



Nokuthula Simelane Building, No. 7 Government Boulevard, Riverside Park Extension 2, Mbombela, 1200
Private Bag X 11205, Mbombela, 1200

Tel: 013 766 4281 Fax: 013 766 Editable Int: +27 (13) 766 9495 Int: +27 (13) 766 4281

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinciales Tesourie

Enquiries : Mr NM Madike x4281
Ref : MPT12/3/5/1/R

PROVINCIAL TREASURY CIRCULAR NO. 36 OF 2019

TO:-

ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA: VOTE 1:
(MR KM MOHLASEDI)
ACTING HEAD: PROVINCIAL TREASURY: VOTE 3: (MS GM MASHITENG)
ACTING HEAD: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS:
VOTE 5: (MR LS MONARENG)
ACTING HEAD: ECONOMIC DEVELOPMENT AND TOURISM: VOTE 6: (MR NM SEBITSO)
ACTING HEAD: EDUCATION: VOTE 7: (MR JR NKOSI)
ACTING HEAD: PUBLIC WORKS, ROADS AND TRANSPORT: VOTE 8: (MS SP XULU)
HEAD: HEALTH: VOTE 10: (DR S MOHANGI)
HEAD: SOCIAL DEVELOPMENT: VOTE 12: (MR MV MAHLALELA)
HEAD: HUMAN SETTLEMENTS: VOTE 13: (MR K MASANGE)

THE CHIEF FINANCIAL OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND
ENVIRONMENT AFFAIRS (MR MA LETSWALO)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM
(MS H THRUSH)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 7: EDUCATION (MR A THELA)
THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT
(MS H MDAKA)
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR PP MAMOGALE)
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS B MOJAPELO)
THE CHIEF FINANCIAL OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR N NYOKA)

2019 BUDGET VISITS TO MPUMALANGA PROVINCIAL GOVERNMENT

Section 6 of the Public Finance Management Act, No. 1 of 1999 (PFMA) requires the National Treasury to monitor the implementation of provincial budgets. To give effect to this an analysis is conducted on monthly and quarterly financial and non-financial performance reports submitted by Provinces. In addition, National Treasury conducts annual Provincial Budget visits and Infrastructure Site visits. To this end the 2019 Provincial Budget Visits are planned to take place over three days as follows:

- a) 6 and 7 August 2019: Meetings with selected sector departments
- b) 8 August 2019: Visits to smallholder/emerging farmers (with different farming activities)

The invitation is extended to the Accounting Officer and Chief Financial Officer. The other relevant management officials dealing with infrastructure and other core deliverables as outlined in the Terms of Reference are requested to attend the engagements.

Your Vote is requested to provide the following information to Provincial Treasury for the 2019 Provincial Budget Visits sessions by 29 July 2019.

EDUCATION

1. Financial issues

- a) General trends in expenditure per programme/economic classification for 2018/19 and first quarter 2019/20 including projections. An analysis of variances as well as the reasons for such variations must be included.
- b) Conditional grants performance for 2018/19 and 2019/20, issues and plans to mitigate challenges.
 - (i) Large amount of funding is allocated to grants such as the MST grant. Can we see the benefits? Have the targeted schools shown any material improvement?

2. Discussion topic

Despite a relatively large investment in Education, international benchmark studies have found the quality of Education in South Africa to be poor when compared to other developing economies. The Progress in International Reading Literacy Study (PIRLS) assessed grade 4 learners, and found that 78 per cent could not read for meaning. Some proposed strategies to address these challenges is to increase access to books and provide training to teachers. In light of this situation and the proposed solution, how is Education responding in terms of:

- a) **Learner Teacher Support Material (LTSM)**
 - (i) Discussion to include LTSM coverage, how it is determined and reported, as well as challenges and remedial actions relating to reporting;
 - (ii) Increasing access to books and promoting culture of reading;
 - (iii) Transition to digital workbooks and textbooks as pronounced by the President in his State of the Nation Address (SONA).

b) Reading in the Foundation Phase

Research on excessive class sizes in the Foundation Phase suggests that effective teaching of reading is hampered by overcrowded classes in the Foundation Phase.

