

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of Bill and
prior notice of its introduction published in Government Gazette No. 55528 of 7 October 2026)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

BILL

To amend the Division of Revenue Act, 2026, in accordance with the Money Bills and Related Matters Act, 2009; and to provide for matters connected therewith.

PREAMBLE

WHEREAS section 214(1) of the Constitution of the Republic of South Africa, 1996, requires an Act of Parliament to provide for—

- (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
- (b) the determination of each province's equitable share of the provincial share of that revenue; and
- (c) any other allocations to provinces, local government or municipalities from the national government's share of that revenue, and any conditions on which those allocations may be made;

WHEREAS the Division of Revenue Act, 2026 (Act No. 9 of 2026), gives effect to section 214(1) of the Constitution in respect of the 2026/27 financial year;

AND WHEREAS section 12(4) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009), requires the Minister of Finance to table a Division of Revenue Amendment Bill with a revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year,

B E IT THEREFORE ENACTED by the Parliament of the Republic of South Africa, as follows:—

Substitution of Column A of Schedule 1, Column A of Schedule 2, Column A of Parts A and B of Schedule 4, Column A of Part A, and Part B of Schedule 5, and Column A of Parts A and B of Schedule 6 to Act 9 of 2026

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1. (1) Column A of Schedule 1 to this Act is hereby substituted for Column A of Schedule 1 to the Division of Revenue Act, 2026 (hereinafter referred to as the “principal Act”), setting out the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2026/27 financial year.

(2) Column A of Schedule 2 to this Act is hereby substituted for Column A of Schedule 2 to the principal Act, setting out the determination of each province's equitable share of the provincial sphere's share of revenue raised nationally for the 2026/27 financial year. 10

(3) Column A of Part A of Schedule 4 to this Act is hereby substituted for Column A of Part A of Schedule 4 to the principal Act, specifying the allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2026/27 financial year. 15

(4) Column A of Part B of Schedule 4 to this Act is hereby substituted for Column A of Part B of Schedule 4 to the principal Act, specifying the allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets for the 2026/27 financial year. 20

(5) Column A of Part A of Schedule 5 to this Act is hereby substituted for Column A of Part A of Schedule 5 to the principal Act, specifying the specific purpose allocations to provinces for the 2026/27 financial year.

(6) Part B of Schedule 5 to this Act is hereby substituted for Part B of Schedule 5 to the principal Act, specifying the specific purpose allocations to municipalities for the 2026/27 financial year, the 2027/28 financial year and the 2028/29 financial year. 5

(7) Column A of Part A of Schedule 6 to this Act is hereby substituted for Column A of Part A of Schedule 6 to the principal Act, specifying the allocations-in-kind to provinces for designated special programmes for the 2026/27 financial year.

(8) Column A of Part B of Schedule 6 to this Act is hereby substituted for Column A 10 of Part B of Schedule 6 to the principal Act, specifying the allocations-in-kind to municipalities for designated special programmes for the 2026/27 financial year.

Short title

2. This Act is called the Division of Revenue Amendment Act, 2026.

SCHEDULE 1

EQUITABLE DIVISION OF REVENUE RAISED NATIONALLY AMONG THE THREE SPHERES OF GOVERNMENT

Spheres of Government	Column A		
	2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
	R'000	R'000	R'000
National ^{1,2}	1 602 840 029	48 119 346	1 650 959 375
Provincial	670 322 736	6 380 170	676 702 906
Local	110 090 001	-	110 090 001
TOTAL	2 383 252 766	54 499 516	2 437 752 282

1. National share includes conditional allocations to provincial and local spheres, general fuel levy sharing with metropolitan municipalities, debt-service costs, the contingency reserve and provisional allocations
2. The direct charges for the provincial equitable share are netted out

SCHEDULE 2

DETERMINATION OF EACH PROVINCE'S EQUITABLE SHARE OF THE PROVINCIAL SPHERE'S SHARE OF REVENUE RAISED NATIONALLY (as a direct charge against the National Revenue Fund)

Province	Column A		
	2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
	R'000	R'000	R'000
Eastern Cape	86 598 556	1 628 772	88 227 328
Free State	36 761 457	1 211 328	37 972 785
Gauteng	140 951 906	830 270	141 782 176
KwaZulu-Natal	136 378 118	689 266	137 067 384
Limpopo	78 951 229	1 006 207	79 957 436
Mpumalanga	56 019 282	100 762	56 120 044
Northern Cape	18 242 252	126 878	18 369 130
North West	46 867 158	372 690	47 239 848
Western Cape	69 552 778	413 997	69 966 775
TOTAL	670 322 736	6 380 170	676 702 906

SCHEDULE 4, PART A

ALLOCATIONS TO PROVINCES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM PROVINCIAL BUDGETS

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Basic Education (Vote 16)	Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation; to address achievement of the targets set out in the minimum norms and standards for school infrastructure; to address damages to infrastructure; to enhance capacity to deliver infrastructure in education.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	2 319 271	50 000	2 369 271
				Gauteng	1 045 574	-	1 045 574
				KwaZulu-Natal	1 905 012	-	1 905 012
				Limpopo	3 018 637	148 000	3 166 637
				Mpumalanga	1 872 772	65 000	1 937 772
				Northern Cape	1 377 208	-	1 377 208
				North West	727 268	45 000	772 268
				Western Cape	1 369 441	-	1 369 441
				Unallocated	2 622 218	(699 879)	1 922 339
Health (Vote 18)	National Tertiary Services Grant	Ensure the provision of tertiary health services in South Africa; to compensate tertiary facilities for the additional costs associated with the provision of these services.	General conditional allocation to provinces	TOTAL	-	-	-
				TOTAL	16 257 401	(391 879)	15 865 522
				Eastern Cape	1 402 989	-	1 402 989
				Free State	1 406 465	-	1 406 465
				Gauteng	5 811 930	-	5 811 930
				KwaZulu-Natal	2 376 370	-	2 376 370
				Limpopo	557 215	-	557 215
				Mpumalanga	297 144	-	297 144
				Northern Cape	508 918	-	508 918
				North West	470 879	-	470 879
Transport (Vote 40)	(a) Provincial Roads Maintenance Grant	To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance); to ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the Road Classification and Access Management guidelines; to implement and maintain road asset management systems; to supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidents including natural disasters; to improve road safety with a special focus on pedestrian safety in rural areas.	General conditional allocation to provinces	Western Cape	3 867 846	-	3 867 846
				Unallocated	-	-	-
				TOTAL	16 699 756	-	16 699 756
				Eastern Cape	2 590 158	65 000	2 655 158
				Free State	1 817 921	-	1 817 921
				Gauteng	1 453 582	-	1 453 582
				KwaZulu-Natal	3 090 104	-	3 090 104
				Limpopo	2 699 755	250 000	2 949 755
				Mpumalanga	1 563 718	115 000	1 678 718
				Northern Cape	1 501 440	105 000	1 606 440
Transport (Vote 40)	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	North West	1 415 888	-	1 415 888
				Western Cape	1 790 502	64 512	1 855 014
				Unallocated	-	-	-
				TOTAL	17 923 068	599 512	18 522 580
				Eastern Cape	363 682	-	363 682
				Free State	369 201	-	369 201
				Gauteng	3 226 718	-	3 226 718
				KwaZulu-Natal	1 547 216	-	1 547 216
				Limpopo	499 080	-	499 080
				Mpumalanga	840 343	-	840 343
Transport (Vote 40)	(b) Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	Nationally assigned function to provinces	Northern Cape	75 136	-	75 136
				North West	154 447	-	154 447
				Western Cape	1 332 746	-	1 332 746
				TOTAL	8 408 569	-	8 408 569

SCHEDULE 4, PART B

ALLOCATIONS TO MUNICIPALITIES TO SUPPLEMENT THE FUNDING OF PROGRAMMES OR FUNCTIONS FUNDED FROM MUNICIPAL BUDGETS

Vote	Name of allocation	Purpose	City	Column A		
				2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Human Settlements (Vote 33)	Urban Settlements Development Grant	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development.	Buffalo City	R'000 197 397	-	R'000 197 397
			City of Cape Town	384 137	-	384 137
			City of Ekurhuleni	510 118	-	510 118
			City of Johannesburg	1 633 208	(1 154 000)	479 208
			City of Tshwane	415 394	-	415 394
			eThekweni	508 858	-	508 858
			Mangaung	195 644	-	195 644
			Nelson Mandela Bay	234 309	-	234 309
			TOTAL	4 079 065	(1 154 000)	2 925 065
National Treasury (Vote 8)	Urban Development Financing Grant	To promote spatially transformed cities with financially sustainable trading services that are able to meet their service delivery mandates; to support metropolitan municipalities with resilient infrastructure investment, including programme and project preparation to enable them to leverage additional concessionary and commercial loan finance to enhance sustainable infrastructure investment.	Buffalo City	588 569	35 587	624 156
			City of Cape Town	1 362 645	79 469	1 442 114
			City of Ekurhuleni	1 203 176	(171 852)	1 031 324
			City of Johannesburg	2 179 535	(481 519)	1 698 016
			City of Tshwane	1 131 812	65 514	1 197 326
			eThekweni	1 367 522	78 933	1 446 455
			Mangaung	540 352	(22 385)	517 967
			Nelson Mandela Bay	650 747	(158 747)	492 000
			TOTAL	9 024 358	(575 000)	8 449 358

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Agriculture (Vote 29)	(a) Comprehensive Agricultural Support Programme Grant	To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible; to promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export, to assist vulnerable South African farming communities to achieve an increase in agricultural production; to invest in infrastructure that unlocks agricultural production within strategically identified production areas; to revitalise agricultural colleges into centres of excellence.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	315 233	-	315 233
				Gauteng	271 171	-	271 171
				KwaZulu-Natal	167 209	-	167 209
				Limpopo	293 927	-	293 927
				Mpumalanga	314 179	-	314 179
				Northern Cape	273 259	105 000	378 259
				Northern Cape	226 850	77 000	303 850
				North West	249 706	-	249 706
				Western Cape	186 861	60 000	246 861
				TOTAL	2 298 395	242 000	2 540 395
	(b) LandCare Programme Grant: Poverty Relief and Infrastructure Development	To promote sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability (social, economic and environmental), leading to greater productivity, food security, job creation and better well-being for all.	Conditional allocation	Eastern Cape	14 718	-	14 718
				Free State	10 071	-	10 071
				Gauteng	5 894	-	5 894
				KwaZulu-Natal	15 436	-	15 436
				Limpopo	14 942	-	14 942
				Mpumalanga	10 688	-	10 688
				Northern Cape	8 841	-	8 841
				North West	10 324	-	10 324
				Western Cape	7 152	-	7 152
				TOTAL	98 066	-	98 066

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Basic Education (Vote 16)	(a) Early Childhood Development Grant	To increase the number of poor children accessing subsidised early childhood development programmes; to support early childhood development providers delivering an early childhood development programme to meet basic health and safety requirements for registration; to construct low-cost early childhood development centres.	General conditional allocation to provinces	Eastern Cape	R'000	R'000	R'000
				Free State	684 319	-	684 319
				Gauteng	333 792	-	333 792
				KwaZulu-Natal	855 420	-	855 420
				Limpopo	769 769	-	769 769
				Mpumalanga	743 503	-	743 503
				Northern Cape	368 570	-	368 570
				North West	106 411	-	106 411
				Western Cape	306 527	-	306 527
				TOTAL	4 610 674	-	4 610 674
	(b) HIV and AIDS (Life Skills Education) Grant	To support South Africa's HIV prevention strategy by; providing comprehensive sexuality education and access to sexual and reproductive health services to learners; supporting the provision of employee health and wellness programmes for educators; to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners, educators and school support staff; to reduce the vulnerability of children to HIV, TB and sexually transmitted infections, with a particular focus on orphaned children and girls.	Conditional allocation	Eastern Cape	50 050	-	50 050
				Free State	12 107	-	12 107
				Gauteng	40 259	-	40 259
				KwaZulu-Natal	72 042	-	72 042
				Limpopo	30 688	-	30 688
				Mpumalanga	20 648	-	20 648
				Northern Cape	8 084	-	8 084
				North West	17 660	-	17 660
				Western Cape	20 681	-	20 681
				TOTAL	272 219	-	272 219
	(c) Learners with Profound Intellectual Disabilities Grant	To provide the necessary support, resources and equipment to identified special care centres and schools for the provision of education to children with severe to profound intellectual disabilities.	Conditional allocation	Eastern Cape	34 100	-	34 100
				Free State	35 662	-	35 662
				Gauteng	41 562	-	41 562
				KwaZulu-Natal	40 291	-	40 291
				Limpopo	39 744	-	39 744
				Mpumalanga	36 164	-	36 164
				Northern Cape	18 497	-	18 497
				North West	23 977	-	23 977
				Western Cape	37 315	-	37 315
				TOTAL	307 312	-	307 312
	(d) Maths, Science and Technology Grant	To provide support and resources to schools, teachers and learners in line with the Curriculum Assessment Policy Statements for the improvement of mathematics, science and technology teaching and learning at selected public schools.	Conditional allocation	Eastern Cape	59 798	-	59 798
				Free State	53 532	-	53 532
				Gauteng	67 445	-	67 445
				KwaZulu-Natal	77 854	-	77 854
				Limpopo	53 753	-	53 753
				Mpumalanga	48 512	-	48 512
				Northern Cape	30 799	-	30 799
				North West	44 833	-	44 833
				Western Cape	41 146	-	41 146
				TOTAL	477 672	-	477 672
	(e) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	1 932 303	-	1 932 303
				Free State	615 292	-	615 292
				Gauteng	1 254 139	-	1 254 139
				KwaZulu-Natal	2 429 551	-	2 429 551
				Limpopo	1 918 256	-	1 918 256
				Mpumalanga	1 039 286	-	1 039 286
				Northern Cape	287 067	-	287 067
				North West	746 983	-	746 983
				Western Cape	570 674	-	570 674
				TOTAL	10 793 551	-	10 793 551

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Health (Vote 18)	(a) District Health Programmes Grant	To enable the health sector to develop and implement an effective response to HIV/AIDS; to enable the health sector to develop and implement an effective response to tuberculosis; to ensure provision of quality community outreach services through Ward Based Primary Health Care Outreach Teams; to improve efficiencies of the Ward Based Primary Health Care Outreach Teams programme by harmonising and standardising services and strengthening performance monitoring; to enable the health sector to develop and implement an effective response to support the effective implementation of the National Strategic Plan on Malaria Elimination.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	R'000 3 243 220 1 771 382 6 358 455 7 785 465 2 650 569 2 723 670 792 268 1 972 463 2 251 705 29 549 197	R'000 - - - - - - - - - -	R'000 3 243 220 1 771 382 6 358 455 7 785 465 2 650 569 2 723 670 792 268 1 972 463 2 251 705 29 549 197
	(b) Health Facility Revitalisation Grant	To help to accelerate maintenance, renovations, upgrades, additions, and construction of infrastructure in health; to help on replacement and commissioning of health technology in existing and revitalised health facilities; to enhance capacity to deliver health infrastructure; to accelerate the fulfilment of the requirements of occupational health and safety.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape Unallocated TOTAL	818 917 624 036 1 203 468 1 590 814 659 102 504 907 469 950 727 001 1 118 925 - 7 717 120	- - - - 100 000 25 000 - 70 000 80 000 - 275 000	818 917 624 036 1 203 468 1 590 814 759 102 529 907 469 950 797 001 1 198 925 - 7 992 120
	(c) Human Resources and Training Grant	To appoint statutory positions in the health sector for systematic realisation of the human resources for health strategy and the phase-in of National Health Insurance; support provinces to fund service costs associated with clinical training and supervision of health science trainees on the public service platform.	Conditional allocation	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape Unallocated TOTAL	623 758 304 655 2 006 712 824 774 395 971 299 521 163 702 294 646 995 246 - 5 908 985	- - - - - - - - - - -	623 758 304 655 2 006 712 824 774 395 971 299 521 163 702 294 646 995 246 - 5 908 985
	(d) National Health Insurance Grant	To expand the healthcare service benefits through the strategic purchasing of services from healthcare providers.	Nationally assigned function to provinces	Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga Northern Cape North West Western Cape TOTAL	65 703 30 293 99 248 91 739 54 785 35 918 24 987 34 086 38 724 475 483	- - - - - - - - - -	65 703 30 293 99 248 91 739 54 785 35 918 24 987 34 086 38 724 475 483

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Human Settlements (Vote 33)	(a) Human Settlements Development Grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	1 473 922	-	1 473 922
				Gauteng	777 134	-	777 134
				KwaZulu-Natal	3 780 605	-	3 780 605
				Limpopo	2 434 929	-	2 434 929
				Mpumalanga	866 898	-	866 898
				Northern Cape	883 591	-	883 591
				North West	261 460	-	261 460
				Western Cape	1 220 328	-	1 220 328
				TOTAL	13 258 003	-	13 258 003
Public Works and Infrastructure (Vote 13)	(b) Informal Settlements Upgrading Partnership Grant: Provinces	To provide funding to facilitate a programme and inclusive approach to upgrading informal settlements.	Conditional allocation	Eastern Cape	214 012	-	214 012
				Free State	112 839	-	112 839
				Gauteng	548 942	-	548 942
				KwaZulu-Natal	353 550	-	353 550
				Limpopo	125 873	-	125 873
				Mpumalanga	128 297	-	128 297
				Northern Cape	37 964	-	37 964
				North West	177 191	-	177 191
				Western Cape	226 385	-	226 385
				TOTAL	1 925 053	-	1 925 053
Public Works and Infrastructure (Vote 13)	Expanded Public Works Programme Integrated Grant for Provinces	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines; road maintenance including but not limited to block paving and pothole patching; maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; tourism and cultural industries.	Conditional allocation	Eastern Cape	126 939	-	126 939
				Free State	46 838	-	46 838
				Gauteng	80 569	-	80 569
				KwaZulu-Natal	150 354	-	150 354
				Limpopo	68 991	-	68 991
				Mpumalanga	41 548	-	41 548
				Northern Cape	34 543	-	34 543
				North West	55 446	-	55 446
				Western Cape	43 488	-	43 488
				Unallocated	-	-	-
Sport, Arts and Culture (Vote 37)	(a) Community Library Services Grant	To transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.	Conditional allocation	TOTAL	648 716	-	648 716
				Eastern Cape	196 125	-	196 125
				Free State	195 296	-	195 296
				Gauteng	193 370	-	193 370
				KwaZulu-Natal	205 902	-	205 902
				Limpopo	169 153	-	169 153
				Mpumalanga	185 722	-	185 722
				Northern Cape	194 936	-	194 936
				North West	166 431	-	166 431
				Western Cape	211 662	-	211 662
Sport, Arts and Culture (Vote 37)	(b) Mass Participation and Sport	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	TOTAL	1 718 597	-	1 718 597
				Eastern Cape	80 690	-	80 690
				Free State	42 344	-	42 344
				Gauteng	139 835	-	139 835
				KwaZulu-Natal	104 409	-	104 409
				Limpopo	74 936	-	74 936
				Mpumalanga	54 737	-	54 737
				Northern Cape	34 951	-	34 951
				North West	54 626	-	54 626
				Western Cape	66 090	-	66 090
				TOTAL	652 618	-	652 618

SCHEDULE 5, PART B
SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A			Column B	
			2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation	Forward Estimates 2027/28	Forward Estimates 2028/29
			R'000	R'000	R'000	R'000	R'000
RECURRENT GRANTS							
National Treasury (Vote 8)	(a) Infrastructure Skills Development Grant	To recruit unemployed graduates into municipalities to be trained and professionally registered as per the requirements of the relevant statutory councils within the built environment. To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	179 755	-	179 755	186 929	192 738
	(b) Local Government Financial Management Grant		613 517	-	613 517	638 001	657 829
Public Works and Infrastructure (Vote 13)	Expanded Public Works Programme Integrated Grant for Municipalities	To incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance including but not limited to block paving and pothole patching; maintenance of buildings; low traffic volume roads and rural roads; basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure), other economic and social infrastructure; tourism and cultural industries.	585 594	-	585 594	613 761	632 836
TOTAL			1 378 866	-	1 378 866	1 438 691	1 483 403

SCHEDULE 5, PART B

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A			Column B	
			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	Forward Estimates	
						2027/28 R'000	2028/29 R'000
INFRASTRUCTURE GRANTS							
Cooperative Governance (Vote 3)	(a) Integrated Urban Development Grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure; to ensure that public investments are spatially aligned and to promote the sound management of the assets delivered.	1 379 189	-	1 379 189	1 434 303	1 478 880
	(b) Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new infrastructure, and the renewal and refurbishment of existing infrastructure for poor households, microenterprises, and social institutions servicing poor communities; to provide specific funding for the development of asset management plans for infrastructure servicing the poor.	17 504 197	-	17 504 197	20 029 611	20 652 115
	(c) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	-	3 537 167	3 537 167	1 158 190	5 000
Electricity and Energy (Vote 10)	Integrated National Electrification Programme (Municipal) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to municipalities to increase access to electricity, existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure; to provide subsidies to municipalities to accelerate the implementation of energy efficiency and demand side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	1 902 274	-	1 902 274	1 978 188	2 039 668
Human Settlements (Vote 33)	Informal Settlements Upgrading Partnership Grant: Municipalities	To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to upgrading informal settlements.	4 417 316	-	4 417 316	5 103 998	5 262 626
National Treasury (Vote 8)	Neighbourhood Development Partnership Grant	To plan, catalyse, and invest in targeted locations to attract and sustain third party capital investments aimed at spatial transformation, that will improve the quality of life, and access to opportunities for residents in South Africa's targeted locations, under-served neighbourhoods, townships and rural towns in metro and non-metro municipalities; to support the targeted municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation as well as facilitate long term programmes/ projects that will attract private investment and assist non-metro municipalities to enhance revenues.	427 956	-	427 956	262 666	66 398
Transport (Vote 40)	(a) Public Transport Network Grant	To provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network; to support the planning, regulation, control, management and operations of fiscally and financially sustainable municipal public transport network services.	5 711 440	-	5 711 440	4 509 802	3 746 801
Water and Sanitation (Vote 41)	(b) Rural Roads Asset Management Systems Grant	To assist district municipalities to set up rural roads asset management systems, and collect road, bridges and traffic data on municipal road networks in line with the Road Infrastructure Strategic Framework for South Africa.	131 145	-	131 145	136 379	140 617
	(a) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	3 901 746	-	3 901 746	3 864 717	3 649 002
	(b) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities with refurbishment of water and sanitation infrastructure, including upgrades; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas; support drought relief projects in affected municipalities.	4 389 052	-	4 389 052	4 564 206	4 706 058
TOTAL			39 764 315	3 537 167	43 301 482	43 042 060	41 747 165

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
			R'000	R'000	R'000
Basic Education (Vote 16)	School Infrastructure Backlogs Grant	Eradication and upgrading of inappropriate school buildings; provision and upgrading of water and sanitation to schools; provision and upgrading of classrooms to address overcrowding.	447 677	-	447 677
Health (Vote 18)	National Health Insurance Indirect Grant	To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance; to enhance capacity and capability to deliver infrastructure for National Health Insurance; to accelerate the fulfilment of the requirements of occupational health and safety; to implement the centralised models for the dispensing and distribution of chronic medication; develop and roll-out new health information systems in preparation for National Health Insurance.	2 560 319	159 587	2 719 906
TOTAL			3 007 996	159 587	3 167 583

SCHEDULE 6, PART B

ALLOCATIONS-IN-KIND TO MUNICIPALITIES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2026/27 Main Allocation	Adjustment	2026/27 Adjusted Allocation
Cooperative Governance (Vote 3)	Municipal Infrastructure Grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new infrastructure, and the renewal and refurbishment of existing infrastructure for poor households, microenterprises, and social institutions servicing poor communities; to provide specific funding for the development of asset management plans for infrastructure servicing the poor.	R'000 535 566	R'000 35 737	R'000 571 303
Electricity and Energy (Vote 10)	Integrated National Electrification Programme (Eskom) Grant	To implement the Integrated National Electrification Programme by providing capital subsidies to Eskom to increase access to electricity, existing and planned residential dwellings (including informal settlements, farm dwellers, new and existing dwellings) and the installation of relevant bulk infrastructure in Eskom licenced areas.	1 592 711	-	1 592 711
National Treasury (Vote 8)	Smart Meters Grant	To enable municipalities to implement bi-directional smart metering systems and smart solutions.	795 869	-	795 869
Water and Sanitation (Vote 41)	(a) Regional Bulk Infrastructure Grant	To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; to implement bulk infrastructure with a potential of addressing water conservation and water demand management projects or facilitate and contribute to the implementation of local water conservation and water demand management projects that will directly impact on bulk infrastructure requirements.	3 214 822	-	3 214 822
	(b) Water Services Infrastructure Grant	Facilitate the planning and implementation of various water and sanitation projects to accelerate backlog reduction and enhance the sustainability of services especially in rural municipalities; provide basic and intermittent water and sanitation supply that ensures provision of services to identified and prioritised communities, including spring protection and groundwater development; support municipalities with refurbishment of water and sanitation infrastructure, including upgrades; support municipalities in implementing water conservation and water demand management projects; support the close-out of the existing Bucket Eradication Programme intervention in formal residential areas, support drought relief projects in affected municipalities.	1 334 331	-	1 334 331
TOTAL			7 473 299	35 737	7 509 036

MEMORANDUM ON OBJECTS OF DIVISION OF REVENUE AMENDMENT BILL, 2026

1. BACKGROUND

- 1.1. Section 214(1) of the Constitution of the Republic of South Africa, 1996 (“the Constitution”), requires that an Act of Parliament be enacted to provide for—
 - (a) the equitable division of revenue raised nationally among the national, provincial and local spheres of government;
 - (b) the determination of each province’s equitable share of the provincial share of that revenue; and
 - (c) any other allocations to provinces, local government or municipalities from the national government’s share of that revenue, and any conditions on which those allocations may be made.
- 1.2. Section 12(4) of the Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009) (“Money Bills and Related Matters Act”), requires the Minister of Finance to table a Division of Revenue Amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for that financial year. As the adjustments budget for 2026/27 effects changes to the Division of Revenue Act, 2026 (Act No. 9 of 2026) (“the DoRA”), it is necessary for the Division of Revenue Amendment Bill, 2026 (“the Bill”), to be tabled with the revised fiscal framework.
- 1.3. The Bill is thus introduced in compliance with the requirements of the Constitution and the Money Bills and Related Matters Act.

