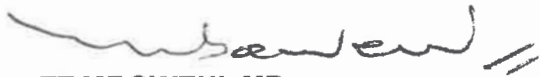

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY**NO. 1657****13 DECEMBER 2019****STOPPING AND RE-ALLOCATION OF FUNDS IN TERMS OF THE 2019 DIVISION OF REVENUE ACT (ACT NO. 16 OF 2019)**

I, Tito Titus Mboweni, Minister of Finance, acting in terms of section 16(2) and 26(2) of the 2019 Division of Revenue Act (Act No. 16 of 2019), hereby publish in the attached Explanatory Memorandum and Schedules:

- (a) The re-allocation of stopped conditional allocations between municipalities in terms of sections 19 and 20 of the 2019 Division of Revenue Act;
- (b) Conversion of allocations from direct to indirect in terms of section 21 of 2019 Division of Revenue Act; and
- (c) Technical adjustments (correction of errors from previous gazettes) on conditional allocations to municipalities.

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



**TT MBOWENI, MP
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, 2018, (Act No.16 of 2019) (DoRA) and provides information regarding the adjustment of allocations to municipalities in the 2019/20 financial year.

This is necessitated by the need for the stopping, re-allocation, conversion and correction of error in terms of Section 19 and 20 of the 2019 DoRA. Further, section 21 of the Act is also considered for purposes of converting direct conditional grants to indirect conditional grants.

RE-ALLOCATION OF FUNDS BETWEEN MUNICIPALITIES PER GRANT:**Integrated National Electrification Programme**

1. The department of Energy (DoE) is stopping and re-allocating funds from Masilonyana Local Municipality (LM) to Lejweleputswa District Municipality (DM) under the Integrated National Electrification Programme (INEP 5B). Masilonyana LM and Lejweleputswa DM have entered into a Memorandum of Understanding wherein it was agreed that the district municipality will implement the electrification project on behalf of the local municipality with the assistance of the Municipal Infrastructure Support Agent (MISA) to verify the work done.

CONVERSION OF ALLOCATIONS

2. According to section 21 (2) (a) of the 2019 DoRA, National Treasury may, after consultation with the relevant transferring officer, receiving officer and provincial treasury, convert any portion of an allocation listed in Part B of Schedule 5 to one listed in Part B of Schedule 6 if it is satisfied that the conversion shall prevent under-expenditure or improve the level of service delivery in respect of the allocation in question or convert any portion of an allocation listed in Part B of Schedule 6 to one listed in Part B of Schedule 5.

Neighbourhood Development Partnership Grant

3. The Neighbourhood Development Partnership Programme within the National Treasury is converting funds under the Neighbourhood Development Partnership Grant (NDPG) due to anticipated underspending. The 2019/20 NDPG 5B allocations for West Rand DM and Emfuleni LM will be converted from Part B of Schedule 5 to Part B of Schedule 6.

THE MUNICIPAL EMERGENCY HOUSING GRANT:

4. An amount of R149.1 million is allocated to Eastern Cape and Kwa-Zulu Natal municipalities after the Department of Human Settlements (DHS) declared a disaster in municipalities in these provinces. The allocation is done through the Municipal Emergency Housing Grant (MEHG) for the emergency relief to fund the temporary shelters following various disaster incidents namely fire and severe rain that damages and affected home owners.

CORRECTION OF AN ERROR

5. According to section 16 (2) of the 2019 DoRA, for purposes of correcting an error or omission in an allocation or framework published, the National Treasury must on its initiative and after consultation with the relevant transferring officer by notice in the Gazette amend the affected allocation or framework.
6. Magareng LM, Emthanjeni LM and Prince Albert LM in the Northern Cape and Western Cape province respectively had their 2019/20 MIG erroneously allocated in the section 16 gazette. The MIG allocation for Prince Albert LM did not take into account the final sport allocation of R3.6 million which was allocated to Magareng (R2 million) and Emthanjeni (R1.6 million).