- (i) Discuss the class size against the norm at the foundation phase (Grade 1-3) – current class size challenges and remedial action.

c) Teacher training and development

- (i) Discussion to include the adequacy of teacher training and development, specifically in response to the reading crisis;
- (ii) Issues affecting prioritisation of training and development
- (iii) There is a trend of moving funds away from T & D during the adjustments, what effect has this had on training?
- (iv) How is the current training and development programme equipping teachers to improve the quality of education?

d) Provision of Early Childhood Development (ECD) in Schools

The President, in the SONA also announced that part of the ECD would be shifted from Social Development to Basic Education. The main aim is to strengthen ECD in Education and have Grade R compulsory by 2030 and Pre-Grade R by 2035. Both sectors are in the process of preparing for the shift, which would have to be done progressively based on the resource availability. The readiness of schools will be a major determinant in this process.

- (i) In response to the shift, please provide an update on the progress with respect to moving Grade R from ECD centres to schools and preparing for compulsory Pre-Grade R in schools.
- (ii) Discuss availability of Infrastructure, plans, backlogs and possible challenges.

e) Eradication of pit-latrines

The additional funding of R2.8 billion to address pit-latrines is not sufficient when compared to the estimated cost of R6 billion. Provinces are expected to reprioritise capital budgets to augment the allocated budget. How far is the province in this regard? How much of the capital budget has been reprioritised and what is the progress made on eradicating Pit-latrines?

HEALTH

1. Financial Management

Financial management in the Health sector is currently in the spotlight given persisting challenges that are being experienced relating to a high level of unpaid invoices which were at R14.1 billion by end of 2017/18, irregular expenditure at R41 billion, as well as pressures in the non-negotiables. Discussion on financial management issues should also (but not limited to) cover the following:

- a) Budget execution challenges for 2018/19 and first quarter of 2019/20 (including conditional grants)
 - (i) An analysis of budget and expenditure variances as well as the reasons for such variations for non-negotiables and key accounts in facilities such as Hospitals, clinics, CHCs.
 - (ii) 2019/20 spending and services delivery pressures as well as provincial efforts to deal with them.
- b) Infrastructure performance for 2018/19 and 2019/20 first quarter
 - (i) Expenditure performance and challenges encountered by the department in the infrastructure delivery.
 - (ii) Are any new health facilities (hospitals, CHCs, clinics) up for commissioning? If so, are operational budgets (including human resource, maintenance, goods and services) and human resource plans in place?
- c) Provincial efforts to improve financial management:
 - (i) Capacity within the CFO's office to address the persisting financial management challenges, e.g. SCM and budget management.
 - (ii) Effectiveness of accrual reduction strategies over the past 3 years
 - (iii) Demonstrate how procurement plans, demand plans and cash flows are aligned
 - (iv) Measures or strategies to improve audit outcomes

2. Mental Health Services

- a) Life esidimeni tragedy has resulted in the SAHRC investigation into the provision for mental health services in the country. In the session, the discussion should cover:
 - (i) Financial and non-financial provision that was made for mental health services in 2018/19 and 2019/20
 - (ii) Under primary care services
 - (iii) Regional and other hospital services
 - (iv) Private facilities (NGOs) that are publicly funded.

3. Increasing Medico-Legal Claims

- a) Payments of medico-legal claims are sitting at almost R2 billion by the end of 2018/19. Therefore, the discussions on these issues should cover the following:
 - (i) A summary of claim categories should be presented including challenges and current initiatives to address problematic areas.
 - (ii) Progress on strengthening the mediation/ arbitration process.
 - (iii) Availability of medico-legal database and information security
 - (iv) Medico-legal personnel structures within the department- insourced or outsourced. Staffing of medico-legal units or contract in legal expertise
 - (v) How are facilities involved in the investigative process?

