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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY**NO. 1936****25 March 2022**

I, Enoch Godongwana, Minister of Finance, in my capacity as the Minister of Finance, hereby publish, in accordance with sections 18 and 19 of the Division of Revenue Act, 2021 (Act No. 9 of 2021) as amended by the Division of Revenue Amendment Act 2021 (Act No. 17 Of 2021), the attached Explanatory Memorandum and Schedules:

- (a) The stopping ad re-allocation of conditional grants to municipalities made in terms of sections 18 and 19 of the Division of Revenue Act,
- (b) Technical adjustments on conditional allocations to municipalities, and

For ease of reference only and where applicable, the attached Schedules reflect the main allocations, first and second adjustments, and total adjusted allocations.



**E GODONGWANA
MINISTER OF FINANCE**

Explanatory Memorandum to the Allocations set out in the attached Schedule

This Gazette is published in terms of the Division of Revenue Act, 2021, (Act No. 9 of 2021) (DoRA) as amended by the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021), and provides information regarding the adjustment of allocations to municipalities in the 2021/22 financial year.

This is necessitated by the need for the stopping and re-allocation of conditional grants to municipalities made in terms of sections 18 and 19 of DoRA and technical adjustments on conditional allocations to municipalities.

STOPPING AND RE-ALLOCATION:

The stopping and reallocation of conditional grants is done in terms of sections 18 and 19 of the 2021 DoRA against municipalities that reported significant underperformance, non-compliance against conditional grants frameworks and the provisions of the Act against the 2021/22 allocations.

The purpose of sections 18 and 19 of DoRA is to avoid transferring more funds to municipalities that are sitting with unspent transferred funds, avoid fiscal dumping, addresses possibilities of funds misused and support fast moving projects in-year. The stopping however does not imply that projects should stop, rather municipalities should reprioritise in order to accelerate on their committed shovel ready projects. Only projects that are not ready for implementation in the current year are affected by the stopping process as transferring more funds could lead to the misusing of the conditional grants.

The stopping and reallocation process provides that municipalities that are showing improved performance could be considered for additional funding and the ones that are under performing could have their funds stopped in the current year. These municipalities will be supported in future when their performance improves.

Nine capital grants are being affected by the stopping and re-allocation process namely; the Water Services Infrastructure Grant (WSIG 5B and 6B), Regional Bulk Infrastructure Grant (RBIG 5B and 6B), Public Transport Networks Grant (PTNG), Urban Settlements Development Grant (USDG), Informal Settlements Upgrading Partnership Grant (ISUPG), Neighborhood Development Partnership Grant 5B (NDPG), Integrated National Electrification Programme 5B (INEP), Municipal Infrastructure Grant (MIG) and the Integrated Urban Development Grant (IUDG).

The Expanded Public Works Programme Integrated Grant for Municipalities is the only capacity grant affected by sections 18 and 19 of DoRA.

TECHNICAL ADJUSTMENTS ON CONDITIONAL ALLOCATIONS:

National Treasury in consultation with the Department of Human Settlements (DHS) agreed to implement section 35 of DoRA in order to reimburse eThekweni Metropolitan Municipality with an amount of R112.9 million against the unspent Municipal Disaster Recovery Grant (MDRG) that was offset in December 2021 through the ISUPG. In terms of Section 35 (1), the Minister may, if good grounds exist, approve a departure from a provision of a framework, a regulation made under Section 36 or a condition imposed in terms of this Act.

National Treasury will therefore utilise the ISUPG grant to reimburse the municipality with the MDRG amount that was offset. This will be done in terms of section 35 of DoRA, whereby the municipality will be allowed to report the incurred MDRG expenditure against the ISUPG. This consideration is done in the schedules of the ISUPG.

National Treasury through the recommendation of DHS approved the request to allocate a portion of unallocated MEHG following the disaster that occurred at uPhongolo Local Municipality. The allocation was done through the Government Gazette No. 46014 of 07 March 2022 in order to fund the 481 destitute households within the municipal jurisdiction. This gazette reduces the initial gazetted amount of R30.9 million to R15.5 million that is already transferred.

