

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. 53604 of 30 October 2025)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

[B 00—2025]

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BILL

To amend the Division of Revenue Act, 2025, 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, 2025 (Act No. 2 of 2025), gives effect to section 214(1) of the Constitution in respect of the 2025/26 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,

BE 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 Parts A and B of Schedule 5, and Column A of Part A of Schedule 6 to Act 2 of 2025

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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, 2025 (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 2025/26 financial year.

(2) Column A of Schedule 2 to this Act is hereby substituted for Column A of Schedule 2 to the principal Act, specifying provincial equitable share allocations for the 2025/26 financial year.

(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 2025/26 financial year.

(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 2025/26 financial year.

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(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 2025/26 financial year.

(6) Column A of Part B of Schedule 5 to this Act is hereby substituted for Column A of Part B of Schedule 5 to the principal Act, specifying the specific-purpose allocations to municipalities for the 2025/26 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 2025/26 financial year.

Amendment of section 16 of Act 2 of 2025 10

2. Section 16 of the principal Act is hereby amended by the insertion after subsection (7) of the following subsections:

“(7A) For purposes of the Community Library Services Grant, provided for in Part A of Schedule 5, a receiving officer and a municipality with functions assigned in terms of section 126 of the Constitution to administer any aspects, including financial administration, of library services (herein called “assigned functions”) after 1 April 2025, must, by the date determined by the National Treasury— 15

(a) agree on a payment schedule; and
(b) submit, through the relevant provincial treasury, the payment schedule to the National Treasury. 20

(7B) The receiving officer of the Community Library Services Grant must, in consultation with the transferring officer, and after consultation with each affected municipality, publish in the *Gazette*, within 14 working days after this Act takes effect, the amounts to be transferred to the municipalities.

(7C) If the transfer of the Community Library Services Grant to a municipality with assigned functions is withheld or stopped in terms of section 17 or 18, the receiving officer must request the National Treasury to amend the payment schedule in terms of section 23.”. 25

Short title

3. This Act is called the Division of Revenue Amendment Act, 2025. 30

SCHEDULE 1

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

Spheres of Government	Column A		
	2025/26 Main Allocation	Adjustment	2025/26 Adjusted Allocation
	R'000	R'000	R'000
National ^{1,2}	1 571 476 758	(2 557 010)	1 568 919 748
Provincial	633 165 959	4 645 060	637 811 019
Local	106 087 022	-	106 087 022
TOTAL	2 310 729 739	2 088 050	2 312 817 789

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		
	2025/26 Main Allocation	Adjustment	2025/26 Adjusted Allocation
	R'000	R'000	R'000
Eastern Cape	82 452 399	-	82 452 399
Free State	34 836 292	215 000	35 051 292
Gauteng	133 979 469	2 616 000	136 595 469
KwaZulu-Natal	128 094 529	1 060	128 095 589
Limpopo	74 064 064	-	74 064 064
Mpumalanga	52 486 799	-	52 486 799
Northern Cape	17 110 732	-	17 110 732
North West	44 765 477	1 813 000	46 578 477
Western Cape	65 376 198	-	65 376 198
TOTAL	633 165 959	4 645 060	637 811 019

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		
					2025/26 Main Allocation	Adjustment	2025/26 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	1 926 636	100 000	2 026 636
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	Gauteng	1 050 500	-	1 050 500
				KwaZulu-Natal	2 368 000	-	2 368 000
				Limpopo	2 489 596	354 000	2 843 596
				Mpumalanga	1 567 199	-	1 567 199
				Northern Cape	1 366 715	-	1 366 715
				North West	746 991	-	746 991
				Western Cape	1 359 284	-	1 359 284
				TOTAL	15 285 220	454 000	15 739 220
				Eastern Cape	1 351 007	(15 000)	1 336 007
				Free State	1 348 085	-	1 348 085
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	Gauteng	5 486 234	-	5 486 234
				KwaZulu-Natal	2 289 556	-	2 289 556
				Limpopo	581 731	-	581 731
				Mpumalanga	286 661	-	286 661
				Northern Cape	498 180	-	498 180
				North West	486 212	(25 000)	461 212
				Western Cape	3 667 255	40 000	3 707 255
				TOTAL	15 994 921	-	15 994 921
				Eastern Cape	2 184 984	150 000	2 334 984
				Free State	2 089 737	-	2 089 737
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	Gauteng	1 573 564	-	1 573 564
				KwaZulu-Natal	3 462 816	-	3 462 816
				Limpopo	2 055 765	-	2 055 765
				Mpumalanga	1 672 581	-	1 672 581
				Northern Cape	1 562 610	-	1 562 610
				North West	1 679 822	-	1 679 822
				Western Cape	1 569 564	-	1 569 564
				TOTAL	17 851 443	150 000	18 001 443
				Eastern Cape	322 110	-	322 110
				Free State	356 119	-	356 119
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	Gauteng	3 112 386	-	3 112 386
				KwaZulu-Natal	1 492 393	-	1 492 393
				Limpopo	481 396	-	481 396
				Mpumalanga	810 568	-	810 568
				Northern Cape	72 472	-	72 472
				North West	148 975	-	148 975
				Western Cape	1 285 523	-	1 285 523
				TOTAL	8 081 942	-	8 081 942

SCHEDULE 4, PART B

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

Vote	Name of allocation	Purpose	City	Column A		
				2025/26 Main Allocation	Adjustment	2025/26 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'000 559 244	R'000 -	R'000 559 244
			City of Cape Town	1 088 294	-	1 088 294
			City of Ekurhuleni	1 445 207	-	1 445 207
			City of Johannesburg	2 320 638	-	2 320 638
			City of Tshwane	1 176 848	-	1 176 848
			eThekweni	1 441 639	-	1 441 639
			Mangaung	554 277	-	554 277
			Nelson Mandela Bay	663 817	-	663 817
			TOTAL	9 249 964	-	9 249 964
			Buffalo City	48 500	182 598	231 098
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.	City of Cape Town	182 100	411 921	594 021
			City of Ekurhuleni	182 011	125 745	307 756
			City of Johannesburg	140 208	482 724	622 932
			City of Tshwane	151 868	341 691	493 559
			eThekweni	221 753	409 055	630 808
			Mangaung	48 396	113 706	162 102
			Nelson Mandela Bay	48 800	-	48 800
			TOTAL	1 023 636	2 067 440	3 091 076
			Buffalo City	182 100	411 921	594 021
			City of Ekurhuleni	182 011	125 745	307 756

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2025/26 Main Allocation	Adjustment	2025/26 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 revitalise agricultural colleges into centres of excellence.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	247 590	-	247 590
				Gauteng	194 909	-	194 909
				KwaZulu-Natal	111 615	-	111 615
				Limpopo	277 479	-	277 479
				Mpumalanga	242 853	-	242 853
				North West	178 650	-	178 650
				Northern Cape	127 225	-	127 225
				Western Cape	185 227	-	185 227
				TOTAL	1 685 217	-	1 685 217
	(b) IlimaLetsema Projects Grant	To assist vulnerable South African farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production within strategically identified grain, livestock, horticulture and aquaculture production areas.	Conditional allocation	Eastern Cape	84 557	-	84 557
				Free State	81 195	-	81 195
				Gauteng	41 609	-	41 609
				KwaZulu-Natal	83 692	-	83 692
				Limpopo	83 584	-	83 584
				Mpumalanga	78 222	-	78 222
				Northern Cape	78 219	-	78 219
				North West	80 863	-	80 863
				Western Cape	65 455	-	65 455
				TOTAL	677 396	-	677 396
	(c) 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	14 073	-	14 073
				Free State	9 751	-	9 751
				Gauteng	5 758	-	5 758
				KwaZulu-Natal	14 760	-	14 760
				Limpopo	14 287	-	14 287
				Mpumalanga	10 341	-	10 341
				Northern Cape	8 575	-	8 575
				North West	9 872	-	9 872
				Western Cape	6 839	-	6 839
				TOTAL	94 256	-	94 256