2. SUMMARY OF BILL

- 2.1. Clause 1 of the Bill proposes the substitution in the DoRA of—
 - (a) Column A of Schedule 1;
 - (b) Column A of Schedule 2;
 - (c) Column A of Part A of Schedule 4;
 - (d) Column A of Part B of Schedule 4;
 - (e) Column A of Part A of Schedule 5;
 - (f) Part B of Schedule 5;
 - (g) Column A of Part A of Schedule 6; and
 - (h) Column A of Part B of Schedule 6.
- 2.2. Column A specifies the allocations for the 2026/27 financial year. Column B specifies the allocations for the 2027/28 and 2028/29 financial years. Amendments to allocations are indicated in Columns A and B by specifying the adjustment and the adjusted amounts for the respective financial year. The Schedules to the Bill address the following matters:
 - (a) Adjusting the equitable share among the three spheres of government for the 2026/27 financial year;
 - (b) changes to equitable share allocations to provinces for the 2026/27 financial year;
 - (c) changes to allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2026/27 financial year;
 - (d) changes to allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets for the 2026/27 financial year;
 - (e) changes to specific purpose allocations to provinces for the 2026/27 financial year;
 - (f) changes to specific purpose allocations to municipalities for the 2026/27 financial year, the 2027/28 financial year and the 2028/29 financial year; and
 - (g) changes to allocations-in-kind to provinces and municipalities for designated special programmes for the 2026/27 financial year.
- 2.3. Clause 2 of the Bill contains the short title.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

The following institutions were consulted on the adjustments proposed in the Bill:

- (a) Financial and Fiscal Commission;
- (b) South African Local Government Association; and
- (c) National and provincial departments.

4. FINANCIAL IMPLICATIONS TO STATE

This Bill is necessitated by the proposed national adjustments budget for the 2026/27 financial year which affects the division of revenue between the three spheres of government. Financial implications to government are limited to the total adjustments to transfers to provinces and local government as indicated in the Schedules to the Bill.

5. CONSTITUTIONAL IMPLICATIONS

The Bill, in conjunction with the DoRA, seeks to give effect to section 214 of the Constitution.

6. PARLIAMENTARY PROCEDURE

- 6.1. The Constitution prescribes the classification of Bills and the different procedures to be followed for such enactment. The national legislative process is governed by sections 73 to 77 of the Constitution.
- 6.2. The State Law Advisers and the National Treasury have considered the Bill against the provisions of the Constitution relating to the tagging of Bills, and against the functional areas listed in Schedule 4 (functional areas of concurrent national and provincial legislative competence) and Schedule 5 (functional areas of exclusive provincial legislative competence) to the Constitution.
- 6.3. For purposes of tagging, in the case of *Tongoane and Others v Minister for Agriculture and Land Affairs and Others* 2010 (6) SA 214 (CC), the Constitutional Court ruled on the test to be used when tagging a Bill. The Constitutional Court held, in paragraph 70, that the “test for determining how a Bill is to be tagged must be broader than that for determining legislative competence”.
- 6.4. In terms of section 76(3) of the Constitution, a Bill must be dealt with in accordance with the procedure established by either subsection (1) or (2) if it falls within a functional area listed in Schedule 4 to the Constitution. Furthermore, in terms of section 76(4)(b) of the Constitution, a Bill must be dealt with in accordance with the procedure established by section 76(1) of the Constitution, if it provides for legislation envisaged in Chapter 13 of the Constitution and includes provisions affecting the financial interests of the provincial sphere of government.
- 6.5. The issue that needs to be determined is whether the proposed amendments as contained in the Bill, in substantial measure, fall within a functional area listed in Schedule 4 to the Constitution, or whether the proposed amendments fall under section 76(4)(b) of the Constitution.
- 6.6. The Bill seeks to amend the DoRA in accordance with section 12(4) of the Money Bills and Related Matters Act which provides that the Minister of Finance must table a Division of Revenue Amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year.
- 6.7. The Bill, in our opinion, constitutes legislation envisaged in Chapter 13 of the Constitution. Furthermore, the Bill includes provisions affecting the financial interests of the provincial sphere of government as contemplated in section

76(4)(b) of the Constitution. We are therefore of the opinion that the Bill must be dealt with in accordance with the procedure envisaged by section 76 of the Constitution.

- 6.8. The State Law Advisers and the National Treasury are of the opinion that it is not necessary to refer the Bill to the National House of Traditional and Khoi-San Leaders in terms of section 39(1)(a) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), since it does not contain provisions pertaining to customary law or customs of traditional communities.

DIVISION OF REVENUE AMENDMENT BILL ATTACHMENTS

	<i>Page</i>
1. Annexure A: Explanatory memorandum to the Division of Revenue Amendment Bill	19
2. Annexure B: Frameworks for Conditional Grants to Provinces	24
3. Annexure C: Frameworks for Conditional Grants to Municipalities	43
4. Annexure D: Infrastructure Grant Allocations to Municipalities (Schedule 4, Part B and Schedule 5, Part B)	58
5. Annexure E: Allocations-In-Kind to Municipalities (Schedule 6, Part B)	65
6. Appendix A: Appendix to Schedule 6, Part A: Breakdown of the National Health Insurance Indirect Grant: Allocations per Grant Component per Province	72
7. Appendix B: Appendix to Schedule 4, Part A and Schedule 5, Part A: Breakdown of Ring-Fenced Disaster Funding: Per Province per Grant	74

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

BACKGROUND

The allocation of resources to the three spheres of government is a critical step in the budget process, required before national government, the nine provinces and 257 municipalities can determine their own budgets. The allocation process takes into account the powers and functions assigned to the three spheres of government. The process for making this decision is at the heart of cooperative governance as envisaged in the Constitution. To foster transparency and ensure smooth intergovernmental relations, section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between the three spheres of government. The Intergovernmental Fiscal Relations Act, 1997, prescribes the process for determining the equitable sharing and allocation of revenue raised nationally.

This Division of Revenue Amendment Bill, 2026, (“the Bill”) fulfils the requirement set out in section 12(4) of the Money Bills and Related Matters Act, 2009 (Act 9 of 2009), that the Minister of Finance must table a Division of Revenue Amendment Bill with the revised fiscal framework if the adjustments budget effects changes to the Division of Revenue Act for the relevant year. Section 10(5) of the Intergovernmental Fiscal Relations Act requires that the Division of Revenue Bill must be accompanied by an explanatory memorandum detailing how the Bill takes account of the matters listed in sections 214(2)(a) to (j) of the Constitution; government’s response to the recommendations of the Financial and Fiscal Commission (FFC); and any assumptions and formulae used in arriving at the respective divisions among provinces and municipalities. The standard objective distribution formulae for the provincial and local government equitable shares remain unchanged in the 2026 Division of Revenue Amendment Bill. The additions to the provincial equitable share for the Early Retirement Programme do not alter the baseline equitable share formula parameters but are accommodated as targeted categorical add-ons informed by verified provincial application uptake. This explanatory memorandum only contains three parts:

- Part 1 describes the factors that inform the division of resources between national, provincial and local government.
- Part 2 describes the proposed amendments to the Division of Revenue Act, 2026.
- Part 3 describes changes to the frameworks and detailed allocations per province and municipality that have been gazetted in terms of section 15(1) of the Division of Revenue Act, 2026. The changes are submitted to Parliament for consideration as envisaged in sections 15(2) and 15(4) of the Division of Revenue Act, 2026.

The Bill and its underlying allocations are the culmination of extensive consultation processes between national, provincial, and local government. The approach to local government allocations was thoroughly discussed with the South African Local Government Association during technical meetings. These discussions culminated in deliberations at the Local Government Budget Forum. The Budget Council also reviewed and deliberated on provincial matters outlined in this memorandum.

ANNEXURE A

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

PART 1: CONSTITUTIONAL CONSIDERATIONS

Section 214 of the Constitution requires that the annual Division of Revenue Act be enacted after the 10 key principles that are outlined in sub-sections 2(a) to (j) are considered. These include national interest; provision for debt; the needs of national government; the allocation of resources to provide provincial and municipal basic services and meet developmental needs; fiscal capacity and efficiency of the provincial and local spheres; the reduction of economic disparities; the promotion of stability and predictability; and meeting emergency response requirements. Annexure W1 to the 2026 Division of Revenue Bill outlined in detail how these considerations were taken into account in the 2026 division of revenue. None of the adjustments in this Bill alter the constitutional considerations that informed the 2026 division of revenue.

PART 2: SUMMARY OF CHANGES IN THE DIVISION OF REVENUE AMENDMENT BILL, 2026

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. If the adjustments budget effects changes to the division of revenue as contained in the Division of Revenue Act for the relevant year, the Minister of Finance must table a Division of Revenue Amendment Bill with the revised fiscal framework. There are amendments to the 2026 Budget that affect the Division of Revenue Act, 2026 which will be effected through the Division of Revenue Amendment Act, 2026, once enacted. The amendments as they impact on provinces and municipalities are discussed below.

Changes to provincial allocations**Additional funding to provincial equitable share**

R6.4 billion is added to the *provincial equitable share* to fund the phased implementation of the Early Retirement Programme. To ensure fiscal efficiency and target specific headcount reductions without distorting the baseline distribution, the additional funds are allocated to provinces as a targeted add-on based strictly on approved programme applications. This change is shown in Schedule 2.

Additional funding to provincial conditional grants

R1.5 billion is added to provincial conditional grants to fund the reconstruction and rehabilitation of provincial infrastructure damaged by rainfall, flooding, thunderstorms and strong winds that occurred in eight of the nine provinces between December 2025 and June 2026. Of this amount, R343 million is added to the *education infrastructure grant*; R275 million to the *health facility revitalisation grant*; R600 million to the *provincial roads maintenance grant* and R242 million to the *comprehensive agricultural support programme grant*. These additions are shown in Schedule 4, Part A and Schedule 5, Part A of this Bill.

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

Budget Facility for Infrastructure

R735 million within the ring-fenced Budget Facility for Infrastructure (BFI) allocation in the *education infrastructure grant* for the Western Cape is shifted to the 2027 MTEF. This rescheduling will focus on the initial registered schools and project scope to align funding with school construction timelines and cashflow requirements. This change is shown in Schedule 4, Part A of this Bill.

Roll-over

R160 million is rolled-over in the *health facility revitalisation* component of the *national health insurance indirect grant*. The rollover is broken down as follows:

- R17 million for the refurbishment of the Christiana hospital building.
- R143 million Smart Revitalisation for the Bambisana Hospital.

This change is shown in Schedule 6, Part A of this Bill.

Changes to local government allocations

Funding for the recovery of municipal infrastructure damaged by disasters

The disasters that occurred across the country between December 2025 and June 2026 affected several municipalities. R3.5 billion is allocated for the reconstruction and rehabilitation of damaged municipal infrastructure. This requires the re-instatement of the *municipal disaster recovery grant*. This change is shown in Schedule 5, Part B of this Bill.

Corrections to *urban development financing grant* allocations

The allocations from the *metro trading services* component of the *urban development financing grant* are amended to fully reflect the non-incentive portion and the planning stage gates as outlined in the Programme Operation Manual of the grant. This affects the in-year allocations of all eight metropolitan municipalities, while the baseline of the grant remains unchanged. This change is shown in Schedule 4, Part B of this Bill.

Rescheduling of BFI allocations

R1.2 billion from the allocation of the City of Johannesburg in the *urban settlements development grant* is shifted to the 2027 MTEF to align to the revised implementation plan and cash flow projections for the Lufhereng Mixed Use Development project funded through the BFI.

The City of Johannesburg's BFI allocation of R575 million within the *urban development financing grant* is shifted to the 2027 MTEF to align with the revised implementation plan and cash flow projections for the Alternative Waste Treatment Technology project. After taking account of the metro trading services allocation correction described above, the city's net grant allocation decreases by R482 million.

ANNEXURE A

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

These changes are shown in Schedule 4, Part B of this Bill.

Roll-over

R36 million is rolled-over in the indirect Municipal Infrastructure Grant for the completion of several water infrastructure projects. This change is shown in Schedule 6, Part B of this Bill.

PART 3: CHANGES TO GAZETTED FRAMEWORKS AND ALLOCATIONS

Together with the tabling of the Bill, National Treasury also submits to Parliament, proposed changes to the gazetted frameworks. Section 15(4) of the Division of Revenue Act, 2026, requires National Treasury to consult Parliament on any proposed changes to a conditional grant framework for the purposes of correcting an error or omission, as envisaged in section 15(2) of the Division of Revenue Act, 2026.

The proposed changes to the frameworks of the *education infrastructure grant*, *health facility revitalisation grant*, *provincial roads maintenance grant*, *comprehensive agricultural support programme grant*, *national health insurance indirect grant*, *municipal infrastructure grant*, *urban settlements development grant* and *urban development financing grant* are described below. The revised frameworks and the framework of the *municipal disaster recovery grant* and detailed allocations are included in the annexures and appendices to the Bill. While these changes do not form part of the Bill, Parliament is requested to consider them in terms of the process set out in section 15(4) of the Division of Revenue Act, 2026. Proposed changes to gazetted allocation appendices that provide further details of grant allocations are also included here.

Changes to conditional grant frameworks

The frameworks of the *education infrastructure grant*, *health facility revitalisation grant*, *provincial roads maintenance grant*, and the *comprehensive agricultural support programme grant* are amended to ring-fence and allow for spending of the additional funds for the repair and reconstruction of provincial infrastructure damaged by the disasters that occurred across the country between December 2025 and June 2026.

The framework of the *municipal disaster recovery grant* outlines the conditions for the funds provided for the recovery of damaged municipal infrastructure.

The frameworks of the *national health insurance indirect grant*, including its *health facility revitalisation component* and *municipal infrastructure grant*, in respect of its *indirect component*, will be amended to show the revised allocations from the rollovers.

The framework of the *education infrastructure grant* is amended to adjust the BFI ring-fenced amount, while the frameworks of the *urban settlements development grant* and *urban development financing grant* are amended to omit the BFI conditions.

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

Changes to allocations

Details per municipality of the changes to the allocations for the *urban settlements development grant*, *urban development financing grant*, *municipal disaster recovery grant*, and the indirect component of the *municipal infrastructure grant* that have been described in Part 2 of this memorandum will be gazetted. These changes per municipality are shown in Annexures D and E.

Details of the changes per province for allocations for the *national health insurance indirect grant* and recovery and rehabilitation of infrastructure that have been described in Part 2 of this memorandum are shown in Appendices A and B.

Annexure B: Frameworks for Conditional Grants to Provinces

Detailed frameworks on Schedule 4, Part A; Schedule 5, Part A; and Schedule 6, Part A grants to provinces

Introduction

This annexure provides the revised framework for the grants set out in Schedule 4, Part A; Schedule 5, Part A; and Schedule 6, Part A of the 2026 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between provinces
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2026 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provinces
- Process for approval of business plans for 2027/28

The attached frameworks are not part of the 2026 Division of Revenue Amendment Bill but are published in order to provide more information on the grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the Division of Revenue Amendment Bill, 2026 is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2026/27 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

AGRICULTURE GRANTS

Comprehensive Agricultural Support Programme Grant	
Transferring department	• Agriculture (Vote 29)
Grant schedule	• Schedule 5, Part A
Strategic goal	• To create a favourable and supportive agricultural services environment for the farming community and reduce poverty through increased food production initiatives targeting vulnerable households, subsistence, smallholder and distressed commercial producers and agro-processors within strategically identified production areas prioritised in the Agriculture and Agro-processing Master Plan (AAMP)
Grant purpose	• To provide effective and coordinated agricultural support services through collaborations with industry transformation initiatives where possible • To promote and facilitate agricultural development by targeting beneficiaries of land reform and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in export • To assist vulnerable South African farming communities to achieve an increase in agricultural production • To invest in infrastructure that unlocks agricultural production within strategically identified production areas • To revitalise agricultural colleges into centres of excellence
Outcome statements	• Broadened access to agricultural support for vulnerable households and black subsistence, smallholder and distressed commercial producers and agro-processors • Increased number of sustainable and profitable black producers in horticulture, grains, livestock, fibre and aquaculture value chains • Increased agricultural production of field crops such as grains and oilseeds, livestock, horticulture, fibre and aquaculture at both household and national level • Improved access to production inputs • Increased quantities (tons) of agricultural commodities produced by smallholder and household farmers • Increased capacity to support and oversee productivity and farming efficiency of beneficiaries of the Comprehensive Agricultural Support Programme (CASP) • Improved systems required for the maintenance of a foot and mouth disease free status as prescribed by the World Organisation for Animal Health • Increased wealth creation and sustainable employment in rural areas • Increased access to formal and institutional markets by beneficiaries of CASP • Improved household and national food security • Rehabilitated and expanded irrigation schemes • Reliable and accurate agricultural information available for management decision making
Outputs	• On and off-farm infrastructure provided and repaired, including agro-processing infrastructure • Land under agricultural production (field crops such as grains and oilseeds, horticulture fibre, and livestock) • Superior breeding animals acquired and distributed to farmers • Hectares of rehabilitated and expanded irrigation schemes • Community gardens supported • School gardens supported • Number of producers supported per category (vulnerable households, subsistence, smallholder and commercial) and per commodity • 50 per cent women, 40 per cent youth and 6 per cent people living with disabilities (farmers supported per category) • Quantity of output (tons) produced by beneficiaries of CASP per commodity • Number of beneficiaries of CASP that are South African Good Agricultural Practices certified • Number of jobs created • Number of unemployed graduates placed on commercial farms • Number of beneficiaries of CASP trained on farming methods or opportunities along the value chain • Percentage of CASP beneficiaries with access to formal and institutional markets • Tracing system for animal identification and movement provided and maintained for cattle in the foot and mouth disease controlled areas of Limpopo, Mpumalanga and KwaZulu-Natal • Physical boundary between the foot and mouth disease free zone and the protection zone provided and maintained • Food and veterinary laboratory infrastructure, including quality systems accreditation, revitalised in eight provinces (except Gauteng) • Number of animals vaccinated for foot and mouth disease • Number of extension officers including Assistant Agricultural Practitioners recruited and/or maintained in the system • Number of extension officers trained or deployed to commodity organisations • Partnerships with commodity organisations
Outcome(s) of government that this grant primarily contributes to	• Outcome 4: Increased infrastructure investment and job creation • Outcome 10: Reduced poverty and improved livelihoods
Details contained in the business plan	• Outcome indicators • Outputs indicators • Inputs • Key activities • Monitoring framework • Risks and mitigation strategies

Comprehensive Agricultural Support Programme Grant	
Conditions	- At least 30 per cent of the projects allocation must support food production (crop and livestock production) initiatives, prioritising vulnerable households, irrigation schemes, communal areas and areas under traditional leadership, subsistence, smallholder and distressed commercial producers supported with inputs and mechanisation. 30 per cent of this allocation may rehabilitate infrastructure in irrigation schemes - At least 50 per cent of the project allocation must support infrastructure development for production areas prioritised in the Agriculture and Agro-processing Master Plan - At least 3 per cent of the project allocation must be spent on market access and development - At least 3 per cent of the project allocation must be spent on training and capacity building of farmers, and 2 per cent can be used for mentorship programme - At least 1 000 unemployed agricultural graduates must be placed in commercial farms nationally as follows: - Gauteng and Northern Cape must place at least 80 graduates each - the remainder of the provinces must place at least 120 graduates each - all graduates must be employed at a rate of around R95 000 – R100 000 per annum in line with DPSA directive on the employment of persons to developmental programmes in the public sector - At least 5 per cent of the project allocation must support biosecurity interventions - At least 2 per cent of the project allocation must support livestock improvement programmes especially those aligned to Kaonafatso ya Dikgomo in partnership with the Agricultural Research Council - The producers supported must be linked to, but not limited to, commodity organisations including the commercial and emerging commodity organisations. The province should have formal partnership agreements with these commodity organisations to ensure appropriate support is provided to farmers (i.e. specialised technical support, joint funding, access to markets and joint implementation as outlined by the dynamic business model) - In cases where producers requiring support are outside a commodity organisation agreement, their proposals received from the advertisement process must be approved by committees and authorities established by the province as outlined in the standard operating procedure - All assisted producers should be listed or registered in the provincial and national farmer registers - The Department of Agriculture (DOA) will reprioritise the allocated funds on the following basis: - in the event of poor spending on the part of a province where poor spending is the result of poor planning or failure by service provider to meet contractual obligations - in the event of a disaster that affects the implementation of approved plans - provinces not adhering to the CASP standard operating procedure framework when implementing projects or implementing projects that are not approved by DOA - in the event that the ring-fenced funds are used for other things without prior approval by the transferring officer - The funds will be transferred as per the disbursement schedule approved by National Treasury; and only after receipt of performance reports against already transferred allocations - Provinces must inform the transferring officer of any proposed changes to the business plans. Such changes must be approved by the transferring officer before they are implemented - The receiving officers may approve changes to the budget of already approved projects where savings or price escalations were realised. Such changes must finally be approved by the transferring officer before the end of the financial year - The provincial business plans must be signed-off by the heads of departments of the provincial agriculture departments in collaboration with Chief Financial Officers or their representatives, and must be co-signed by the heads of provincial treasuries - The signed business plan for CASP must be submitted to the DOA for approval - The projects must be listed in the DOA project list template and submitted to DOA within a month after approval of the provincial business plan - At least 80 per cent of the allocations for agricultural colleges must only be utilised to revitalise infrastructure and equipment at these colleges while 20 per cent must be utilised for the other four pillars of the Colleges Revitalisation Plan - Infrastructure projects must be reported in the provincial infrastructure reporting model - The following amounts per province must be used in 2026/27 for the repair of infrastructure damaged by the disasters between December 2025 and June 2026 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): - Mpumalanga: R105 million - Northern Cape: R77 million - Western Cape: R60 million
Allocation criteria	The formula used to allocate funds is a weighted average of the following variables: agricultural land area, households involved in agriculture (General Household Survey 2019 report), previous conditional grant performance and current benchmarks on production and national policy imperatives
Reasons not incorporated in equitable share	- Agriculture is identified as a game changer and investment in agriculture must be guided under strict conditions to achieve the aspirations of the National Development Plan and the Agriculture and Agro-processing Master Plan - In 2026/27 the CASP grant is merged with the Ilima/Letsema Projects Grant. The grant will continue to support both commercial and subsistence farmers. This merger will streamline administration, improve resource allocation, and ensure clear, equitable support for both commercial, smallholder and subsistence farming
Past performance	2024/25 audited financial outcomes Allocated and transferred R2 billion (of which R300 million was flood disaster for WC and R40 million were approved rollovers) and R1.8 billion (88 per cent) was spent