4. Human Resource Management

- a) It has emerged during the 2018 health facilities visits that some hospitals staff establishments are outdated and does not correspond with the services provided. This has resulted in a high vacancy rate and ultimately low staff morale as a result of high workload
 - (i) Funded posts to be filled in 2019/20 financial year accompanied with quarterly appointment plan-
 - (ii) List of positions filled in terms of the stimulus package initiative, for 2018/19 financial year and 2019/20 first quarter expenditure including:
 - Community service and medical intern posts filled through the Provincial Equitable Share and the HR capacitation grant. This should include both local and Cuban programme.
 - (iii) Cuban programme management in terms of headcounts (no. of students), budgets and payments thereof as well as the plan to place the students upon their return and funding requirements.

5. Delegations

- a) The Presidential Health Summit also highlighted lack of financial delegations to facility managers as a problem that negatively affects service delivery. Therefore, discussions are essential on the current level of delegations (if exists) or plans, as well as challenges experienced. E.g. Central hospitals and Regional/Tertiary hospitals. The department should highlight what the current delegations are and the challenges encountered relating to the following issues:
 - (i) Finance
 - (ii) Supply chain
 - (iii) HR Appointments
 - (iv) Maintenance and repairs

SOCIAL DEVELOPMENT

1. Financial Issues

- a) The financial and non-financial outcome for 2018/19 and first quarter of 2019/20. Challenges experienced in implementing the 2019/20 budget per programme/ economic classification and mitigation plans
- b) Conditional grants financial and non-financial performance for 2018/19 and first quarter 2019/20 (successes, challenges and remedial action in all components)
- c) **Earmarked allocation**
 - (i) Spending plans and achievements on the following earmarked allocations: violence against women and children, NAWONGO and sanitary dignity project.
 - (ii) Collaboration with the Department of Education in delivering sanitary dignity project.
 - How does the department go about conducting a needs analysis to inform any possible funding?
 - What is the current coverage of schools benefiting from this programme (i.e. how many schools within quintile 1-3 benefiting)?
 - (iii) Readiness to take over the food relief function from National given that provinces are expected to take over in 2020/21.

d) Circular 21

- (i) Impact/ challenges on the implementation of circular 21 in terms of financial performance as well as service delivery.
- (ii) 2019/20 allocation/ classification (are the projects classified correctly in the current financial year and over the MTEF).

2. Performance Issues

a) Substance Abuse

- (i) Strategies and challenges to reducing the increasing trend of substance abuse in the province.

b) Early Child Development (ECD)

- (i) Readiness on migrating responsibility for Grade RR (ages 4 turning 5 before 30 June) from Social Development to Basic Education in line with the SONA.
- (i) What were the challenges experienced with regard to the signing of SLA's in 2018/19 and what progress has been made in 2019/20?
- (ii) Provide strategies to speed up the signing of SLA's in an effort to ensure that transfers are done on time?
- (iii) Systems in place to collect beneficiary level data on NGO's/NPO's?

PUBLIC WORKS, ROADS AND TRANSPORT

1. Financial issues

- a) Financial and non-financial outcome for 2018/19 and first quarter of 2019/20. Challenges experienced in implementing the 2019/20 budget per programme/ economic classification and mitigation plans.
- b) Conditional grants: PRMG and PTOG achievements and performance for 2018/19 and first quarter 2019/20. Implementation challenges and how they are being addressed.

2. Performance issues

a) Public Transport

- (i) Progress on integration of different modes of public transport (bus, taxi, rail) in the province, taking into account travel patterns and volume of demand)?
- (ii) What is the progress towards devolving the contracting of subsidised bus services to cities to incorporate as part of their networks?
- (iii) Quality of bus services:
 - What were the operators' actual annual reliability performance against the minimum required performance standards in 2018/19, and first quarter 2019/20 (targets and actual)?
 - How are penalties calculated if bus operators do not run services as scheduled (due to mechanical breakdowns or other reasons)? Are these penalties imposed, and how much was deducted from contract payments in 2017/18 and 2018/19?

- What are the current and planned measures aimed at improving reliability of bus services and how does the department measure and monitor user satisfaction?

b) Provincial roads infrastructure and maintenance

According to the South African Institute of Civil Engineers (SAICE): 2017 Infrastructure Report Card, the paved provincial road network is at risk of failure, while provincial unpaved roads are unfit for purpose. What are the province's plans to address the following?