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2025/26 Main Allocation	Adjustment	2025/26 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	330 004	-	330 004
				Gauteng	96 038	-	96 038
				KwaZulu-Natal	399 129	-	399 129
				Limpopo	308 627	-	308 627
				Mpumalanga	295 968	-	295 968
				Northern Cape	152 262	-	152 262
				North West	35 593	-	35 593
				Western Cape	173 858	-	173 858
				TOTAL	1 946 532	-	1 946 532
	(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	48 109	-	48 109
				Free State	11 640	-	11 640
				Gauteng	38 696	-	38 696
				KwaZulu-Natal	69 280	-	69 280
				Limpopo	29 504	-	29 504
				Mpumalanga	19 845	-	19 845
				Northern Cape	7 770	-	7 770
				North West	16 976	-	16 976
				Western Cape	19 883	-	19 883
				TOTAL	261 703	-	261 703
	(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	32 511	-	32 511
				Free State	33 993	-	33 993
				Gauteng	39 627	-	39 627
				KwaZulu-Natal	38 431	-	38 431
				Limpopo	37 898	-	37 898
				Mpumalanga	34 482	-	34 482
				Northern Cape	17 637	-	17 637
				North West	22 858	-	22 858
				Western Cape	35 605	-	35 605
				TOTAL	293 042	-	293 042
	(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	57 180	-	57 180
				Free State	51 189	-	51 189
				Gauteng	64 491	-	64 491
				KwaZulu-Natal	74 445	-	74 445
				Limpopo	52 584	-	52 584
				Mpumalanga	46 386	-	46 386
				Northern Cape	29 447	-	29 447
				North West	44 054	-	44 054
				Western Cape	39 346	-	39 346
				TOTAL	459 122	-	459 122
	(e) National School Nutrition Programme Grant	To provide nutritious meals to targeted schools.	Conditional allocation	Eastern Cape	1 828 175	-	1 828 175
				Free State	592 500	-	592 500
				Gauteng	1 213 637	-	1 213 637
				KwaZulu-Natal	2 335 101	-	2 335 101
				Limpopo	1 847 963	-	1 847 963
				Mpumalanga	982 451	-	982 451
				Northern Cape	274 106	-	274 106
				North West	693 678	-	693 678
				Western Cape	551 103	-	551 103
				TOTAL	10 318 714	-	10 318 714

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2025/26 Main Allocation	Adjustment	2025/26 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; to enable the health sector to prevent cervical cancer by making available Human Papillomavirus vaccinations for all eligible girls aged 9-14 years with a single dose of Human Papillomavirus vaccine in all settings.	Conditional allocation	Eastern Cape	R'000	R'000	R'000
				Free State	3 110 225	-	3 110 225
				Gauteng	1 698 705	-	1 698 705
				KwaZulu-Natal	6 097 851	-	6 097 851
				Limpopo	7 466 119	-	7 466 119
				Mpumalanga	2 542 523	-	2 542 523
				Northern Cape	2 612 272	-	2 612 272
				North West	759 857	-	759 857
				Western Cape	1 891 857	-	1 891 857
				TOTAL	28 338 904	-	28 338 904
	(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	775 953	40 000	815 953
				Free State	599 815	-	599 815
				Gauteng	1 145 574	-	1 145 574
				KwaZulu-Natal	1 517 920	-	1 517 920
				Limpopo	622 342	-	622 342
				Mpumalanga	474 122	-	474 122
				Northern Cape	527 929	-	527 929
				North West	687 605	-	687 605
				Western Cape	894 445	53 837	948 282
				TOTAL	7 245 705	93 837	7 339 542
	(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	596 426	-	596 426
				Free State	291 291	-	291 291
				Gauteng	1 918 791	-	1 918 791
				KwaZulu-Natal	788 597	-	788 597
				Limpopo	378 833	-	378 833
				Mpumalanga	286 454	-	286 454
				Northern Cape	156 271	-	156 271
				North West	281 678	-	281 678
				Western Cape	951 596	-	951 596
				TOTAL	5 649 937	-	5 649 937
	(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	64 899	-	64 899
				Free State	29 778	-	29 778
				Gauteng	96 985	-	96 985
				KwaZulu-Natal	89 818	-	89 818
				Limpopo	53 727	-	53 727
				Mpumalanga	35 145	-	35 145
				Northern Cape	24 696	-	24 696
				North West	33 739	-	33 739
				Western Cape	37 893	-	37 893
				TOTAL	466 680	-	466 680

SCHEDULE 5, PART A

SPECIFIC PURPOSE ALLOCATIONS TO PROVINCES

Vote	Name of allocation	Purpose	Type of allocation	Province	Column A		
					2025/26 Main Allocation	Adjustment	2025/26 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 1 572 985	R'000 -	R'000 1 572 985
				Free State	829 366	-	829 366
				Gauteng	4 034 701	-	4 034 701
				KwaZulu-Natal	2 599 445	(863)	2 598 582
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	Limpopo	925 163	-	925 163
				Mpumalanga	942 978	-	942 978
				Northern Cape	279 033	-	279 033
				North West	1 302 346	-	1 302 346
				Western Cape	1 663 926	-	1 663 926
				TOTAL	14 149 943	(863)	14 149 080
				Eastern Cape	307 920	-	307 920
				Free State	162 353	-	162 353
				Gauteng	789 815	-	789 815
				KwaZulu-Natal	508 883	(197)	508 686
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	Limpopo	181 106	-	181 106
				Mpumalanga	184 593	-	184 593
				Northern Cape	54 623	-	54 623
				North West	254 942	-	254 942
				Western Cape	325 722	-	325 722
				TOTAL	2 769 957	(197)	2 769 760
				Eastern Cape	118 377	-	118 377
				Free State	37 025	-	37 025
				Gauteng	76 282	-	76 282
				KwaZulu-Natal	147 019	-	147 019
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	Limpopo	75 361	-	75 361
				Mpumalanga	42 568	-	42 568
				Northern Cape	32 169	-	32 169
				North West	54 708	-	54 708
				Western Cape	43 703	-	43 703
				TOTAL	627 212	-	627 212
				Eastern Cape	187 261	-	187 261
				Free State	188 126	-	188 126
				Gauteng	184 727	-	184 727
				KwaZulu-Natal	197 862	-	197 862
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	Limpopo	161 431	-	161 431
				Mpumalanga	179 385	-	179 385
				Northern Cape	187 737	-	187 737
				North West	160 181	-	160 181
				Western Cape	202 279	-	202 279
				TOTAL	1 648 989	-	1 648 989
				Eastern Cape	75 137	-	75 137
				Free State	48 583	-	48 583
				Gauteng	120 265	-	120 265
				KwaZulu-Natal	114 343	-	114 343
Human Settlements (Vote 33)	(b) Mass Participation and Sport Development Grant	To facilitate sport and active recreation participation and empowerment in partnership with relevant stakeholders.	Conditional allocation	Limpopo	68 893	-	68 893
				Mpumalanga	53 667	-	53 667
				Northern Cape	34 079	-	34 079
				North West	49 219	-	49 219
				Western Cape	63 058	-	63 058
				TOTAL	627 244	-	627 244

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2025/26 Main Allocation R'000	Adjustment R'000	2025/26 Adjusted Allocation 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	172 774	-	172 774
	(b) Local Government Financial Management Grant	To promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act.	589 685	-	589 685
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; waste management and cleaning services; parks and beautification; sustainable land-based livelihoods, social services programmes, energy including but not limited to retro-fitting, solar.	567 281	-	567 281
TOTAL			1 329 740	-	1 329 740