ANNEXURE 2

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

(National and Municipal Financial Years)

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Cooperative Governance and Traditional Affairs (Vote 4)		Municipal Infrastructure Grant		
		Column A		Column C
		2019/20 Main allocation	Roll-overs	2019/20 Adjusted allocation
		R'000	R'000	R'000
NORTHERN CAPE				
B	NC073 Emthanjeni	25 657		(1 559) 24 098
B	NC074 Kareeberg	8 038		8 038
B	NC075 Renosterberg	7 480		7 480
B	NC076 Thembelihle	9 449		9 449
B	NC077 Siyathemba	9 829		9 829
B	NC078 Siyancuma	16 608		16 608
C	DC7 Pixley Ka Seme District Municipality			-
Total: Pixley Ka Seme Municipalities		98 521	-	(1 559) 96 962
B	NC091 Sol Plaatje			-
B	NC092 Dikgatlong	19 527		19 527
B	NC093 Magareng	28 163		(2 000) 26 163
B	NC094 Phokwane	26 265		26 265
C	DC9 Frances Baard District Municipality			-
Total: Frances Baard Municipalities		73 955	-	(2 000) 71 955
Total: Northern Cape Municipalities		443 541	-	(3 559) 439 982
WESTERN CAPE				
B	WC051 Laingsburg	6 692		6 692
B	WC052 Prince Albert	15 502		3 559 19 061
B	WC053 Beaufort West	13 972		13 972
C	DC5 Central Karoo District Municipality			-
Total: Central Karoo Municipalities		36 166	-	3 559 39 725
Total: Western Cape Municipalities		443 713	-	3 559 447 272
National Total		14 816 103	-	- 14 816 103

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Department of Energy (Vote 26)			Integrated National Electrification Programme Grant (Municipal)			
			Column A	Column B		Column C
			2019/20 Main allocation	Roll-overs	Adjustments	2019/20 Adjusted allocation
FREE STATE			R'000	R'000	R'000	R'000
A	MAN	Mangaung				
B	FS161	Letsemeng	5 200			5 200
B	FS162	Kopanong	3 200			3 200
B	FS163	Mohokare	2 211			2 211
C	DC16	Xhariep District Municipality				
Total: Xhariep Municipalities			10 611			10 611
B	FS181	Masilonyana	3 200		(3 200)	
B	FS182	Tokologo				
B	FS183	Tswelopele				
B	FS184	Matjhabeng	15 545			15 545
B	FS185	Nala	5 890			5 890
C	DC18	Lejweleputswa District Municipality			3 200	3 200
Total: Lejweleputswa Municipalities			24 635			24 635
B	FS191	Setsoto	2 600			2 600
B	FS192	Dihlabeng	6 000			6 000
B	FS193	Nketoana				
B	FS194	Maluti a Phofung	19 000			19 000
B	FS195	Phumelela	5 160			5 160
B	FS196	Mantsopa	525			525
C	DC19	Thabo Mofutsanyana District Municipality				
Total: Thabo Mofutsanyana Municipalities			33 285			33 285
B	FS201	Moqhaka				
B	FS203	Ngwathe	6 000			6 000
B	FS204	Metsimaholo	10 000			10 000
B	FS205	Mafube	5 000			5 000
C	DC20	Fezile Dabi District Municipality				
Total: Fezile Dabi Municipalities			21 000			21 000
Total: Free State Municipalities			89 531			89 531
National Total			1 863 328			1 863 328

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

National Treasury (Vote 7)			Neighbourhood Development Partnership Grant (Capital)			
			Column A			Column C
			2019/20 Main allocation	Roll-overs	Adjustments	2019/20 Adjusted allocation
			R'000	R'000	R'000	R'000
GAUTENG						
A	EKU	Ekurhuleni	65 000			65 000
A	JHB	City of Johannesburg	65 000			65 000
A	TSH	City of Tshwane	4 500			4 500
B	GT421	Emfuleni	7 500		(7 500)	-
B	GT422	Midvaal				-
B	GT423	Lesedi				-
C	DC42	Sedibeng District Municipality				-
Total: Sedibeng Municipalities			7 500	-	(7 500)	-
B	GT481	Mogale City	28 000			28 000
B	GT484	Merafong City	-			-
B	GT485	Rand West City	-			-
C	DC48	West Rand District Municipality	12 000		(12 000)	-
Total: West Rand Municipalities			40 000	-	(12 000)	28 000
Total: Gauteng Municipalities			182 000	-	(19 500)	162 500
WESTERN CAPE						
A	CPT	City of Cape Town	30 000			30 000
B	WC025	Breede Valley				-
B	WC026	Langeberg	10 000			10 000
C	DC2	Cape Winelands District Municipality				-
Total: Cape Winelands Municipalities			10 000	-	-	10 000
B	WC047	Bitou				-
B	WC048	Knysna	10 000			10 000
C	DC4	Eden District Municipality				-
Total: Eden Municipalities			10 000	-	-	10 000
National Total			621 172	-	(19 500)	601 672

