



Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF THE WESTERN CAPE

PROVINSIE WES-KAAP

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PROVINCIAL NOTICE

The following Provincial Notice is published for general information.

DR HC MALILA,
DIRECTOR-GENERAL

Provincial Building,
Wale Street,
Cape Town.

PROVINCIAL NOTICE**P.N. 19/2023****13 February 2023****WESTERN CAPE PROVINCIAL TREASURY****PUBLIC FINANCE MANAGEMENT ACT, 1999 (ACT 1 OF 1999)****NOTICE OF FUNDS AUTHORISED IN TERMS OF SECTION 25(1) FOR USE BY CERTAIN MUNICIPALITIES IN EMERGENCY SITUATIONS**

SINCE section 25(1) of the Public Finance Management Act, 1999 (Act 1 of 1999) (the Act), provides for the Provincial Minister responsible for finance in a province to authorise the use of funds from that province's Provincial Revenue Fund to defray expenditure of an exceptional nature which is not provided for and which cannot, without serious prejudice to the public interest in the province, be postponed to a future appropriation by the provincial legislature;

AND SINCE the prolonged load-shedding is having a widespread and severe detrimental impact on municipal services and the economy, and having financial implications that have not been provided for in respect of the 2022/23 financial year;

AND SINCE the Western Cape Government, in terms of section 154(1) of the Constitution of the Republic of South Africa, 1996, must support and strengthen the capacity of municipalities to, amongst other things, perform their functions;

THEREFORE notice is given that the Provincial Minister responsible for finance in the Western Cape Province has accordingly, in terms of section 25(1) of the Act, authorised a total of R88,815 million from the Provincial Unforeseen and Unavoidable Reserve Fund to assist municipalities with the unforeseen and immediate impact of prolonged load-shedding on water and wastewater services, and which amount is intended to be included in the adjustment budgets of municipalities.

Part A of the Schedule reflects how the funds are intended to be allocated between the listed municipalities.

Part B of the Schedule sets out the conditions that will be contained in the Transfer Payment Agreements entered into between the Western Cape Government and the municipalities, and in the additional allocations notice that will be published in terms of section 29(3) of the Division of Revenue Act, 2022 (Act 5 of 2022).

*Schedule**Emergency Municipal Load-Shedding Relief Grant***Part A****Allocations per municipality**

| Category | District Municipality | Demarcation Code | Municipality | 2022/23 Allocation R'000 |
|---|------------------------------|-------------------------|---------------------|---------------------------------|
| B | DC1 | WC011 | Matzikama | 1,050 |
| B | DC1 | WC012 | Cederberg | 1,600 |
| B | DC1 | WC013 | Bergrivier | 3,600 |
| B | DC1 | WC014 | Saldanha Bay | 2,950 |
| B | DC1 | WC015 | Swartland | 10,945 |
| C | DC1 | DC1 | West Coast | 1,900 |
| B | DC2 | WC022 | Witzenberg | 475 |
| B | DC2 | WC023 | Drakenstein | 6,000 |
| B | DC2 | WC024 | Stellenbosch | 6,175 |
| B | DC2 | WC025 | Breede Valley | 950 |
| B | DC2 | WC026 | Langeberg | 350 |
| C | DC2 | DC2 | Cape Winelands | 950 |
| B | DC3 | WC031 | Theewaterskloof | 1,800 |
| B | DC3 | WC032 | Overstrand | 6,700 |
| B | DC3 | WC033 | Cape Agulhas | 350 |
| B | DC3 | WC034 | Swellendam | 1,360 |
| C | DC3 | DC3 | Overberg | 1,600 |
| B | DC4 | WC041 | Kannaland | 1,075 |
| B | DC4 | WC042 | Hessequa | 3,800 |
| B | DC4 | WC043 | Mossel Bay | 5,000 |
| B | DC4 | WC044 | George | 14,220 |
| B | DC4 | WC045 | Oudtshoorn | 4,665 |
| B | DC4 | WC047 | Bitou | 5,600 |
| B | DC4 | WC048 | Knysna | 2,400 |
| C | DC4 | DC4 | Garden Route | 1,600 |
| B | DC5 | WC051 | Laingsburg | 60 |
| B | DC5 | WC052 | Prince Albert | 175 |
| B | DC5 | WC053 | Beaufort West | 1,115 |
| C | DC5 | DC5 | Central Karoo | 350 |
| TOTAL ALLOCATED | | | | 88,815 |
| Funds retained by the Department | | | | 0 |
| TOTAL | | | | 88,815 |

Part B

Purpose of the allocation:

Provide a financial contribution to municipalities towards the purchase and installation of back-up energy supply (which may include generators, renewable power sources, batteries and all ancillary costs associated with the installation i.e.: switch gear, safe keeping, caging etc.) for water and wastewater infrastructure as an immediate response to the prolonged load-shedding, thereby mitigating the impact on the provision of basic services and potential health risks.

Strategic goal:

Implementation of emergency measures at local government level to mitigate the impact of load-shedding on municipal services, businesses, and the economy.

Outcome statement:

Enable municipalities to continue fulfilling their constitutional mandate in ensuring a healthy environment and the provision of basic services to citizens, communities, and businesses amidst the effects of the current load-shedding.

Business plan requirements:

Each municipality must prepare a business plan signed by the accounting officer that contains the following special requirements:

- Certificates of Commitment completed by the accounting officer to procure and effectively operate, maintain, and handle all ancillary costs (operational costs) associated with their respective generators.
- A summary of the amount spent by the municipality to mitigate the risk of load-shedding.

In addition, the business plans will detail the following:

- Project scope (a consolidated list of critical infrastructure installations and energy supply requirements)
- Technical design specifications
- Output indicators
- Outcomes
- Key activities
- Implementation strategy
- Timeframes
- Estimated costs and cash flows
- Monitoring and reporting

Conditions that the funds are subject to (as per Transfer Payment Agreement with municipalities):

- Monthly financial and non-financial performance reports (including procurement information) must be submitted to the Department of Local Government as stipulated in the Transfer Payment Agreement (TPA).
- Municipalities must make public a statement on progress on the financial and non-financial performance of this spending within 10 working days of the end of each month, until the project is completed.
- Municipalities to submit credible business plans to the Department of Local Government which address intended outputs and outcomes, a detailed budget, and roll-out plan.
- The grant may only be utilised for the projects detailed in the approved business plan.
- Municipalities must follow transparent and fair procurement processes compliant with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), and procurement regulations.
- All assets purchased through these funds must be included in the asset register of the municipality and confirmation of this must be submitted to the Department of Local Government.

Part B**Responsibilities of the Provincial transferring officer:**

- Consult with relevant municipalities.
- Consider and approve business plans.
- Draft and circulate the TPA and ensure that municipalities sign and return the TPA to the Department of Local Government.
- Convene meetings that will assist in the monitoring and management of the programme (outputs and intended outcomes), as and when necessary.
- Provide advice and support, including supply chain management.
- Monitoring the project execution by means of expenditure and progress reports (including the procurement information) by receiving municipalities.
- Make public a report on the financial and non-financial performance of this grant.

Responsibilities of the receiving officer (as per Transfer Payment Agreement with municipalities):

- Prepare credible business plans that are aligned to outputs and outcomes.
- Revise the procurement plan for 2022/23 to include procurement funded from this grant.
- Ensure active ownership of the project at the highest level of authority.
- Submit monthly financial and non-financial performance reports (including procurement information) as stipulated in the TPA.
- Make public information on the financial and non-financial performance of this grant.