SCHEDULE 5, PART B

SPECIFIC-PURPOSE ALLOCATIONS TO MUNICIPALITIES

Vote	Name of allocation	Purpose	Column A		
			2025/26 Main Allocation R'000	Adjustment R'000	2025/26 Adjusted Allocation 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.	1 278 114	-	1 278 114
	(b) Municipal Disaster Recovery Grant	To rehabilitate and reconstruct municipal infrastructure damaged by a disaster.	708 974	496 186	1 205 160
	(c) 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.	17 357 571	-	17 357 571
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.	4 717 475	-	4 717 475
Electricity and Energy (Vote 10)	(a) Energy Efficiency and Demand-Side Management Grant	To provide subsidies to municipalities to implement energy efficiency and demand-side management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.	246 260	-	246 260
	(b) 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.	1 697 076	-	1 697 076
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.	542 397	-	542 397
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.	7 241 074	303 000	7 544 074
	(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.	126 051	-	126 051
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.	3 756 930	-	3 756 930
	(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.	4 218 561	-	4 218 561
TOTAL			41 890 483	799 186	42 689 669

SCHEDULE 6, PART A

ALLOCATIONS-IN-KIND TO PROVINCES FOR DESIGNATED SPECIAL PROGRAMMES

Vote	Name of allocation	Purpose	Column A		
			2025/26 Main Allocation	Adjustment	2025/26 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.	1 626 680	(342 500)	1 284 180
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; 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 healthcare providers.	3 282 554	32 553	3 315 107
TOTAL			4 909 234	(309 947)	4 599 287

MEMORANDUM ON OBJECTS OF DIVISION OF REVENUE AMENDMENT BILL, 2025

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 2025/26 effects changes to the Division of Revenue Act, 2025 (Act No. 2 of 2025) (“the DoRA”), it is necessary for the Division of Revenue Amendment Bill, 2025 (“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 proposes the replacement 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) Column A of Part B of Schedule 5; and
 - (g) Column A of Part A of Schedule 6.
 - 2.1.1 Column A specifies the allocations for the 2025/26 financial year. Amendments to allocations are indicated in Column A by specifying the adjustment and the adjusted amount. The Schedules to the Bill address the following matters:
 - (a) Adjusting the equitable share among the three spheres of government for the 2025/26 financial year;
 - (b) changes to provincial equitable share allocations;
 - (c) changes to allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets for the 2025/26 financial year;
 - (d) changes to allocations to municipalities to supplement the funding of programmes or functions funded from municipal budgets for the 2025/26 financial year;
 - (e) changes to specific-purpose allocations to provinces and municipalities for the 2025/26 financial year; and
 - (f) changes to allocations-in-kind to provinces for designated special programmes for the 2025/26 financial year.
- 2.2 Clause 2 introduces requirements that must be met in cases where the library services function is assigned to municipalities in terms of section 126 of the Constitution.
- 2.3 Clause 3 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 2025/26 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 the 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 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 or Khoi-San communities.

DIVISION OF REVENUE AMENDMENT BILL ATTACHMENTS

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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, 2025, (“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. As the FFC’s recommendations are specific to the main budget and none of the formulae used in the Division of Revenue Act, 2025, (Act 2 of 2025) have been changed, this explanatory memorandum only contains three parts:

- Part 1 describes the factors that inform the division of resources between the three spheres of government.
- Part 2 describes the proposed amendments to the Division of Revenue Act, 2025.
- 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, 2025. The changes are submitted to Parliament for consideration as envisaged in sections 15(2) and 15(4) of the Division of Revenue Act, 2025.

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 (a political forum for consultation with local government stakeholders). The Budget Council (a political forum for consultation with provincial stakeholders) also reviewed and deliberated on the matters outlined in this memorandum. Following these consultations, the Bill was recommended and approved by the Extended Cabinet.

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 2025 Division of Revenue Bill outlined in detail how these considerations were taken into account in the 2025 division of revenue. None of the adjustments in this Bill alter the constitutional considerations that informed the 2025 division of revenue.

Part 2: Summary of changes in the Division of Revenue Amendment Bill, 2025

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 2025 Budget that affect the Division of Revenue Act, 2025 which will be effected through the Division of Revenue Amendment Act, 2025, once enacted. The amendments as they impact on provinces and municipalities are discussed below.

Changes to provincial allocations

Additional funding to the provincial equitable share

When the *provincial equitable share* formula was updated for the 2025 medium term expenditure framework (MTEF), there were significant shifts in the data that was used in the formula compared to the 2024 MTEF. The shifts were most notable in the estimated population figures and the regional GDP figures. As a result, Free State, Gauteng and North West were negatively impacted and their respective equitable shares declined significantly compared to the 2024 budget. R4.6 billion is added to the *provincial equitable share* to support these provinces to adjust to the changes in their equitable shares. This change is shown in Schedule 2 of this Bill.

Additional funding to provincial conditional grants

R644 million 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 the Eastern Cape and KwaZulu-Natal between April 2025 and June 2025. Of this amount, R454 million is added to the *education infrastructure grant*; R40 million to the *health facility revitalisation grant*; and R150 million to the *provincial roads*

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

maintenance grant. These additions are shown in Schedule 4, Part A and Schedule 5, Part A of this Bill.

Budget Facility for Infrastructure

Previously funding was provisionally allocated for hospitals in the Western Cape (Belhar and Klipfontein regional hospitals) through the Budget Facility for Infrastructure (BFI). Due to the COVID-19 pandemic, these projects experienced delays and only a small portion of the allocated funds was utilised. In 2025/26, of the previous provisional allocation, R22 million is allocated to Belhar Regional Hospital and R31 million to Klipfontein Regional Hospital for planning. These funds will flow through the *health facility revitalisation grant*. This change is shown in Schedule 5, Part A of this Bill.

Roll-over

R33 million is rolled over in the *national health insurance indirect grant: health facility revitalisation* for the construction of the Limpopo Central Hospital, replacement of Borwa and Clocolan Clinic in the Free State. The roll-overs are broken down as follows:

- R14 million for Limpopo Central Hospital.
- R9 million for Borwa Clinic.
- R10 million for Clocolan Clinic.

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

Correction of an error in the national tertiary services grant, human settlements development grant and the informal settlements upgrading partnership grant

A correction will be made to the allocations of the *national tertiary services grant* that were submitted by the national Department of Health at the time of finalising the 2025 Division of Revenue Bill. In the submission, R40 million was erroneously reduced from Western Cape and allocated to Eastern Cape (R15 million) and North West (R25 million) respectively. In the 2025 Division of Revenue Act funds were added to the *human settlements development grant* (R863 000) and *informal settlements upgrading partnership grant* (R197 000) for compensation of employees for KwaZulu-Natal. These allocations will be shifted from these grants and added to the *provincial equitable share*. These changes are shown in Schedule 2 and Schedule 5, Part A.

Shifting of funds

R343 million will be shifted from the *school infrastructure backlogs grant* to the Department of Basic Education to fund the workbooks project (R300 million) and infrastructure assessments (R43 million). This change is shown in Schedule 6, Part A.

ANNEXURE A EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

Changes to local government allocations

Additional funding to the municipal disaster recovery grant

R496 million is added to the *municipal disaster recovery grant* to fund the reconstruction and rehabilitation of municipal infrastructure damaged by snowfall, strong and damaging surface winds, heavy rainfall, and flooding that occurred in the Eastern Cape in June 2025. This change is shown in Schedule 5, Part B of this Bill.

Additional funding to the urban development finance grant

Reforming metro trading services remains a key priority to enhance the financial sustainability, efficiency and capacity of trading services such as water, electricity and sanitation. R2.1 billion, which was provisionally allocated at the time of the tabling of the main Budget, is added to the metro trading services component of the *urban development finance grant* to expedite implementation of the reforms and unlock additional infrastructure financing. This change is shown in Schedule 4, Part B of this Bill.

Roll-over in the public transport network grant

R303 million is rolled-over in the *public transport network grant* to allow eThekweni Metropolitan Municipality to continue critical work for the operationalisation of Corridor 3 of its Integrated Public Transport Network. This change is shown in Schedule 5, 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, 2025, 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, 2025.

The proposed changes to the frameworks of the *education infrastructure grant*, *health facility revitalisation grant*, *provincial roads maintenance grant*, *urban development financing grant*, and *municipal disaster recovery grant* are described below. The revised frameworks 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, 2025. 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 *municipal disaster recovery grant* are amended to ring-fence and allow for spending of the additional funds for the repair and reconstruction

EXPLANATORY MEMORANDUM TO THE DIVISION OF REVENUE AMENDMENT BILL

of provincial and municipal infrastructure damaged by the disasters that occurred in the Eastern Cape and KwaZulu-Natal between March 2025 and June 2025.

