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**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1537**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 28 MAY 2021**

**INTERNAL QUESTION PAPER NUMBER: 15 - 2021**

**1537. Ms L L van der Merwe (IFP) to ask the Minister of Social Development:**

(1) Given that the Financial Sector Policy states that her department will pay interest at SA Revenue Service rates on all delayed transfers to nongovernmental organisations (NGOs), what total amount (a) in interest has her department paid to date and (b) have they budgeted towards this;

(2) what steps (a) has her department taken to consult with NGOs around the Financial Sector Policy and (b) are being taken by her department to implement the specified policy? NW1740E

**REPLY:**

1. The clause on payment of interest on the DSD Sector Funding Policy was considered as a result of initial engagements with the National Treasury and their Draft Guidelines on Management of Transfers that was developed in 2017. There has been further engagements with the National Treasury to review the clause and assess its practicality. Through the guidance received from National Treasury, it will not be feasible to implement the said clause and as such this will be reviewed by the Department.

(a) To date no interest has been paid to NPOs and;

(b) No budget has been set aside towards the payment of such interest.

(2) (a) the steps that the department has taken to consult with NPOs around the Sector Funding Policy included extensive consultative sessions throughout the nine Provinces that were held with the sector (NPOs) during the development of the Policy.

(b) The steps that have been taken by the Department to implement the policy included the development of the Sector Funding Guidelines and NPOs and departmental officials will be trained on the guidelines commencing in the second quarter, 2021/22 financial year.