- (i) Road network condition - provincial plans and commitments to have no more than 10 per cent of the **provincial strategic road network** at a poor or very poor condition as recommended by the Roads Infrastructure Strategic Framework of South Africa (RISFSA).
 - Increasing investment in road maintenance and rehabilitation
 - Operationalising weighbridges
 - Other provincial measures to improve the quality of roads
- (ii) Progress in building capacity (i.e. with experienced road professional expertise) to plan and deliver infrastructure as per the requirements of the Infrastructure Delivery Management System (IDMS)
- (iii) What are the key/ strategic provincial roads (which drive the national/ provincial economy), their kilometre length, and how are they prioritised for budgeting and maintenance?

c) Road safety initiatives and other

- (i) According to the 2015 Global Status Report on Road Safety, Africa has the highest rate of road traffic fatalities in the world despite comparatively low levels of motorisation. South Africa's road fatality rate in 2016 was 25.2 per 100 000 inhabitants compared to the global average of 17.5.
 - What are the road safety considerations by the department in planning for new roads and plans on existing roads to minimise road fatalities?
 - What are the existing measures and partnerships with other departments aimed at reducing accidents and fatalities on provincial roads (including pedestrian safety)

d) Personnel skills

- (i) Has the department done a skills audit? If yes, what are the findings and how does it help to deal with the skills shortage? If there is no skill audit done, are there any plans to conduct one to address the skills shortage and the impact it has on service delivery?

e) Property portfolio

- (i) What is the total property portfolio (by type) managed by the department (number of buildings and land parcels) and their estimated net worth in rands.
- (ii) What are the future plans on existing land parcels? Are these plans aligned to municipal spatial development frameworks and integrated development plans?

f) Office Accommodation

- (i) What is the cost and annual escalation percentage of the lease management portfolio vs the cost of own office accommodation in the province, outline the measures in place to bring down the cost of office accommodation.

g) Implementing agent role

- (i) Challenges relating to implementing projects for user/ client departments and proposed measures to deal with them.
(ii) Outline the process for the management of scope changes, variation orders and cost overruns.
(iii) The proportion of projects managed by public works vs the extent of outsourcing (and the criteria on which projects to outsource).

h) Debts owed to municipalities

- (i) What is the department's strategy to address budget shortfalls in property payment to reduce debts owed to municipalities?
(ii) What is the progress made in resolving outstanding debt owed to municipalities and measures that have been put in place to minimize such debts?

i) Revenue

- (i) What are the challenges being experienced and mitigation measures in reaching the revenue targets in each of the revenue streams, i.e. property disposal, auctions, leased out properties, parking, land etc?

j) EPWP

- (i) Support provided to provincial departments in the implementation of EPWP grant.
(ii) What are the EPWP training focus areas for the department (i.e. types of skills)? Please provide achievements for 2018/19 and focus areas for 2019/20 and beyond.

HUMAN SETTLEMENTS

1. Financial issues and earmarked funding

- a) General trends in expenditure and non-financial performance per housing programme/ instrument by district for 2018/19 and first quarter 2019/20 including projections. Reasons for variances and remedial measures must be included.
- (i) Title Deed Restoration Grant
- Progress made in reducing the backlog.
 - How are provinces progressing in addressing issues impeding performance, e.g. township proclamation, beneficiary verification and conveyancing delays?
- (ii) What progress has been made and what have been the challenges in relation to developing mining towns?

- (iii) Provincial targets, achievements, challenges and mitigation plans on the provision of housing for Military Veterans. Are there any issues with the top-up funding from the department of Military Veterans?
- b) Transfers to National and provincial agencies and in the last quarter of the financial year. What was achieved with the transferred amounts in 2018/19 against set?