The framework of the *health facility revitalisation grant* is also amended to ring-fence the additional funds for the Western Cape's Belhar Regional Hospital and Klipfontein Regional Hospital projects, funded through the BFI.

The framework of the *urban development financing grant* is also amended to reflect the revised 2025/26 baseline following the additional R2.1 billion, which was provisionally allocated at the time of the tabling of the main Budget towards the metro trading services component.

Changes to allocations

Details per municipality, of the changes to allocations for the *municipal disaster recovery grant*, *public transport network grant* and *urban development finance grant* that have been described in Part 2 of this memorandum will be gazetted. These changes per municipality are shown in Annexure D.

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

Annexure B: Frameworks for Conditional Grants to Provinces

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

Introduction

This annexure provides the revised frameworks for the grants set out in Schedule 4, Part A and Schedule 5, Part A of the 2025 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
- Priority(ties) 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
- 2025 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving provincial departments
- Process for approval of business plans for 2026/27

The attached frameworks are not part of the Division of Revenue Amendment Bill but are published in order to provide more information on each grant to parliament, legislatures, municipal councils, officials in all three spheres of government and the public. Once the Division of Revenue Amendment Bill, 2025 is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2025/26 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.

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
Priority of government that this grant primarily contributes to	• Priority 3: Education, skills and health
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 2025 medium-term expenditure framework (MTEF) by no later than 14 March 2025. 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 2025 MTEF on the infrastructure reporting model ○ preventative and corrective maintenance plan for all maintenance programmes over the 2025 MTEF period accompanied by a project list no later than 14 March 2025 • 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 2024/25 financial year no later than 29 April 2025 ○ 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 2024/25 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 2025/26 project list must be drawn from the prioritised project list for the MTEF tabled in 2024/25 ○ 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 2025/26 by 25 July 2025 ○ 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 2025/26 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 2025 ● 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 2025/26 by 24 October 2025 ○ 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 2025/26 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 2025/26 to DBE no later than 20 January 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 third quarter of the 2025/26 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 ● 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 2025/26, for commissioning of projects in 2026/27 ● 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 amounts are allocated through the Budget Facility for Infrastructure for the construction of schools in Gauteng and Western Cape. These funds may only be used for these projects and are subject to the conditions set out in the 2025 MTEF preliminary allocation letter to DBE: ◦ Gauteng: R498 million in 2025/26 ◦ Western Cape: R1.3 billion in 2025/26 • The following amounts per province must be used in 2025/26 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 and DBE's post-disaster verification assessment reports ◦ Eastern Cape: R100 million ◦ KwaZulu-Natal: R354 million
Allocation criteria	• Allocations for 2025/26 are based on historical allocations for this grant • Allocations also include incentive-based allocations as described in part 4 to Annexure W1 of the 2025 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	2023/24 audited financial outcomes • Of the R12.3 billion allocated, R12.3 billion (100 per cent) was transferred and spent by provinces 2023/24 service delivery performance • 2 265 teaching spaces and 72 administrative spaces provided • 1 464 maintenance projects, 474 water, 554 sanitation, 112 electricity and 102 fencing infrastructure projects • Completed five boarding facilities • The sector has provided a total of 22 new and replacement schools in provinces, while 108 schools commenced with construction
Projected life	• Grant continues until 2027/28, subject to review
MTEF allocations	• 2025/26: R15.7 billion; 2026/27: R16.8 billion; and 2027/28: R16.8 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 2025 Division of Revenue Act (DoRA) • Submit quarterly progress reports on all disaster-related projects to the NDMC 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 • Comply with the conditions of this grant framework and the relevant clauses within the stipulated time frames in 2025 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 2026/27 business plans	• The process for approval for the 2026 MTEF allocations will be in line with the performance-based incentive approach guidelines published by National Treasury

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
Priority of government that this grant primarily contributes to	Priority 3: Education, skills and health
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 2025 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 - R40 million in 2025/26 is ring-fenced for the Eastern Cape and must be used 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 - The following amounts are allocated through the Budget Facility for Infrastructure for planning purposes in Western Cape. These funds may only be used for these projects and are subject to the conditions set out in the 2025/26 allocation letter to national Department of Health (DoH): - Belhar Regional Hospital: R22 million - Klipfontein Regional Hospital: R31 million
Allocation criteria	Allocations for 2025/26 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
Past performance	2023/24 audited financial outcomes Of the R6.7 billion available and transferred to provinces, R6.7 billion (100 per cent) was spent by provinces
	2023/24 service delivery performance 49 primary health care facilities constructed or revitalised 29 hospitals constructed or revitalised

Health Facility Revitalisation Grant	
	• 299 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 2025 MTEF
MTEF allocations	• 2025/26: R7.3 billion; 2026/27 R7.6 billion; and 2027/28: R8.2 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 • 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 • Submit quarterly progress reports on all disaster-related projects to the NDMC Responsibilities of provincial departments • Provincial departments must 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 28 February 2025 • The 2025 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 2025/26 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 2026/27 business plans	• The process for approval for the 2026 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 2026/27 to National Treasury and DoH by 27 June 2025 • Submission of the infrastructure programme management plan for 2026/27 to National Treasury and DoH by 29 August 2025 • Submission of the final 2026/27 project list aligned with the MTEF allocations and annual implementation plan by 27 February 2026

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	- 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 skills development through the delivery of roads infrastructure projects
Outputs	- Network condition assessment and determination of priority projects list from the road asset management systems - 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 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 visual assessment - The following performance, based on national job creation indicators: - number of jobs created - number of full-time equivalents created - number of youths employed (age 18 – 35) - number of women employed - number of people living with disabilities employed - Number of small, medium micro enterprises contracted on the provinces' contractor development programme - Updated road condition data (paved and unpaved) including instrumental/automated road survey data, traffic data, safety audit or assessment report and bridge conditions - Number of modular steel bridges completed under Welisizwe Rural Bridges Programme - Refurbishment actions/make safe actions of bridges as per bridge condition assessments - Number of m² of surfaced roads rehabilitated and gravel roads surfaced using refurbishment funds
Priority of government that this grant primarily contributes to	Priority 2: Economic transformation and job creation
Details contained in the business plan	- This grant uses a road asset management plan 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 - table B5 projects and a comparison to the prioritised project list - financial plan - monitoring, reviewing and continual improvements
Conditions	- This grant funds routine, periodic and special maintenance road infrastructure projects - This grant may fund visual condition inspections, and not more than R6500/km and R2500/km may be used for paved and gravel roads respectively - Provinces may use a maximum of 25 per cent of the allocation for rehabilitation activities, which includes the surfacing or block paving of gravel roads - Any other improvements to roads and new facilities must be funded from the provincial equitable share - The framework must be read in conjunction with the practice note issued by the national Department of Transport (DoT) as agreed with National Treasury - Provinces must show commitment by budgeting from the provincial equitable share to match or exceed grant allocations - The payment of the first instalment is dependent upon submission to the DoT and the relevant provincial

