

Explanatory Memorandum to the Provincial Allocations set out in the Schedules

This *Gazette* is published in terms of the Division of Revenue Act, 2020 (Act No. 4 of 2020), and provides information on adjustments to existing allocations to national departments and provinces in the 2020/21 financial year.

This notice affects the Provincial Disaster Relief Grant (PDRG) and the Municipal Disaster Relief Grant (MDRG).

PDRG

In compliance with Section 26 of the Division of Revenue Act, 2020; the Department of Cooperative Governance (DCoG) allocates the following from the unallocated Provincial Disaster Relief Grant (Schedule 7, Part A):

- Eastern Cape – R35 million
- KwaZulu-Natal – R4 million
- Limpopo – R18.6 million
- Mpumalanga – R12.2 million
- Northern Cape – R35.7 Million
- North West – R8 million
- Western Cape – R25 million

MDRG

The National Disaster Management Centre (NDMC) requested a portion of the MDRG that was unallocated on the tabling of the 2020 Division of Revenue Bill to be allocated to municipalities in response to the COVID-19 pandemic following the declared state of national disaster in terms of Government Gazette No. 43096 on 15 March 2020.

Section 28 of the 2019 DoRA states that in an event that the 2020 Division of Revenue Act has not been enacted by the beginning of the National Financial year (1 April 2020), the National Treasury may determine that an amount not exceeding 45 percent of the total amount of each conditional grant allocation that may be transferred to the relevant municipalities. As a result, National Treasury approved a total of R151 million to be transferred to municipalities and all the approved MDRG funding was transferred to all relevant municipalities on 08 May 2020.

The DCoG is the national transferring officer of this grant and will be responsible for monitoring the performance of this allocation through the NDMC.