ANNEXURE 3
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(National and Municipal Financial Years)

Schedule 6B
ALLOCATIONS-IN-KIND TO MUNICIPALITIES

National Treasury (Vote 7)			Neighbourhood Development Partnership Grant (Capital)			
			Column A			Column C
			2019/20 Main allocation	Roll-overs	Adjustments	2019/20 Adjusted allocation
			R'000	R'000	R'000	R'000
GAUTENG						
A	EKU	Ekurhuleni	3 300			3 300
A	JHB	City of Johannesburg	3 497			3 497
A	TSH	City of Tshwane	1 500			1 500
B	GT421	Emfuleni	200		7 500	7 700
B	GT422	Midvaal	500			500
B	GT423	Lesedi				-
C	DC42	Sedibeng District Municipality				-
Total: Sedibeng Municipalities			700	-	7 500	8 200
B	GT481	Mogale City	1 000			1 000
B	GT484	Merafong City				-
B	GT485	Rand West City				-
C	DC48	West Rand District Municipality	500		12 000	12 500
Total: West Rand Municipalities			1 500	-	12 000	13 500
Total: Gauteng Municipalities			10 497	-	19 500	29 997
WESTERN CAPE						
A	CPT	City of Cape Town	3 000			3 000
B	WC011	Matzikama				-
B	WC012	Cederberg				-
B	WC013	Bergervier				-
B	WC014	Saldanha Bay				-
B	WC015	Swartland				-
C	DC1	West Coast District Municipality				-
Total: West Coast Municipalities			-	-	-	-
B	WC022	Witzenberg				-
B	WC023	Drakenstein				-
B	WC024	Stellenbosch				-
B	WC025	Breede Valley				-
B	WC026	Langeberg	500			500
C	DC2	Cape Winelands District Municipality				-
Total: Cape Winelands Municipalities			500	-	-	500
National Total			30 997	-	19 500	50 497

ANNEXURE 4

ALLOCATIONS TO MUNICIPALITIES FOR IMMEDIATE DISASTER RESPONSE

(National and Municipal Financial Years)

Schedule 7B
ALLOCATIONS-IN-KIND TO MUNICIPALITIES

Hunam Settlements (Vote 38)	Municipal Emergency Housing Grant			
	Column A 2019/20 Main allocation	Roll-overs	Adjustments	Column C 2019/20 Adjusted allocation
	R'000	R'000	R'000	R'000
EASTERN CAPE				
B EC121 Mbhashe	5 284			5 284
B EC129 Raymond Mhlaba	3 008			3 008
C DC12 Amatole District Municipality				-
Total: Amatole Municipalities	8 292	-	-	8 292
Total: Eastern Cape Municipalities	8 292	-	-	8 292
KWAZULU-NATAL				
A ETH eThekweni	90 810			90 810
B KZN272 Jozini				-
B KZN275 Mtubatuba	41 822			41 822
C DC27 uMkhanyakude District Municipality				-
Total: Umkhanyakude Municipalities	41 822	-	-	41 822
B KZN433 Greater Kokstad	5 220			5 220
C DC43 Harry Gwala District Municipality				-
Total: Harry Gwala Municipalities	5 220	-	-	5 220
				-
Total: KwaZulu-Natal Municipalities	137 852	-	-	137 852
NORTHERN CAPE				
B NC061 Richtersveld				-
B NC062 Nama Khoi	1 288			1 288
C DC6 Namakwa District Municipality				-
Total: Namakwa Municipalities	1 288	-	-	1 288
Total: Northern Cape Municipalities	1 288	-	-	1 288
Unallocated	1 668			1 668
National Total	149 100	-	-	149 100