Provincial Roads Maintenance Grant	
	treasury of the following: ○ final road asset management plan for the 2025 medium term expenditure framework (MTEF) by 31 January 2025 ○ final tabled project list in table B5 format for the 2025 MTEF by 31 January 2025, 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 ○ submission to DoT of all the monthly and quarterly performance reports that have become due for the 2024/25 financial year, in terms of the 2025 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 2025 MTEF by 22 April 2025 ● The payment of the second instalment is dependent upon submission to the DoT and the relevant provincial treasury of the following: ○ first quarter monthly infrastructure reporting model expenditure reports ○ the signed-off fourth quarter performance report for the 2024/25 financial year in terms of the 2024 Division of Revenue Act ○ the signed-off annual grant performance evaluation report by 30 May 2025 ○ 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 27 June 2025 ● 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 Provincial Roads Maintenance Grant (PRMG) performance report for the 2025/26 financial year by 31 July 2025 ○ monthly infrastructure reporting model expenditure reports for quarter two ○ submission of the road condition and traffic data as per requirements of the PRMG practice note by 30 September 2025 ○ submission of the signed-off infrastructure programme management plan for the 2026 MTEF including the 2026 MTEF project list by 29 August 2025 ○ submission of signed-off road asset management systems data submission in the correct TMH18 format by 30 September 2025 ○ the submission of signed-off first quarter report for Welisizwe Rural Bridges Programme by 31 July 2025 ● 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 for the 2026 MTEF including 2026 project list by 28 November 2025 ○ the submission of the signed-off second quarter performance report for the 2025/26 financial year by 31 October 2025 ○ the submission of signed-off second quarter report for Welisizwe Rural Bridges Programme by 31 October 2025 ○ 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 2025 ● 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: ○ 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 ○ 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 up to a maximum of 25 per cent of project length followed by application of surface seal or functional asphalt overlay <50 mm. Also includes reinstatement of slope stability, repairs to existing structures and the repair of damage caused by floods or accidents ○ 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 >80mm thick and upgrading or block paving of gravel roads with more than 300 vehicles per day. These rehabilitation activities are however limited to a maximum of 25 per cent of the PRMG allocation ● The PRMG maintenance component allocation cannot be allocated to the following projects: ○ any costs associated with feasibility studies, tendering and programme management support ○ 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 ○ the upgrading of gravel roads to surface roads

Provincial Roads Maintenance Grant																																
	- 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 following allocations are specifically and exclusively allocated for the construction of gravel roads upgraded to surface, roads refurbished and Welisizwe Rural Bridges Programme (allocated through Budget Facility for Infrastructure):<table><tr><th></th><th>Rehabilitation Refurbishment</th><th>Welisizwe Rural Bridges</th></tr><tr><td>Eastern Cape:</td><td>R443 million</td><td>R244 million</td></tr><tr><td>Free State:</td><td>R487 million</td><td>R201 million</td></tr><tr><td>Gauteng:</td><td>R861 million</td><td></td></tr><tr><td>KwaZulu-Natal:</td><td>R881 million</td><td>R244 million</td></tr><tr><td>Limpopo:</td><td>R554 million</td><td>R244 million</td></tr><tr><td>Mpumalanga:</td><td>R479 million</td><td>R244 million</td></tr><tr><td>Northern Cape:</td><td>R447 million</td><td></td></tr><tr><td>North West:</td><td>R476 million</td><td>R201 million</td></tr><tr><td>Western Cape:</td><td>R563 million</td><td></td></tr></table> - The PRMG rehabilitation and refurbishment component allocation may only be allocated to: - rehabilitation and refurbishment of provincial strategic road network - 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 - Business plans for the Welisizwe Rural Bridges Programme allocation must be submitted to the DoT and Department of Public Works and Infrastructure (DPWI) prior to the transfer of allocations - Welisizwe Rural Bridges Programme funds may only be utilised for projects as listed in the approved DPWI-provincial departments of transport memorandum of understanding and business plans - Monthly performance reports on the Welisizwe Rural Bridges Programme allocations must be submitted to the DoT and DPWI - Detailed monthly progress must be reported on the infrastructure reporting model - R150 million in 2025/26 is ring-fenced for the Eastern Cape and must be used 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		Rehabilitation Refurbishment	Welisizwe Rural Bridges	Eastern Cape:	R443 million	R244 million	Free State:	R487 million	R201 million	Gauteng:	R861 million		KwaZulu-Natal:	R881 million	R244 million	Limpopo:	R554 million	R244 million	Mpumalanga:	R479 million	R244 million	Northern Cape:	R447 million		North West:	R476 million	R201 million	Western Cape:	R563 million		
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Northern Cape:	R447 million																															
North West:	R476 million	R201 million																														
Western Cape:	R563 million																															
Allocation criteria	- Allocations 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 - A separate component for the Welisizwe Rural Bridges Programme exists outside of the PRMG allocation and allocations are based on projects submitted to and approved by DPWI and administered by the DoT - Unallocated amounts, for rehabilitation and refurbishment for 2026/27 and 2027/28 will be allocated as an 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	2023/24 audited financial outcomes - Of the R15.3 billion allocated, R13.3 billion (90.7 per cent) was spent by provinces by the end of the financial year 2023/24 service delivery performance - Provinces developed and updated the road asset management plan 27 936 km of surfaced roads visually assessed as per the applicable technical methods for highway manual 65 674 km of gravel roads visually assessed as per the applicable technical methods for highway manual 5 250 892 m² (1 500 effective km) surfaced roads rehabilitated 5 676 241 m² (1 621 621 effective km) of surfaced roads resurfaced (overlay or reseal) 2 196 952 m² of roads were patched 5 694 km of gravel roads re-gravelled 296 155 km of gravel roads bladed 330 181 jobs created (work opportunities) 4 421 full-time equivalents created 9 292 youths employed (18-35) 219 870 women employed 116 people living with disabilities employed																															
Projected life	The grant is ongoing, but will be subject to periodic review																															
MTEF allocations	2025/26: R18 billion; 2026/27: R17.2 billion; and 2027/28: R18 billion																															
Payment schedule	Payment will be made in accordance with a payment schedule agreed to with provinces and approved by National Treasury																															

Provincial Roads Maintenance Grant	
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 • Submit annual National Road Assessment Management Plan to National Treasury by 27 March 2026 • 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 2025 Division of Revenue Act. If matters are still unresolved, this may result in the stopping and reallocation of tranche payments of the 2025 Division of Revenue Act • Put in place national transversal appointments and internal mechanisms to assist the identified provinces to implement the projects submitted • Submit quarterly progress reports on all disaster-related projects to the NDMC
	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, 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 by 29 September 2025 • 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 • 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 • Submit updated road condition data (for paved and unpaved roads) including instrumental/automated road survey data, traffic data, safety audit report and bridge condition data by 29 September 2025
Process for approval of 2026/27 business plans	• Provinces must submit for approval, a draft 2026/27 road asset management plan with a minimum of five years of planned projects selected using road asset management system as the primary source, by 27 June 2025 • Provinces must submit for approval, the infrastructure programme management plan including 2026 MTEF project list by 29 August 2025 • Road asset management plans, including 2026 MTEF prioritised project lists (the infrastructure programme management plan) must be reviewed by DoT and feedback provided by 30 September 2025. Provinces must submit the infrastructure programme management plan including 2026/27 delivery project list by 28 November 2025 and must be reviewed by DoT and feedback provided by 31 December 2025 • Provinces to submit for approval, final 2026/27 road asset management plan and Table B5 project list to DoT, the relevant provincial treasury and National Treasury by 30 January 2026 indicating all the required planned targets

Annexure C: Frameworks for Conditional Grants to Municipalities

Detailed frameworks on Schedule 5, Part B grants to municipalities

Introduction

This annexure provides the revised framework for the grants set out in Schedule 5, Part B of the 2025 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
- Priority(ties) 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
- 2025 MTEF allocations
- The payment schedule
- Responsibilities of transferring national department and receiving municipalities
- Process for approval of business plans for 2026/27

The attached frameworks are not part of the 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, 2025 is enacted, these frameworks will be gazetted.

