**1733.** **Mr B M Bhanga (DA) to ask the Minister of Finance:**

(1) What is the National Treasury's total budget allocated for assisting metropolitan municipalities that experience financial distress in the (a) 2014-15 and (b) 2015-16 financial years;

(2) what is the National Treasury's contingency plan to assist Gauteng municipalities and metros in financial distress?

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**REPLY:**

1. The National Treasury does not provide financial assistance to metropolitan municipalities experiencing financial distress; therefore there is no budget allocation. However, the National Treasury provides technical assistance on financial management related matters to enable metros to improve their financial position. The assistance includes amongst others, reviewing the adopted budget to ensure that it is realistic, credible and funded. Furthermore, the municipalities are assisted with the development of a financial recovery plan to improve the cash flow of the municipality. In addition, the National Treasury through the City Support Programme assists linking cities to the broader intergovernmental system with the aim of improving the way cities function in order to create more inclusive, productive and sustainable cities.

2. The National Treasury provides technical assistance on financial management related matters to Gauteng municipalities and metros in financial distress. The assistance includes proper financial management through ensuring that adopted budgets are realistic, credible and funded. Furthermore, municipalities are assisted with cash flow management to ensure that they are able to prioritise their obligations. The process for delegated municipalities includes establishment of a task team between the National Treasury, Gauteng Provincial Treasury and Gauteng CoGTA which will assist in developing a financial recovery plan. The plan is closely monitored by the Gauteng Provincial Treasury to ensure proper implementation.