Comprehensive Agricultural Support Programme Grant	
	2024/25 service delivery performance • 1 271 subsistence farmers supported • 7 213 smallholder farmers supported • 838 black commercial farmers supported • Beneficiaries were supported from 437 projects implemented, with 311 projects completed at the end of the financial year • 301 (68 per cent) supported projects were owned by youth and 227 (52 per cent) were owned by women • 52 per cent of beneficiaries supported were women, 14 per cent were youth and 1 per cent were people with disabilities • On and off farm infrastructure delivered include 68 irrigation systems, 10 stock and irrigation dams, 56 boreholes 54 stock water structures, 26 stock handling facilities, 10 projects of solar systems erected, 2 dairy structures, 9 dipping tanks, 27 small stock structures, 12 poultry structure one aquatic nursery structure, 2 nursery infrastructure, 349.87 km of fencing, 5 pack houses, 3 processing infrastructures, 9 storage facilities, 2 vet structures revamped, 6 ablution facilities, 6 hydroponic structures • 3 824 jobs created • Foot and mouth disease control deliverables: 222 FMD vaccination sessions in Limpopo, 120 000 animals were vaccinated in Mpumalanga; North West procured laboratory refrigerator and renovation of state veterinary clinic in Vryburg • 95 farms were audited for South African good agricultural practices certification and 49 farms were certified, while 86 farms were re-certified • 66 per cent of the smallholder farmers supported had access to formal markets • 17 708 farmers were trained in targeted training programmes, 48 per cent trained were women, 30 per cent trained were youth and 5 per cent trained were people with disabilities • 247 beneficiaries of CASP were supported with mentorship from 94 projects supported • 1 035 agricultural graduates were placed on commercial farms for a period of two years (2023/24-2024/25) as part of the youth entrepreneurial programme • 29 extension officers were recruited nationally and 250 maintained in the system • 10 agricultural colleges upgrading infrastructure (ongoing)
Projected life	• Grant continues until 2028/29, subject to review
MTEF allocations	• 2026/27: R2.5 billion; 2027/28: R2.5 billion and 2028/29: R2.6 billion
Payment schedule	• Four instalments: 8 May 2026, 28 August 2026, 30 October 2026; and 29 January 2027
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department • Agree on outputs and targets with provincial departments in line with grant objectives for 2026/27 • Provide the guidelines and criteria for the development, approval and implementation of business plans • Provide a template for project registration and reporting • CASP transfers (planned, actual and revised) related to infrastructure projects must be reported in the national infrastructure reporting model • Monitor monthly financial expenditure by provinces and conduct sampled project site visits quarterly • Submit monthly financial reports to National Treasury 20 days after the end of the month • Submit quarterly performance reports to National Treasury within 45 days after the end of each quarter • Submit an annual evaluation performance report to National Treasury within four months after the end of the financial year • Oversee and monitor implementation of the grant during Ministerial Technical Committee and quarterly review meetings
	Responsibilities of the provincial departments • Provinces to adhere to the conditions of this framework and the 2026 Division of Revenue Act (DoRA) • Provinces to submit a detailed project list in the DOA project list template and project business plans • Provinces must report infrastructure projects and related infrastructure support funded through CASP in the provincial infrastructure reporting model monthly and quarterly • Submit project quarterly performance reports to the transferring officer using the DOA project list template • In an instance the receiving officer uses any organ of state to assist with the implementation of CASP projects, the receiving officer must submit a copy of the agreement to the transferring officer and National Treasury; and publish by notice in the Gazette, the allocations envisaged in the agreement before payment is made • Provinces must implement the CASP business plans as approved • All receiving departments must abide by the Public Finance Management Act, Treasury Regulations and the 2026 DoRA when executing projects as well as for reporting purposes • Provinces are to report monthly (for financial performance) 15 days after the end of each month, and quarterly (for non-financial performance) 20 days after the end of each quarter, and annually two months after the end of the financial year on the progress and achievements of the programme • Assign and delegate officials to manage and monitor the implementation of the programme before April 2026 • Keep a record of projects supported • Monitor project implementation on a quarterly basis and evaluate the impact of projects in achieving CASP goals • Provinces to adhere to the approved CASP standard operating procedure framework

Comprehensive Agricultural Support Programme Grant	
Process for approval of 2027/28 business plans	• Provide provincial departments with business plan format, guidelines, criteria and outputs as prescribed by National Treasury by 23 May 2026 • Submission of provincial CASP business plans by provinces by 28 August 2026 • Engagement with provinces (pre-national assessment panel) on submitted business plans during October/November 2026 prior to final national assessment panel meeting • Evaluation and recommendation of business plans by national assessment panel between November 2026 and February 2027 • Send funding agreements to provinces by February/March 2027 to be signed by heads of departments, Chief Financial Officers and CASP coordinators • Approval of business plans by the transferring officer before 31 March 2027 • Inform provinces of approval of the business plans by March or April 2027 • Approval by the transferring officer regarding 2027/28 business planning process compliance during April 2027 and send to the National Treasury by end April 2027

BASIC EDUCATION GRANTS

Education Infrastructure Grant	
Transferring department	• Basic Education (Vote 16)
Grant schedule	• Schedule 4, Part A
Strategic goal	• To supplement provinces to fund the provision of education infrastructure in line with the regulations relating to minimum uniform norms and standards for public school infrastructure
Grant purpose	• To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education including district and circuit accommodation • To address achievement of the targets set out in the minimum norms and standards for school infrastructure • To address damages to infrastructure • To enhance capacity to deliver infrastructure in education
Outcome statements	• Improved quality of education service delivery by provincial departments as a result of an improved and increased stock of school infrastructure • Aligned and coordinated approach to infrastructure development at the provincial sphere • Improved education infrastructure expenditure patterns • Improved response to the rehabilitation of school infrastructure • Improved rates of employment and skills development in the delivery of infrastructure • Improved safety in school facilities through occupational health and safety
Outputs	• Number of new schools, additional education spaces, education support spaces and administration facilities constructed as well as equipment and furniture provided • Number of existing schools' infrastructure upgraded and rehabilitated including schools constructed of asbestos material and other inappropriate material • Number of new and existing schools maintained • Number of disaster damaged schools rehabilitated • Number of schools provided with water, sanitation, and electricity • Number of work opportunities created • Number of new special schools provided, and existing special and full-service schools upgraded and maintained
Outcome(s) of government that this grant primarily contributes to	• Outcome 13: Improved education outcomes and skills
Details contained in the business plan	• This grant uses an infrastructure plan that includes: ○ the infrastructure programme management plan ○ the procurement strategy ○ the capacitation strategy ○ the infrastructure reporting model ○ the year-end evaluation report
Conditions	• Provinces may utilise a portion of grant funding for the appointment of public servants on a permanent basis to their infrastructure units in line with human resource capacitation circular published by National Treasury (including maximums set in the circular) • The flow of each instalment of the grant depends upon provinces submitting to national Department of Basic Education (DBE), provincial treasuries and National Treasury financial and non-financial performance reports on programmes partially and fully funded by the grant • The flow of the first instalment of the grant depends upon receipt by the DBE and provincial treasuries and National Treasury of: ○ approved and signed-off infrastructure plan with tabled prioritised project lists for the 2026 medium-term expenditure framework (MTEF) by no later than 13 March 2026. The infrastructure plan must, where applicable, also include the implementation plans for schools affected by natural disasters ○ approved and signed-off infrastructure project list (Table B5) for the 2026 MTEF on the infrastructure reporting model ○ preventative and corrective maintenance plan for all maintenance programmes over the 2026 MTEF period accompanied by a project list no later than 13 March 2026 • The flow of the second instalment depends upon receipt by DBE, provincial treasuries and National Treasury of the approved and signed-off: ○ monthly infrastructure reports in a format determined by the National Treasury and DBE ○ a summary report on all projects that have reached practical completion and captured on the education facilities management system mobile application for the fourth quarter of the 2025/26 financial year no later than 29 April 2026 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the fourth quarter of the 2025/26 financial year within 22 days after the end of the fourth quarter • The flow of the third instalment is dependent upon receipt by DBE, provincial treasuries, and the National Treasury, on a date and in a format determined by National Treasury, of the approved and signed-off: ○ infrastructure plans for all infrastructure programmes for a period of 10 years (including the initial list of prioritised projects) on a date specified in the performance-based approach guidelines

Education Infrastructure Grant	
	○ the 2026/27 project list must be drawn from the prioritised project list for the MTEF tabled in 2025/26 ○ preventative and corrective maintenance plans for all maintenance programmes over the MTEF period accompanied by a project list on a date specified in the performance-based approach guidelines ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ a summary report on all projects that have reached practical completion and captured on the education facilities management system mobile application for the first quarter of 2026/27 by 25 July 2026 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the first quarter of the 2026/27 financial year within 22 days after the end of the first quarter ○ the conditional grant year-end evaluation report on financial and non-financial performance no later than 27 May 2026 ● The flow of the fourth instalment is conditional upon receipt by the DBE and provincial treasuries and National Treasury of the approved and signed off: ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ a summary report on all projects that have reached practical completion and captured on the education facilities management system mobile application for the second quarter of 2026/27 by 23 October 2026 ○ infrastructure programme management plans for infrastructure programmes envisaged to commence within the period for the MTEF on a date specified in the performance-based approach guidelines ○ procurement strategy for infrastructure programmes envisaged to commence within the period of the MTEF on a date specified in the performance-based approach guidelines ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the second quarter of the 2026/27 financial year within 22 days after the end of the second quarter ● The flow of the fifth instalment is conditional upon receipt by the DBE, the relevant provincial treasuries and National Treasury on a date determined by National Treasury, of the approved and signed-off: ○ monthly infrastructure reports in the format determined by National Treasury and the DBE ○ a summary report on all projects that have reached practical completion and captured on the education facilities management system mobile application for the third quarter of 2026/27 to DBE no later than 20 January 2027 ○ a report on the filling of posts on the approved establishment for the infrastructure unit in the format approved by National Treasury for the third quarter of the 2026/27 financial year within 22 days after the end of the third quarter ● Provincial education departments must ensure that a programme and project management system is in place for planning, management and monitoring of infrastructure delivery funded from the grant ● Provincial education departments must comply with the framework for infrastructure delivery and procurement management ● Provincial education departments must provide school governing bodies with maintenance guidelines to conduct minor maintenance. This should be in accordance with the sector maintenance strategy ● Provincial education departments should allocate no less than 60 per cent of the Education Infrastructure Grant allocation to address preventative and corrective maintenance at schools, which should appear as such on the infrastructure reporting model and MTEF database ● Provincial education departments to prioritise and fund from the grant, the eradication of pit latrines and other unacceptable forms of sanitation ● The grant allocation can be transferred to schools in line with the guidelines which will be issued by DBE ● Provincial education departments to prioritise the rehabilitation of storm damaged schools, schools built of asbestos and other inappropriate material ● Provincial education departments must utilise this grant for minor renovations to classrooms to improve accessibility and ensure compliance with universal design standards ● In implementing the three streams model, provincial education departments to prioritise the planning for construction of technical schools and schools of skill as well as conversion of academic stream schools to vocational and occupational streams in 2026/27, for commissioning of projects in 2027/28 ● Provincial education departments may use multiple implementing agents when implementing projects funded from the grant ● To promote conducive teaching and learning within the acceptable occupational, health and safety standards, provincial education departments must implement maintenance projects in all education facilities ● In schools without section 21 responsibilities, provincial education departments should put in place the necessary measures to ensure that planned maintenance at these schools occurs as per the scheduled maintenance plan for such schools ● Provincial education departments must provide all the necessary equipment and furniture in the spaces provided when constructing new projects ● Provincial education departments must submit their plans for the procurement of mobile classrooms to the DBE and any deviation from these plans should be approved in writing by the DBE ● Provincial education departments to ensure cost-effectiveness as they implement infrastructure projects

Education Infrastructure Grant	
	• The DBE approved 10-point plan must be implemented to ensure improvements in infrastructure delivery • Non-compliance with any of the above conditions may result in the withholding and subsequent stopping of transfers • The following amended amount is allocated through the Budget Facility for Infrastructure for the construction of schools in Western Cape. These funds may only be used for this project and are subject to the conditions set out in the 2026 MTEF preliminary allocation letter to DBE: ◦ Western Cape: R515 million • An amount of R4.6 billion from the School Infrastructure Backlogs Grant (SIBG) will be merged into this grant over the 2026 MTEF period and earmarked for specific priority projects identified by the DBE and conditions set out in the letter to the respective provinces. In 2026/27 R1.1 billion will be allocated to three provinces, namely, Eastern Cape, KwaZulu-Natal and Limpopo for the construction of appropriate sanitation to meet norms and standards ◦ Eastern Cape: R355 million ◦ KwaZulu-Natal: R464 million ◦ Limpopo: R285 million • The allocation for 2027/28 (R1.7 billion) and 2028/29 (R1.8 billion) will remain unallocated within this grant • The following amounts must be used in 2026/27 for the repair of infrastructure damaged by the disasters between December 2025 and June 2026 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): ◦ Eastern Cape: R50 million ◦ KwaZulu-Natal: R148 million ◦ Limpopo: R65 million ◦ Northern Cape: R45 million ◦ Western Cape: R35 million
Allocation criteria	• Allocations for 2026/27 are based on historical allocations for this grant • Allocations also include incentive-based allocations as described in part 4 to Annexure W1 of the 2026 Division of Revenue Bill
Reasons not incorporated in equitable share	• Funding infrastructure through a conditional grant enables the national department to ensure the delivery and maintenance of education infrastructure in a coordinated and efficient manner, consistent with national norms and standards for school buildings
Past performance	2024/25 audited financial outcomes • Of the R14 billion allocated, R14 billion (100 per cent) was transferred and spent by provinces
	2024/25 service delivery performance • 2 532 teaching spaces and 82 administrative spaces provided • 1 113 maintenance projects, 278 water, 328 sanitation, 61 electricity and 148 fencing infrastructure projects • Completed two boarding facilities • The sector has provided a total of 41 new and replacement schools in provinces, while 102 schools commenced with construction
Projected life	• Grant continues until 2028/29, subject to review
MTEF allocations	• 2026/27: R15.9 billion; 2027/28: R17 billion; and 2028/29: R17.5 billion
Payment schedule	• Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department • Visit selected infrastructure sites in provinces • DBE and National Treasury to support provinces to improve infrastructure delivery capacity and systems • Provide guidance to provinces in planning and prioritisation • Issue guidelines on the capacitation process of infrastructure units as well as the conditions attached to the utilisation of the funding • DBE and National Treasury to jointly evaluate progress with the capacitation of provincial infrastructure units and provide feedback to all provinces in terms of the guidelines • DBE and National Treasury must jointly evaluate and provide feedback to all provinces on the assessment of all documents as outlined on the performance-based approach system guidelines • Assess the reports submitted by provincial education departments and provide feedback before transferring the instalment • Submit reports to the National Treasury in terms of quarterly achievements by provincial education departments • Comply with the conditions of this grant framework and the relevant clauses within the stipulated time frames of the 2026 Division of Revenue Act (DoRA)
	Responsibilities of provincial departments • Approve monthly provincial infrastructure reports on infrastructure programme in the infrastructure reporting model within 15 days after the end of each month and submit to the relevant provincial treasury and DBE • Submit a signed-off monthly provincial infrastructure report on infrastructure programmes in the infrastructure reporting model within 22 days after the end of each month to the relevant provincial treasury, DBE and National Treasury

Education Infrastructure Grant	
	• Comply with the conditions of this grant framework and the relevant clauses within the stipulated time frames in 2026 DoRA • Submit quarterly capacitation reports within 22 days after the end of each quarter • Ensure that section 42 transfers as per the Public Finance Management Act are effected
Process for approval of 2027/28 business plans	• The process for approval for the 2027 MTEF allocations will be in line with the performance-based incentive approach guidelines published by National Treasury • Submission to National Treasury by DBE of the infrastructure programme management plan for 2026/27 projects by 12 February 2027 for projects completed under the School Infrastructure Backlogs Grant

HEALTH GRANTS

Health Facility Revitalisation Grant	
Transferring department	Health (Vote 18)
Grant schedule	Schedule 5, Part A
Strategic goal	To enable provinces to plan, manage, and transform health infrastructure in line with national and provincial policy objectives
Grant purpose	- To help to accelerate maintenance, renovations, upgrades, additions, and construction of infrastructure in health - To help on replacement and commissioning of health technology in existing and revitalised health facilities - To enhance capacity to deliver health infrastructure - To accelerate the fulfilment of the requirements of occupational health and safety
Outcome statements	- Improved service delivery by provincial departments as a result of an enhanced and better quality of health services - Improved quality and quantity of well-maintained health infrastructure (backlog and preventative maintenance) - Improved rates of employment and skills development in the delivery of infrastructure - Value for money and cost-effective design of facilities in line with the framework for infrastructure procurement and delivery management
Outputs	- Number of primary health care facilities constructed or revitalised - Number of hospitals constructed or revitalised - Number of facilities maintained or refurbished
Outcome(s) of government that this grant primarily contributes to	Outcome 12: Improved access to affordable and quality healthcare
Details contained in the business plan	- The business plan for this grant consists of the following: - the user-asset management plan for at least 10 years - infrastructure programme management plan over the 2026 medium term expenditure framework (MTEF) including a list of projects - annual implementation plan
Conditions	- Projects should be initiated in terms of the control framework of the framework for infrastructure procurement and delivery management stage one which requires an initiation report. Pre-feasibility and feasibility reports are required for all projects - With the exception of funding for costs incurred on stages one and two of the framework for infrastructure procurement and delivery management, projects (business case, project brief and design for all new or replacement facilities and upgrades or additions projects that need licensing) must be approved by the national transferring officer before funds can be released for such projects - The management and procurement of all projects funded through this grant must follow the prescripts of the infrastructure delivery management system and framework for infrastructure procurement and delivery management - Provinces may utilise a portion of grant funding for the appointment of public servants on a permanent basis to their infrastructure units in line with human resource capacitation circular published annually by National Treasury - In instances where the capacity of the provincial departments of public works is deemed insufficient, the provincial department of health will be entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for appointment of service providers are followed - Provincial departments of health must enter into a service delivery agreement with their implementing agents - Appropriately qualified built environment representatives from the provincial departments' infrastructure units must assist in the procurement of professional service providers and contractors by its implementing agent, through representation as a member on the specification, evaluation and adjudication committees of the implementing agent - New facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial treasury will have to be acquired as part of the approval process - The funding from this conditional grant may only be utilised for planned and unplanned maintenance of infrastructure, renovations, upgrading and additions of infrastructure, new and replacement of infrastructure, health technology provision and quality assurance interventions linked to infrastructure projects. The conditional grant should not be used for day-to-day maintenance - In 2026/27 the following amounts are allocated through the Budget Facility for Infrastructure for Belhar and Klipfontein Regional Hospitals in Western Cape. These funds may only be used for these projects and are subject to the conditions set out in the 2026 MTEF preliminary allocation letter to the Department of Health: - Belhar Regional Hospital: R88 million - Klipfontein Regional Hospital: R89 million - The following amounts must be used in 2026/27 for the repair of infrastructure damaged by the disasters between December 2025 and June 2026 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): - Limpopo: R100 million - Mpumalanga: R25 million - North West: R70 million - Western Cape: R80 million
Allocation criteria	Allocations for 2026/27 are project and performance based
Reasons not incorporated in equitable share	Funding infrastructure through a conditional grant enables the national department to ensure the delivery, rehabilitation, maintenance and upgrading of health infrastructure in a coordinated and efficient manner and to ensure consistency with national norms, standards and guidelines for health facilities

Health Facility Revitalisation Grant	
Past performance	2024/25 audited financial outcomes • R7.1 billion available was transferred and spent by the provinces (100 per cent) 2024/25 service delivery performance • 47 primary health care facilities constructed or revitalised • 46 hospitals constructed or revitalised • 403 public health care facilities (clinics, hospitals, nursing colleges, emergency medical service base) maintained, repaired and/or refurbished
Projected life	• Health is a key government priority and given the need to continually maintain health infrastructure to ensure that norms and standards are maintained, the grant is expected to remain in place until at least the end of the 2026 MTEF
MTEF allocations	• 2026/27: R8 billion; 2027/28: R8.2 billion; and 2028/29: R8.4 billion
Payment schedule	• Transfers are made on a quarterly basis in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department • Coordinate and facilitate site visits • Attend quarterly provincial infrastructure progress review meetings with National Treasury • Provide guidance to provinces on planning, prioritisation and evaluating of user-asset management plan, infrastructure programme management plan, annual implementation plan, project proposals and concept reports that provinces develop and submit • Capital transfers to provinces (planned, actual and revised) related to this conditional grant must be reported in the national infrastructure reporting model • Review if provinces comply with the framework for infrastructure procurement and delivery management • Issue guidelines on the capacitation process of infrastructure units, as well as the conditions attached to the utilisation of funds • National Department of Health (DoH) and National Treasury must jointly evaluate progress with capacitation of provincial infrastructure units and provide feedback to all provinces • DoH must submit quarterly infrastructure reports to National Treasury, according to the template agreed between National Treasury and DoH within 45 days after the end of each quarter Responsibilities of provincial departments • Provincial departments must conduct regular site visits and hold progress review meetings with the relevant implementing agents • Annual implementation plans (which include an equipment list) signed-off by the head of department, sent to the DoH for approval by 27 February 2026 • The 2026 MTEF project list as captured in the annual implementation plan for both current and capital budgets should cover: ○ planned and unplanned maintenance of infrastructure, except day-to-day maintenance ○ renovations, upgrading and additions of infrastructure ○ new and replacement of infrastructure ○ health technology provision ○ quality assurance interventions linked to infrastructure projects • Provinces must submit to DoH quarterly reports for all projects funded in the 2026/27 financial year in this grant to the infrastructure reporting model through the project management information system • Provinces must report infrastructure projects and related infrastructure support funded through this conditional grant in the provincial infrastructure reporting model monthly and quarterly • Provincial departments of health must align infrastructure plans (user-asset management plan and infrastructure programme management plan) with their respective strategic plans and annual performance plans • Provinces will include or transfer to the Department of Public Works and Infrastructure the list of completed projects to be part of their asset register • Provinces should undertake life cycle maintenance as well as the full operation, staffing and management of the projects in facilities completed under this grant
Process for approval of 2027/28 business plans	• The process for approval for the 2027 MTEF will be in line with the performance-based incentive approach guidelines published by National Treasury and DoH • Submission of the user-asset management plan for 2027/28 to National Treasury and DoH by 26 June 2026 • Submission of the infrastructure programme management plan for 2027/28 to National Treasury and DoH by 28 August 2026 • Submission of the final 2027/28 project list aligned with the MTEF allocations and annual implementation plan by 26 February 2027

