
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY**NO. 7215****11 March 2026**

I, Enoch Godongwana, Minister of Finance, in my capacity as the Minister of Finance, hereby publish, in accordance with sections 15 and 25 of the Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) as amended by the Division of Revenue Amendment Act, 2025 (Act No. 12 of 2025) (DoRAA), the attached Explanatory Memorandum, Schedules and the local government conditional grant frameworks:

- (a) Additional allocations for the Municipal Disaster Recovery Grant and the Urban Development Financing Grant;
- (b) Rollover under the Public Transport Network Grant;
- (c) Amendments to the Frameworks for conditional grants to municipalities; and
- (d) The stopping and re-allocation of conditional grants to municipalities made in terms of sections 18 and 19.

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



**E GODONGWANA, MP
MINISTER OF FINANCE**

Explanatory Memorandum to the Allocations set out in the attached Schedule

This Gazette is published in terms of section 15 of the Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) as amended by the Division of Revenue Amendment Act, 2025 (Act No. 12 of 2025). It provides information regarding the adjustment of allocations made to municipalities in the 2025/26 financial year during the mid-year adjustments.

An adjustments budget provides for unforeseen and unavoidable expenditure; appropriation of monies already announced during the tabling of the annual budget (but not allocated at that stage); the shifting of funds between and within votes where a function is transferred; the utilisation of savings and the roll-over of unspent funds from the preceding financial year.

It further provides for the stopping and reallocation of funds to municipalities and reallocated to their districts in terms of sections 18 and 19 of 2025 DoRA.

CHANGES TO LOCAL GOVERNMENT ALLOCATIONS

Additional funding to the Municipal Disaster Recovery Grant

An additional R496 million is allocated to the Municipal Disaster Recovery Grant (MDRG) to fund the reconstruction and rehabilitation of municipal infrastructure that was damaged by the floods that occurred in the Eastern Cape between March and June 2025.

Additional funding to the Urban Development Financing Grant

An additional R2.1 billion is provided to the Urban Development Financing Grant to strengthen the metro trading services component.

Roll over of funds in the Public Transport Network Grant

An amount of R303 million is rolled over in the Public Transport Network Grant to enable the eThekweni Metropolitan Municipality to proceed with essential work needed to make Corridor 3 of its Integrated Public Transport Network operational.

CHANGES TO CONDITIONAL GRANT FRAMEWORKS AND ALLOCATIONS

The framework of the MDRG (Recovery) is amended to ring-fence the additional funds for the reconstruction and rehabilitation of damaged municipal infrastructure and the framework of the Urban Development Financing Grant is amended to reflect the revised 2025/26 baseline following the additional R2.1 billion for metro trading services.

STOPPING AND REALLOCATION

The Department of Cooperative Governance (DCoG) requested the National Treasury to intervene regarding the Impendle Local Municipality in KwaZulu-Natal, which has been unable to spend its Municipal Infrastructure Grant (MIG) and MDRG allocations in line with the grant framework conditions. As a result, the remaining 2025/26 financial year funds will be reallocated to the uMgungundlovu District Municipality to implement the projects on Impendle's behalf. In addition, the Smart Meters Grant will be re-gazetted to reallocate funding to municipalities that have demonstrated implementation readiness, following assessments which confirmed that only 11 municipalities have complete and approved business plans for the 2025/26 financial year.

Annexure A

ANNEXURE 1

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 5 PART B)**

(National and Municipal Financial Years)

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Cooperative Governance (Vote 3)	Municipal Infrastructure Grant			
	Column A	Adjustments		Column C
	2025/26 Main allocation			2025/26 Adjusted allocation
	R'000	R'000	R'000	R'000
KWAZULU-NATAL				
B KZN224 iMpendle	13 452		(10 285)	3 167
B KZN225 Msunduzi	242 657			242 657
B KZN226 Mkhambathini	18 934			18 934
B KZN227 Richmond	21 915			21 915
C DC22 uMgungundlovu District Municipality	121 318		10 285	131 603
Total: Umgungundlovu Municipalities	526 300	-	-	526 300
National Total	17 357 571	-	-	17 357 571

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Cooperative Governance (Vote 3)	Municipal Disaster Recovery Grant		
	Column A		Column C
	2025/26 Main allocation	Adjustments	2025/26 Adjusted allocation
	R'000	R'000	R'000
EASTERN CAPE			
B EC121 Mbashe	24 167	30 685	54 852
B EC122 Mnquma	6 472	30 076	36 548
B EC123 Great Kei	-	29 000	29 000
B EC124 Amahlathi	19 145	32 000	51 145
B EC126 Ngqushwa	15 256	30 200	45 456
B EC129 Raymond Mhlaba	27 416	32 680	60 096
C DC12 Amatole District Municipality		30 600	30 600
Total: Amatole Municipalities	92 456	215 241	307 697
B EC153 Nquza Hill	8 114	31 300	39 414
B EC154 Port St Johns	25 635		25 635
B EC155 Nyandeni	35 260	31 500	66 760
B EC156 Mhlontlo	25 037	32 000	57 037
B EC157 King Sabata Dalindyebo	39 188	50 000	89 188
C DC15 O.R. Tambo District Municipality		45 000	45 000
Total: O.R.Tambo Municipalities	133 234	189 800	323 034
B EC441 Matatiele	24 543	30 214	54 757
B EC442 Umzimvubu	26 848	30 340	57 188
B EC443 Winnie Madikizela-Mandela	-		-
B EC444 Ntabankulu	21 315	30 592	51 907
C DC44 Alfred Nzo District Municipality			-
Total: Alfred Nzo Municipalities	72 706	91 146	163 852
Total: Eastern Cape Municipalities	504 019	496 187	1 000 206
KWAZULU-NATAL			
B KZN224 iMpendle	15 558	(10 891)	4 667
C DC22 uMgungundlovu District Municipality		10 891	10 891
Total: Umgungundlovu Municipalities	28 772	-	28 772
Total: KwaZulu-Natal Municipalities	76 432	-	76 432
National Total	708 974	496 187	1 205 161