2. Performance issues

- a) How is the Integrated Residential Development Programme of the department linked to municipal spatial plans, in support of the development of mixed and integrated human settlements?
- b) What is the capture rate of projects on the HSS and do these projects align to the 2019/20 tabled project list over the MTEF.
- c) How does the department manage the funds that remain unallocated on the tabled project list? (I.e. HSDG funding that is not fully allocated to identifiable projects).
- d) How is the department managing the relationship with the national department to ensure that business plans are approved on time prior to the tabling of the budget?
- e) Upgrading of Informal Settlements Programme – Progress on:
 - (i) Social compacts concluded for each informal settlement
 - (ii) Upgrading plans implemented
 - (iii) Households provided with security of tenure
 - (iv) Households provided with water, electricity and sanitation (grid and off-grid)
 - (v) Informal settlements provided with public lighting, roads, storm-water and refuse removal
- f) Disaster funds allocated by National Disaster Management Centre (NDMC)
 - (i) Progress related to repair of infrastructure damaged by natural disasters.
- g) Were there any deviations from the 2018/19 business plan? If so, what were the planning deficiencies and how did the department address them?
- h) What are the housing challenges to be addressed per district and what are the planned interventions?

ECONOMIC DEVELOPMENT AND TOURISM

1. Financial issues

- a) Departmental expenditure per programme and economic classification for 2018/19 and first quarter 2019/20 including projections. An analysis of variances as well as the reasons for such variations must be included.

2. Finance, Non-Financial Investments and Partnerships [Collaborations]

- a) Provide a key highlight of your Strategy (PGDS) by illustrating its:
 - (i) The 2018/19 and 2019/20 1st quarter financial and non-financial performance of the PGDS targeted programmes that are meant to grow the economy.
 - (ii) What are the current, future and / or anticipated collaborations with DTI (industrial parks) and private sector (automotive industry) in programme implementation for the benefit of SMMEs and cooperative) in the value chains?
 - (iii) Outline and discuss progress of township and rural economy projects/ programmes / initiatives by district?

3. Specialized Economic Zones (SEZs)

- a) Provide update or progress with the establishment of the Nkomazi SEZ after its designation. Outline comprehensive plans for the SEZ, including anticipated challenges and successes – as well as how challenges will be mitigated.

AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS

1. Financial issues

- a) General trends in expenditure per programme/economic classification and conditional grant performance for 2018/19 and first quarter 2019/20 including projections. An analysis of variances and reasons for such variations must be included as well as mitigating for challenges.

2. Agricultural production

- a) How is the province leveraging its competitive advantage in agriculture to grow the sector, and what strategies are employed to do this.

3. Smallholder farmers

- a) Outline the benefits that government is yielding in supporting smallholder and emerging farmers/producers through extension services and other support programmes.
- b) Outline support provided during the aftermath of the drought to maintain the sustainability of smallholder farming enterprises. (Province specifics)

4. Food production and security

- a) Whilst 20.2 % (3.4 million) households are experiencing food inadequacy in SA, the number of households involved in agriculture is declining (from 2.9 million in 2011 Census to 2.3 million in 2016 Community Survey). Outline the support given to households with inadequate access to food, and strategies to reduce number of these households, including the support given to households which use farming either as main or extra source of household food.

5. Agriculture as a catalyst for sustainable economies

- a) Outline the agriculture linkages that exist in other provincial departments and entities, i.e. how does agriculture feed into Economic Development department's growth plans, Education's school nutrition programme, and how it also feeds into catering plans of Health's facilities and Social Development's various social centres, etc.
- b) How does the department support smallholders and emerging farmers in agriculture value chains?
- c) Provision of skills development programmes, particularly to vulnerable groups such as women, youth and people with disabilities to encourage their participation in the sector and to promote equity, boost job creation and sustainability of the sector.

6. Rural Development and Land reform

- a) Provide overview of the performance of Agri-Parks in transforming and industrializing the economy of rural regions and towns, with an added emphasis on job creation and participation of smallholder farmers and cooperatives.
- b) Provide an overview of the land reform programme in the province, including hectares of land donated and leased to provinces as part of supporting agriculture sector. How much of this land is productively utilised and what agricultural activity is practiced on this donated and leased land?

