery Distribution Trust Fund**

By virtue of the powers vested in me in terms of section 32 (3) of the Lotteries Act, 1997 (Act No. 57 of 1997), and after consultation with the National Lotteries Board and relevant Distributing Agencies, I Dr Rob Davies, Minister of Trade and Industry, hereby give the following directions as to the matters to be taken into account in determining the persons to whom, the purposes for which and the conditions subject to which Distributing Agencies are to allocate any amounts.

**Dr Rob Davies, MP****Minister of Trade and Industry**

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**Definitions**

In these regulations any word or expression to which a meaning has been assigned in the Act bears the same meaning assigned to it in the Act, unless the context indicates otherwise.

The Act means the Lotteries Act, 1997, (Act No. 57 of 1997).

**PART I****Direction for Distribution Agencies in determining the distribution of funds from the National Lottery Distribution Fund**

- (1) In compliance with the direction of the Minister issued in terms of Section 32 (3) read with Section 32(4) of the Act, the Distributing Agencies shall take into account the following factors:
  - (a) general development in the Republic, with specific reference to the regional, economic, financial, social and moral interests of the Republic and the enhancement of the standard of living of all the people in the Republic; and
  - (b) provincial and local interests including-
    - (aa) the number of lottery tickets sold in each province;
    - (bb) the population of each province; and
    - (cc) the financial requirements of each province.
- (2) The priorities for distributing the funds must contribute to developmental needs, enhancement of social & moral responsibility, and economic viability of programmes designed to advance rural, under privileged and poor communities.
- (3) Of the total allocation available for distribution by a Distribution Agency at least 50% shall be directed towards the following priority areas:-
  - (a) expansion of home based care services through training and infrastructure development for the aged, the sick, vulnerable as well as the orphaned children , disabled and rehabilitation homes, so as to enhance the standard of living in the rural, underprivileged and poor communities;
  - (b) provision of educational facilities designed to enhance literacy through early childhood education, adult literacy, vocational training and mentoring for skills development that include the disabled people;
  - (c) development of sports and recreational facilities in the rural areas for talent development and increase accessibility to such facilities for all including disabled persons;
  - (d) support for causes designed to protect and promote traditional knowledge and cultural expressions;
  - (e) promotional work of arts and craft produced by groups of disabled people and women;
  - (f) development and preservation of cultural heritage sites for revenue generation including tourism attraction, and economic viability for the community; and /or

- (g) promote and support entrepreneurial development through training of women and providing necessary infrastructure and facilities for farming projects as a primary response to economic development and reduction of unemployment levels.
- (4) Subject to sub-regulation (3) a Distribution Agency may publish formal calls for application of grants for purposes of complying and achieving this Ministerial directive.

## **PART II**

### **Application process and Adjudication Procedures for Distribution Agencies**

- (1) A Distribution Agency may call for applications more than once a year.
- (2) National Lotteries Board must provide the administrative support to facilitate processing of application for adjudication, including the implementation of programmes to educate and raise awareness in respect of the grant making process and the use and care of facilities.
- (3) Upon receipt of an application for adjudication a Distribution Agency shall determine whether the application meets the criteria and the applicant has submitted all the mandatory documents in the application Form 2010/1 and -
  - (a) if the application does not meet the criteria and contain all the mandatory documents, such application will be declined on the basis that it does not meet the criteria or that it is an incomplete application, and the applicant will be informed accordingly;
  - (b) if the application meets the criteria and contains the mandatory documents, a Distribution Agency will proceed to assess the application in accordance with the requirements in regulations 3-6 of Regulations Relating to Allocation of Money in the National Lottery Distribution Trust Fund.
- (4) When assessing the application, a Distribution Agency may at anytime request any additional information or documents, other than mandatory documents in Form 2010/1.
- (5) A Distribution Agency may decide to make a grant, with or without conditions, or to decline to make a grant.

- (6) Upon finalisation of the adjudication process, a Distribution Agency will within thirty calendar days in writing -
- (a) inform the applicant of the outcome of the adjudication;
  - (b) if the application is declined, inform the applicant of the reasons;
  - (c) if the application is successful:-
    - (i) send the grant agreement to the applicant and such grant agreement will be open for acceptance for a period of thirty calendar days;
    - (ii) if acceptance of the offer or the grant agreement is not received within thirty calendar days, a Distribution Agency may withdraw the grant by giving notice to the applicant;
    - (iv) if the grant agreement is accepted and received within thirty calendar days payment will be effected within sixty calendar days .
- (7) A Distribution Agency may approve a grant subject to condition that:-
- (a) the grant be paid in full or in trenches;
  - (b) the grant be paid after receipt of a positive pre- grant site inspection or visit; and /or
  - (c) the grant be paid subject to a site visit being conducted during or after utilisation of the grant to satisfy that the grant was utilised for purposes for which it was approved.
- (8) The grant agreement must, in addition to any condition, stipulate the powers of the Minister to prohibit or withdraw a grant, or impose conditions in terms of Section 33 read with Section 32 of the Act.
- (9) If a Distribution Agency approves a grant to an organisation which serves as a conduit for further distribution of the funds to the beneficiaries, in accordance with the purposes of the Act, such organisation shall comply with the procedure and conditions stipulated in this Notice to ensure that such further distribution conforms to the direction of the Minister and the requirements in regulations 3-6 of Regulations Relating to Allocation of Money in the National Lottery Distribution Trust Fund.
- (10) Not more than 10% of the total allocation to a Distribution Agency shall be allocated to conduit for further distribution of funds equitably to beneficiaries.
- (11) Organisations receiving funds through conduits cannot apply directly to a Distribution Agency for funding unless such organisations are no longer conduits recipients, and in that case can submit applications directly to a Distribution Agency.

**General**

These regulations shall be called Direction for the Distribution Agencies in Determining Distribution of Funds from the National Lottery Distribution Trust Fund and will come into operation on 30<sup>th</sup> of July 2010, and will from time to time be amended to advance the objectives of the Act or as may be necessary taking into account developmental aspects and socio-economic needs.