National Health Insurance Indirect Grant	
Transferring department	• Health (Vote 18)
Grant schedule	• Schedule 6, Part A
Strategic goal	• To strengthen the public health care system in preparation for implementation of National Health Insurance (NHI), design of NHI through innovative testing of new reforms and to improve quality of services at primary health care facilities • To achieve universal health access through the phased implementation of NHI and to improve access to quality health care services • To ensure appropriate health infrastructure that is in line with national and provincial policy objectives • This grant has two components: ○ health facility revitalisation component ○ health systems component
Grant purpose	• To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for NHI • To enhance capacity and capability to deliver infrastructure for NHI • To accelerate the fulfilment of the requirements of occupational health and safety • To implement the centralised models for the dispensing and distribution of chronic medication • Develop and roll-out new health information systems in preparation for NHI • Enable the health sector to address the deficiencies in the primary health care facilities systematically through the implementation of the ideal clinic programme • To expand the healthcare service benefits through the strategic purchasing of services from health care providers
Outcome statements	• As specified in the two component frameworks
Outputs	• As specified in the two component frameworks
Outcome(s) of government that this grant primarily contributes to	• Outcome 12: Improved access to affordable and quality healthcare
Details contained in the business plan	• As specified in the two component frameworks
Conditions	• As specified in the two component frameworks
Allocation criteria	• As specified in the two component frameworks
Reasons not incorporated in equitable share	• As specified in the two component frameworks
Past performance	2024/25 audited financial outcome
	• As specified in the two component frameworks
	2024/25 service delivery performance
	• As specified in the two component frameworks
Projected life	• Subject to policy developments that will be finalised as part of the implementation of NHI
MTEF allocations	• 2026/27: R2.7 billion; 2027/28: R2.6 billion and 2028/29: R2.7 billion of which the two components are: ○ health facility revitalisation component: 2026/27: R1.9 billion; 2028/29: R1.7 billion and 2028/29: R1.8 billion ○ health systems component: 2026/27: R816 million; 2027/28: R849 million and 2028/29: R875 million
Payment schedule	• As specified in the two component frameworks
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department
	• As specified in the two component frameworks
	Responsibilities of provincial departments
	• As specified in the two component frameworks
Process for approval of 2027/28 business plans	• As specified in the two component frameworks

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
Transferring department	• Health (Vote 18)
Grant schedule	• Schedule 6, Part A
Strategic goal	• To ensure appropriate health infrastructure that is in line with national and provincial policy objectives
Grant purpose	• To create an alternative track to improve spending, performance as well as monitoring and evaluation on infrastructure in preparation for National Health Insurance (NHI) • To enhance capacity and capability to deliver infrastructure for NHI • To accelerate the fulfilment of the requirements of occupational health and safety
Outcome statements	• Appropriate procurement of service providers for infrastructure delivery for NHI • Improved spending, performance, monitoring and evaluation of infrastructure projects for NHI • Improved employment and skills development in the delivery of infrastructure for NHI • Value for money and cost-effectively designed facilities in line with the framework for infrastructure delivery and procurement management • Improved patient experience of care
Outputs	• Number of primary health care facilities constructed or revitalised • Number of hospitals constructed or revitalised • Number of facilities maintained, repaired and/or refurbished
Outcome(s) of government that this grant primarily contributes to	• Outcome 12: Improved access to affordable and quality healthcare
Details contained in the business plan	• The infrastructure programme management plan for the 2026 medium term expenditure framework (MTEF) aligned to the infrastructure delivery management system and framework for infrastructure delivery and procurement management will be submitted on 31 March 2026 and will include the following: ○ costed project lists with annual cash flow projections per project for the full duration of the projects on the programme ○ projected milestones per project for framework for infrastructure delivery and procurement management control framework stages indicating current stage of the project ○ project allocation list to the various implementing agents
Conditions	• The national Department of Health (DoH) must, in consultation with the provinces, have in place an intergovernmental protocol framework covering the 2026 MTEF and outlining how the grant will operate as well as the responsibility and functions of each sphere. Project sheets will form part of the agreement • Should there be an amendment to an existing protocol agreement, the amended agreement should be submitted to the National Treasury by 31 March 2026 • Prior to submitting the infrastructure programme management plan, each provincial department must have signed-off a project sheet for all projects funded from the grant which lists program name, sub programme or project name, facility associated, current status, projected status for the MTEF, expected stage at handover to the province and any high level comments associated • With all new projects, DoH must comply with the framework for infrastructure delivery and procurement management processes • Only projects that are aligned to priorities and needs as defined within the health infrastructure portfolio plan would be considered for implementation through this grant • For projects with a total project cost exceeding R500 million, DoH must notify National Treasury when framework for infrastructure delivery and procurement management stage three is reached • The grant component must only be spent on projects included in the infrastructure programme management plan and project lists signed by provinces. Projects can only be added after approval by the National Treasury • Appropriately qualified built environment representatives from the national department must assist in the procurement of professional service providers and contractors by its implementing agent • DoH may utilise a portion of grant funding for the appointment of public servants to their infrastructure units. The amount that can be used for this is determined in terms of the conditions set in terms of the 2026 Appropriation Act • All completed projects must have a close-out report with a documented maintenance plan • New facilities will only be funded from the grant if proof of operational budget that includes the approved organisational structure (staff structure) is submitted prior to the approval of the clinical brief. Endorsement of the operational budget by the provincial treasury must be acquired as part of the approval • An amount of R550 million is allocated to through the Budget Facility for Infrastructure (BFI) for the construction of the Limpopo Academic Hospital in 2026/27. The amount earmarked for Limpopo Academic Hospital may only be used for this project and is subject to the conditions set out in Annexure B of the 2018 MTEF allocation letter of the DoH • An amount of R259 million is allocated through the Budget Facility for Infrastructure for the construction of the Siloam District Hospital in Limpopo in 2026/27. The amount earmarked for Siloam District Hospital may only be used for this project
Allocation criteria	• Allocations for 2026/27 are project based • Allocation is dependent on the existence of a signed and agreed to implementation protocol agreement • Allocation for budget adjustment is dependent on project performance and associated priority
Reasons not incorporated in equitable share	• Funding infrastructure through an indirect conditional grant enables the national department to ensure the delivery and maintenance of health infrastructure in a coordinated and efficient manner that is consistent with national norms, standards and guidelines for health facilities
Past performance	2024/25 audited financial outcomes • Allocated R1.4 billion, of which 97 per cent was spent by the end of the financial year (including the earmarked allocation for Limpopo Academic Hospital)

National Health Insurance Indirect Grant: Health Facility Revitalisation Component	
	2024/25 service delivery performance • Completion of Tshildzini Neonatal
Projected life	• NHI is a key government priority and given the need to continually maintain health infrastructure and ensure that norms and standards are maintained, the grant will continue over the 2026 MTEF, subject to review
MTEF allocations	• 2026/27: R1.9 billion; 2027/28: R1.7 billion; and 2028/29: R1.8 billion
Payment schedule	• Estimated monthly cashflow forecast available on all projects implemented through the grant • Monthly payments made according to verified and approved invoices from the service providers for projects that are implemented by the department. Quarterly tranche payments are made to implementing agents responsible for other projects
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department • Build and demonstrate the capacity necessary to manage this grant • Ensure alignment between the infrastructure programme management plan and the annual performance plan • Undertake the infrastructure development cycle as per the framework for infrastructure delivery and procurement management • Convene progress review committees with appropriate reporting and invite National Treasury and provinces • DoH must maintain an up-to-date database (project management information system), with all contracts that are fully or partially funded by this grant • DoH must report infrastructure projects implemented with voted funds in the national infrastructure reporting model within 22 days after the end of the quarter • Collaboration and coordination with provincial departments of health for the full development cycle of infrastructure development in respect of projects funded by this grant • In instances where the capacity of the DoH and the provincial department are deemed insufficient, DoH is entitled to engage alternative implementing agents, provided that supply chain management processes as prescribed in the Treasury Regulations for the appointment of service providers are followed. In those cases, service level agreements between DoH and the implementing agent must be in place • DoH must convene quarterly progress review committee meetings with all project managers and implementing agents for monitoring and oversight of the performance of all funded projects. National Treasury should be invited to the meetings • Provide provincial departments of health with progress of the projects under this grant for inclusion in provincial annual reports • DoH must submit quarterly infrastructure reports to National Treasury, according to the agreed template between National Treasury and DoH, within 45 days after the end of each quarter
	Responsibilities of provincial departments • Provide accurate and detailed clinical brief to projects defining the need of projects. This should include any prefeasibility and feasibility works to obtain sufficient approval of projects • Participate in design and delivery activities of projects implemented within their provinces as part of the grant. This includes facilitation of issues and risks mitigation under their ambit of control • Be responsive and time conscious in the review and validation of project deliverables on the critical path of the projects undertaken through the grant • Ensure that sufficient budget is made available for the staffing, operationalisation and maintenance of facilities post works • Ensure that the completed projects are included in the asset registers of the provincial custodian of state-owned facilities • Undertake life cycle maintenance as well as the full operation, staffing and management of the facilities completed under this grant by the DoH • All immovable asset management and maintenance responsibilities of the completed projects under this grant as prescribed by the Government Immovable Asset Management Act of 2007 rest with the provinces • Provinces should report on progress of the projects under this grant in their annual reports and describe how these facilities have been considered in their future planning and budgeting. The projects must be included in the provincial user-asset management plans
Process for approval of 2027/28 business plans	• Submission of a draft infrastructure programme management plan to the National Treasury by 30 October 2026 • Submission of the final infrastructure programme management plan to the National Treasury by 31 March 2027 • Submission of signed implementation protocol by 31 March 2027

TRANSPORT GRANTS

Provincial Roads Maintenance Grant	
Transferring department	Transport (Vote 40)
Grant schedule	Schedule 4, Part A
Strategic goal	To ensure efficient and effective investment in provincial roads to implement the Road Infrastructure Strategic Framework for South Africa in line with the S'hamba Sonke Road programme and other related road programmes
Grant purpose	- To supplement provincial investments for road infrastructure maintenance (routine, periodic and special maintenance) - To ensure that all roads are classified as per the Road Infrastructure Strategic Framework for South Africa and the technical recommendations for highways, and the road classification and access management guidelines - To implement and maintain road asset management systems - To supplement provincial projects for the repair of roads and bridges damaged by unforeseen incidents including natural disasters - To improve road safety with a special focus on pedestrian safety in rural areas
Outcome statements	- Improvement in governance, administration and efficiency - Improve the condition and lifespan of provincial roads and level of service backed by a periodic five-year review of the road network conditions - Improved rates of employment and community participation through labour-intensive construction methodologies and resulting in skills development through the delivery of roads infrastructure projects - Improved accessibility and connectivity to rural settlements through safe road transportation and lower transport costs - Improve overall road safety in line with the National Development Plan (NDP) 2030
Outputs	- Network condition assessment and determination of priority projects list (table B5) from the road asset management systems or the integrated transport information system (ITIS) - The following actual delivery related measures against 2025/26 targets defined in the final road asset management plan and annual performance plan for each province: - number of m² of surfaced roads rehabilitated (quarterly) - number of m² of surfaced roads resurfaced (overlay or reseal) - number of rural bridges constructed - number of m² of blacktop patching (including pothole repairs) - number of kilometres of gravel roads re-gravelled - number of kilometres of gravel roads bladed - number of kilometres of gravel roads upgraded - number of kilometres of gravel roads visually assessed as per the applicable technical methods for highways manual - number of kilometres of surfaced roads visually assessed as per the applicable technical methods for highways manual - number of road safety audits conducted in hazardous locations - number of safety interventions in hazardous locations or identified through IRAP - number of refurbishment actions/ make safe actions of bridges as per bridge condition assessments and other road structures - The following performance, based on national job creation indicators: - number of work opportunities created - number of full-time equivalents created - number of youths employed (age 18 – 35) - number of women employed - number of persons living with disabilities employed - The following performance contractor development: - number of small, medium micro enterprises contracted - number of direct targeted contractors - number of indirect targeted contractors - number of contract opportunities for women owned contractors - number of contract opportunities for youth owned contractors - number of contract opportunities for people with disability owned contractors - The following performance against the rehabilitation and refurbishment component - number of m² of surfaced roads rehabilitated - number of gravel roads upgraded - number of gravel roads constructed
Outcome(s) of government that this grant primarily contributes to	Outcome 4: Increased infrastructure investment and job creation
Details contained in the business plan	- This grant uses a road asset management plan, based on the technical methods for highways manual which contains the following details: - network hierarchy - performance management framework - gap analysis based on TMH22 maturity levels - information and systems deployed at a province - prioritised project list and lifecycle planning

Provincial Roads Maintenance Grant	
	○ table B5 projects and a comparison to the prioritised project list ○ financial plan ○ monitoring, reviewing and continual improvements ○ road asset management policy or programme strategy ○ risk management plan
Conditions	● The framework must be read in conjunction with the Provincial Roads Maintenance Grant (PRMG) practice note, as amended and issued by the national Department of Transport (DoT) as agreed with National Treasury ● The PRMG allocation may fund visual condition inspections as per the applicable TMH manual as a maximum rate of: ○ R8 000 per km of paved road ○ R3 000 per km of gravel roads ○ R8 000 per bridge and, ○ R4 000 per major culvert ● Provinces may use a maximum of 25 per cent of the PRMG allocation for rehabilitation activities, which includes the block paving and upgrading of roads with traffic volume greater than 300VPD used to access rural communities, schools, clinics, basic amenities and agricultural areas ● Provinces may use a maximum of 5 per cent of the PRMG allocation for road safety audits or assessments and safety improvements activities ● Any other improvements to roads and new facilities must be funded from the provincial equitable share ● Provinces must show commitment by budgeting from the provincial equitable share to match or exceed grant allocations where possible ● The payment of the first instalment is dependent upon submission to the DoT and the relevant provincial treasury of the following: ○ final road asset management plan for the 2026 medium term expenditure framework (MTEF) by 3 February 2026 ○ final tabled project list in table B5 format and registered on the roads authority reporting annual performance plan for the 2026 MTEF by 3 February 2026, with the various projects captured and readily identifiable on the infrastructure reporting model in terms of disaster funding, rehabilitation and refurbishment and the Welisizwe Rural Bridges Programme ○ programme submission to DoT of all the monthly and quarterly performance reports that have become due for the 2025/26 financial year, in terms of the 2026 Division of Revenue Act and the requirements of this framework, prior to date of release of payment ○ planning for the infrastructure reporting model for the 2026 MTEF by 22 April 2026 ● The payment of the second instalment is dependent upon submission to the DoT and the relevant provincial treasury of the following: ○ Signed first quarter monthly infrastructure reporting model expenditure reports ○ the signed-off fourth quarter performance report for the 2025/26 financial year in terms of the 2025 Division of Revenue Act ○ the signed-off annual grant performance evaluation report by 1 June 2026 ○ the signed-off first draft 2026 MTEF road asset management plan with georeferencing of these projects as required by the Division of Revenue Act and the requirements of this framework by 29 June 2026 ● The payment of the third instalment is dependent upon submission to the DoT and the relevant provincial treasury of the following: ○ submission of signed-off first quarter PRMG performance report for the 2026/27 financial year by 31 July 2026 ○ signed-off monthly infrastructure reporting model expenditure reports for quarter two ○ submission of the signed-off infrastructure programme management plan for the 2027 MTEF including the 2027 MTEF project list by 31 August 2026 ○ submission of signed-off road asset management systems data submission in the correct THM18 format and PRMG practice note requirements by 30 September 2026 ○ the submission of signed-off first quarter report for Welisizwe Rural Bridges Programme by 31 July 2026 ● The payment of the fourth instalment is dependent upon submission to the DoT and the relevant provincial treasury of the following: ○ signed-off infrastructure programme implementation plan(s) for the 2027 MTEF including 2027 project list by 30 October 2026 ○ the submission of the signed-off second quarter performance report for the 2026/27 financial year by 3 November 2026 ○ signed-off monthly infrastructure reporting model expenditure reports for quarter three ● Provinces must submit to the DoT, updated road condition data, (for paved and unpaved) including instrumental/automated road survey data, traffic data, safety audit report and bridge conditions by 30 September 2026 ● Provinces must ensure that the table B5 project list is compliant to the PRMG conditional grant framework, and all projects are registered on the infrastructure reporting model ● The PRMG allocation can be allocated to the following projects as identified and prioritised through the provincial road asset management systems: ○ projects as identified and prioritised through the provincial road asset management systems ○ routine maintenance (operating expenditure): includes day-to-day routine activities such as cleaning drains and culverts, vegetation control, line marking, guard rail repair, road sign repair, crack sealing, patching, edge repair, spot re-graveling, and blading

Provincial Roads Maintenance Grant	
	○ periodic maintenance (operating expenditure): includes periodically scheduled activities such as fog sprays/diluted emulsions/rejuvenators, surface seals and functional asphalt overlays <50 mm in thickness. For gravel roads it includes re-gravelling up to 100 mm thick ○ special maintenance (operating expenditure): includes the repair of selected pavement areas followed by application of surface seal or functional asphalt overlay 50 mm limited to a maximum of 25 per cent of the PRMG allocation ○ rehabilitation (capital expenditure): includes increasing the structural capacity of an existing pavement through the recycling of existing layers and/or addition of new granular layers or structural asphalt overlays >50 mm thick limited to a maximum of 25 per cent of the PRMG allocation ○ block paving or upgrading of gravel roads with a traffic count of greater than 300 VPD used to access rural communities, schools, clinics, basic amenities and agricultural areas ● The PRMG maintenance component allocation cannot be allocated to the following projects: ○ the hire, purchasing, repairs, maintenance and operational costs of construction plant and equipment ○ geometric improvements on paved or unpaved roads, which may include widening of the riding surface or addition of paved shoulder, addition of lanes or passing lanes, improving sight distances (curve slackening, blind rises), and localised geometric and intersection improvements - justified by road safety audit reports to TRH29 standards ○ the cumulative rehabilitation and upgrade activities are limited to a maximum of 25 per cent of the PRMG allocation, in addition to other projects financed through rehabilitation and refurbishment allocations ○ any costs associated with feasibility studies, tendering and programme management support ○ geometric improvements on paved or unpaved roads, which may include widening of the riding surface or addition of paved shoulder, addition of lanes or passing lanes, improving sight distances (curve slackening, blind rises), and localised geometric and intersection improvements – not justified by road safety reports ○ the upgrading of gravel roads to surface roads outside of the 25 per cent threshold ○ the construction of new roads and new interchanges ○ improvement network capacity e.g. upgrading of earth (dirt) road to engineered gravel road or gravel to surfaced ○ upgrading of single carriageway road to four-lane or dual carriageway road ○ the construction of new gravel or surfaced road where previously no road existed (brown/green fields construction) ○ the construction of new bridge to replace existing bridge or new interchange to replace intersection ● The PRMG rehabilitation and refurbishment component allocation may only be allocated to: ○ rehabilitation and refurbishment of provincial strategic road network ○ geometric improvements on paved or unpaved roads, which may include widening of the riding surface or addition of paved shoulder, addition of lanes or passing lanes, improving sight distances (curve slackening, blind rises), and localised geometric and intersection improvements ○ upgrading of a single carriageway road ○ upgrading of earth (dirt) road to an engineered gravel road ○ the upgrading of a gravel road to a surfaced road ● All projects under the refurbishment component must be included in business plans, and with approval from the DoT ● The following amounts per province must be used in 2026/27 for the repair of infrastructure damaged by disasters classified in June 2025. Expenditure is restricted to projects expressly approved and recorded in the National Disaster Management Centre's post-disaster verification assessment reports ○ Eastern Cape: R708 million ○ Limpopo: R804 million ● In addition to the funding ring-fenced for disasters classified in June 2025. The following amounts must be used in 2026/27 for the repair of infrastructure damaged by the disasters between December 2025 and June 2026 and declared in respective provincial gazettes, and as verified by the National Disaster Management Centre (NDMC): ○ Eastern Cape: R65 million ○ Limpopo: R250 million ○ Mpumalanga: R115 million ○ Northern Cape: R105 million ○ Western Cape: R65 million
Allocation criteria	● PRMG allocations to provinces are based on the PRMG formula, which takes into account the extent of the provincial road network (gravel/paved), the traffic volumes, the visual condition indices on the network and geo-climatic and topographic factors. Road transfers shall not affect the PRMG formula ● Unallocated amounts, for rehabilitation and refurbishment for 2026/27 and 2027/28 will be allocated as incentive-based on the level of service efficiency achieved in road project investments undertaken
Reasons not incorporated in equitable share	● This grant is intended to ensure that provinces give priority to road infrastructure and promote efficiency in road investment
Past performance	2024/25 audited financial outcomes ● Of the R17.2 billion allocated, R15.2 billion (88.2 per cent) was spent by provinces by the end of the financial year 2024/25 service delivery performance ● 6 057 983 m² (1730 effective km) surfaced roads rehabilitated ● 7 299 489 m² (2085 effective km) of surfaced roads resurfaced (overlay or reseal) ● 2 238 469 m² of roads were patched

Provincial Roads Maintenance Grant	
	• 2 756 km of gravel roads re-gravelled • 253 510 km of gravel roads bladed • 277 904 jobs created (work opportunities) • 88 119 full-time equivalents created • 66 374 youths employed (18-35) • 218 734 women employed • 100 people living with disabilities employed
Projected life	• The grant is ongoing, but will be subject to periodic review
MTEF allocations	• 2026/27: R18.5 billion; 2027/28: R17.8 billion; and 2028/29: R18.4 billion
Payment schedule	• Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department • Ensure that the table B5 project list is reviewed, verified, and validated to comply with the PRMG conditional grant framework and that all projects are registered in required reporting systems and kept up to date by the provinces. This includes on-going feedback and engagements with provinces to ensure compliance • Monitor and review any special allocations and/or the performance-based allocations mechanism for use in determining future allocations • Submit annual national road assessment management plan to National Treasury by 29 March 2027 • Submit a grant evaluation report to National Treasury four months after the end of the financial year • Review the performance-based allocation mechanism for use in determining future allocations • Confirm the correctness of data submitted by provinces by assessing a representative sample • Ensure that road asset management plan project list and infrastructure reporting model are updated and aligned • Upload submitted road condition data into a central repository • Monitor project implementation through on-going engagements, quarterly through bilateral and site inspections • Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in the 2026 Division of Revenue Act. If matters are still unresolved, this may result in the stopping and reallocation of tranche payments of the 2026 Division of Revenue Act • Put in place national transversal appointments and internal mechanisms to assist the identified provinces to implement the projects submitted by or as per agreement with the provinces through the use of national transversal appointments
	Responsibilities of provincial departments • Provincial departments must submit monthly infrastructure reports that comply with the infrastructure reporting model to DoT and the relevant provincial treasury 22 days after the end of each month • Provinces must align the road asset management plan, asset management strategy, PRMG business plan project list and ensure the table B5 project list is registered on the infrastructure reporting model, the ERS, eQPR systems and the roads authority report annual performance plan and that these systems are kept up to date • Identification and preparation of project profile reports in partnership with the DoT • Identification and submission of projects to be implemented by the DoT • Provinces must report on job creation and contractor development programmes • Provinces must provide for detailed reports on ring-fenced allocations for disasters, rehabilitation and refurbishment and Welisizwe Rural Bridges Programme • Provinces must submit updated road condition data (for paved and unpaved), including instrumental automated road survey data, traffic data, safety audit report and bridge conditions data to latest COTO TMH18 specification to the ITIS central repository and safety audit report to DoT by 29 September 2026 • Submit completed and signed-off quarterly performance report templates 30 days after the end of each quarter, together with a separate and signed-off report on safety projects as per the requirements of the performance incentive allocation • Submit completed and signed-off annual grant performance evaluation reports two months after the end of each financial year, together with a separate chapter/report on safety projects as per the requirements of the performance incentive allocation • In addition to industry best practice guidelines, provincial departments must implement their projects in line with the S'hamba Sonke and the Expanded Public Works Programme guidelines • Ensure that approved grant funded projects are published as part of the Estimates of Provincial Revenue and Expenditure through the provincial legislative processes • Ensure projects are selected using road asset management system as the primary source of information • Participate and support DoT on the Operational Vala Zonke programme
Process for approval of 2027/28 business plans	• Provinces must submit for approval, a draft 2027/28 road asset management plan with a minimum of five years of planned projects selected using road asset management system as the primary source, by 29 June 2026 • Provinces must submit for approval, the infrastructure programme management plan including 2027 MTEF project list by 31 August 2026 • Road asset management plans, including 2027 MTEF prioritised project lists (the infrastructure programme management plan) must be reviewed by DoT and feedback provided by 30 September 2026. Provinces must submit the infrastructure programme management plan including 2027/28 delivery project list by 30 November 2026 and must be reviewed by DoT and feedback provided by 31 December 2026

Provincial Roads Maintenance Grant	
	Provinces to submit for approval, final 2027/28 road asset management plan and table B5 project list to DoT, the relevant provincial treasury and National Treasury by 1 February 2027 indicating all the required planned targets

Annexure C: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on Schedule 4, Part B; Schedule 5, Part B; and Schedule 6, Part B grants to municipalities

Introduction

This annexure provides the revised framework for the grants set out in Schedule 4, Part B; Schedule 5, Part B; and Schedule 6, Part B of the 2026 Division of Revenue Amendment Bill. The following are key areas considered for each grant:

- Strategic goal and purpose of the grant
- Outcome statements and outputs of the grant
- Outcome(s) of government that the grant primarily contributes to
- Conditions of the grant (additional to what is required in the Bill)
- Criteria for allocation between municipalities
- Rationale for funding through a conditional grant
- Past performance
- The projected life of the grant
- 2026 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2027/28

The attached frameworks are not part of the 2026 Division of Revenue Amendment Bill but are published in order to provide more information on the grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the Division of Revenue Amendment Bill, 2026 is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2026/27 will report against the Division of Revenue Act, Division of Revenue Amendment Act and their schedules, and the grant frameworks as gazetted in terms of the Act. Such reports must cover both financial and non-financial performance, focusing on the outputs achieved.