7. Environmental Affairs

- a) What are the visible effects of climate change, particularly global warming, on the province's social and economic sectors? What measures or technological capabilities is the province using to lessen the impact of adverse weather conditions in these sectors?
- b) How does the department facilitate the mainstreaming of climate-resilient development into economic planning and ensure integration into the intergovernmental fiscal budgetary process?
- c) Provide status report on the implementation of the Provincial Climate Change Situational Analysis and Needs Assessment: How are climate change risk and vulnerability assessments used to improve human settlement and guiding planning and budgeting priorities?
- d) What measures are in place to preserve biodiversity in the province e.g. removal of alien/invasive species?

Regards,



MS GUGU MASHITENG
ACTING HEAD: PROVINCIAL TREASURY
DATE: 07/10/2019

Mpumalanga Provincial Budget Visits: 6-8 August 2019

Programme Schedule

DAY 1 (6 August 2019) - Meetings

Departments	Time
Treasuries	09:00 – 10:00
Education	10:00 – 12:00
Lunch	12:00 – 13:00
Health	13:00 – 15:00
Social Development	15:00 – 16:30

DAY 2 (7 August 2019) - Meetings

Departments	Time
Public Works, Roads and Transport	09:00 - 10:30
Human Settlements	10:30 -12: 00
Lunch	12:00 – 13:00
Economic Development and Tourism	13:00 - 14:30
Agriculture, Rural Development, Land and Environmental Affairs	14:30 -16:00

Day 3 (8 August 2019) – Farmer visits

Farmers	Time
1 st Farmer	09:00 – 12:00
2 nd Farmer	13:00 - 16:00



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

NATIONAL TREASURY

INTERGOVERNMENTAL RELATIONS

PROVINCIAL BUDGET ANALYSIS

MPUMALANGA PROVINCIAL VISITS: *JULY/AUGUST 2019*

TERMS OF REFERENCE

TREASURIES MEETING

The objective of the provincial visits is to assess compliance and monitor deviations from the norms and standards for compliance. The engagements will focus on budget/financial and Supply Chain Management (SCM) compliance within the identified sectors.

It is imperative that information on the identified sectors include previous i.e. **2018/19** information and the ensuing period of **2019/20 financial year**. For SCM discussions, the following information should be made available:

1. Financial governance

- a) Discuss the provincial effort to improve provincial departments, public entities and municipalities' audit outcomes:
- b) Provide the strategies or system in place to improve or address issues raised by the Auditor General.
 - (i) How is the implementation of post audit action plan in the province the province (departments, public entities and municipalities) monitored?

2. Provincial revenue and cash management

- a) What are the measures put in place to address the under collection in some departments and improve the actual collection against pre-determined target?
- b) Are there any new revenue streams that has been identified in the province?

3. SCM Compliance and Reporting

a) Procurement plans

- (i) Please share a compiled provincial Procurement Plan that was submitted by departments to Provincial Treasury for the period 2018/19 and 2019/20 financial years.
- (ii) Are there any changes reported on the Procurement Plan?
- (iii) How is the procurement plan linked to the budget projections?

b) Registers for deviations,

- (i) What is the status of procurement deviations emanating from the Procurement Plans that are reported to Provincial Treasury (quantity/value)? Those that were not supported, what is the current status and how is the department intending to resolve them?

Description of good/service	Value	Supplier	Reasons for deviation

c) Variations and extension of contracts,

- (i) What is status of contract expansions/variations that are reported to Provincial Treasury (quantity/value)? Those that were not supported, what is the current status and how is the department intending to resolve them?

Description of good/service	Original Value of contract	New Value of contract	Supplier	Reasons for expansion/variation

d) **Report on the implementation of the 2017 PPPFA regulations.**

- (i) What is the level of compliance towards the revised 2017 Preferential Procurement Regulations in the province?
- (ii) Does the province have a procurement empowerment strategy/targets to achieve PPPFA objectives?
- (iii) What is the status and challenges experienced when implementing the provision of revised 2017 Preferential Procurement Regulations in your department?

e) **Report on the on Transversal Contracts.**

- (i) Provide details of transversal contracts in the province managed by provincial treasury.
- (ii) What is the capacity within Transversal contracts unit?
- (iii) Extent of participation in these transversal contracts by the departments.
- (iv) Are there any savings realised as a results of these transversal contracts?
- (v) Spending for 2018/19 and 2019/20 first quarter on the current transversal contracts.