The financial statements and annual reports for 2025/26 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
Priority of government that this grant primarily contributes to	Priority 5: Spatial integration, human settlements and local government
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 - an asset register that accurately reflects the projects for which funding has been applied - list of projects to be implemented - time-frames within which the projects will be implemented - technical report (high level that explains viability and practicality) - costs of reconstruction and rehabilitation projects, including personnel related costs - progress made on the approvals of EIA's and WULA by the relevant sector departments - maintenance plan and resourcing of the infrastructure to be repaired - disaster risk reduction measures for the proposed reoccurrence of disaster related damage in the future - number of households to benefit from the projects and estimated jobs to be created
Conditions	- R496 million in 2025/26 is ring-fenced for the Eastern Cape and must be used for the repair of infrastructure damaged by the disasters classified in June 2025. This funding may only be utilised for approved projects as listed in the post disaster verification assessment reports and business plans approved by the NDMC - A business plan and project implementation plan signed by the Accounting Officer aligned to the post disaster verification assessment report 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 and 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 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 - Municipalities must liaise and align the disaster recovery projects with the Municipal Infrastructure Grant projects to ensure proper monitoring and reporting on the progress for implementation of the projects - 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	2023/24 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 2023/24 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 2027/28, subject to review
MTEF allocations	2025/26: R1.2 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 National Disaster Management Centre - Advise municipalities about the existence of the grant and its conditions - Provide municipalities with a final post-disaster verification assessment report that includes a project list and projected costs for all infrastructure to be reconstructed or rehabilitated. This report must be provided through the relevant PDMC - Monitor the implementation of projects together with the affected municipalities and provinces

Municipal Disaster Recovery Grant	
	• 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
	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 • Coordinate 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) • Recommend 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 • Ensure that the final post-disaster verification report is signed-off by both the Accounting Officer in the municipality and the provincial department • Provide a copy of the final post-disaster verification report to municipalities • Assist municipalities with 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 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 • 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 2025 Division of Revenue Act), together with supporting documentation such as certificate of payment, pictures, invoices, etc • 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 2025 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 2026/27 business plans	• Not applicable

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 - 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 - Number of work opportunities and full-time equivalents created through the city-led public employment programme (PEP)
Priority of government that this grant primarily contributes to	- Priority 2: Economic transformation and job creation - Priority 5: Spatial integration, human settlements, and local government
Details contained in the bus plans	The following will be contained in the grant guideline documents: - Outcome indicators - Output indicators - Inputs - Key activities
Conditions	- Access to the programme and eligibility for the grant is based on compliance with the submission requirements for Metro trading service turnaround strategies, Institutional reform roadmap, Business and Investment Plans and Performance Improvement Action Plans of acceptable quality - The grant is disbursed based on metro achievement of KPIs and targets in Performance Improvement Action Plans for each trading service - 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 - 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 - An amount of R56 million in 2025/26 is ring-fenced for the implementation of the Non-Revenue Water project in eThekweni Metropolitan Municipality through the Budget Facility for Infrastructure (BFI), and may only be used for the respective purposes of the project approved - Should there be cost variations of more than 10 per cent on a Budget Facility for Infrastructure funded project, the relevant municipality is required to inform the National Treasury and the transferring officer within 30 days of confirming the cost variations City-led Public Employment Programmes (PEP) - R450 million has been allocated to the eight metros from the Public Employment Stimulus for 2025/26. The breakdown per municipality is as follows:

Urban Development Financing Grant	
	R'000 ○ Buffalo City 22 500 ○ City of Cape Town 90 000 ○ City of Ekurhuleni 86 811 ○ City of Johannesburg 59 347 ○ City of Tshwane 76 668 ○ eThekweni 74 153 ○ Mangaung 27 721 ○ Nelson Mandela Bay 12 800 • Funds may be used to implement new or upscale existing city-led PEPs that contribute to: upgrading informal settlements, township economic development, maintenance, development and management of public space and assets within human settlement and economic nodes, greening and cleaning; food safety; innovative service delivery; sharing and management of local knowledge and information; community safety; environmental services and management; and community tourism • Metropolitan municipalities must submit a business plan for approval by National Treasury on the date stipulated, outlining the key PEP initiatives, activities, inputs, output indicators and outcome indicators and delivery and reporting mechanisms • A maximum of 10 per cent of the PEP allocation can be used for the purchasing of capital equipment • Cities can shift funds between city-led PEP projects, but National Treasury must be notified of the shift in the monthly reports • 90 per cent of the funds may be used for the operating costs of running a public employment programme: ○ the basic minimum wage should be used as a guideline for costing the PEP employment opportunities • Supervisory, project management and operational-related materials costs should be budgeted for
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 • For Metro Trading Services Financing, allocations will comprise of: ○ incentive allocations for eligible metros for each trading service from 2025/26 taking into account population and poverty as variable weights in the allocation formula ○ allocation may be adjusted according to periodic evaluation of 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 2025/26 should be allocated towards the Metro trading services infrastructure investments • For the Public Employment programme, allocations will comprise of Employment projects and programmes subject to the submission of comprehensive business plans for approval by NDPP • The BFI allocations ring-fenced in this grant are application-based
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	• Not applicable, new grant
Projected life	• This grant continues until 2030/31, subject to review
MTEF allocations	• 2025/26: R3.1 billion; 2026/27: R1.4 billion; and 2027/28: R1.3 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 • Review, approve and fund Public Employment Programme business plans in metropolitan municipalities • Notifying all municipalities of their allocation status, both directly and via the Division of Revenue Act (DoRA)

Urban Development Financing Grant	
	• Provide operational guidelines, facilitate peer learning and provide capacity support through the Cities Support Programme and the Neighbourhood Development Partnership Programme (NDPP) Responsibilities of municipalities • Prepare credible business plans/priority programmes and projects to the NDPP for funding through the Urban Development Financing Grant (UDFG) • Compile and submit monthly and quarterly expenditure and progress reports in line with the requirements and as stipulated in the 2025 DoRA • Submit a cash flow schedule with budgets and timeframes for technical assistance and/or capital grant implementation as 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 financial and non-financial reports half yearly within one month of the end of each half year the reporting format (to be provided) will be linked directly to the Performance Improvement Action Plans with one report required for each trading service in Performance Improvement Action Plans • Submit a signed letter by a municipal manager or a delegated authorised person as an attachment progress report
Process for approval of 2026/27 business plans	Municipalities • Submission of Neighbourhood Development Partnership (NDP) 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 Neighbourhood Development Partnership Grant (NDPG) 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 NDP 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 municipal plans timeously with projects and including deliverables with costs and timeframes on an annual basis. The plan must contain the detail of identified annual and/or multi-year project preparation and/or PEP projects • Submit Council-approved Performance Improvement Action Plans timeously • Submit progress reports timeously • Submission of Metro trading service turnaround strategies, Institutional reform roadmap, Business and Investment Plans and Performance Improvement Action Plans to be assessed by National Treasury and relevant national departments to provide feedback to metros and inform the grant allocation 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 2025 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)**

