



EASTERN CAPE PROVINCIAL LEGISLATURE

Retief Odendaal, MPL

Provincial Legislature
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28 April 2020

**PROVINCIAL TREASURY
HON MLUNGISI GERALD MVOKO MPL
MEC FINANCE
AND
MR DALUHLANGA MAJEKE
HOD EASTERN CAPE FINANCE
AND
NATIONAL TREASURY
MS MALIGENG NGQALENI
DDG INTERGOVERNMENTAL RELATIONS**

Dear Sirs/Madam,

**RE: INTERVENTION: NELSON MANDELA BAY METROPOLITAN MUNICIPALITY-
MDRG FUNDING**

I refer to the aforementioned matter.

Kindly note that I address this letter to you in my capacity as a member of the Eastern Cape Finance and Provincial Expenditure Committee.

As you are no doubt aware NMBMM is currently in the middle of one of the most debilitating droughts in recent history. Combined dam levels in NMBMM have now dropped to 21.73%, while the Kouga Dam, our biggest supply dam, is currently at a shocking 11.64%.

Said water supply is likely to last the metro a further six months, given the fact that no significant rainfall is expected over catchment areas during this period.

Notwithstanding the aforesaid crisis facing NMBMM, the metro administration has encountered several problems which has made it impossible to spend the R200 million received in Municipal Disaster Recovery Grant (MDRG) Funding during the 2018/19 financial year.

In this regard, I have attached hereto a projected cash flow and expenditure statement from the municipality that has indicated that of the R200 000 000.00 (the amount of R171 913 040.00 being VAT exclusive) in MDRG, the administration is only planning on spending R21 000 000.00 by the 2019/20 financial year end!

That said, I have reservations regarding the projected spending of R21 000 000.00 by the financial year end, given the current status of the Coegakop Water Treatment Works Project, where the tender award is currently subject to an appeals process and may be followed by litigation proceedings.

The aforesaid should be a huge concern, as it is highly unlikely that National Treasury will approve a second rollover application with regards to this grant funding. Should the metro administration forfeit this funding, the consequences will be utterly disastrous for our residents as the metro would be unable to finalize its water augmentation plans.

Given the above, I wish to alert both Provincial Treasury as well as National Treasury to the current status quo in respect of the MDRG Funding, but more specifically request your urgent intervention in endeavouring to provide the metro administration with assistance in the matter at hand.

Should you have any queries please do not hesitate to contact me.

Sincerely,



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HON. RETIEF ODENDAAL, MPL
DEMOCRATIC ALLIANCE MEMBER OF THE EC PROVINCIAL LEGISLATURE

CC: Eastern Cape MEC CoGTA, Hon Xolile Edmund Nqata MPL
Nelson Mandela Bay Executive Mayor, Cllr Thsonono Buyeye
Nelson Mandela Bay Leader of the Opposition, Cllr Nqaba Bhanga
Nelson Mandela Bay Acting Municipal Manager, Ms Noxolo Nqwazi



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