The gazette also corrects the adjustments made on the recently published adjustment gazette (Government gazette No. 46014 of 07 March 2022) with regards to INEP. Three municipalities (Renosterberg, Thabazimbi and Dihlabeng Local Municipalities) that had their funds adjusted, are now corrected in this gazette.

UNALLOCATED PROVISIONS FOR DISASTER RESPONSE:

The Department of Cooperative Governance (DCoG) through National Disaster Management Centre (NDMC) published the National disaster declaration on 20 July 2021 (Gazette No. 44876). In order to respond to the disaster in terms of the Disaster Management Act, 2002 (Act No. 57 of 2002) the department requested National Treasury to approve the release of the Municipal Disaster Relief Grant to 10 identified municipalities in the Eastern Cape and Western Cape. A further R173 million is now allocated to the affected municipalities from the original unallocated MDRG allocation of R358 million.

ANNEXURE 1
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5, PART B)
(National and Municipal Financial Years)

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Mineral Resources and Energy (Vote 34)	Integrated National Electrification Programme (Municipal) Grant			
	Column A			Column C
	2021/22 Main allocation	February Gazette-DoRAB	March Gazette	2021/22 Adjusted allocation
LIMPOPO				
B LIM344 Makhado	11 296		3 000	14 296
B LIM345 Collins Chabane	15 000			15 000
Total: Vhembe Municipalities	49 296	-	3 000	52 296
B LIM354 Polokwane	33 000		(5 000)	28 000
B LIM355 Lepele-Nkumpi	7 000	(3 000)		4 000
C DC35 Capricorn District Municipality			-	-
Total: Capricorn Municipalities	50 000	(3 000)	(5 000)	42 000
B LIM361 Thabazimbi	22 000	(17 000)	2 000	7 000
B LIM362 Lephale	26 500			26 500
Total: Waterberg Municipalities	73 500	(7 000)	2 000	68 500
Total: Limpopo Municipalities	298 164	1 670	-	299 834
MPUMALANGA				
B MP306 Dipaleseng	31 797		4 500	36 297
B MP307 Govan Mbeki	7 650	10 093		17 743
C DC30 Gert Sibande District Municipality				-
Total: Gert Sibande Municipalities	104 275	8 093	4 500	116 868
B MP311 Victor Khanye				-
B MP312 Emalahleni	47 500	(10 000)		37 500
B MP313 Steve Tshwete	15 000		(1 254)	13 746
Total: Nkangala Municipalities	96 500	(10 000)	(1 254)	85 246
B MP321 Thaba Chweu				-
B MP324 Nkomazi	5 400		(1 400)	4 000
Total: Ehlanzeni Municipalities	74 606	-	(1 400)	73 206
Total: Mpumalanga Municipalities	275 381	(1 907)	1 846	275 320
NORTHERN CAPE				
B NC061 Richtersveld				-
B NC062 Nama Khoi	1 780			1 780
Total: Namakwa Municipalities	1 780	-	-	1 780
B NC071 Ubuntu	10 000			10 000
B NC073 Emthanjeni	4 000	(2 400)		1 600
B NC074 Kareeberg	5 000			5 000
B NC075 Renosterberg		1 500	(1 500)	-
Total: Pixley Ka Seme Municipalities	31 500	(900)	(1 500)	29 100
B NC085 Tsantsabane	1 500	3 500		5 000
B NC087 Dawid Kruiper	12 975	12 500		25 475
Total: ZF Mgcawu Municipalities	19 586	16 000	-	35 586
B NC091 Sol Plaatje	66 500	(30 000)		36 500
B NC092 Dikgatlong	1 000			1 000
Total: Frances Baard Municipalities	72 500	(30 000)	-	42 500
Total: Northern Cape Municipalities	170 366	(2 400)	(1 500)	166 466