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
EASTERN CAPE											
A	BUF	Buffalo City	-	-	-	-	-	-	48 500	182 598	231 098
A	NMA	Nelson Mandela Bay	-	-	-	298 225	-	298 225	48 800	-	48 800
B	EC101	Dr Beyers Naude	5 005	-	5 005	-	-	-	-	-	-
B	EC102	Blue Crane Route	22 880	-	22 880	-	-	-	-	-	-
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			27 885	-	27 885	-	-	-	-	-	-
B	EC121	Mbhashe	24 167	30 685	54 852	-	-	-	-	-	-
B	EC122	Mnquma	6 472	30 076	36 548	-	-	-	-	-	-
B	EC123	Great Kei	-	29 000	29 000	-	-	-	-	-	-
B	EC124	Amahlathi	19 145	32 000	51 145	-	-	-	-	-	-
B	EC126	Ngqushwa	15 256	30 200	45 456	-	-	-	-	-	-
B	EC129	Raymond Mhlaba	27 416	32 680	60 096	-	-	-	-	-	-
C	DC12	Amathole District Municipality	-	30 600	30 600	-	-	-	-	-	-
Total: Amathole Municipalities			92 456	215 241	307 697	-	-	-	-	-	-
B	EC131	Inxuba Yethemba	8 429	-	8 429	-	-	-	-	-	-
B	EC135	Intsika Yethu	30 032	-	30 032	-	-	-	-	-	-
B	EC136	Emalahleni	32 072	-	32 072	-	-	-	-	-	-
B	EC137	Dr. A.B. Xuma	18 917	-	18 917	-	-	-	-	-	-
B	EC138	Sakhisizwe	35 516	-	35 516	-	-	-	-	-	-
B	EC139	Enoch Mgijima	32 029	-	32 029	-	-	-	-	-	-
C	DC13	Chris Hani District Municipality	20 743	-	20 743	-	-	-	-	-	-
Total: Chris Hani Municipalities			177 738	-	177 738	-	-	-	-	-	-
B	EC141	Elundini	-	-	-	-	-	-	-	-	-
B	EC142	Senqu	-	-	-	-	-	-	-	-	-
B	EC145	Walter Sisulu	-	-	-	-	-	-	-	-	-
C	DC14	Joe Gqabi District Municipality	-	-	-	-	-	-	-	-	-
Total: Joe Gqabi Municipalities			-	-	-	-	-	-	-	-	-
B	EC153	Ngquza Hill	8 114	31 300	39 414	-	-	-	-	-	-
B	EC154	Port St Johns	25 635	-	25 635	-	-	-	-	-	-
B	EC155	Nyandeni	35 260	31 500	66 760	-	-	-	-	-	-
B	EC156	Mhlontlo	25 037	32 000	57 037	-	-	-	-	-	-
B	EC157	King Sabata Dalindyebo	39 188	50 000	89 188	-	-	-	-	-	-
C	DC15	O.R. Tambo District Municipality	-	45 000	45 000	-	-	-	-	-	-
Total: O.R. Tambo Municipalities			133 234	189 800	323 034	-	-	-	-	-	-
B	EC441	Matatiele	24 543	30 214	54 757	-	-	-	-	-	-
B	EC442	Umtzimbubu	26 848	30 340	57 188	-	-	-	-	-	-
B	EC443	Winnie Madikizela-Mandela	-	-	-	-	-	-	-	-	-
B	EC444	Ntabankulu	21 315	30 592	51 907	-	-	-	-	-	-
C	DC44	Alfred Nzo District Municipality	-	-	-	-	-	-	-	-	-
Total: Alfred Nzo Municipalities			72 706	91 145	163 851	-	-	-	-	-	-
Total: Eastern Cape Municipalities			504 019	496 186	1 000 205	298 225	-	298 225	97 300	182 598	279 898

ANNEXURE D

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

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
FREE STATE											
A	MAN	Mangaung	-	-	-	235 430	-	235 430	48 396	113 706	162 102
B	FS161	Letsemeng	-	-	-	-	-	-	-	-	-
B	FS162	Kopanong	-	-	-	-	-	-	-	-	-
B	FS163	Mohokare	-	-	-	-	-	-	-	-	-
C	DC16	Xhariep District Municipality	-	-	-	-	-	-	-	-	-
Total: Xhariep Municipalities			-	-	-	-	-	-	-	-	-
B	FS181	Masilonyana	-	-	-	-	-	-	-	-	-
B	FS182	Tokologo	-	-	-	-	-	-	-	-	-
B	FS183	Tswelopele	-	-	-	-	-	-	-	-	-
B	FS184	Matjhabeng	-	-	-	-	-	-	-	-	-
B	FS185	Nala	-	-	-	-	-	-	-	-	-
C	DC18	Lejweleputswa District Municipality	-	-	-	-	-	-	-	-	-
Total: Lejweleputswa Municipalities			-	-	-	-	-	-	-	-	-
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	Moghaka	-	-	-	-	-	-	-	-	-
B	FS203	Ngwathe	-	-	-	-	-	-	-	-	-
B	FS204	Metsimaholo	-	-	-	-	-	-	-	-	-
B	FS205	Mafube	-	-	-	-	-	-	-	-	-
C	DC20	Fezile Dabi District Municipality	-	-	-	-	-	-	-	-	-
Total: Fezile Dabi Municipalities			-	-	-	-	-	-	-	-	-
Total: Free State Municipalities			-	-	-	235 430	-	235 430	48 396	113 706	162 102
GAUTENG											
A	EKU	City of Ekurhuleni	-	-	-	649 286	-	649 286	182 011	125 745	307 756
A	JHB	City of Johannesburg	-	-	-	972 942	-	972 942	140 208	482 724	622 932
A	TSH	City of Tshwane	-	-	-	696 253	-	696 253	151 868	341 691	493 559
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			-	-	-	2 318 481	-	2 318 481	474 087	950 160	1 424 247

ANNEXURE D

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

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
KWAZULU-NATAL											
A	ETH	eThekwini	-	-	-	746 609	303 000	1 049 609	221 753	409 055	630 808
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	iMpendle	15 558	-	15 558	-	-	-	-	-	-
B	KZN225	Msunduzi	13 214	-	13 214	100 000	-	100 000	-	-	-
B	KZN226	Mkhambathini	-	-	-	-	-	-	-	-	-
B	KZN227	Richmond	-	-	-	-	-	-	-	-	-
C	DC22	uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities			28 772	-	28 772	100 000	-	100 000	-	-	-
B	KZN235	Okhahlamba	8 858	-	8 858	-	-	-	-	-	-
B	KZN237	iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B	KZN238	Alfred Duma	-	-	-	-	-	-	-	-	-
C	DC23	uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities			8 858	-	8 858	-	-	-	-	-	-
B	KZN241	eNdameni	-	-	-	-	-	-	-	-	-
B	KZN242	Nguthu	-	-	-	-	-	-	-	-	-
B	KZN244	uMsinga	6 015	-	6 015	-	-	-	-	-	-
B	KZN245	uMvoti	-	-	-	-	-	-	-	-	-
C	DC24	uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities			6 015	-	6 015	-	-	-	-	-	-
B	KZN252	Newcastle	6 891	-	6 891	-	-	-	-	-	-
B	KZN253	eMadlangeni	6 181	-	6 181	-	-	-	-	-	-
B	KZN254	Dannhauser	-	-	-	-	-	-	-	-	-
C	DC25	Amajuba District Municipality	10 011	-	10 011	-	-	-	-	-	-
Total: Amajuba Municipalities			23 083	-	23 083	-	-	-	-	-	-
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	9 704	-	9 704	-	-	-	-	-	-
B	KZN275	Inkosi uMtubatuba	-	-	-	-	-	-	-	-	-
B	KZN276	Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C	DC27	uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities			9 704	-	9 704	-	-	-	-	-	-
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			76 432	-	76 432	846 609	303 000	1 149 609	221 753	409 055	630 808

ANNEXURE D

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

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 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	6 006	-	6 006	-	-	-	-	-	-
B	LIM345	Collins Chabane	-	-	-	-	-	-	-	-	-
C	DC34	Vhembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Vhembe Municipalities			6 006	-	6 006	-	-	-	-	-	-
B	LIM351	Blouberg	15 717	-	15 717	-	-	-	-	-	-
B	LIM353	Molemole	-	-	-	-	-	-	-	-	-
B	LIM354	Polokwane	4 765	-	4 765	189 331	-	189 331	-	-	-
B	LIM355	Lepele-Nkumpi	-	-	-	-	-	-	-	-	-
C	DC35	Capricorn District Municipality	-	-	-	-	-	-	-	-	-
Total: Capricorn Municipalities			20 482	-	20 482	189 331	-	189 331	-	-	-
B	LIM361	Thabazimbi	-	-	-	-	-	-	-	-	-
B	LIM362	Lephalale	-	-	-	-	-	-	-	-	-
B	LIM366	Bela-Bela	-	-	-	-	-	-	-	-	-
B	LIM367	Mogalakwena	-	-	-	-	-	-	-	-	-
B	LIM368	Modimolle-Mookgophong	-	-	-	-	-	-	-	-	-
C	DC36	Waterberg District Municipality	-	-	-	-	-	-	-	-	-
Total: Waterberg Municipalities			-	-	-	-	-	-	-	-	-
B	LIM471	Ephraim Mogale	-	-	-	-	-	-	-	-	-
B	LIM472	Elias Motsoaledi	-	-	-	-	-	-	-	-	-
B	LIM473	Makhuduthamaga	-	-	-	-	-	-	-	-	-
B	LIM476	Fetakgomo Tubatse	-	-	-	-	-	-	-	-	-
C	DC47	Sekhukhune District Municipality	-	-	-	-	-	-	-	-	-
Total: Sekhukhune Municipalities			-	-	-	-	-	-	-	-	-
Total: Limpopo Municipalities			26 488	-	26 488	189 331	-	189 331	-	-	-
MPUMALANGA											
B	MP301	Chief Albert Luthuli	11 863	-	11 863	-	-	-	-	-	-
B	MP302	Msukaligwa	-	-	-	-	-	-	-	-	-
B	MP303	Mkhondo	16 968	-	16 968	-	-	-	-	-	-
B	MP304	Dr Pixley ka Isaka Seme	-	-	-	-	-	-	-	-	-
B	MP305	Lekwa	-	-	-	-	-	-	-	-	-
B	MP306	Dipaleseng	-	-	-	-	-	-	-	-	-
B	MP307	Govan Mbeki	-	-	-	-	-	-	-	-	-
C	DC30	Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-
Total: Gert Sibande Municipalities			28 831	-	28 831	-	-	-	-	-	-
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	44 047	-	44 047	-	-	-	-	-	-
B	MP325	Bushbuckridge	11 052	-	11 052	-	-	-	-	-	-
B	MP326	City of Mbombela	18 105	-	18 105	-	-	-	-	-	-
C	DC32	Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-
Total: Ehlanzeni Municipalities			73 204	-	73 204	-	-	-	-	-	-
Total: Mpumalanga Municipalities			102 035	-	102 035	-	-	-	-	-	-