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Department of Transport (Vote 40)	Public Transport Network Grant		
	Column A		Column C
	2025/26 Main allocation	Adjustments	2025/26 Adjusted allocation
	R'000	R'000	R'000
KWAZULU-NATAL			
A ETH eThekweni	746 609	303 000	1 049 609
Total: Umgungundlovu Municipalities	100 000	-	100 000
Total: KwaZulu-Natal Municipalities	846 609	303 000	1 149 609
			-
National Total	7 241 074	303 000	7 544 074

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

National Treasury (Vote 8)	Urban Development Financing Grant		
	Column A		Column C
	2025/26 Main allocation	Adjustments	2025/26 Adjusted allocation
	R'000	R'000	R'000
EASTERN CAPE			
A BUF Buffalo City	48 500	182 598	231 098
A NMA Nelson Mandela Bay	48 800		48 800
Total: Eastern Cape Municipalities	97 300	182 598	279 898
FREE STATE			
A MAN Mangaung	48 396	113 706	162 102
Total: Free State Municipalities	48 396	113 706	162 102
GAUTENG			
A EKU City of Ekurhuleni	182 011	125 745	307 756
A JHB City of Johannesburg	140 208	482 724	622 932
A TSH City of Tshwane	151 868	341 691	493 559
Total: Gauteng Municipalities	474 087	950 160	1 424 247
KWAZULU-NATAL			
A ETH eThekweni	221 753	409 055	630 808
Total: KwaZulu-Natal Municipalities	221 753	409 055	630 808
WESTERN CAPE			
A CPT City of Cape Town	182 100	411 921	594 021
Total: Western Cape Municipalities	182 100	411 921	594 021
Unallocated			-
National Total	1 023 636	2 067 440	3 091 076

ANNEXURE 2

**ALLOCATIONS TO MUNICIPALITIES FOR IMMEDIATE DISASTER RESPONSE
(SCHEDULE 6, PART B)**

(National and Municipal Financial Years)

Schedule 6B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

National Treasury (Vote 8)	Smart Meters Grant		
	Column A		Column C
	2025/26 Main allocation	Adjustments	2025/26 Adjusted allocation
	R'000	R'000	R'000
EASTERN CAPE			
B EC124 Amahlathi	47 000	(12 000)	35 000
B EC126 Ngqushwa			-
B EC129 Raymond Mhlaba	47 000	(17 000)	30 000
C DC12 Amatole District Municipality			-
Total: Amatole Municipalities	94 000	(29 000)	65 000
B EC139 Enoch Mgijima	47 000	43 000	90 000
C DC13 Chris Hani District Municipality			-
Total: Chris Hani Municipalities	47 000	43 000	90 000
Total: Eastern Cape Municipalities	141 000	14 000	155 000
GAUTENG			
B GT481 Mogale City	47 000	53 000	100 000
Total: West Rand Municipalities	47 000	53 000	100 000
Total: Gauteng Municipalities	47 000	53 000	100 000
KWAZULU-NATAL			
B KZN241 eNdumeni	46 000	49 000	95 000
C DC24 uMzinyathi District Municipality			-
Total: Umzinyathi Municipalities	46 000	49 000	95 000
Total: KwaZulu-Natal Municipalities	46 000	49 000	95 000
LIMPOPO			
B LIM361 Thabazimbi	47 000	(47 000)	-
Total: Waterberg Municipalities	47 000	(47 000)	-
Total: Limpopo Municipalities	47 000	(47 000)	-

Schedule 6B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

National Treasury (Vote 8)	Smart Meters Grant		
	Column A		Column C
	2025/26 Main allocation	Adjustments	2025/26 Adjusted allocation
MPUMALANGA			
B MP305 Lekwa	47 000	(47 000)	-
Total: Gert Sibande Municipalities	47 000	(47 000)	-
Total: Mpumalanga Municipalities	47 000	(47 000)	-
NORTHERN CAPE			
B NC071 Ubuntu	46 000	(3 000)	43 000
Total: Pixley Ka Seme Municipalities	46 000	(3 000)	43 000
B NC087 Dawid Kruiper	46 000	4 000	50 000
C DC8 ZF Mgcawu District Municipality			-
Total: ZF Mgcawu Municipalities	46 000	4 000	50 000
Total: Northern Cape Municipalities	92 000	1 000	93 000
NORTH WEST			
B NW385 Ramotshere Moiloa	46 000	(4 000)	42 000
C DC38 Ngaka Modiri Molema District Municipality			-
Total: Ngaka Modiri Molema Municipalities	46 000	(4 000)	42 000
Total: North West Municipalities	46 000	(4 000)	42 000
WESTERN CAPE			
B WC011 Matzikama	46 000	44 000	90 000
B WC012 Cederberg	46 000	(6 000)	40 000
Total: West Coast Municipalities	92 000	38 000	130 000
B WC041 Kannaland	46 000	(11 000)	35 000
B WC042 Hessequa			-
Total: Eden Municipalities	46 000	(11 000)	35 000
B WC053 Beaufort West	46 000	(46 000)	-
C DC5 Central Karoo District Municipality			-
Total: Central Karoo Municipalities	46 000	(46 000)	-
Total: Western Cape Municipalities	184 000	(19 000)	165 000
National Total	650 000	-	650 000