**MEDIA STATEMENT**

**SELECT COMMITTEE ON APPROPRIATIONS CALLS FOR PLAN TO PREVENT FRAUD IN DISBURSEMENT OF EXTENDED R350 GRANT**

**Parliament, Thursday, 16 September 2021 –**The National Treasury, the Financial and Fiscal Commission (FFC) and the Parliamentary Budget Office (PBO) presented their perspectives on the Second Special Appropriation Bill to the Select Committee on Appropriations.

To address the impact of the civil unrest in Gauteng and KwaZulu-Natal in July and the third wave of the Covid-19 pandemic, a proposed R32.85 billion is set to provide funding allocations to the South African Special Risks Insurance Association (Sasria), the Department of Social Development, the Department of Police, the Department of Defence, and the Department of Trade, Industry and Competition.

In its presentation, the National Treasury explained to the committee why Sasria’s R3.9 billion injection request should be considered urgent. According to the Chief Director of the National Treasury, Dr Mark Blecher, the allocation to Sasria is meant to honour its insurance claims, estimated at well over R25 billion, emanating from losses incurred by its clients (shops, malls and factories) during the civil unrest in July.

Part of this Bill is an urgent request for R26.7 billion for the Department of Social Development, aimed at extending the R350 Social Relief of Distress (SRD) Grant to March 2022 for the benefit of 9.4 million eligible beneficiaries. The FFC welcomed the R26.7 billion allocated to the Department of Social Development to extend the R350 SRD grant to March 2022.

The Chairperson of the committee, Ms Dikeledi Mahlangu, cautioned that the country should not be turned into a welfare state. She said there is a need for a sustainable strategic plan going forward and called for the avoidance of a recurrence of the bungle during the previous disbursement of the R350 grant. She also called for a proper plan to be put in place to avert any possible fraud.

The National Treasury assured the committee that elaborate cross-reference checks are now in place, involving multiple government departments and agencies, which counter the previous inefficiencies and make it difficult for fraud to occur.

The National Treasury informed the committee that a study has been commissioned to determine what long-term plan can be devised to close 80% of the current poverty gap. It is considering five options: evaluating the current R350 grant; the Basic Income Grant; the Brazilian model that offers grants to poor households rather than individuals; an evaluation of the Presidential Employment Initiative; and consideration of a job seekers’ grant.

Ms Mahlangu called on the National Treasury to support small business owners through the application procedures.

Ms Mahlangu reiterated that the committee always derives valuable inputs and technical expertise from its interactions with these entities. “We value these interactions because it will go a long way in advancing the call for economic transformation and inclusive growth and to ensure that public finances are appropriated for their intended objectives and are managed more efficiently.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON APPROPRIATIONS, MS DIKELEDI MAHLANGU**