COOPERATIVE GOVERNANCE GRANTS

Municipal Disaster Recovery Grant	
Transferring department	Cooperative Governance (Vote 3)
Grant schedule	Schedule 5, Part B
Strategic goal	To restore functionality of municipal infrastructure following a disaster
Grant purpose	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster
Outcome statements	Municipal infrastructure damaged by a disaster rehabilitated and reconstructed
Outputs	Municipal infrastructure damaged by a disaster reconstructed and rehabilitated
Outcome(s) of government that this grant primarily contributes to	Outcome 10: Reduced poverty and improved livelihoods
Details contained in the business plan	- This grant uses the template/framework developed by the National Disaster Management Centre (NDMC) which must include a project implementation plan, highlighting: - copy of the applicable contingency plan and emergency procedures in use by the municipality (in terms of section 49(1)(d) of the Disaster Management Act) linked to Sections 56 and 57 of the same Act - details of insurance and insured infrastructure, where applicable including factors outlined in Sections 56 and 57 of the same Act as well as proof from the insurance company on the matter - list of projects to be implemented - time-frames within which the projects will be implemented - technical report signed by the Accounting Officer (high level that explains viability and practicality) - costs of reconstruction and rehabilitation projects, including personnel related costs - indication of pre-engineering requirement processes (EIAs and WULA) - maintenance plan and resourcing of the infrastructure to be repaired - number of people, households affected and the extent of damages and losses
Conditions	- A business plan and project implementation plan signed by the Accounting Officer must be submitted to the NDMC - Disaster reconstruction and rehabilitation funds must only be utilised for approved projects as listed in the post disaster verification, assessment reports and approved business plans - The grant may not be utilised for insured infrastructure. In case of inadequate insurance, reasons for inadequate insurance to be provided as well as proof from the insurer on the amount paid/to be paid - Funds may only be utilised for approved projects within affected municipalities, for the reconstruction and rehabilitation of infrastructure damaged by disaster incidents - Monthly and quarterly financial and non-financial performance reports as well as supporting documentation such as invoices, proof of payments and pictures on disaster allocations must be submitted to the NDMC through the relevant Provincial Disaster Management Centre (PDMC) - Annual performance evaluation report on financial and non-financial performance to be submitted to the NDMC through the relevant PDMC - To receive the first tranche, municipalities must have submitted a business plan identifying projects to be implemented through approved allocation confirming project planning and implementation readiness including cash flow projections and must confirm the appointment of a service provider - Municipalities must spend at least 60 per cent of their previous transfers and comply with all grant conditions before subsequent tranches can be transferred
Allocation criteria	The grant is allocated based on approved post-disaster reconstruction and rehabilitation assessment reports
Reason not incorporated in equitable share	This grant caters for recovery after unforeseen disasters
Past performance	2024/25 audited financial outcomes - The grant was allocated R1.5 billion, of which R1.3 billion was transferred to 54 municipalities, and R433 million was spent by the end of the financial year 2024/25 service delivery performance - R1.3 billion was transferred to reconstruct and rehabilitate municipal infrastructure damaged by the floods as follows: - R659 million in the Eastern Cape for 22 municipalities - R403 million in KwaZulu-Natal for 17 municipalities - R113 million in Limpopo for 7 municipalities - R159 million in Mpumalanga for 8 municipalities
Projected life	This grant will continue until 2028/29, subject to review
MTEF allocations	2026/27: R3.5 billion; 2027/28: R1.2 billion and 2028/29: R5 million
Payment schedule	Transfers are made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of National Disaster Management Centre - Advise municipalities about the existence of the grant and its conditions - The NDMC develops a final post-disaster verification assessment report that includes a project list and projected costs for all infrastructure to be reconstructed or rehabilitated - Monitor the implementation of projects together with the affected municipalities and provinces - Make payments to municipalities in accordance with the approved payment schedule - Transfer funds only when evidence on project performance and expenditure reports are submitted - Participate in the review of disaster response implementation, led by the Development Bank of Southern Africa

Municipal Disaster Recovery Grant	
	Responsibilities of Municipal Infrastructure Support Agency • Support the NDMC and PDMCs in conducting detailed assessments and verification of the damage to municipal infrastructure • In collaboration with the relevant sector departments, assist the identified municipalities on appropriate infrastructure, planning delivery models for the implementation of disaster projects • Support the infrastructure verification assessment in collaboration with the PDMC, provincial sector departments and NDMC • Advise on the pre-engineering processes to be followed in the reconstruction of damaged infrastructure (Environmental Impact Assessments and Water Use License Applications) • Input in the technical reports and designs by the municipalities to ensure technical viability and feasibility and costing of the projects • Support the municipalities with improvements to municipal processes for planning, project prioritisation and selection. This includes detailed planning, scoping, designing, scheduling, costing and procurement implementation • Provide technical advice and expertise to identified municipalities on the use of alternative technologies • Monitor the implementation of projects together with the affected municipalities, PDMC and NDMC
	Responsibilities of Provincial Disaster Management Centres • Advise municipalities about the existence of the grant and its conditions • Assist municipalities with the rapid assessment reports to be submitted to the NDMC • Provide support to municipalities with regard to the final post-disaster verification report • Facilitate submission of final post-disaster verification reports signed-off by the Accounting Officer in the municipality • Provincial Disaster Management Centre analyse and recommendation to the NDMC signed-off • Assist municipalities in developing business plans incorporating the implementation plan and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damages in future • Monitor the performance of municipalities and recommend relevant measures required for under-performance to NDMC • Coordinate provincial on-site visits to monitor and report on the implementation of projects and provide reports of progress to the NDMC • Provide financial and non-financial reports to the NDMC within 10 days after the end of each month. Photographs depicting the projects progress should be included as an annexure • Provide expenditure and project performance reports including evidence to the NDMC within 35 days after the end of the quarter in which funds are spent
	Responsibilities of the District Disaster Management Centres • Provide implementation support to the affected local municipalities • Receive the financial and non-financial information and monitor the implementation of disaster projects • Participate in the project steering committee meetings of the implementing municipality • Undertake on-site visits with other relevant stakeholders
	Responsibilities of municipalities • Undertake disaster assessments, prepare assessment report and funding request and submit to the PDMC • Develop and submit business plans incorporating implementation plans and disaster risk reduction measures for the proposed projects to prevent reoccurrence of disaster related damages in future • Implement disaster risk reduction measures for the proposed reoccurrence of disaster related damage in the future • Activate municipal project task teams for implementation of approved disaster projects • Conduct on-site visits to monitor and evaluate the performance of projects and provide reports which include evidence to the NDMC through the relevant PDMC • Utilise the funds in line with the approved post-disaster verification assessment report and conditions of the grant • Submit reports on financial and non-financial information to the PDMC within five days of the end of each month in which funds are spent. Photographs depicting the project progress should be included as annexures • Submit a quarterly non-financial performance report signed-off by the Municipal Manager to the PDMC within 30 days after the end of each quarter in which funds are spent (in line with section 12(2)(c) of the 2026 Division of Revenue Act), together with supporting documentation such as certificate of payment, pictures and invoices • Evaluate the financial and non-financial performance of the municipality and submit such evaluation signed-off by the Municipal Manager to relevant provincial treasury and the NDMC through the PDMC within two months after the end of the financial year (in line with section 12(5) of the 2026 Division of Revenue Act), together with supporting documentation such as certificate of payment, pictures, invoices, completion certificate and close out reports • Compile lessons learnt from post-grant intervention, close out reports, outlining measures taken to reduce risks or enhance resilience. This should encompass an assessment of exposure to hazards, vulnerability and capacity, and hazard's characteristics as part of performance reporting
Process for approval of 2027/28 business plans	• Not applicable

Municipal Infrastructure Grant	
Transferring department	Cooperative Governance (Vote 3)
Grant schedule	Schedule 5, Part B and Schedule 6, Part B
Strategic goal	- Subsidise the capital costs of providing basic services to poor households - Subsidise the development of asset management plans for infrastructure servicing poor households
Grant purpose	- To provide specific capital finance for eradicating basic municipal infrastructure backlogs through the construction of new infrastructure, and the renewal and refurbishment of existing infrastructure for poor households, microenterprises, and social institutions servicing poor communities - To provide specific funding for the development of asset management plans for infrastructure servicing the poor
Outcome statements	- Improved access to basic services infrastructure for poor communities, through the use of labour-intensive construction (LIC) methods where it is technically feasible and economically viable - Improved reliability of basic services infrastructure for poor communities - Improved coordinated infrastructure network for service delivery in poor communities
Outputs	- Number of poor households impacted through the construction of new infrastructure and the upgrading and renewal of existing infrastructure for: - basic water and sanitation services - central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites - sport and recreation facilities - street and community lighting - public facilities - Number of poor households impacted through the urgent repairs and refurbishment of water, sanitation, roads and stormwater and solid waste management existing infrastructure - Number of kilometres of municipal roads developed, upgraded and maintained servicing the poor - Number of specialised vehicles for waste management purchased for servicing the poor - Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs - Number of Infrastructure Asset Management Plans developed
Outcome(s) of government that this grant primarily contributes to	- Outcome 4: Increased infrastructure investment and job creation - Outcome 16: Improved service delivery at local government
Details contained in the business plan	- This grant uses the Municipal Infrastructure Grant (MIG) registration form for both Schedule 5, part B and 6, part B as agreed with sector departments, which includes: - project title - sector - timeframes for implementation - operation and maintenance financial requirements and source - number of beneficiaries - funder (municipalities in the case of Schedule 5, part B and the Department of Cooperative Governance (DCoG) in the case of Schedule 6, part B) - cost of the project - LIC component of the project, with targets and processes to be used
Conditions	Schedule 5, Part B - To receive the first tranche, municipalities must have followed the process for approval of 2026/27 projects and have confirmed by 30 April 2026 with DCoG, their programme, project planning and implementation readiness in the form of a municipal approved (by municipal manager) implementation plan that includes cash flow projections as well the procurement plan - To receive the first tranche professionals and contractors must have been procured by 1 August 2026 on the registered project identified in the implementation plans mentioned above - Municipal allocations must be fully committed to registered projects prior to the year of implementation and be informed by the Integrated Development Plans (IDPs) and three-year capital plans which are aligned to the relevant One Plan of districts areas developed under the District Development Model - MIG priorities set by municipalities (as stated in their MIG implementation plans) can only be changed in-year with not more than 20% of the MIG allocation with other MIG registered projects, supported by a municipal council resolution and confirmation that the projects will be awarded and implemented in the same year - Projects not implemented within three years of approval by the relevant appraisal committee will be deregistered by MIG Appraisal Committees - Unjustified stalled projects where MIG funds have already been spent and not completed should be prioritised for implementation before any new projects are considered for registration - Stalled projects can only be deregistered on confirmation that they are functional and benefiting the intended beneficiaries as per the project registration and within approved itemised cost - MIG funds must be allocated and transferred directly to the Category B or C municipality assigned the relevant basic services function under section 84 of the Municipal Structures Act. However, where a municipality exhibits material governance, financial, SCM, or contract management weaknesses, indicating a high risk to the safeguarding and effective use of infrastructure funds, the allocation may be converted to indirect delivery through an accredited implementing agent - At least 95 per cent of municipalities' allocation must be used on eligible infrastructure funded projects, including renewal and refurbishment of roads and stormwater, solid waste management, and water and sanitation infrastructure servicing the poor - Municipalities must prioritise MIG funds for infrastructure that services eligible beneficiaries, such as:

Municipal Infrastructure Grant	
	○ basic residential infrastructure for the poor for water, sanitation, roads and stormwater, solid waste management, street lighting and community facilities ○ new or upgrading of municipal bulk infrastructure to support existing areas, the formalisation of informal settlements and to support economic development ○ renewal of eligible infrastructure servicing the poor subject to the confirmation by the relevant sector department of the state of infrastructure and a commitment from the municipality on how future operations and maintenance of the renewed infrastructure will be funded ○ renewal and refurbishment of water and sanitation, roads infrastructure, solid waste management infrastructure mainly servicing the poor ○ specialised waste management vehicles servicing the poor ● WSA municipalities' water services infrastructure failure must use at least 10 per cent of their MIG allocations for urgent repairs and refurbishments of infrastructure provided data is based on asset management plans. The application must be accompanied by a certified Excel copy of the municipality's audited asset register ● Municipalities' solid waste disposal sites failure identified through non-compliance pre-directives or directives issued by the provincial departments of environment must use at least 5 per cent of their MIG allocation for urgent repairs and refurbishment of their solid waste disposal sites ● A maximum of 5 per cent of a municipality's allocation may, subject to submitting a business plan for approval by DCoG, be used to fund activities related to the development of an Infrastructure Asset Management Plan. The business plan must be: ○ recommended by the relevant sector department ○ accompanied by an Excel copy of the municipality's audited asset register and a resolution of Council approving the project submitted by 01 April 2026 ● The cost to augment the project management capacity must not exceed 5 per cent of a municipality's MIG allocation and may be used for programme/project management costs related to all Schedule 5, Part B grant-funded projects and only if a business plan is approved by 30 April 2026. If these funds are not committed for this purpose or spent for this purpose, they must revert to fund MIG capital projects ● Municipalities must comply with sector norms, standards and legislation as confirmed by sectors during the MIG project registration processes ● Local municipalities investing in roads and stormwater infrastructure must utilise data from Rural Roads Asset Management Plan (RRAMS) and/or Infrastructure Asset Management Plan to identify and prioritise their investment on roads maintenance projects servicing the poor ● Ring-fenced sport infrastructure allocation: ○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by the Department of Sport, Arts and Culture (DSAC) ○ initial transfers of funds from the ring-fenced sport infrastructure allocation to identified projects will be subject to signing of a memorandum of understanding (MoU) between DSAC and the beneficiary municipalities ○ subsequent transfers for projects funded through the ring-fenced amount will also be subject to approval by DSAC ● Sport infrastructure not funded from the ring-fenced amount: ○ municipalities must submit technical reports on sport and recreation infrastructure projects ○ all sport infrastructure plans and technical reports must be submitted as part of the normal MIG planning process but will be reviewed and approved by DSAC to ensure they comply with norms and standards before construction can begin ● Municipalities must ensure compliance to EPWP infrastructure guidelines (that includes training) in aligning their projects and reporting the work opportunities created and training on the EPWP reporting system ● Municipalities must ensure that a minimum of 20 per cent of their budget applies LIC methods and complies to EPWP infrastructure guidelines as part of the feasibility phase of the project ● Municipalities using MIG funding to purchase specialised vehicles for waste management must complete a Technical Assessment Report (TAR) which must comply with the norms and standards for specialised waste management vehicles. The TAR must demonstrate that MIG funds will only be used for the expansion of waste management services to poor households not previously serviced. The purchase will only be done through the National Treasury's transversal contract RT57 and the TAR must include a recommendation from the Provincial Department Forestry, Fisheries and the Environment (DFFE) and a final approval from the National DFFE before being appraised for registration. Vehicles may not be purchased with MIG funds for other purposes ● Municipalities must submit annual reports in the prescribed national template and signed-off by the Municipal Manager or delegated official ● Municipalities must utilise the Municipal Infrastructure Grant Management Information System (MIG-MIS) to facilitate programme and project management and monthly and quarterly reporting ● Municipalities must spend at least 60 per cent of their previous transfers and comply with reporting provisions before subsequent tranches are transferred ● By 4 January 2027, municipalities must spend: ○ at least 40 per cent of their total MIG allocation, where allocations are equal or less than R100 million ○ at least 45 per cent of their total MIG allocation, where allocations are more than R100 million Schedule 6, Part B ● DCoG will assess new municipalities on the following criteria for inclusion in 2026/27 to identify municipalities for possible conversion of portions of the Schedule 5B allocations to Schedule 6B:

Municipal Infrastructure Grant	
	- o municipalities with DWS and DFFE directives/non-compliance/criminal charges on the poor state of water, sanitation and solid waste management infrastructure - o actual expenditure reported by municipalities on repairs and maintenance from the previous financial year is lower than 2 per cent of the value of the municipality's Property, Plant and Equipment (PPE); extent of non-revenue water as reported in the audited municipal annual financial statements (AFS) - o where non-revenue water is in excess of 30 per cent and not decreasing from year-to-year, the municipality shall be determined to be failing to manage its water supply - o perennial poor performer of MIG - low MIG expenditure performance over the last three municipal financial years (spent on average 80 per cent and less against the originally annually allocated MIG (before adjustments) over the last two years (2022/23 – 2024/25) • DCoG will continue to convert schedule 5B allocations from existing municipalities identified in 2025/26 to conclude subsequent phases of water services infrastructure • DCoG will notify new identified municipalities by March 2026 on the analysis results, DCoG and newly identified municipalities must enter into an MoA before any project is implemented and agree on a capacity building plan to assist identified municipalities to return to implementing the full schedule 5B allocations • DCoG will review existing MOAs whether the implementation modalities currently deployed are to the benefit of the schedule 6B approach, which this review could inform the amendment of implementation modalities • DCoG to prepare an implementation plan by 30 April 2026 based on the converted funding specifying the agreed projects to be implemented per municipality. The affected municipalities will align their 2026/27 implementation plans in line with their converted 2026/27 MIG allocations to be submitted to DCoG by 30 April 2026 • DCoG to develop a Standard Operating Procedure (SOP) for MIG schedule 6B by 30 June 2026 that identifies the timelines for critical processes and the roles and responsibilities that various stakeholders can plan in the implementation of MIG schedule 6B • Grant funding shall be directed only to capable implementing agents such as district municipalities, water boards, the Development Bank of Southern Africa and MISA
Allocation criteria	• Part 5 of Annexure W1 to the 2026 Division of Revenue Bill sets out the MIG formula in detail, showing how the formula incorporates backlog and poverty data • The funds ring-fenced for sport infrastructure are allocated based on estimated costs of projects that: - o fill identified gaps and are confirmed with the provincial departments responsible for sport and the municipalities - o align to the National Sport and Recreation Plan, National Sport Facilities Plan and transformation imperatives - o align to priority sport codes
Reasons not incorporated in equitable share	• This is a specific purpose grant with conditions, objectives and distribution criteria different from that of the equitable share
Past performance	2024/25 audited financial outcomes • The MIG programme was allocated R17 billion, the entire amount was transferred and R16.5 billion (96 per cent) was reported as spent by municipalities at the end of the 2024/25 financial year 2024/25 service delivery performance • Number of poor households impacted through the construction of new infrastructure and upgrading and renewal of existing infrastructure for: - o 42 509 households provided with basic water and 42 268 households provided with sanitation services - o 205 131 households provided with street and community lighting • Community infrastructure constructed (new infrastructure and upgrading and renewal of existing infrastructure): - o 20 central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites developed - o 127 sport and recreation facilities developed - o 164 public facilities developed - o 1 579 kilometres of municipal roads developed • 177 496 FTEs created using the EPWP guidelines for the above outputs
Projected life	• This grant continues until 2028/29, subject to review
MTEF allocations	Direct transfers (Schedule 5, Part B) • 2026/27: R17.5 billion; 2027/28: R20 billion; and 2028/29: R20.7 billion Allocations in kind (Schedule 6, Part B) • 2026/27: 571 million
Payment schedule	• Transfers are made in accordance with a payment Schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national departments • DCoG administers the MIG and co-ordinates its activities with all stakeholders, through appropriate structures. DCoG must: - o report to sector departments on outputs - o monitor expenditure and non-financial performance in collaboration with provincial DCoGs - o coordinate overall programme implementation - o provide support to municipalities in the utilisation of the MIG-MIS • For Schedule 6B allocations, DCoG must: - o where local and district municipalities lack the capacity to deliver, redirect funds to capable implementing agent such as district municipalities, water boards, the DBSA or MISA

Municipal Infrastructure Grant	
	○ enter into an MoU with municipalities regarding the construction, ownership, funding arrangements, and operations and maintenance of proposed infrastructure prior to the commencement of construction ○ provide to National Treasury, detailed information on the selection criteria, and evidence of the approved capacity building plan ○ ensure that implementing agents submit monthly financial and quarterly non-financial reports on stipulated dates ○ make payments to contracted Implementing Agent based on invoices for work done ● MISA must: ○ provide technical support and advice to municipalities that have been identified collaboratively with DCoG and its provincial counterparts as needing assistance ○ on behalf of and in collaboration with national and provincial DCoG's, conduct detailed municipal assessments of the municipalities identified for assistance, including innovative solutions, investigative lifecycle assessments of MIG projects, municipal MIG and sector performance, and municipal project management functions, to identify detailed reasons for challenges affecting the implementation of MIG ○ report all findings and recommendations for improvement to the identified municipalities, national and provincial DCoGs ○ assist the municipal manager of each identified municipality, in collaboration with appropriate structures, including sector departments, to implement recommendations identified by MISA, for improvement, and supply formal progress reports ○ recommendations may include improvements to municipal processes for planning, project prioritisation and selection. Recommendations may also include detailed planning, scoping, designing, scheduling, costing and procurement implementation ○ provide and facilitate assistance, technical advice and expertise to identified municipalities for the use of alternative technology and good practices for MIG projects, including for feasibility studies, operations and maintenance and integrated infrastructure asset management ○ partake in the assessment of the business plans for the asset management planning provision and make recommendations to the transferring officer ○ support DCoG in the identification of projects to be funded from DCoG as a Schedule 6, Part B ● In addition to their sector-specific responsibilities, each national sector department will be expected to: ○ provide information on service delivery priorities per municipality as expressed within sectoral plans and municipal IDPs ○ fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ○ evaluate reports and provide final recommendations to the municipality by 15 September 2026 ○ frequently update sector norms and standards (including mainstreaming disaster risk reduction) and confirm adherence thereto for MIG funded projects through the MIG registration process, which includes participation in the district appraisal processes ○ confirm the current state of maintenance where municipalities have applied for funding of renewal projects ○ advise which sphere (provincial or national even if different across provinces) should sign-off MIG projects and participate in MIG workflow processes ○ sign-off on project close-out reports, thereby acknowledging the projects have been completed as intended ● Department of Water and Sanitation must: ○ support and monitor municipalities to prepare and implement water services development plans ○ ensure alignment between the Regional Bulk Infrastructure Grant (RBIG) and the Water Services Infrastructure Grant (WSIG) with the MIG programme, Human Settlement Development Grant (HSDG) and Informal Settlement Upgrading Partnership Grant: Municipalities (ISUPG) ○ for the MIG funding stream, monitor and oversee progress on water and sanitation projects implemented through the MIG ○ promote the use of innovative solutions in pre-feasibility, feasibility studies and in technical report(s) ○ support the process of the development of water and sanitation infrastructure asset management plans and the updating and verification of asset registers ○ support DCoG in the identification of projects to be funded from DCoG as a Schedule 6, Part B ● Department of Human Settlements must ensure alignment between the MIG programme, HSDG, ISUPG: Municipalities, RBIG and WSIG ● Department of Forestry, Fisheries and the Environment (DFFE): ○ must support municipalities with planning and implementation of solid waste management projects and monitor their performance and compliance with conditions applicable to this sector ○ the provincial DFFEs will be responsible for providing recommendations on the TAR for the purchasing of specialised waste management vehicles and national DFFE will provide final approval before submitting projects for registration in the MIG appraisal process ○ support the process of the development of waste management infrastructure asset management plans and the updating and verification of asset registers ● Department of Electricity and Energy must: ○ support municipalities with planning and implementation of public lighting and monitor municipalities' performance and compliance with conditions applicable to this sector ○ support the process of the development of electricity community infrastructure asset management plans and the updating and verification of asset registers ● Department of Transport must:

Municipal Infrastructure Grant	
	○ support municipalities with planning and implementation of municipal roads projects in terms of the RRAMS data and monitor municipalities' performance and compliance with conditions applicable to this sector ○ support DCoG in the identification of projects to be funded from DCoG as a Schedule 6, Part B ● Department of Sport, Arts and Culture must: ○ evaluate technical reports and provide final recommendations to the municipality by 15 September 2026 that will allow municipalities to submit project registrations for appraisal by 30 September 2026 ○ support municipalities throughout all project management stages of municipal sport and recreation facilities and monitor municipalities performance and compliance with conditions applicable to this sector ○ review, approve and sign-off all MIG projects before recommendation by the provincial sports departments to the MIG appraisal committee ○ review and approve designs before the appointment of contractors ○ establish National Sport and recreation infrastructure steering committee support the process of the development of sport infrastructure asset management plans and the updating and verification of asset registers ○ ensure alignment with the outcomes of the conditional grants review, specifically regarding the earmarked sports component in the grant, including the conclusion of sports infrastructure projects currently in the development stage and the avoidance of new commitments ○ arrange quarterly meetings with ringfence beneficiaries through provincial department ● Department of Public Works and Infrastructure must: ○ monitor compliance with the EPWP infrastructure guidelines and advise municipalities on the use of labour-intensive processes, systems, techniques and approaches ○ monitor the number of work opportunities and FTEs created on MIG funded projects that contribute towards EPWP and assist municipalities in meeting their set targets ○ ensure that municipalities register their projects on the EPWP reporting system and monitor compliance with norms and standards applicable to this sector
	Responsibilities of provincial departments ● Coordinate technical support to municipalities ● Monitor performance of funding utilised to augment the Programme/Project Management capacity and recommend relevant sanctions for under-performance to DCoG ● Provide support to municipalities with the development of Infrastructure Asset Management Plans ● Provide assistance to municipalities in managing municipal infrastructure projects ● Provide support to municipalities in the utilisation of the MIG-MIS ● Monitor and reconcile reported expenditure with proof of payment signed-off by the municipality ● Monitor the accuracy of project registration forms, data generated through the MIG-MIS for monthly DoRA reporting, annual reports from municipalities and forward them to DCoG ● Coordinate district appraisal and progress committee meetings ensuring that DCoG and relevant sector departments are invited ● Issue registration letters for projects approved by the district appraisal committees to municipalities, copying DCoG ● Monitor project implementation in collaboration with sectors through scheduled site visits with relevant stakeholders and compile relevant spot check reports ● Monitor the capturing of site visit reports by municipalities on the MIG-MIS ● Monitor compliance with provincial legislation and alignment to provincial growth and development strategies through project registration ● Facilitate the sign-off on project close-out reports, thereby acknowledging the projects have been completed as intended on MIG-MIS
	Responsibilities of provincial sector departments ● Each provincial sector department must fulfil a sectoral monitoring and guidance role on relevant sectoral outputs ● Provide technical advice as required by a municipality through the feasibility, planning, design, tender and construction phases of a MIG project ● Provide support to municipalities with the development of Infrastructure Asset Management Plans ● Participate in district appraisal and progress committee meetings ● Evaluate and provide recommendations on sector technical reports before projects are appraised ● Provincial departments of environment, forestry and fisheries are responsible for providing recommendations on the TAR for the purchasing of specialised waste management vehicles and the national DFFE must provide final approval before submitting projects for registration in the MIG appraisal process ● Facilitate the sign-off on project close-out reports, thereby acknowledging the projects have been completed as intended on MIG-MIS ● Support the DCoG will the identification of Schedule 6B projects
	Responsibilities of municipalities ● Municipalities must ensure appropriate programme and project planning and implementation readiness prior to the year of implementation, and this must be informed by the IDP and three-year capital programme ● Municipalities must certify compliance to the provision of 2026 Division of Revenue Act after the Schedule of transfers has been communicated by DCoG and before the first transfer is made to the municipality by DCoG

Municipal Infrastructure Grant	
	• Municipalities must have appropriate capacity to implement the MIG, this must be supported by the human resource plan of the municipality • Municipalities must monitor each project and ensure that MIG funds are spent for the intended purpose as registered on the MIG-MIS • The municipality must comply with the submission of monthly and quarterly reports through the MIG-MIS and the annual reports in the prescribed formats and timelines, reports must be signed-off by the Municipal Manager or the delegated official and submitted to national government via the provincial department responsible for local government • Compulsory use of the MIG-MIS to inform the content of the reports mentioned above • Municipalities must capture project site visit reports as part of the portfolio of evidence to support claims ○ ensure that the results of the green drop, blue drop and no drop assessments are considered in the planning and prioritisation of projects ○ in terms of Sport and Recreation ringfenced allocation, municipalities must submit technical reports together with confirmation letter from local sport confederation to DSAC National through Provincial DSAC before 31 March 2026 ○ municipalities must ensure that MOUs for ringfenced allocations are signed by Municipalities before 30 April 2026, failure to sign the MOU will result in withdrawal of the ringfenced allocation ○ ensure that designs are reviewed and approved by DSAC before appointment of contractor (before the advertisement of tender) ○ each benefitting municipality must establish the project steering committee, and involve all relevant stakeholders including PMU, community services Directorate, Local and District Sport Council, traditional councils, surrounding schools, MISA and Districts Department of Sport, Arts and Culture ○ attend the quarterly progress meetings arranged through provincial DSAC ○ attend progress site visit ○ municipality must communicate in writing any changes in terms of the scope of work
Process for approval of 2027/28 business plans	Schedule 5, Part B • Municipalities must submit all technical reports to the sector departments responsible for water, sanitation, solid waste, sport and recreation, roads and transport by 31 July 2026 for all projects to be implemented in 2027/28 • The responsible sector department must evaluate reports and provide final recommendations to the municipality by 15 September 2026 • When projects are registered for 2027/28, the municipality must identify how each MIG infrastructure project is aligned to and/or supports their local economic development strategy • The municipality must submit all project registration forms by 30 September 2026, for the projects to be implemented in 2027/28, to the provincial department responsible for local government • The provincial departments must provide final recommendations to municipalities by 2 December 2026 • Municipalities must submit to DCoG by 1 February 2027, detailed project implementation plans for all the projects to be implemented in the 2027/28 and 2028/29 financial years • Such plans should include timelines regarding project designs, initiation of procurement, and environmental impact assessment (EIA) and/or relevant permit/license approvals in the prescribed format • Municipalities must submit updated implementation plans (as described above) by 29 April 2027, justifying any changes from the 1 February January 2027 submission • MISA must review and sign-off on technical and business plan reports of municipalities identified collaboratively between MISA and DCoG and its provincial counterparts as needing assistance [before submission to sector departments or Acquisition Committees], thereby acknowledging the appropriate use of alternative technology and good practices for MIG projects, including for feasibility studies, labour-intensive construction, operations and maintenance and integrated infrastructure asset management Schedule 6, Part B • DCoG will assess new municipalities on the following criteria for inclusion in 2026/27 to identify municipalities for possible conversion of a portion of the Schedule 5B allocations to Schedule 6B as per the SOP for schedule 6B that will include processes for the preparation for 2027/28

HUMAN SETTLEMENTS GRANTS

Urban Settlements Development Grant	
Transferring department	Human Settlements (Vote 33)
Grant schedule	Schedule 4, Part B
Strategic goal	The creation of sustainable, reliable, quality infrastructure asset base to enable the development of integrated urban settlements that enable improved quality of household life
Grant purpose	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development
Outcome statements	- The outcomes to be realised in order to promote integrated sustainable urban settlements and improved quality of living environments are as follows: - supporting inclusive densification and transit-oriented urban development, integrating existing and new urban developments - increased investment in existing and new bulk and distribution for urban developments - increase access to the quality of water and sanitation, electricity and energy, and solid waste management services - increased bulk infrastructure capacity for municipal services - provide opportunities for leveraging of public funding within partnerships that promote integrated mixed-income and mixed-use urban development projects and funding for broader urban development - provision of resources for sustainable community development for social and economic infrastructure and meaningful participation
Outputs	- The following outputs should be funded by the grant to support the improvement of the overall built environment: - increased annual investment in renewal (rehabilitation and/or replacement) and expansion in municipal bulk and distribution infrastructure - increase in the provision of access to municipal bulk and link infrastructure, connector services and reticulations - increase in access to public and socio-economic amenities - construction/provision of internal engineering services, including backyarders and densification overlay zones - hectares of land already acquired as approved by the National Department of Human Settlements and rezoned for provision for subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments - number of inner-city buildings renovated/refurbished
Outcome(s) of government that this grant primarily contributes to	- Outcome 4: Increased infrastructure investment and job creation - Outcome 16: Improved service delivery at local government
Details contained in the business plan	- This grant uses the Urban Settlements Development Grant (USDG) plan (containing a project list with project names, project descriptions, infrastructure classification, Geographic Information System (GIS) coordinates and wards in which projects are being developed. The USDG plan is consistent with the Integrated Development Plan (IDP), including the human settlements chapter of the IDP, and the Service Delivery and Budget Implementation Plan (SDBIP) of the receiving municipality - Name of the grant or fund for which USDG acts as supplementary, per project - Approved project budget and total project expenditure to date - Professional fees including details of planning activities to be undertaken
Conditions	- Municipalities must submit a USDG plan that is aligned to the SDBIP, IDP and the One Plan in pilot areas for the District Development Model to the national Department of Human Settlements (DHS) and National Treasury - Municipalities may utilise any of the stated outputs in the approved framework that are aligned to the sector standardised indicators and their Annual Performance Plans. Municipalities may request approval from the National Department for exemption to deviate from sector standardised indicators, that are not planned for the financial year - Land acquisition, assembly and audit should be informed and accompanied by the human settlements comprehensive plan developed by the municipalities - There shall be no new acquisition of land parcels without the concurrence of the National Department, including to respond to disaster incidents - The annual USDG plan must contain a project list with project names, project descriptions, classification of infrastructure, GIS coordinates and wards in which projects are being developed. The submission should include motivations of how the projects will benefit poor households and information on spatial targeting, co-funding and other associated investments - Municipalities must prioritise the completion of existing critical water, sanitation, roads, storm water and electricity projects by the end of the 2027/28 financial year - The flow of the first tranche is conditional upon: - approval of the municipal USDG business plan by the DHS - submission of the 2025/26 third quarter financial performance signed off by the municipal accounting officer or duly delegated official and non-financial information in line with the requirements set out in the Municipal Finance Management Act (MFMA) circular 88 - submission of a final USDG plan that is aligned to the municipal IDP, SDBIP and national priorities by 18 May 2026 - The flow of the second tranche will be conditional upon the submission of the 2025/26 fourth quarter financial performance signed off by the municipal accounting officer and/or duly delegated authority and non-financial information as per the requirements set out in the MFMA circular 88

Urban Settlements Development Grant	
	- The flow of the third tranche will be conditional upon submission of second quarter financial performance signed off by the municipal accounting officer or duly delegated authority and non-financial information as per the requirements set out in the MFMA circular 88 - A maximum of 3 per cent of the USDG may be used to procure capacity to support the implementation of USDG human settlements programme outputs as contained in the Medium-Term development plan (MTDP) and in line with the capacity building guideline issued by DHS - Municipalities must indicate the amounts of their annual allocations for spending on the identified national priority projects as approved by the National Department - Municipalities must prioritise the implementation of projects that are in the gazetted Priority Human Settlements and Housing Development Areas subject to these projects being included in the municipal IDP - Municipalities may request in writing to the transferring officer to amend the approved business plans during the mid-term adjustment period. Approval is subject to the transferring officer's concurrence. The following factors must be taken into consideration in the amendment of the business plans - the total grant allocation and delivery targets should be maintained unless the allocation has been stopped or reallocated in terms of sections 18 and 19 of the 2026 Division of Revenue Act (DoRA) - municipalities are allowed to shift budgets between projects in the business plan provided that no new projects are introduced into the business plan in-year without approval by the transferring officer the delivery targets in the approved business plan are not reduced - With approval by the transferring officer, municipalities may utilise funding for the procurement of specialised waste management vehicles servicing the poor. Municipalities must complete a technical assessment report (TAR) which must comply with the norms and standards for specialised waste management vehicles. The TAR must demonstrate that funds will solely be used for the expansion of waste management services to poor households previously under- serviced
Allocation criteria	- The grant is allocated to all metropolitan municipalities - The base allocation is derived from the Municipal Infrastructure Grant formula explained in part 5 of annexure W1 of the 2026 Division of Revenue Bill. The formula incorporates household backlogs in basic services and access to socio-economic services and poverty-weighted data
Reasons not incorporated in equitable share	This is a supplementary capital infrastructure grant with conditions, objectives and distribution criteria (including infrastructure backlogs) different to those of the equitable share
Past performance	2024/25 audited financial outcomes - Of the R8.7 billion made available to municipalities, R8.6 billion (98.8 per cent) was spent 2024/25 service delivery performance - Service delivery performance is as indicated in the performance evaluation reports for 2024/25
Projected life	This grant continues until 2028/29, subject to review
MTEF allocations	2026/27: R2.9 billion; 2027/28: R3.2 billion; and 2028/29: R2.7 billion
Payment schedule	Transfers will be made in accordance with a payment schedule approved by National Treasury
Responsibilities of the transferring officer and receiving officer	Responsibilities of the national department - Develop indicators for the outcomes and outputs - Convene a structured forum to meet with municipalities on a quarterly basis - Monitor and evaluate the municipal financial and non-financial performance of the grant, including quarterly summary reports on performance across municipalities - Provide support to municipalities with regard to human settlement programmes including but not limited to oversight visits to municipalities as may be necessary, facilitate strategic and spatial planning support related to urban development - Publish a guideline by 31 March 2026 on how municipalities should use capacity funds from this grant - Ensure collaboration between provinces and municipalities to promote area-based planning, budgeting and funding alignment as well as implementation support, where applicable - Coordinate and facilitate interaction between national departments, state-owned enterprises, other relevant entities of the state, provincial departments of human settlements and participating municipalities, on a quarterly basis - Participate in the municipal budget benchmarking process as and when indicated by the National Treasury - The transferring officer should design and distribute a template by 1 July 2026 to be signed by a municipal manager or a delegated municipal officer to be submitted with monthly and quarterly reports by metropolitan municipalities - The review of revised business plans must be finalised by the DHS within 14 days of submission by the municipality - Use this grant to leverage alternative financing mechanisms/instruments Responsibilities of other national sector departments - The Department of Electricity and Energy, Department of Water and Sanitation, Department of Forestry, Fisheries and the Environment and the Department of Transport must all provide technical advice and support relevant to their sectors and monitor the performance of municipalities in line with the requirements set out in the MFMA circular 88 - National Treasury will issue guidance notes, on requirements for turnaround strategies, institutional reforms and business plans for the trading services financing component Responsibilities of municipalities - Complete the business plan template and ensure accurate information and data is provided - Metropolitan municipalities may replace non-performing projects with performing projects providing a similar infrastructure that fulfils the same policy objectives. The performing projects should be from the approved business plans, and the replacement should not jeopardise the achievement of the overall MTSP targets committed to by the municipality

Urban Settlements Development Grant	
	• Changes to the project list of the approved business plan and within the same and related function must be reported quarterly to the DHS in writing and provide all the relevant details of the new project within 30 days after the end of the quarter • Should ensure that the allocated grant funds are only used to implement the programmes and projects in the approved business plans • Comply with the terms and conditions of the receiving officer outlined in the 2026 DoRA • Ensure effective and efficient utilisation of the grant and alignment to the purpose and outputs of the grant • Ensure compliance with required intergovernmental forums, reporting, and accountability frameworks for human settlements • Ensure that the USDG is used to meet municipal priorities • Municipalities should submit a signed letter by a municipal manager or a delegated authorised person as an attachment to the monthly and quarterly reports • Municipalities must report on the percentage of their allocations spent on service provided by companies owned by designated groups on a quarterly basis • Municipalities must report quarterly on projects funded, in line with the requirements of the MFMA circular 88. Reporting must include financial and non-financial performance on progress against UISP plans, using the template prescribed by the DHS • Municipalities must submit the financial performance reports within 10 working days after the end of the month • Use this grant to leverage alternative financing mechanisms/instruments • Municipalities must submit monthly reports that include the outcome/effectiveness of the utilisation of the approved OPSCAP budget • Municipalities are to use funds from this grant for inner city regeneration and reclamation of inner-city buildings through brown field projects • After approval of rollover funds, municipalities must submit an amended business plan with the rollover amount, and subsequent separate monthly progress reports on projects related to the approved rollover • A municipality that is allocated additional funding or reallocated funds that have been stopped from another Metro, must submit a revised business plan, and subsequent monthly progress reports on the use of the additional or reallocated funds
Process for approval of 2027/28 business plans	• Municipalities must submit a comprehensive draft USDG plan (based on MFMA circular 88 indicators) with targets aligned to the MTDP, IDP and SDBIP and a draft and/or approved municipal budget to the transferring officer, by 23 March 2027 • The final business plans must be submitted by 17 May 2027 • The business plan will be finalised before the start of the municipal financial year

NATIONAL TREASURY GRANTS

Urban Development Financing Grant	
Transferring department	National Treasury (Vote 08)
Grant schedule	Schedule 4, Part B
Strategic goal	- To increase investment in resilient infrastructure and spatially targeted urban development in metropolitan municipalities - To eradicate spatial inequalities for sustainable and efficient urban services and spaces that grows the economy and contributes towards financially sustainable metropolitan municipalities
Grant purpose	- To promote spatially transformed cities with financially sustainable trading services that are able to meet their service delivery mandates - To support metropolitan municipalities with resilient infrastructure investment, including programme and project preparation to enable them to leverage additional concessionary and commercial loan finance to enhance sustainable infrastructure investment
Outcome statements	- To operate as a performance-based finance incentive grant for metros to achieve the following outcomes: - improved financial sustainability, investment in new and existing infrastructure, efficiencies, and service delivery from trading services - strengthened and effective system of programme and project preparation in the metropolitan municipalities - improved municipal capacity to support infrastructure investment planning and prioritisation that supports long-term spatially transformed and integrated cities - improved social cohesion and strengthened social safety net - increased leveraging of private sector investment in municipal infrastructure and urban development (specifically in strategic targeted nodes), as well as increased diversity of public and private capital investments leveraged into targeted locations
Outputs	- Increased annual investment by the Metro in renewal (rehabilitation and/or replacement) and expansion in municipal bulk, and distribution infrastructure for the three trading services - Timebound operating investments to improve performance and management capacity of the three trading services - The production and dissemination of toolkits, guidance and/or good practice notes and supporting knowledge sharing events - Enhanced municipal strategic competencies in investment targeting, implementation, and urban management - Urban networks anchored by spatially targeted nodes, supported by robust investment plans and well-coordinated intergovernmental project pipelines - Increased number of credible catalytic programmes and projects that have successfully undergone the project preparation process. The prioritised projects in spatially targeted nodes should be prepared with the objective of implementation through a funding mix that includes alternative funding streams
Outcome(s) of government that this grant primarily contributes to	- Outcome 4: Increased infrastructure investment and job creation - Outcome 16: Improved service delivery at local government
Details contained in the business plans	- The following will be contained in the grant guideline documents: - outcome indicators - output indicators - inputs - key activities
Conditions	- Access to the metro trading services programme and eligibility for the grant is based on achieving the required audit outcomes and compliance with the submission requirements for Metro trading service turnaround strategies, Institutional reform roadmap, relevant versions of the business and investment plans and Performance Improvement Action Plans including the commitment to or achievement of the 8 minimum commitments where relevant - The grant is disbursed based on metro achievement of KPIs and targets in Performance Improvement Action Plans for each trading service verified by an Independent Verification Agent (IVA) as per the process set out in the Programme Operations Manual - Subsequent annual allocations will be adjusted subject to progress against the KPIs/targets set in the Performance Improvement Action Plans - A maximum of 10 per cent of the funds allocated for trading service investment can be spent on direct operating costs as per the programmes in the Performance Improvement Action Plans - Compliance with the aims and objectives outlined in the investment plans between the municipality and the transferring officer - The grant funds the following activities in targeted locations: - planning and the development of catalytic programmes and projects - the development of built environment upgrade projects in townships and key nodes - Transfers for project preparation support will be based on performance in line with the work plans and approved projects submitted to National Treasury - Metropolitan municipalities must commit to forging partnerships with businesses, investors, communities, national and provincial government and state-owned entities in order to leverage the third-party capital investments required to ensure long-term and sustainable outcomes and investing their own revenues
Allocation criteria	- This grant will be disbursed based on the progressive achievement of clearly defined milestones linked to: - improvements in governance and accountability - financial performance, and - service delivery performance

Urban Development Financing Grant	
	- For Metro Trading Services Financing, allocations will comprise of: - incentive allocations for eligible metros for each trading service from 2026/27 taking into account population and poverty as variable weights in the allocation formula - allocation may be adjusted according to annual verification of metro performance against targets in the Performance Improvement Action Plans - For Neighbourhood Development, allocations will comprise of the capital grant project support allocations determined via a pipeline of prioritised projects that have been identified through the planning process, in targeted locations. Funding allocation will be subject to submissions of business plans for approval by the NDPP - For Programme and Project Preparation Support, allocations will comprise of the current project preparation allocations for the completion of approved projects and programmes. The rest of MTEF allocations after 2026/27 should be allocated towards the Metro trading services infrastructure investments
Reasons not incorporated in equitable share	- The grant provides funding to the metropolitan municipalities to enhance the performance of their urban built environment programmes by supporting programme and project preparation and it has a strong focus on catalytic nodal and linkage investment in targeted township locations that is not the focus of the equitable share - This is a supplementary capital infrastructure grant to incentivise financially sustainable metropolitan trading services that can sustain their long-term capital investment requirements, hence conditions, objectives and distribution criteria (including financial sustainability) are different to those of the equitable share
Past performance	2024/25 audited financial outcomes
	Not applicable
	2024/25 service delivery performance
	Not applicable
Projected life	This grant continues until 2031/32, subject to review
MTEF allocations	2026/27: R8.4 billion; 2027/28: R10 billion; and 2028/29: R12.7 billion
Payment schedule	Transfers will be made in accordance with a payment schedule approved by National Treasury based on cash flow submissions
Responsibilities of the transferring officer and receiving officer	Responsibilities of the National Treasury - Fund plans and catalytic projects in targeted locations that are defined either as urban hubs or integration zones in metropolitan municipalities, and develop Performance Improvement Action Plans and progress reporting templates for metros - Fund eligible business plans for each sector as per metro achievement of KPIs and targets in Performance Improvement Action Plans for each trading service - Notifying all municipalities of their allocation status, both directly and via the Division of Revenue Act (DoRA) - Provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme and the Neighbourhood Development Partnership Programme Responsibilities of municipalities - Prepare credible business plans/priority programmes and projects to National Treasury - Compile and submit monthly and quarterly expenditure and progress reports in line with the requirements and as stipulated in the 2026 DoRA and as may be specified by the National Treasury - Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as may be requested by the transferring officer - Municipalities must confirm within the work plan that a financing plan with associated co-funding agreements will be in place prior to implementation of the capital project, unless an exemption to co-funding requirements has been approved by National Treasury - Must prepare and submit Council approved Performance Improvement Action Plans documents that are both aspirational and realistic, with clear targets as well as a budget and funding (incl. the grant and other sources) for the proposed activities - Submit a signed letter by a municipal manager or a delegated authorised person as an attachment progress report - Mainstream and reflect the spatial targeting and urban network strategies across the municipality, i.e. through the municipal: - spatial development frameworks and capital investment frameworks (as a chapter in the municipal spatial development framework) - integrated development plans
Process for approval of 2027/28 business plans	Municipalities - Submission of NDPP related municipal plans and/or deliverables within the timeframes defined in each municipality's own work plans in relation to priority catalytic projects /programmes funded under the NDPP window - Plans and/or deliverables must include an indication of: - the ability to attract and report on third-party funding leveraged - the quality of performance and progress reporting; and - the level of NDPP alignment across all municipal development strategies and plans including coordination, targeting, and prioritisation with other related capital projects as reflected through municipal spatial development frameworks and capital investment frameworks - Submit council-approved performance improvement action plans timeously - Submit progress reports timeously - Uploading of the relevant evidence of performance against minimum commitments and performance indicators by 15 August 2026 and 30 September 2026 for verification by the IVA