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Transport (Vote 40)	Public Transport Network Grant			
	Column A 2021/22 Main allocation	February Gazette- DoRAB	March Gazette	Column C 2021/22 Adjusted allocation
	R'000	R'000	R'000	R'000
EASTERN CAPE				
A BUF Buffalo City				-
A NMA Nelson Mandela Bay	285 087		(66 600)	218 487
Total: Eastern Cape Municipalities	285 087	-	(66 600)	218 487
FREE STATE				
A MAN Mangaung	223 648			223 648
Total: Free State Municipalities	223 648	-	-	223 648
GAUTENG				
A EKU Ekurhuleni	628 569			628 569
A JHB City of Johannesburg	1 064 843		(170 153)	894 690
A TSH City of Tshwane	675 462			675 462
Total: Gauteng Municipalities	2 368 874	-	(170 153)	2 198 721
KWAZULU-NATAL				
A ETH eThekweni	772 712			772 712
B KZN225 Msunduzi			11 900	11 900
Total: Umgungundlovu Municipalities	-	-	11 900	11 900
Total: KwaZulu-Natal Municipalities	772 712	-	11 900	784 612
LIMPOPO				
B LIM354 Polokwane	178 544			178 544
Total: Capricorn Municipalities	178 544	-	-	178 544
Total: Limpopo Municipalities	178 544	-	-	178 544
MPUMALANGA				
B MP326 City of Mbombela			198 256	198 256
Total: Ehlanzeni Municipalities	-	-	198 256	198 256
Total: Mpumalanga Municipalities	-	-	198 256	198 256
NORTH WEST				
B NW373 Rustenburg	213 649			213 649
Total: Bojanala Platinum Municipalities	213 649	-	-	213 649
Total: North West Municipalities	213 649	-	-	213 649
WESTERN CAPE				
A CPT City of Cape Town	2 288 640	(1 340 000)		948 640
B WC044 George	183 379		26 597	209 976
Total: Eden Municipalities	183 379	-	26 597	209 976
Total: Western Cape Municipalities	2 472 019	(1 340 000)	26 597	1 158 616
Unallocated				-
National Total	6 514 533	(1 340 000)	-	5 174 533

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Water and Sanitation (Vote 41)	Regional Bulk Infrastructure Grant			
	Column A			Column C
	2021/22 Main allocation	February Gazette-DoRAB	March Gazette	2021/22 Adjusted allocation
	R'000	R'000	R'000	R'000
EASTERN CAPE				
B EC138 Sakhisizwe				-
B EC139 Enoch Mgijima				-
C DC13 Chris Hani District Municipality	241 811		(21 543)	220 268
Total: Chris Hani Municipalities	241 811	-	(21 543)	220 268
B EC157 King Sabata Dalindyebo				-
C DC15 O.R. Tambo District Municipality	239 518		(118 184)	121 334
Total: O.R.Tambo Municipalities	239 518	-	(118 184)	121 334
Total: Eastern Cape Municipalities	481 329	-	(139 727)	341 602
KWAZULU-NATAL				
B KZN238 Alfred Duma				-
C DC23 uThukela District Municipality	6 090		(6 090)	-
Total:Uthukela Municipalities	6 090	-	(6 090)	-
B KZN265 Nongoma				-
B KZN266 Ulundi				-
C DC26 Zululand District Municipality	222 531			222 531
Total: Zululand Municipalities	222 531	-	-	222 531
B KZN285 Mthonjaneni				-
B KZN286 Nkandla				-
C DC28 King Cetshwayo District Municipality	10 000		10 000	20 000
Total: Uthungulu Municipalities	10 000	-	10 000	20 000
Total: KwaZulu-Natal Municipalities	238 621	-	3 910	242 531
LIMPOPO				
B LIM353 Molemole				-
B LIM354 Polokwane	218 806			218 806
Total: Capricorn Municipalities	218 806	-	-	218 806
Total: Limpopo Municipalities	218 806	-	-	218 806
MPUMALANGA				
B MP301 Chief Albert Luthuli	145 000		103 000	248 000
B MP302 Msukaligwa	86 080		115 000	201 080
B MP307 Govan Mbeki	40 000		(40 000)	-
Total: Gert Sibande Municipalities	271 080	-	178 000	449 080
B MP312 Emalahleni				-
B MP313 Steve Tshwete	45 000			45 000
Total: Nkangala Municipalities	45 000	-	-	45 000
B MP321 Thaba Chweu				-
B MP324 Nkomazi	85 000		(20 000)	65 000
B MP326 City of Mbombela	10 000		(8 000)	2 000
Total: Ehlanzeni Municipalities	95 000	-	(28 000)	67 000
Total: Mpumalanga Municipalities	411 080	-	150 000	561 080

