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Contents

<i>No.</i>		<i>Gazette No.</i>	<i>Page No.</i>
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS			
National Treasury/ Nasionale Tesourie			
1657	Division of Revenue Act (16/2019): Stopping and re-allocation of funds in terms of the 2019 Division of Revenue Act.....	42907	4

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	Roll-overs	Adjustments	Column C
	2019/20 Main allocation			2019/20 Adjusted allocation
	R'000	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 R'000	Roll-overs R'000	Adjustments R'000	2019/20 Adjusted allocation R'000
FREE STATE				
A MAN Mangaung				
B FS161 Letsemeng	5 200			5 200
B FS162 Kopanong	3 200			3 200
B FS163 Mhokare	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 Mopahala				
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	Roll-overs	Adjustments	Column C
	2019/20 Main allocation			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 2019/20 Main allocation	Roll-overs	Adjustments	Column C 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 Bergrivier				-
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

Human Settlements (Vote 38)	Municipal Emergency Housing Grant			
	Column A	Roll-overs	Adjustments	Column C
	2019/20 Main allocation			2019/20 Adjusted allocation
	R'000	R'000	R'000	R'000
EASTERN CAPE				
B EC121 Mbashe	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