Urban Development Financing Grant	
	Transferring Officer • Issue approval letters for which transfers/disbursements for each trade service will/are made against • Guidelines with allocation splits to be sent in advance before the commencement of each municipal financial year • Compile and submit monthly and quarterly expenditure and progress reports in line with the requirements and as stipulated in the 2026 DoRA

ANNEXURE D

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)

(National and Municipal Financial Years)

ANNEXURE D

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

Category Municipality			Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
			National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
EASTERN CAPE													
A	BUF	Buffalo City	-	-	-	-	-	197 397	-	197 397	588 569	35 587	624 156
A	NMA	Nelson Mandela Bay	-	35 000	35 000	-	-	234 309	-	234 309	650 747	(158 747)	492 000
B	EC101	Dr Beyers Naude	-	-	-	-	-	-	-	-	-	-	-
B	EC102	Blue Crane Route	-	35 000	35 000	-	-	-	-	-	-	-	-
B	EC104	Makana	-	17 000	17 000	-	-	-	-	-	-	-	-
B	EC105	Ndlambe	-	40 000	40 000	-	-	-	-	-	-	-	-
B	EC106	Sundays River Valley	-	38 000	38 000	-	-	-	-	-	-	-	-
B	EC108	Kouga	-	-	-	-	-	-	-	-	-	-	-
B	EC109	Kou-Kamma	-	23 000	23 000	-	-	-	-	-	-	-	-
C	DC10	Sarah Baartman District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Sarah Baartman Municipalities			-	153 000	153 000	-	-	-	-	-	-	-	-
B	EC121	Mbhashe	-	-	-	-	-	-	-	-	-	-	-
B	EC122	Mquma	-	-	-	-	-	-	-	-	-	-	-
B	EC123	Great Kei	-	-	-	-	-	-	-	-	-	-	-
B	EC124	Amahlathi	-	15 000	15 000	-	-	-	-	-	-	-	-
B	EC126	Ngqushwa	-	16 400	16 400	-	-	-	-	-	-	-	-
B	EC129	Raymond Mhlaba	-	38 000	38 000	-	-	-	-	-	-	-	-
C	DC12	Amathole District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Amathole Municipalities			-	69 400	69 400	-	-	-	-	-	-	-	-
B	EC131	Inxuba Yethemba	-	-	-	-	-	-	-	-	-	-	-
B	EC135	Intsika Yethu	-	-	-	-	-	-	-	-	-	-	-
B	EC136	Enalahlani	-	37 000	37 000	-	-	-	-	-	-	-	-
B	EC137	Dr. A.B. Xuma	-	-	-	-	-	-	-	-	-	-	-
B	EC138	Sakhisizwe	-	-	-	-	-	-	-	-	-	-	-
B	EC139	Enoch Mgijima	-	-	-	-	-	-	-	-	-	-	-
C	DC13	Chris Hani District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Chris Hani Municipalities			-	37 000	37 000	-	-	-	-	-	-	-	-
B	EC141	Elundini	-	33 000	33 000	-	-	-	-	-	-	-	-
B	EC142	Senqu	-	23 000	23 000	-	-	-	-	-	-	-	-
B	EC145	Walter Sisulu	-	41 000	41 000	-	-	-	-	-	-	-	-
C	DC14	Joe Gqabi District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Joe Gqabi Municipalities			-	97 000	97 000	-	-	-	-	-	-	-	-
B	EC153	Ngquza Hill	-	40 000	40 000	-	-	-	-	-	-	-	-
B	EC154	Port St Johns	-	-	-	-	-	-	-	-	-	-	-
B	EC155	Nyandeni	-	-	-	-	-	-	-	-	-	-	-
B	EC156	Mhlontlo	-	-	-	-	-	-	-	-	-	-	-
B	EC157	King Sabata Dalindyebo	-	40 000	40 000	-	-	-	-	-	-	-	-
C	DC15	O.R. Tambo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: O.R. Tambo Municipalities			-	80 000	80 000	-	-	-	-	-	-	-	-
B	EC441	Matatiele	-	25 000	25 000	-	-	-	-	-	-	-	-
B	EC442	Unzinvubu	-	28 000	28 000	-	-	-	-	-	-	-	-
B	EC443	Winnie Madikizela-Mandela	-	20 000	20 000	-	-	-	-	-	-	-	-
B	EC444	Ntabankulu	-	17 000	17 000	-	-	-	-	-	-	-	-
C	DC44	Alfred Nzo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Alfred Nzo Municipalities			-	90 000	90 000	-	-	-	-	-	-	-	-
Total: Eastern Cape Municipalities			-	561 400	561 400	-	-	431 706	-	431 706	1 239 316	(123 160)	1 116 156

ANNEXURE D

**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)**

Category Municipality		Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
		National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
		2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
FREE STATE												
A	MAN Mangaung	-	28 000	28 000	-	-	195 644	-	195 644	540 352	(22 385)	517 967
B	FS161 Letsemeng	-	-	-	-	-	-	-	-	-	-	-
B	FS162 Kopanong	-	20 000	20 000	-	-	-	-	-	-	-	-
B	FS163 Mohokare	-	-	-	-	-	-	-	-	-	-	-
B	FS164 New Municipality	-	-	-	-	-	-	-	-	-	-	-
C	DC16 Xhariep District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Xhariep Municipalities		-	20 000	20 000	-	-	-	-	-	-	-	-
B	FS181 Masilonyana	-	24 000	24 000	-	-	-	-	-	-	-	-
B	FS182 Tokologo	-	23 000	23 000	-	-	-	-	-	-	-	-
B	FS183 Tswelopele	-	20 000	20 000	-	-	-	-	-	-	-	-
B	FS184 Matjhabeng	-	21 000	21 000	-	-	-	-	-	-	-	-
B	FS185 Nala	-	25 000	25 000	-	-	-	-	-	-	-	-
C	DC18 Lejweleputswa District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Lejweleputswa Municipalities		-	113 000	113 000	-	-	-	-	-	-	-	-
B	FS191 Setsoto	-	-	-	-	-	-	-	-	-	-	-
B	FS192 Dihlabeng	-	-	-	-	-	-	-	-	-	-	-
B	FS193 Nketoana	-	-	-	-	-	-	-	-	-	-	-
B	FS194 Maluti-a-Phofung	-	-	-	-	-	-	-	-	-	-	-
B	FS195 Phumelela	-	-	-	-	-	-	-	-	-	-	-
B	FS196 Mantsopa	-	-	-	-	-	-	-	-	-	-	-
C	DC19 Thabo Mofutsanyana District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Thabo Mofutsanyana Municipalities		-	-	-	-	-	-	-	-	-	-	-
B	FS201 Moqhaka	-	-	-	-	-	-	-	-	-	-	-
B	FS203 Ngwathe	-	22 000	22 000	-	-	-	-	-	-	-	-
B	FS204 Metsimaholo	-	-	-	-	-	-	-	-	-	-	-
B	FS205 Mafube	-	-	-	-	-	-	-	-	-	-	-
C	DC20 Fezile Dabi District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Fezile Dabi Municipalities		-	22 000	22 000	-	-	-	-	-	-	-	-
Total: Free State Municipalities		-	183 000	183 000	-	-	195 644	-	195 644	540 352	(22 385)	517 967
GAUTENG												
A	EKU City of Ekurhuleni	-	-	-	-	-	510 118	-	510 118	1 203 176	(171 852)	1 031 324
A	JHB City of Johannesburg	-	-	-	-	-	1 633 208	(1 154 000)	479 208	2 179 535	(481 519)	1 698 016
A	TSH City of Tshwane	-	-	-	-	-	415 394	-	415 394	1 131 812	65 514	1 197 326
B	GT421 Emfuleni	-	-	-	-	-	-	-	-	-	-	-
B	GT422 Midvaal	-	-	-	-	-	-	-	-	-	-	-
B	GT423 Lesedi	-	-	-	-	-	-	-	-	-	-	-
C	DC42 Sedibeng District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Sedibeng Municipalities		-	-	-	-	-	-	-	-	-	-	-
B	GT481 Mogale City	-	-	-	-	-	-	-	-	-	-	-
B	GT484 Merafong City	-	-	-	-	-	-	-	-	-	-	-
B	GT485 Rand West City	-	-	-	-	-	-	-	-	-	-	-
C	DC48 West Rand District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: West Rand Municipalities		-	-	-	-	-	-	-	-	-	-	-
Total: Gauteng Municipalities		-	-	-	-	-	2 558 720	(1 154 000)	1 404 720	4 514 523	(587 857)	3 926 666

ANNEXURE D

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)

Category Municipality			Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
			National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
KWAZULU-NATAL													
A	ETH	eThekweni	-	84 000	84 000	-	-	508 858	-	508 858	1 367 522	78 933	1 446 455
B	KZN212	uMdoni	-	48 000	48 000	-	-	-	-	-	-	-	-
B	KZN213	uMzambe	-	-	-	-	-	-	-	-	-	-	-
B	KZN214	uMuziwabantu	-	-	-	-	-	-	-	-	-	-	-
B	KZN216	Ray Nkonyeni	-	39 000	39 000	-	-	-	-	-	-	-	-
C	DC21	Ugu District Municipality	-	60 000	60 000	-	-	-	-	-	-	-	-
Total: Ugu Municipalities			-	147 000	147 000	-	-	-	-	-	-	-	-
B	KZN221	uMshwathi	-	38 000	38 000	-	-	-	-	-	-	-	-
B	KZN222	uMngeni	-	-	-	-	-	-	-	-	-	-	-
B	KZN223	Mpofana	-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN224	iMpendle	-	-	-	-	-	-	-	-	-	-	-
B	KZN225	Msunduzi	-	-	-	-	-	-	-	-	-	-	-
B	KZN226	Mkhambathini	-	-	-	-	-	-	-	-	-	-	-
B	KZN227	Richmond	-	-	-	-	-	-	-	-	-	-	-
C	DC22	uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities			-	68 000	68 000	-	-	-	-	-	-	-	-
B	KZN235	Okhahlamba	-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN237	iNkosi Langalibalele	-	36 000	36 000	-	-	-	-	-	-	-	-
B	KZN238	Alfred Duma	-	39 000	39 000	-	-	-	-	-	-	-	-
C	DC23	uThukela District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities			-	105 000	105 000	-	-	-	-	-	-	-	-
B	KZN241	eNdumeni	-	-	-	-	-	-	-	-	-	-	-
B	KZN242	Nquthu	-	-	-	-	-	-	-	-	-	-	-
B	KZN244	uMsinga	-	33 000	33 000	-	-	-	-	-	-	-	-
B	KZN245	uMvoti	-	-	-	-	-	-	-	-	-	-	-
C	DC24	uMzinyathi District Municipality	-	35 000	35 000	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities			-	68 000	68 000	-	-	-	-	-	-	-	-
B	KZN252	Newcastle	-	54 000	54 000	-	-	-	-	-	-	-	-
B	KZN253	eMadlangeni	-	28 000	28 000	-	-	-	-	-	-	-	-
B	KZN254	Damnhouser	-	34 000	34 000	-	-	-	-	-	-	-	-
C	DC25	Amajuba District Municipality	-	30 000	30 000	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities			-	146 000	146 000	-	-	-	-	-	-	-	-
B	KZN261	eDumbe	-	-	-	-	-	-	-	-	-	-	-
B	KZN262	uPhongolo	-	41 000	41 000	-	-	-	-	-	-	-	-
B	KZN263	AbaQulusi	-	34 000	34 000	-	-	-	-	-	-	-	-
B	KZN265	Nongoma	-	42 000	42 000	-	-	-	-	-	-	-	-
B	KZN266	Ulundi	-	-	-	-	-	-	-	-	-	-	-
C	DC26	Zululand District Municipality	-	53 000	53 000	-	-	-	-	-	-	-	-
Total: Zululand Municipalities			-	170 000	170 000	-	-	-	-	-	-	-	-
B	KZN271	uMhlabyalingana	-	38 000	38 000	-	-	-	-	-	-	-	-
B	KZN272	Jozini	-	16 000	16 000	-	-	-	-	-	-	-	-
B	KZN275	Inkosi uMthabatha	-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN276	Big Five Hlabisa	-	40 000	40 000	-	-	-	-	-	-	-	-
C	DC27	uMkhanyakude District Municipality	-	38 000	38 000	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities			-	162 000	162 000	-	-	-	-	-	-	-	-
B	KZN281	uMfolozi	-	-	-	-	-	-	-	-	-	-	-
B	KZN282	uMhlathuze	-	-	-	-	-	-	-	-	-	-	-
B	KZN284	uMlalazi	-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN285	Mthorjaneni	-	-	-	-	-	-	-	-	-	-	-
B	KZN286	Nkandla	-	-	-	-	-	-	-	-	-	-	-
C	DC28	King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities			-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN291	Mandeni	-	-	-	-	-	-	-	-	-	-	-
B	KZN292	KwaDukuza	-	-	-	-	-	-	-	-	-	-	-
B	KZN293	Ndwedwe	-	30 000	30 000	-	-	-	-	-	-	-	-
B	KZN294	Maphumulo	-	35 000	35 000	-	-	-	-	-	-	-	-
C	DC29	iLembe District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities			-	65 000	65 000	-	-	-	-	-	-	-	-
B	KZN433	Greater Kokstad	-	-	-	-	-	-	-	-	-	-	-
B	KZN434	Johannes Phumani Phungula	-	-	-	-	-	-	-	-	-	-	-
B	KZN435	uMzimkhulu	-	-	-	-	-	-	-	-	-	-	-
B	KZN436	Dr Nkomo Dlamini Zuma	-	-	-	-	-	-	-	-	-	-	-
C	DC43	Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities			-	-	-	-	-	-	-	-	-	-	-
Total: KwaZulu-Natal Municipalities			-	1 045 000	1 045 000	-	-	508 858	-	508 858	1 367 522	78 933	1 446 455

ANNEXURE D

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)

		Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
		National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
LIMPOPO												
B	LIM331 Greater Giyani	-	40 000	40 000	-	-	-	-	-	-	-	-
B	LIM332 Greater Letaba	-	21 000	21 000	-	-	-	-	-	-	-	-
B	LIM333 Greater Tzaneen	-	30 000	30 000	-	-	-	-	-	-	-	-
B	LIM334 Ba-Phalaborwa	-	33 000	33 000	-	-	-	-	-	-	-	-
B	LIM335 Maruleng	-	30 000	30 000	-	-	-	-	-	-	-	-
C	DC33 Mopani District Municipality	-	25 000	25 000	-	-	-	-	-	-	-	-
Total: Mopani Municipalities		-	179 000	179 000	-	-	-	-	-	-	-	-
B	LIM341 Musina	-	20 000	20 000	-	-	-	-	-	-	-	-
B	LIM343 Thulamela	-	25 000	25 000	-	-	-	-	-	-	-	-
B	LIM344 Makhado	-	23 000	23 000	-	-	-	-	-	-	-	-
B	LIM345 Collins Chabane	-	28 000	28 000	-	-	-	-	-	-	-	-
C	DC34 Vhembe District Municipality	-	28 000	28 000	-	-	-	-	-	-	-	-
Total: Vhembe Municipalities		-	124 000	124 000	-	-	-	-	-	-	-	-
B	LIM351 Blouberg	-	20 000	20 000	-	-	-	-	-	-	-	-
B	LIM353 Molemole	-	22 000	22 000	-	-	-	-	-	-	-	-
B	LIM354 Polokwane	-	29 000	29 000	-	-	-	-	-	-	-	-
B	LIM355 Lepele-Nkumpi	-	20 000	20 000	-	-	-	-	-	-	-	-
C	DC35 Capricorn District Municipality	-	30 000	30 000	-	-	-	-	-	-	-	-
Total: Capricorn Municipalities		-	121 000	121 000	-	-	-	-	-	-	-	-
B	LIM361 Thabazimbi	-	23 000	23 000	-	-	-	-	-	-	-	-
B	LIM362 Lephalale	-	15 000	15 000	-	-	-	-	-	-	-	-
B	LIM366 Bela-Bela	-	25 000	25 000	-	-	-	-	-	-	-	-
B	LIM367 Mogalakwena	-	25 000	25 000	-	-	-	-	-	-	-	-
B	LIM368 Modimolle-Mookgophong	-	15 000	15 000	-	-	-	-	-	-	-	-
C	DC36 Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Waterberg Municipalities		-	103 000	103 000	-	-	-	-	-	-	-	-
B	LIM471 Ephraim Mogale	-	23 000	23 000	-	-	-	-	-	-	-	-
B	LIM472 Elias Motoaledi	-	24 000	24 000	-	-	-	-	-	-	-	-
B	LIM473 Makhuduthamaga	-	26 000	26 000	-	-	-	-	-	-	-	-
B	LIM476 Fetakgomo Tubatse	-	24 000	24 000	-	-	-	-	-	-	-	-
C	DC47 Sekhukhune District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Sekhukhune Municipalities		-	97 000	97 000	-	-	-	-	-	-	-	-
Total: Limpopo Municipalities		-	624 000	624 000	-	-	-	-	-	-	-	-
MPUMALANGA												
B	MP301 Chief Albert Luthuli	-	26 000	26 000	-	-	-	-	-	-	-	-
B	MP302 Msukaligwa	-	32 000	32 000	-	-	-	-	-	-	-	-
B	MP303 Mkhondo	-	35 000	35 000	-	-	-	-	-	-	-	-
B	MP304 Dr Pixley ka Isaka Seme	-	31 000	31 000	-	-	-	-	-	-	-	-
B	MP305 Lekwa	-	-	-	-	-	-	-	-	-	-	-
B	MP306 Dipaleseng	-	-	-	-	-	-	-	-	-	-	-
B	MP307 Govan Mbeki	-	-	-	-	-	-	-	-	-	-	-
C	DC30 Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Gert Sibande Municipalities		-	124 000	124 000	-	-	-	-	-	-	-	-
B	MP311 Victor Khanye	-	26 000	26 000	-	-	-	-	-	-	-	-
B	MP312 Emalahleni	-	25 000	25 000	-	-	-	-	-	-	-	-
B	MP313 Steve Tshwete	-	-	-	-	-	-	-	-	-	-	-
B	MP314 Enukhazeni	-	38 000	38 000	-	-	-	-	-	-	-	-
B	MP315 Thembisile Hani	-	28 000	28 000	-	-	-	-	-	-	-	-
B	MP316 Dr JS Moroka	-	21 000	21 000	-	-	-	-	-	-	-	-
C	DC31 Nkangala District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Nkangala Municipalities		-	138 000	138 000	-	-	-	-	-	-	-	-
B	MP321 Thaba Chweu	-	20 000	20 000	-	-	-	-	-	-	-	-
B	MP324 Nkomazi	-	40 000	40 000	-	-	-	-	-	-	-	-
B	MP325 Bushbuckridge	-	30 000	30 000	-	-	-	-	-	-	-	-
B	MP326 City of Mbombela	-	25 000	25 000	-	-	-	-	-	-	-	-
C	DC32 Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Ehlanzeni Municipalities		-	115 000	115 000	-	-	-	-	-	-	-	-
Total: Mpumalanga Municipalities		-	377 000	377 000	-	-	-	-	-	-	-	-

ANNEXURE D

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)

Category Municipality		Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
		National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
		2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
NORTHERN CAPE												
B	NC061 Richtersveld	-	-	-	-	-	-	-	-	-	-	-
B	NC062 Nama Khoi	-	-	-	-	-	-	-	-	-	-	-
B	NC064 Kamiesberg	-	-	-	-	-	-	-	-	-	-	-
B	NC065 Hantam	-	-	-	-	-	-	-	-	-	-	-
B	NC066 Karoo Hoogland	-	-	-	-	-	-	-	-	-	-	-
B	NC067 Khâi-Ma	-	-	-	-	-	-	-	-	-	-	-
C	DC6 Namakwa District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Namakwa Municipalities		-	-	-	-	-	-	-	-	-	-	-
B	NC071 Ubuntu	-	-	-	-	-	-	-	-	-	-	-
B	NC072 Umsobomvu	-	-	-	-	-	-	-	-	-	-	-
B	NC073 Erntjanjeni	-	-	-	-	-	-	-	-	-	-	-
B	NC074 Kareeberg	-	-	-	-	-	-	-	-	-	-	-
B	NC075 Renosterberg	-	-	-	-	-	-	-	-	-	-	-
B	NC076 Thembelihle	-	-	-	-	-	-	-	-	-	-	-
B	NC077 Siyathemba	-	-	-	-	-	-	-	-	-	-	-
B	NC078 Siyancuma	-	-	-	-	-	-	-	-	-	-	-
C	DC7 Pixley Ka Seme District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Pixley Ka Seme Municipalities		-	-	-	-	-	-	-	-	-	-	-
B	NC082 !Kai !Garib	-	-	-	-	-	-	-	-	-	-	-
B	NC084 !Kheis	-	-	-	-	-	-	-	-	-	-	-
B	NC085 Tsantsabane	-	20 432	20 432	-	-	-	-	-	-	-	-
B	NC086 Kgatelopele	-	-	-	-	-	-	-	-	-	-	-
B	NC087 Dawid Kruiper	-	-	-	-	-	-	-	-	-	-	-
C	DC8 Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Z.F. Mgcawu Municipalities		-	20 432	20 432	-	-	-	-	-	-	-	-
B	NC091 Sol Plaatjie	-	-	-	-	-	-	-	-	-	-	-
B	NC092 Dikgatlong	-	-	-	-	-	-	-	-	-	-	-
B	NC093 Magareng	-	-	-	-	-	-	-	-	-	-	-
B	NC094 Phokwane	-	28 410	28 410	-	-	-	-	-	-	-	-
C	DC9 Frances Baard District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Frances Baard Municipalities		-	28 410	28 410	-	-	-	-	-	-	-	-
B	NC451 Joe Morolong	-	20 000	20 000	-	-	-	-	-	-	-	-
B	NC452 Ga-Segonyana	-	25 000	25 000	-	-	-	-	-	-	-	-
B	NC453 Gamagara	-	18 925	18 925	-	-	-	-	-	-	-	-
C	DC45 John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: John Taolo Gaetsewe Municipalities		-	63 925	63 925	-	-	-	-	-	-	-	-
Total: Northern Cape Municipalities		-	112 767	112 767	-	-	-	-	-	-	-	-
NORTH WEST												
B	NW371 Moretele	-	28 000	28 000	-	-	-	-	-	-	-	-
B	NW372 Madibeng	-	-	-	-	-	-	-	-	-	-	-
B	NW373 Rustenburg	-	15 000	15 000	-	-	-	-	-	-	-	-
B	NW374 Kgetlengrivier	-	-	-	-	-	-	-	-	-	-	-
B	NW375 Moses Kotane	-	-	-	-	-	-	-	-	-	-	-
C	DC37 Bojanala Platinum District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Bojanala Platinum Municipalities		-	43 000	43 000	-	-	-	-	-	-	-	-
B	NW381 Ratlou	-	-	-	-	-	-	-	-	-	-	-
B	NW382 Tswaing	-	-	-	-	-	-	-	-	-	-	-
B	NW383 Mafikeng	-	-	-	-	-	-	-	-	-	-	-
B	NW384 Disobotla	-	-	-	-	-	-	-	-	-	-	-
B	NW385 Ramotshere Moiloa	-	36 000	36 000	-	-	-	-	-	-	-	-
C	DC38 Ngaka Modiri Molema District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Ngaka Modiri Molema Municipalities		-	36 000	36 000	-	-	-	-	-	-	-	-
B	NW392 Naledi	-	45 000	45 000	-	-	-	-	-	-	-	-
B	NW393 Mamusa	-	-	-	-	-	-	-	-	-	-	-
B	NW394 Greater Taung	-	47 000	47 000	-	-	-	-	-	-	-	-
B	NW396 Lekwa-Teemane	-	-	-	-	-	-	-	-	-	-	-
B	NW397 Kagisano-Molopo	-	30 000	30 000	-	-	-	-	-	-	-	-
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	-	40 000	40 000	-	-	-	-	-	-	-	-
Total: Dr Ruth Segomotsi Mompati Municipalities		-	162 000	162 000	-	-	-	-	-	-	-	-
B	NW403 City of Matlosana	-	-	-	-	-	-	-	-	-	-	-
B	NW404 Maquassi Hills	-	-	-	-	-	-	-	-	-	-	-
B	NW405 JB Marks	-	-	-	-	-	-	-	-	-	-	-
C	DC40 Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Dr Kenneth Kaunda Municipalities		-	-	-	-	-	-	-	-	-	-	-
Total: North West Municipalities		-	241 000	241 000	-	-	-	-	-	-	-	-