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Department of Water and Sanitation (Vote 41)	Water Services Infrastructure Grant			
	Column A 2021/22 Main allocation	Roll-overs	Adjustments	Column C 2021/22 Adjusted allocation
KWAZULU-NATAL				
B KZN227 Richmond				-
C DC22 uMgungundlovu District Municipality	85 000		40 000	125 000
Total: Umgungundlovu Municipalities	125 000	-	40 000	165 000
B KZN238 Alfred Duma				-
C DC23 uThukela District Municipality	80 000		15 000	95 000
Total: Uthukela Municipalities	80 000	-	15 000	95 000
B KZN245 uMvoti				-
C DC24 uMzinyathi District Municipality	89 000		(15 000)	74 000
Total: Umzinyathi Municipalities	89 000	-	(15 000)	74 000
B KZN275 Mtubatuba				-
B KZN276 Big Five Hlabisa				-
C DC27 uMkhanyakude District Municipality	75 000		(40 000)	35 000
Total: Umkhanyakude Municipalities	75 000	-	(40 000)	35 000
B KZN281 uMfolozi				-
B KZN282 uMhlathuze	30 000		10 000	40 000
C DC28 King Cetshwayo District Municipality	70 000			70 000
Total: Uthungulu Municipalities	100 000	-	10 000	110 000
B KZN435 uMzimkhulu				-
B KZN436 Dr Nkosazana Dlamini Zuma				-
C DC43 Harry Gwala District Municipality	90 700		25 000	115 700
Total: Harry Gwala Municipalities	90 700	-	25 000	115 700
				-
Total: KwaZulu-Natal Municipalities	897 050	-	35 000	932 050
LIMPOPO				
B LIM335 Maruleng				-
C DC33 Mopani District Municipality	42 363		(10 000)	32 363
Total: Mopani Municipalities	42 363	-	(10 000)	32 363
B LIM353 Molemole				-
B LIM354 Polokwane	65 000		(15 000)	50 000
B LIM355 Lepele-Nkumpi				-
C DC35 Capricorn District Municipality	95 000		25 000	120 000
Total: Capricorn Municipalities	160 000	-	10 000	170 000
B LIM366 Bela-Bela	32 086			32 086
B LIM367 Mogalakwena	37 000		(10 000)	27 000
Total: Waterberg Municipalities	69 086	-	(10 000)	59 086
Total: Limpopo Municipalities	315 449	-	(10 000)	305 449

**Schedule 6B
ALLOCATIONS IN-KIND TO MUNICIPALITIES**

Water and Sanitation (Vote 41)	Water Services Infrastructure Grant			
	Column A			Column C
	2021/22 Main allocation	07 March Gazette-DoRAB	March Gazette	2021/22 Adjusted allocation
KWAZULU-NATAL				
B KZN265 Nongoma				-
B KZN266 Ulundi				-
C DC26 Zululand District Municipality			460	460
Total: Zululand Municipalities	-	-	460	460
				-
Total: KwaZulu-Natal Municipalities	-	-	460	460
LIMPOPO				
B LIM335 Maruleng				-
C DC33 Mopani District Municipality	48 402		(30 402)	18 000
Total: Mopani Municipalities	48 402	-	(30 402)	18 000
B LIM351 Blouberg				-
B LIM353 Molemole			4 911	4 911
B LIM354 Polokwane			4 747	4 747
B LIM355 Lepele-Nkumpi			4 896	4 896
C DC35 Capricorn District Municipality			6 697	6 697
Total: Capricorn Municipalities	-	-	21 251	21 251
B LIM361 Thabazimbi	70 000		(40 460)	29 540
B LIM362 Lephalele	60 000		(34 345)	25 655
B LIM366 Bela-Bela			3 819	3 819
B LIM367 Mogalakwena			16 931	16 931
B LIM368 Modimolle-Mookgophong	60 000		(40 000)	20 000
C DC36 Waterberg District Municipality				-
Total: Waterberg Municipalities	190 000	-	(94 055)	95 945
B LIM473 Makhuduthamaga				-
B LIM476 Fetakgomo Tubatse				-
C DC47 Sekhukhune District Municipality	50 000		(22 000)	28 000
Total: Greater Sekhukhune Municipalities	50 000	-	(22 000)	28 000
Total: Limpopo Municipalities	288 402	-	(125 206)	163 196
MPUMALANGA				
B MP304 Dr Pixley ka Isaka Seme				-
B MP305 Lekwa	120 000		(50 000)	70 000
Total: Gert Sibande Municipalities	120 000	-	(50 000)	70 000
B MP311 Victor Khanye	30 000		(5 000)	25 000
B MP312 Emalahleni				-
B MP313 Steve Tshwete				-
Total: Nkangala Municipalities	30 000	-	(5 000)	25 000
				-
Total: Mpumalanga Municipalities	150 000	-	(55 000)	95 000

