Kouga Local Municipality: Loan Application of R200 Million in Compliance with Section 46 of the MFMA

NOTICE NO. 237 / 2024

This Notice serves as a publication of the information statement required in terms Section **46(3) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA)**, of the Kouga Local Municipality's intention to incur a long-term debt as described in the MFMA. The monetary value of the long-term debt is in the amount of **R200 million,** and from the financial institution known and herein described as the **Development Bank of South Africa (DBSA)**.

Loan Particulars:

Lender	Development Bank of South Africa (DBSA)
Amount	R 200 000 000
Interest Rate Type	Fixed
Capital and Interest Repayment	Equally Quarterly Instalments (Capital and Interest)
Tenure	12 years
Benchmark /Reference Rate	SWAP
Base Rate – November 2024	8.32%
All-in Margin	2.69%
All In Rate	**11.01%**
Estimated Capital Repayments	R 200,000,000.00
Estimated Interest Repayments	R 160,946,618.22
Estimated Total Repayments	R 360,946,618.22

NOTE to Table Above:

The interest rates quoted above are based on the SWAP Curve 40 of November 2024. The quoted rates are indicative and subject to changes in the underlying 41 capital markets (SWAP Curve). The final interest rate will be determined and fixed based on the close-out rate of the SWAP fixed two days prior to each disbursement plus the all-in margin 43 indicated in the table above

The purpose for which the long-term debt is to be incurred is to finance the following key capital infrastructure and development projects aimed at improving service delivery and enhancing the quality of life for our residents and to achieve the objectives of local government as set out in Section 152 of the Constitution.

Capital Project/s:

- Road upgrades and transport infrastructure

This long-term debt application will be submitted for consideration for approval to the **Kouga Municipal Council** and will be submitted to both the **Provincial Treasury** and **National Treasury** as contemplated in the MFMA.

The long-term debt will be repaid over a period that aligns with the municipality's financial capacity and growth projections, ensuring that the long-term debt does not negatively impact the municipality's long-term financial stability.

The public is hereby invited to submit written comments or representations regarding this loan application to the Municipality.

Kindly note that the closing date for written comments and/or representations is 12 December 2024. All comments and/or representations must be communicated to:

The Municipal Manager Mr C Du Plessis
Kouga Local Municipality
Tel: 042 200 2200
Email: registry@kouga.gov.za (Reference: R200million loan)

Kouga Local Municipality values your input and looks forward to your continued engagement as we work towards achieving a better, more prosperous future for all our residents.

MR. C DU PLESSIS
MUNICIPAL MANAGER
P O Box 21
JEFFREYS BAY
6330

For publication:
Kouga Express
Notice Boards
Kouga Website
Kouga FB Page