ANNEXURE D

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

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 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	Emthanjeni	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
B	NC086	Kgatelopele	-	-	-	-	-	-	-	-	-
B	NC087	Dawid Kruiper	-	-	-	-	-	-	-	-	-
C	DC8	Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-	-	-
Total: Z.F. Mgcawu Municipalities			-	-	-	-	-	-	-	-	-
B	NC091	Sol Plaatjie	-	-	-	-	-	-	-	-	-
B	NC092	Dikgatlong	-	-	-	-	-	-	-	-	-
B	NC093	Magareng	-	-	-	-	-	-	-	-	-
B	NC094	Phokwane	-	-	-	-	-	-	-	-	-
C	DC9	Frances Baard District Municipality	-	-	-	-	-	-	-	-	-
Total: Frances Baard Municipalities			-	-	-	-	-	-	-	-	-
B	NC451	Joe Morolong	-	-	-	-	-	-	-	-	-
B	NC452	Ga-Segonyana	-	-	-	-	-	-	-	-	-
B	NC453	Gamaqara	-	-	-	-	-	-	-	-	-
C	DC45	John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-	-	-
Total: John Taolo Gaetsewe Municipalities			-	-	-	-	-	-	-	-	-
Total: Northern Cape Municipalities			-	-	-	-	-	-	-	-	-
NORTH WEST											
B	NW371	Moretele	-	-	-	-	-	-	-	-	-
B	NW372	Madibeng	-	-	-				-	-	-
B	NW373	Rustenburg	-	-	-	225 211	-	225 211	-	-	-
B	NW374	Kgetlengrivier	-	-	-	-	-	-	-	-	-
B	NW375	Moses Kotane	-	-	-	-	-	-	-	-	-
C	DC37	Bojanala Platinum District Municipality	-	-	-	-	-	-	-	-	-
Total: Bojanala Platinum Municipalities			-	-	-	225 211	-	225 211	-	-	-
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 Mompoti District Municipality	-	-	-	-	-	-	-	-	-
Total: Dr Ruth Segomotsi Mompoti 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			-	-	-	225 211	-	225 211	-	-	-

ANNEXURE D

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

			Municipal Disaster Recovery Grant			Public Transport Network Grant			Urban Development Financing Grant		
			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
WESTERN CAPE											
A	CPT	City of Cape Town	-	-	-	2 877 487	-	2 877 487	182 100	411 921	594 021
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	-	-	-	250 300	-	250 300	-	-	-
B	WC045	Oudtshoorn	-	-	-	-	-	-	-	-	-
B	WC047	Bitou	-	-	-	-	-	-	-	-	-
B	WC048	Knysna	-	-	-	-	-	-	-	-	-
C	DC4	Garden Route District Municipality	-	-	-	-	-	-	-	-	-
Total: Garden Route Municipalities			-	-	-	250 300	-	250 300	-	-	-
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			-	-	-	3 127 787	-	3 127 787	182 100	411 921	594 021
National Total			708 974	496 186	1 205 160	7 241 074	303 000	7 544 074	1 023 636	2 067 440	3 091 076

APPENDIX A

APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS GRANT: ALLOCATIONS PER PROVINCE

(National Financial Years)

APPENDIX A

**APPENDIX TO SCHEDULE 6, PART A: BREAKDOWN OF SCHOOL INFRASTRUCTURE BACKLOGS
GRANT: ALLOCATIONS PER PROVINCE**

Basic Education (Vote 16)	School Infrastructure Backlogs Grant		
	National Financial Year		
	<i>2025/26 Main Allocation (R'000)</i>	<i>Adjustment (R'000)</i>	<i>2025/26 Adjusted Allocation (R'000)</i>
Province			
School Infrastructure Backlogs Grant			
Eastern Cape	506 992	-	506 992
Free State	64 310	(46 700)	17 610
Gauteng	65 895	(42 680)	23 215
KwaZulu-Natal	491 366	(80 770)	410 596
Limpopo	69 800	(57 800)	12 000
Mpumalanga	93 350	(30 250)	63 100
Northern Cape	60 410	(18 300)	42 110
North West	43 930	(23 500)	20 430
Western Cape	-	-	-
Unallocated	230 627	(42 500)	188 127
Total	1 626 680	(342 500)	1 284 180

APPENDIX B

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

(National Financial Years)

APPENDIX B

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		
	2025/26 Main Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
Province/Components			
National Health Insurance Indirect Grant			
Eastern Cape	453 172	-	453 172
Free State	139 686	18 839	158 525
Gauteng	100 514	-	100 514
KwaZulu-Natal	75 797	-	75 797
Limpopo	1 839 779	13 714	1 853 493
Mpumalanga	217 772	-	217 772
Northern Cape	75 797	-	75 797
North West	189 240	-	189 240
Western Cape	75 797	-	75 797
Unallocated	115 000	-	115 000
Total	3 282 554	32 553	3 315 107
<i>of which:</i>			
Health Facility Revitalisation Component			
Eastern Cape	377 375	-	377 375
Free State	63 889	18 839	82 728
Gauteng	24 717	-	24 717
KwaZulu-Natal	-	-	-
Limpopo	1 763 982	13 714	1 777 696
Mpumalanga	141 975	-	141 975
Northern Cape	-	-	-
North West	113 443	-	113 443
Western Cape	-	-	-
Total	2 485 381	32 553	2 517 934
Health Systems Component			
Eastern Cape	75 797	-	75 797
Free State	75 797	-	75 797
Gauteng	75 797	-	75 797
KwaZulu-Natal	75 797	-	75 797
Limpopo	75 797	-	75 797
Mpumalanga	75 797	-	75 797
Northern Cape	75 797	-	75 797
North West	75 797	-	75 797
Western Cape	75 797	-	75 797
Unallocated	115 000	-	115 000
Total	797 173	-	797 173

APPENDIX C

**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 C

**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		
	2025/26 Adjusted Allocation (R'000)	Adjustment (R'000)	2025/26 Adjusted Allocation (R'000)
Education Infrastructure Grant			
Eastern Cape	-	100 000	100 000
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	354 000	354 000
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	454 000	454 000
Health Facility Revitalisation Grant			
Eastern Cape	-	40 000	40 000
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	40 000	40 000
Provincial Roads Maintenance Grant			
Eastern Cape	-	150 000	150 000
Free State	-	-	-
Gauteng	-	-	-
KwaZulu-Natal	-	-	-
Limpopo	-	-	-
Mpumalanga	-	-	-
Northern Cape	-	-	-
North West	-	-	-
Western Cape	-	-	-
Total	-	150 000	150 000