Schedule 7B
ALLOCATIONS OF UNALLOCATED PROVISIONS FOR MUNICIPALITIES FOR DISASTER

Cooperative Governance (Vote 3)	Municipal Disaster Relief Grant			
	Column A			Column C
	2021/22 Main allocation	February Gazette-DoRAB	March Gazette	2021/22 Adjusted allocation
	R'000	R'000	R'000	R'000
EASTERN CAPE				
A BUF Buffalo City				-
A NMA Nelson Mandela Bay			57 829	57 829
B EC101 Dr Beyers Naude			6 057	6 057
B EC104 Makana			2 200	2 200
B EC105 Ndlambe			15 229	15 229
B EC106 Sundays River Valley			7 580	7 580
B EC108 Kouga			12 500	12 500
B EC109 Kou-Kamma			6 380	6 380
Total: Sarah Baartman Municipalities	-	-	49 946	49 946
C DC12 Amatole District Municipality			13 207	13 207
Total: Amatole Municipalities	-	-	13 207	13 207
C DC13 Chris Hani District Municipality			5 000	5 000
Total: Chris Hani Municipalities	-	-	5 000	5 000
Total: Eastern Cape Municipalities	-	-	125 982	125 982
KWAZULU-NATAL				
B KZN238 Alfred Duma		31 937		31 937
Total: Uthukela Municipalities	-	31 937	-	31 937
Total: KwaZulu-Natal Municipalities	-	31 937	-	31 937
LIMPOPO				
B LIM343 Thulamela		13 000		13 000
B LIM344 Makhado		26 000		26 000
B LIM345 Collins Chabane		26 000		26 000
Total: Vhembe Municipalities	-	65 000	-	65 000
B LIM351 Blouberg		12 900		12 900
B LIM353 Molemole		1 000		1 000
B LIM354 Polokwane		2 600		2 600
B LIM355 Lepele-Nkumpi		5 625		5 625
Total: Capricorn Municipalities	-	22 125	-	22 125
Total: Limpopo Municipalities	-	87 125	-	87 125
NORTHERN CAPE				
B NC086 Kgatelopele		1 839		1 839
Total: ZF Mgcawu Municipalities	-	1 839	-	1 839
B NC091 Sol Plaatje		1 015		1 015
B NC093 Magareng		6 440		6 440
B NC094 Phokwane		6 457		6 457
Total: Frances Baard Municipalities	-	13 912	-	13 912
B NC453 Gamagara		7 000		7 000
Total: John Taolo Gaetsewe Municipalities	-	7 000	-	7 000
Total: Northern Cape Municipalities	-	22 751	-	22 751
NORTH WEST				
B NW392 Naledi		4 394		4 394
B NW396 Lekwa-Teemane		4 570		4 570
B NW397 Kagisano-Molopo		6 362		6 362
Total: Dr Ruth Segomotsi Mompati Municipalities	-	15 326	-	15 326
Total: North West Municipalities	-	15 326	-	15 326
WESTERN CAPE				
B WC045 Oudtshoorn			47 150	47 150
Total: Eden Municipalities	-	-	47 150	47 150
Total: Western Cape Municipalities	-	-	47 150	47 150
Unallocated	358 511	(157 139)	(173 132)	28 240
National Total	358 511	-	173 132	358 511