
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY**NO. 5204****12 September 2024**

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, 2024 (Act No. 24 of 2024) (DoRA), the attached Explanatory Memorandum, Schedules and the local government conditional grant frameworks:

- (a) Additional allocations for the Municipal Disaster Response Grant and the Municipal Disaster Recovery Grant;
- (b) Technical adjustments (correction of errors in terms of section 15 of the Act); and
- (c) The stopping and re-allocation of the Municipal Infrastructure Grant to municipalities made in terms of sections 18 and 19 of the DoRAA;

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 the Division of Revenue Act, 2023, (Act No. 5 of 2023) (DoRA) and provides information regarding the disaster allocations and the conversion of disaster grants to municipalities during the 2023/24 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 2024 DoRA.

The publication also gazettes allocations against the Municipal Infrastructure Grant (MIG) and the Integrated Urban Development Grant (IUDG) which were allocated in error. The National Treasury (NT) therefore implements section 15(2) of 2024 DoRA to correct this. This is necessitated by errors found in the allocations gazetted in terms of section 15(1) of DoRA (Gazette No. 50825).

ALLOCATION OF DISASTER FUNDS:

The Department of Cooperative Governance (DCoG) through the National Disaster Management Centre (NDMC), submitted a letter to NT dated 12 March 2024 to request an amount of R372 million to be transferred from the unallocated adjusted portion of the Municipal Disaster Response Grant (MDRG) amount of R890.6 million to 36 municipalities within the seven affected provinces.

The approved amount is allocated to 36 municipalities in 7 provinces, namely Eastern Cape (EC), Free State (FS), Kwazulu-Natal (KZN), Limpopo (LP), Mpumalanga (MP), North West (NW) and the Western Cape (WC).

STOPPING AND REALLOCATION:

The Department of Cooperative Governance (DCoG) approached National Treasury regarding municipalities in the Free State province that have been struggling to fully spend the Municipal Infrastructure Grant allocated to them. The affected municipalities (Mohokare, Kopanong, Masilonyana and Mafube local municipalities) would have their funds reallocated to their respective district municipalities for implementation of the projects on behalf of the underperforming local municipalities. Dipaleseng Local Municipality in Mpumalanga will have R5 million reallocated to Gert Sibande District Municipality for the development of sport infrastructure that was allocated by the Department of Sport, Arts and Culture (DSAC) as part of the broader total ring-fenced 2024/25 allocation process for sport infrastructure as per DCoG's request.

CORRECTION OF ERRORS:

Municipal Infrastructure Grant

An error was identified in the water and sanitation component of the MIG formula, resulting in incorrect allocations for 128 municipalities. To address this oversight, the formula has been recalculated and updated.

In the funds designated for sport infrastructure (which are allocated separately from the MIG formula), an allocation of R10 million for the 2024/25 fiscal year was mistakenly assigned to Intsika Yethu Local Municipality. This error has been rectified with the R10 million now correctly allocated to Ngquza Hill Local Municipality.

Integrated Urban Development Grant

An error was discovered in the performance data utilised for determining allocations from the incentive component of the IUDG formula. This resulted in inaccurate allocations for all nine intermediate cities that receive funding through this grant. The issue has been resolved with the revision of the formula using the correct data to revise allocations against all nine municipalities.

Schedule 5B
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES

Department of Cooperative Governance (Vote 3)		Municipal Infrastructure Grant			
		Column A			Column C
		2024/25 Main allocation	Adjustments- Correction of Error	Adjustments- Stopping & Reallocation	2024/25 Adjusted allocation
C	DC38 Ngaka Modiri Molema District Municipality	345 927	(3 513)		342 414
Total: Ngaka Modiri Molema Municipalities		591 373	(3 513)		587 860
B	NW392 Naledi	28 257			28 257
B	NW393 Mamusa	27 723			27 723
B	NW394 Greater Taung	65 616			65 616
B	NW396 Lekwa-Teemane	24 658			24 658
B	NW397 Kagisano-Molopo	34 778			34 778
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	159 483	(1 611)		157 872
Total: Dr Ruth Segomotsi Mompati Municipalities		340 515	(1 611)		338 904
B	NW403 City of Mafesana	112 804	(138)		112 666
B	NW404 Maquassi Hills	32 351	(87)		32 264
B	NW405 JB Marks	77 712	(222)		77 490
C	DC40 Dr Kenneth Kaunda District Municipality				-
Total: Dr Kenneth Kaunda Municipalities		222 867	(447)		222 420
Total: North West Municipalities		2 107 015	(11 336)		2 095 679
WESTERN CAPE					
A	CPT City of Cape Town				-
B	WC011 Matzikama	24 210	(74)		24 136
B	WC012 Cederberg	17 598	(36)		17 562
B	WC013 Bergvliet	16 298	(24)		16 274
B	WC014 Saldanha Bay	22 126	(18)		22 108
B	WC015 Swartland	29 332	(30)		29 302
C	DC1 West Coast District Municipality				-
Total: West Coast Municipalities		109 564	(182)		109 382
B	WC022 Witzenberg	25 630	(35)		25 595
B	WC023 Drakenstein	-	-		-
B	WC024 Stellenbosch	-	-		-
B	WC025 Breede Valley	39 790	(87)		39 703
B	WC026 Langeberg	25 096	(44)		25 052
C	DC2 Cape Winelands District Municipality				-
Total: Cape Winelands Municipalities		90 516	(166)		90 350
B	WC031 Theewaterskloof	30 320	(66)		30 254
B	WC032 Overstrand	25 165	(33)		25 132
B	WC033 Cape Agulhas	17 101	(16)		17 085
B	WC034 Swellendam	13 184	(25)		13 159
C	DC3 Overberg District Municipality				-
Total: Overberg Municipalities		85 770	(140)		85 630
B	WC041 Kammanland	11 217	(18)		11 199
B	WC042 Hessequa	15 246	(18)		15 228
B	WC043 Mossel Bay	27 563	(56)		27 507
B	WC044 George	-	-		-
B	WC045 Oudshoorn	24 733	(64)		24 669
B	WC047 Bitou	22 874	(56)		22 818
B	WC048 Knysna	28 582	(95)		28 487
C	DC4 Eden District Municipality				-
Total: Eden Municipalities		130 215	(307)		129 908
B	WC051 Laingsburg	6 919	(3)		6 916
B	WC052 Prince Albert	8 032	(7)		8 025
B	WC053 Beaufort West	15 643	(12)		15 631
C	DC5 Central Karoo District Municipality				-
Total: Central Karoo Municipalities		30 594	(22)		30 572
Total: Western Cape Municipalities		446 659	(817)		445 842