

Disaster relief funding

Presentation to the Portfolio Committee: Water and Sanitation

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Outline

- Legislative framework for disaster relief
 - Public Finance Management Act
 - Division of Revenue Act
- Provisions in 2016 Division of Revenue Act to support drought relief
- Allocations in 2016 Adjusted Estimates of National Expenditure

Legislative Framework

- Public Finance Management Act
 - Section 30 of PFMA allows for adjustments to national budget:
 - Due to significant and unforeseeable economic and financial events affecting fiscal targets;
 - Unforeseeable and unavoidable expenditure recommended by the national executive or any committee of Cabinet;
 - Any expenditure in terms of section 16;
 - Money appropriated for expenditure already announced by the Minister during the tabling of the annual budget;
 - Shifting of funds between and within votes or a transfer of functions in terms of section 42;
 - Utilisation of savings under a main division of a vote to defray excess expenditure under another main division of a vote in terms of section 43
 - Rollover of unspent funds from the preceding year

Legislative Framework

- Division of Revenue Act:
 - Grants to support disaster relief
 - Provincial Disaster Grant (schedule 7)
 - Emergency repair of critical infrastructure
 - Emergency provision of goods and services
 - Provincial sectoral grants
 - Window within grants like the Provincial Roads Maintenance Grant for disaster relief
 - Municipal Disaster Grant (Schedule 7)
 - Emergency repair of critical infrastructure
 - Emergency provision of goods and services
 - Municipal Disaster Recovery Grant
 - Repair and replacement of infrastructure

2016 Division of Revenue Act

- Section 20(6)
 - Joint request by National Disaster Management Centre and transferring officer to reallocate funds in any grant for disaster relief
 - Must confirm that the affected funds are not committed in terms of any statutory or contractual obligation
 - Must be used in the same sphere the allocation was originally made and for the same functional area that the allocation relates to
 - The transferring officer must determine the conditions for spending the reallocated funds, after consultation with the NDMC and with the approval of the National Treasury
- Section 21(6)
 - Shifting of funds between Provincial and Municipal Disaster Grants

Grant allocations to provinces in 2016/17

Conditional grants to provinces

R million	2016/17	R million	2016/17
Agriculture, Forestry and Fisheries	2 202	Human Settlements	18 284
Comprehensive agricultural support programme	1 642	Human settlements development	18 284
Ilima/Letsema projects	491	Public Works	762
Land care programme: poverty relief and infrastructure development	69	Expanded public works programme integrated grant for provinces	402
	1 357	Social sector expanded public works programme incentive for provinces	360
Arts and Culture		Social Development	86
Community library services	1 357	Substance abuse treatment	86
Basic Education	16 213	Early childhood development	–
Education infrastructure	9 614	Sport and Recreation South Africa	556
HIV and Aids (life skills education)	231	Mass participation and sport development	556
Maths, science and technology	362	Transport	15 603
National school nutrition programme	6 006	Provincial roads maintenance	10 203
Occupational-specific dispensation for education sector therapists	–	Public transport operations	5 400
Cooperative Governance and Traditional Affairs	112	Total direct conditional allocations	89 146
Provincial disaster	112	Indirect transfers	3 636
Health	33 972	Basic Education	2 375
Comprehensive HIV and Aids	15 291	School infrastructure backlogs	2 375
Health facility revitalisation	5 273	Health	1 261
Health professions training and development	2 477	National health insurance indirect	1 261
Human papillomavirus vaccine	–		
National tertiary services	10 847		
National health insurance	85		

Grant allocations to municipalities

Grants to local government

R million	2016/17	R million	2016/17
Direct transfers	39 120	Direct transfers	2 013
Municipal infrastructure	14 914	Local government financial management	465
Water services infrastructure	2 845	Expanded public works programme	664
Urban settlements development	10 839	Integrated grant for municipalities	130
Integrated national electrification programme	1 946	Infrastructure skills development	186
Public transport network	5 593	Energy efficiency and demand-side management	297
Neighbourhood development partnership	624	Municipal demarcation transition	270
Integrated city development	267	Indirect transfers	84
Regional bulk infrastructure	1 850	Municipal systems improvement	84
Rural roads asset management systems	102	Total	2 097
Municipal disaster recovery	140		
Indirect transfers	7 689		
Integrated national electrification programme	3 526		
Neighbourhood development partnership	22		
Regional bulk infrastructure	3 479		
Water services infrastructure	312		
Bucket eradication programme	350		
Total	46 809		

2016 Adjusted Estimates

- Allocations for disaster relief in terms of Section 30 of the PFMA based on recommendations from the National Disaster Management Centre
- Recommendations to the Cabinet Committee based on recommendations from NDMC and departmental reports to Inter-Ministerial Task Team on Drought
- 2016/17 Budget included R6 billion in the contingency reserve. Allocated in 2016/17 Adjusted Budget for:
 - Rollovers – R412.2 million
 - Unforeseen and unavoidable expenditure – R1.2 billion
 - Self-financing expenditure – R1.1 billion
 - Announced by the Minister of Finance in 2016 Budget Speech (drought relief) – R553.3 million



Thank you