ANNEXURE D

INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B)

			Municipal Disaster Recovery Grant					Urban Settlements Development Grant			Urban Development Financing Grant		
			National and Municipal Financial Year					National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2027/28 R'000	2028/29 R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
WESTERN CAPE													
A	CPT	City of Cape Town	-	28 000	28 000	-	-	384 137	-	384 137	1 362 645	79 469	1 442 114
B	WC011	Matzikama	-	22 000	22 000	-	-	-	-	-	-	-	-
B	WC012	Cederberg	-	23 000	23 000	-	-	-	-	-	-	-	-
B	WC013	Bergviver	-	25 000	25 000	-	-	-	-	-	-	-	-
B	WC014	Saldanha Bay	-	-	-	-	-	-	-	-	-	-	-
B	WC015	Swartland	-	-	-	-	-	-	-	-	-	-	-
C	DC1	West Coast District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: West Coast Municipalities			-	70 000	70 000	-	-	-	-	-	-	-	-
B	WC022	Witzenberg	-	20 000	20 000	-	-	-	-	-	-	-	-
B	WC023	Drakenstein	-	21 000	21 000	-	-	-	-	-	-	-	-
B	WC024	Stellenbosch	-	24 000	24 000	-	-	-	-	-	-	-	-
B	WC025	Breede Valley	-	20 000	20 000	-	-	-	-	-	-	-	-
B	WC026	Langeberg	-	23 000	23 000	-	-	-	-	-	-	-	-
C	DC2	Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Cape Winelands Municipalities			-	108 000	108 000	-	-	-	-	-	-	-	-
B	WC031	Theewaterskloof	-	15 000	15 000	-	-	-	-	-	-	-	-
B	WC032	Overstrand	-	-	-	-	-	-	-	-	-	-	-
B	WC033	Cape Agulhas	-	-	-	-	-	-	-	-	-	-	-
B	WC034	Swellendam	-	-	-	-	-	-	-	-	-	-	-
C	DC3	Overberg District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Overberg Municipalities			-	15 000	15 000	-	-	-	-	-	-	-	-
B	WC041	Kannaland	-	28 000	28 000	-	-	-	-	-	-	-	-
B	WC042	Hessequa	-	-	-	-	-	-	-	-	-	-	-
B	WC043	Mossel Bay	-	-	-	-	-	-	-	-	-	-	-
B	WC044	George	-	33 000	33 000	-	-	-	-	-	-	-	-
B	WC045	Oudtshoorn	-	29 000	29 000	-	-	-	-	-	-	-	-
B	WC047	Bitou	-	25 000	25 000	-	-	-	-	-	-	-	-
B	WC048	Knysna	-	32 000	32 000	-	-	-	-	-	-	-	-
C	DC4	Garden Route District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Garden Route Municipalities			-	147 000	147 000	-	-	-	-	-	-	-	-
B	WC051	Laingsburg	-	-	-	-	-	-	-	-	-	-	-
B	WC052	Prince Albert	-	25 000	25 000	-	-	-	-	-	-	-	-
B	WC053	Beaufort West	-	-	-	-	-	-	-	-	-	-	-
C	DC5	Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Total: Central Karoo Municipalities			-	25 000	25 000	-	-	-	-	-	-	-	-
Total: Western Cape Municipalities			-	393 000	393 000	-	-	384 137	-	384 137	1 362 645	79 469	1 442 114
Unallocated			-	-	-	1 158 190	5 000	-	-	-	-	-	-
National Total			-	3 537 167	3 537 167	1 158 190	5 000	4 079 065	(1 154 000)	2 925 065	9 024 358	(575 000)	8 449 358

ANNEXURE E
ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)
(National and Municipal Financial Years)

ANNEXURE E

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

Category Municipality			Municipal Infrastructure Grant		
			National and Municipal Financial Year		
			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
EASTERN CAPE					
A	BUF	Buffalo City	-	-	-
A	NMA	Nelson Mandela Bay	-	-	-
B	EC101	Dr Beyers Naude	-	-	-
B	EC102	Blue Crane Route	-	-	-
B	EC104	Makana	-	-	-
B	EC105	Ndlambe	-	-	-
B	EC106	Sundays River Valley	-	-	-
B	EC108	Kouga	-	-	-
B	EC109	Kou-Kamma	-	-	-
C	DC10	Sarah Baartman District Municipality	-	-	-
Total: Sarah Baartman Municipalities			-	-	-
B	EC121	Mbhashe	-	-	-
B	EC122	Mnquma	-	-	-
B	EC123	Great Kei	-	-	-
B	EC124	Amahlathi	-	-	-
B	EC126	Ngqushwa	-	-	-
B	EC129	Raymond Mhlaba	-	-	-
C	DC12	Amathole District Municipality	19 524	-	19 524
Total: Amathole Municipalities			19 524	-	19 524
B	EC131	Inxuba Yethemba	-	-	-
B	EC135	Intsika Yethu	-	-	-
B	EC136	Emalahleni	-	-	-
B	EC137	Dr. A.B. Xuma	-	-	-
B	EC138	Sakhisizwe	-	-	-
B	EC139	Enoch Mgijima	-	-	-
C	DC13	Chris Hani District Municipality	-	-	-
Total: Chris Hani Municipalities			-	-	-
B	EC141	Elundini	-	-	-
B	EC142	Senqu	-	-	-
B	EC145	Walter Sisulu	-	-	-
C	DC14	Joe Gqabi District Municipality	-	-	-
Total: Joe Gqabi Municipalities			-	-	-
B	EC153	Ngquza Hill	-	-	-
B	EC154	Port St Johns	-	-	-
B	EC155	Nyandeni	-	-	-
B	EC156	Mhlontlo	-	-	-
B	EC157	King Sabata Dalindyebo	-	-	-
C	DC15	O.R. Tambo District Municipality	-	-	-
Total: O.R. Tambo Municipalities			-	-	-
B	EC441	Matatiele	-	-	-
B	EC442	Umzimvubu	-	-	-
B	EC443	Winnie Madikizela-Mandela	-	-	-
B	EC444	Ntabankulu	-	-	-
C	DC44	Alfred Nzo District Municipality	-	-	-
Total: Alfred Nzo Municipalities			-	-	-
Total: Eastern Cape Municipalities			19 524	-	19 524

ANNEXURE E

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

			Municipal Infrastructure Grant		
			National and Municipal Financial Year		
Category Municipality			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
FREE STATE					
A	MAN	Mangaung	-	-	
B	FS161	Letsemeng	9 576	-	9 576
B	FS162	Kopanong	-	-	-
B	FS163	Mohokare	9 513	-	9 513
B	FS164	New Municipality	-	-	-
C	DC16	Xhariep District Municipality	-	-	-
Total: Xhariep Municipalities			19 089	-	19 089
B	FS181	Masilonyana	11 538	-	11 538
B	FS182	Tokologo	-	-	-
B	FS183	Tswelopele	-	-	-
B	FS184	Matjhabeng	68 637	-	68 637
B	FS185	Nala	-	-	-
C	DC18	Lejweleputswa District Municipality	-	-	-
Total: Lejweleputswa Municipalities			80 175	-	80 175
B	FS191	Setsoto	-	-	-
B	FS192	Dihlabeng	23 059	-	23 059
B	FS193	Nketoana	14 934	-	14 934
B	FS194	Maluti-a-Phofung	-	-	-
B	FS195	Phumelela	9 608	-	9 608
B	FS196	Mantsopa	-	-	-
C	DC19	Thabo Mofutsanyana District Municipality	-	-	-
Total: Thabo Mofutsanyana Municipalities			47 601	-	47 601
B	FS201	Moqhaka	22 104	-	22 104
B	FS203	Ngwathe	19 398	-	19 398
B	FS204	Metsimaholo	23 876	-	23 876
B	FS205	Mafube	13 303	-	13 303
C	DC20	Fezile Dabi District Municipality	-	-	-
Total: Fezile Dabi Municipalities			78 681	-	78 681
Total: Free State Municipalities			225 546	-	225 546
GAUTENG					
A	EKU	City of Ekurhuleni	-	-	-
A	JHB	City of Johannesburg	-	-	-
A	TSH	City of Tshwane	-	-	-
B	GT421	Emfuleni	51 732	9 363	61 095
B	GT422	Midvaal	-	-	-
B	GT423	Lesedi	-	-	-
C	DC42	Sedibeng District Municipality	-	-	-
Total: Sedibeng Municipalities			51 732	9 363	61 095
B	GT481	Mogale City	-	-	-
B	GT484	Merafong City	-	-	-
B	GT485	Rand West City	-	-	-
C	DC48	West Rand District Municipality	-	-	-
Total: West Rand Municipalities			-	-	-
Total: Gauteng Municipalities			51 732	9 363	61 095

ANNEXURE E

ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

		Municipal Infrastructure Grant		
		National and Municipal Financial Year		
Category	Municipality	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
KWAZULU-NATAL				
A	ETH eThekweni	-	-	-
B	KZN212 uMdoni	-	-	-
B	KZN213 uMzumbhe	-	-	-
B	KZN214 uMuziwabantu	-	-	-
B	KZN216 Ray Nkonyeni	-	-	-
C	DC21 Ugu District Municipality	-	-	-
Total: Ugu Municipalities		-	-	-
B	KZN221 uMshwathi	-	-	-
B	KZN222 uMngeni	-	-	-
B	KZN223 Mpofana	-	-	-
B	KZN224 iMpindle	-	-	-
B	KZN225 Msunduzi	-	-	-
B	KZN226 Mkhambathini	-	-	-
B	KZN227 Richmond	-	-	-
C	DC22 uMgungundlovu District Municipality	-	-	-
Total: uMgungundlovu Municipalities		-	-	-
B	KZN235 Okhahlamba	-	-	-
B	KZN237 iNkosi Langalibalele	-	-	-
B	KZN238 Alfred Duma	-	-	-
C	DC23 uThukela District Municipality	-	-	-
Total: uThukela Municipalities		-	-	-
B	KZN241 eNdumeni	-	-	-
B	KZN242 Nquthu	-	-	-
B	KZN244 uMsinga	-	-	-
B	KZN245 uMvoti	-	-	-
C	DC24 uMzinyathi District Municipality	-	-	-
Total: uMzinyathi Municipalities		-	-	-
B	KZN252 Newcastle	-	-	-
B	KZN253 eMadlangeni	-	-	-
B	KZN254 Dannhauser	-	-	-
C	DC25 Amajuba District Municipality	-	-	-
Total: Amajuba Municipalities		-	-	-
B	KZN261 eDumbe	-	-	-
B	KZN262 uPhongolo	-	-	-
B	KZN263 AbaQulusi	-	-	-
B	KZN265 Nongoma	-	-	-
B	KZN266 Ulundi	-	-	-
C	DC26 Zululand District Municipality	-	-	-
Total: Zululand Municipalities		-	-	-
B	KZN271 uMhlabyalingana	-	-	-
B	KZN272 Jozini	-	-	-
B	KZN275 Inkosi uMtubatuba	-	-	-
B	KZN276 Big Five Hlabisa	-	-	-
C	DC27 uMkhanyakude District Municipality	-	-	-
Total: uMkhanyakude Municipalities		-	-	-
B	KZN281 uMfolozi	-	-	-
B	KZN282 uMhlathuze	-	-	-
B	KZN284 uMlalazi	-	-	-
B	KZN285 Mthonjaneni	-	-	-
B	KZN286 Nkandla	-	-	-
C	DC28 King Cetshwayo District Municipality	-	-	-
Total: King Cetshwayo Municipalities		-	-	-
B	KZN291 Mandeni	-	-	-
B	KZN292 KwaDukuza	-	-	-
B	KZN293 Ndwedwe	-	-	-
B	KZN294 Maphumulo	-	-	-
C	DC29 iLembe District Municipality	-	-	-
Total: iLembe Municipalities		-	-	-
B	KZN433 Greater Kokstad	-	-	-
B	KZN434 Johannes Phumani Phungula	-	-	-
B	KZN435 uMzimkhulu	-	-	-
B	KZN436 Dr Nkosazana Dlamini Zuma	-	-	-
C	DC43 Harry Gwala District Municipality	-	-	-
Total: Harry Gwala Municipalities		-	-	-
Total: KwaZulu-Natal Municipalities		-	-	-

ANNEXURE E

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

		Municipal Infrastructure Grant		
		National and Municipal Financial Year		
Category	Municipality	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
LIMPOPO				
B	LIM331 Greater Giyani	-	-	-
B	LIM332 Greater Letaba	-	-	-
B	LIM333 Greater Tzaneen	-	-	-
B	LIM334 Ba-Phalaborwa	-	-	-
B	LIM335 Maruleng	-	-	-
C	DC33 Mopani District Municipality	-	-	-
Total: Mopani Municipalities		-	-	-
B	LIM341 Musina	-	-	-
B	LIM343 Thulamela	-	-	-
B	LIM344 Makhado	-	-	-
B	LIM345 Collins Chabane	-	-	-
C	DC34 Vhembe District Municipality	-	-	-
Total: Vhembe Municipalities		-	-	-
B	LIM351 Blouberg	-	-	-
B	LIM353 Molemole	-	-	-
B	LIM354 Polokwane	-	-	-
B	LIM355 Lepele-Nkumpi	-	-	-
C	DC35 Capricorn District Municipality	-	-	-
Total: Capricorn Municipalities		-	-	-
B	LIM361 Thabazimbi	17 549	-	17 549
B	LIM362 Lephale	-	-	-
B	LIM366 Bela-Bela	-	-	-
B	LIM367 Mogalakwena	-	-	-
B	LIM368 Modimolle-Mookgophong	-	-	-
C	DC36 Waterberg District Municipality	-	-	-
Total: Waterberg Municipalities		17 549	-	17 549
B	LIM471 Ephraim Mogale	-	-	-
B	LIM472 Elias Motsoaledi	-	-	-
B	LIM473 Makhuduthamaga	-	-	-
B	LIM476 Fetakgomo Tubatse	-	-	-
C	DC47 Sekhukhune District Municipality	163 262	6 336	169 598
Total: Sekhukhune Municipalities		163 262	6 336	169 598
Total: Limpopo Municipalities		180 811	6 336	187 147
MPUMALANGA				
B	MP301 Chief Albert Luthuli	-	-	-
B	MP302 Msukaligwa	-	-	-
B	MP303 Mkhondo	-	-	-
B	MP304 Dr Pixley ka Isaka Seme	-	-	-
B	MP305 Lekwa	9 348	5 009	14 357
B	MP306 Dipaleseng	5 901	3 016	8 917
B	MP307 Govan Mbeki	-	-	-
C	DC30 Gert Sibande District Municipality	-	-	-
Total: Gert Sibande Municipalities		15 249	8 025	23 274
B	MP311 Victor Khanye	-	-	-
B	MP312 Emalahleni	-	-	-
B	MP313 Steve Tshwete	-	-	-
B	MP314 Emakhazeni	-	-	-
B	MP315 Thembisile Hani	-	-	-
B	MP316 Dr JS Moroka	-	-	-
C	DC31 Nkangala District Municipality	-	-	-
Total: Nkangala Municipalities		-	-	-
B	MP321 Thaba Chweu	-	-	-
B	MP324 Nkomazi	-	-	-
B	MP325 Bushbuckridge	-	-	-
B	MP326 City of Mbombela	-	-	-
C	DC32 Ehlanzeni District Municipality	-	-	-
Total: Ehlanzeni Municipalities		-	-	-
Total: Mpumalanga Municipalities		15 249	8 025	23 274

ANNEXURE E

ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)

		Municipal Infrastructure Grant		
		National and Municipal Financial Year		
Category	Municipality	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
NORTHERN CAPE				
B	NC061 Richtersveld	-	-	-
B	NC062 Nama Khoi	10 222	4 220	14 442
B	NC064 Kamiesberg	-	-	-
B	NC065 Hantam	-	-	-
B	NC066 Karoo Hoogland	-	-	-
B	NC067 Khâi-Ma	-	-	-
C	DC6 Namakwa District Municipality	-	-	-
Total: Namakwa Municipalities		10 222	4 220	14 442
B	NC071 Ubuntu	-	-	-
B	NC072 Umsobomvu	-	-	-
B	NC073 Emthanjeni	6 168	-	6 168
B	NC074 Kareeberg	-	-	-
B	NC075 Renosterberg	-	-	-
B	NC076 Thembelihle	-	-	-
B	NC077 Siyathemba	-	-	-
B	NC078 Siyancuma	-	-	-
C	DC7 Pixley Ka Seme District Municipality	-	-	-
Total: Pixley Ka Seme Municipalities		6 168	-	6 168
B	NC082 !Kai !Garib	12 611	-	12 611
B	NC084 !Kheis	-	-	-
B	NC085 Tsantsabane	-	-	-
B	NC086 Kgatelopele	-	-	-
B	NC087 Dawid Kruiper	-	-	-
C	DC8 Z.F. Mgcawu District Municipality	-	-	-
Total: Z.F. Mgcawu Municipalities		12 611	-	12 611
B	NC091 Sol Plaatjie	-	-	-
B	NC092 Dikgatlong	-	-	-
B	NC093 Magareng	-	-	-
B	NC094 Phokwane	13 703	7 793	21 496
C	DC9 Frances Baard District Municipality	-	-	-
Total: Frances Baard Municipalities		13 703	7 793	21 496
B	NC451 Joe Morolong	-	-	-
B	NC452 Ga-Segonyana	-	-	-
B	NC453 Gamagara	-	-	-
C	DC45 John Taolo Gaetsewe District Municipality	-	-	-
Total: John Taolo Gaetsewe Municipalities		-	-	-
Total: Northern Cape Municipalities		42 704	12 013	54 717
NORTH WEST				
B	NW371 Moretele	-	-	-
B	NW372 Madibeng	-	-	-
B	NW373 Rustenburg	-	-	-
B	NW374 Kgetlengrivier	-	-	-
B	NW375 Moses Kotane	-	-	-
C	DC37 Bojanala Platinum District Municipality	-	-	-
Total: Bojanala Platinum Municipalities		-	-	-
B	NW381 Ratlou	-	-	-
B	NW382 Tswaing	-	-	-
B	NW383 Mafikeng	-	-	-
B	NW384 Ditsobotla	-	-	-
B	NW385 Ramotshere Moiloa	-	-	-
C	DC38 Ngaka Modiri Molema District Municipality	-	-	-
Total: Ngaka Modiri Molema Municipalities		-	-	-
B	NW392 Naledi	-	-	-
B	NW393 Mamusa	-	-	-
B	NW394 Greater Taung	-	-	-
B	NW396 Lekwa-Teemane	-	-	-
B	NW397 Kagisano-Molopo	-	-	-
C	DC39 Dr Ruth Segomotsi Mompati District Municipality	-	-	-
Total: Dr Ruth Segomotsi Mompati Municipalities		-	-	-
B	NW403 City of Matlosana	-	-	-
B	NW404 Maquassi Hills	-	-	-
B	NW405 JB Marks	-	-	-
C	DC40 Dr Kenneth Kaunda District Municipality	-	-	-
Total: Dr Kenneth Kaunda Municipalities		-	-	-
Total: North West Municipalities		-	-	-

ANNEXURE E

**ALLOCATIONS-IN-KIND TO MUNICIPALITIES
(SCHEDULE 6, PART B)**

Category Municipality			Municipal Infrastructure Grant		
			National and Municipal Financial Year		
			2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
WESTERN CAPE					
A	CPT	City of Cape Town	-	-	-
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	-	-	-
C	DC2	Cape Winelands District Municipality	-	-	-
Total: Cape Winelands Municipalities			-	-	-
B	WC031	Theewaterskloof	-	-	-
B	WC032	Overstrand	-	-	-
B	WC033	Cape Agulhas	-	-	-
B	WC034	Swellendam	-	-	-
C	DC3	Overberg District Municipality	-	-	-
Total: Overberg Municipalities			-	-	-
B	WC041	Kannaland	-	-	-
B	WC042	Hessequa	-	-	-
B	WC043	Mossel Bay	-	-	-
B	WC044	George	-	-	-
B	WC045	Oudtshoorn	-	-	-
B	WC047	Bitou	-	-	-
B	WC048	Knysna	-	-	-
C	DC4	Garden Route District Municipality	-	-	-
Total: Garden Route Municipalities			-	-	-
B	WC051	Laingsburg	-	-	-
B	WC052	Prince Albert	-	-	-
B	WC053	Beaufort West	-	-	-
C	DC5	Central Karoo District Municipality	-	-	-
Total: Central Karoo Municipalities			-	-	-
Total: Western Cape Municipalities			-	-	-
Unallocated			-	-	-
National Total			535 566	35 737	571 303

APPENDIX A

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT:
ALLOCATIONS PER GRANT COMPONENT PER PROVINCE**

(National Financial Years)

APPENDIX A

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF NATIONAL HEALTH INSURANCE INDIRECT GRANT: ALLOCATIONS PER GRANT COMPONENT PER PROVINCE

Health (Vote 18)	National Health Insurance Indirect Grant		
	National Financial Year		
	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
Province/Components			
National Health Insurance Indirect Grant			
Eastern Cape	422 172	142 801	564 973
Free State	135 777	-	135 777
Gauteng	99 990	-	99 990
KwaZulu-Natal	77 409	-	77 409
Limpopo	1 162 771	-	1 162 771
Mpumalanga	207 114	-	207 114
Northern Cape	77 409	-	77 409
North West	181 050	16 786	197 836
Western Cape	77 409	-	77 409
Unallocated	119 218	-	119 218
Total	2 560 319	159 587	2 719 906
<i>of which:</i>			
Health Facility Revitalisation Component			
Eastern Cape	344 763	142 801	487 564
Free State	58 368	-	58 368
Gauteng	22 581	-	22 581
KwaZulu-Natal	-	-	-
Limpopo	1 085 362	-	1 085 362
Mpumalanga	129 705	-	129 705
Northern Cape	-	-	-
North West	103 641	16 786	120 427
Western Cape	-	-	-
Total	1 744 420	159 587	1 904 007
Health Systems Component			
Eastern Cape	77 409	-	77 409
Free State	77 409	-	77 409
Gauteng	77 409	-	77 409
KwaZulu-Natal	77 409	-	77 409
Limpopo	77 409	-	77 409
Mpumalanga	77 409	-	77 409
Northern Cape	77 409	-	77 409
North West	77 409	-	77 409
Western Cape	77 409	-	77 409
Unallocated	119 218	-	119 218
Total	815 899	-	815 899

APPENDIX B

**APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED DISASTER FUNDING:
PER PROVINCE PER GRANT**

(National Financial Years)

APPENDIX B

APPENDIX TO SCHEDULE 4, PART A AND SCHEDULE 5, PART A: BREAKDOWN OF RING-FENCED
DISASTER FUNDING: PER PROVINCE PER GRANT

Province/Grant Name	Ring-Fenced Disaster Allocations		
	National Financial Year		
	2026/27 Main Allocation R'000	Adjustment R'000	2026/27 Adjusted Allocation R'000
Comprehensive Agricultural Support Programme Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	105 000	105 000
Northern Cape	-	77 000	77 000
North West	-	-	-
Western Cape	-	60 000	60 000
Total	-	242 000	242 000
Education Infrastructure Grant			
Eastern Cape	-	50 000	50 000
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	148 000	148 000
Limpopo	-	65 000	65 000
Mpumalanga	-	-	-
Northern Cape	-	45 000	45 000
North West	-	-	-
Western Cape	-	35 121	35 121
Total	-	343 121	343 121
Health Facility Revitalisation Grant			
Eastern Cape	-	-	-
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	100 000	100 000
Mpumalanga	-	25 000	25 000
Northern Cape	-	-	-
North West	-	70 000	70 000
Western Cape	-	80 000	80 000
Total	-	275 000	275 000
Provincial Roads Maintenance Grant			
Eastern Cape	707 618	65 000	772 618
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	803 940	250 000	1 053 940
Mpumalanga	-	115 000	115 000
Northern Cape	-	105 000	105 000
North West	-	-	-
Western Cape	-	64 512	64 512
Total	1 511 558	599 512	2 111 070

