

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1792 [NW2121E]
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1792. The Leader of the Opposition (DA) to ask the Minister of Finance:

With regard to the address by the President of the Republic, Mr M C Ramaphosa, to the nation on 18 April 2022 after the devastating floods in KwaZulu-Natal, wherein the President commented that the Minister of Finance, Mr E Godongwana, had said that R1 billion is immediately available and Parliament will be approached for the appropriation of additional resources, (a) how has the R1 billion been spent and (b) what are the details of the additional resources that will be made available for relief and recovery?

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REPLY

- (a) The R1 billion mentioned by the President refers to funds that are provided for in the 2022 Division of Revenue Bill (and are not new monies), namely disaster relief funds (for immediate response) through the Provincial Disaster Response Grant and the Municipal Disaster Response Grant. These grants are allocated R144 million and R371 million respectively in 2022/23. A further R501 million is available for this financial year in the form of provincial and municipal Emergency Housing Grants. These funds, amounting to just over R1 billion, are available shortly after Treasury receives an application from the National Disaster Management Centre (NDMC) and / or the national Department of Human Settlements (DHS), which are responsible for administering these grants. NDMC and DHS submit their applications to National Treasury once they have verified the submissions received from the province(s) and municipality(ies) concerned. To date, National Treasury has not received any applications from the NDMC or DHS.
- (b) In addition to immediate relief grants, state organs can reprioritise their budgets and existing conditional grants for emergency relief, reconstruction and recovery. For example, the Human Settlements Development Grant to provinces already allows for the construction of houses. Additional resources are also available through the contingency reserve, which will become available after the Appropriations Bill is passed. Another option is to use the Reconstruction and Development Programme (RDP) fund, which mainly consists of donor disbursements through various financing agreements, plus interest accrued on capital of related development projects. Therefore, since the full cost of emergency relief, reconstruction, and recovery is yet to be determined, it is difficult to determine whether the sources discussed above are adequate.