**NATIONAL ASSEMBLY**

**QUESTION NO. 2700-2020**

**FOR WRITTEN REPLY**

**INTERNAL QUESTION PAPER NO 47 -2020: Date of publication – 13 November 2020**

**“Mrs V van Dyk (DA): to ask the Minister of Sport, Arts and Culture”**

(1) Whether the National Arts Council (NAC) failed to pay 25% of funding due to its beneficiaries; if not, what is the position in this regard; if so, what are the relevant details;

(2) whether any beneficiaries did not receive their monetary allocation as per contract agreement; if not, (a) why not and (b) what number of beneficiaries; if so,

(3) whether this was a breach in terms of the contract; if not, why not; if so, will it result in legal action against the NAC;

(4) whether he will furnish Mrs V van Dyk with the full, relevant details of the relevant contracts; if not, why not; if so, what are the relevant details;

(5) whether, in cases where payment was not made, the NAC had engaged with the beneficiaries; if not, why not; if so, was there mutual agreement?**NW3468E**

**REPLY:**

1. The NAC did not fail to pay the 25%. The National Arts Council pays the 25% based upon beneficiaries reporting for the first instalment and or second instalment disbursed. The disbursement is not automatic, it is subject to beneficiaries accounting and reporting for the funds already disbursed. The funds that have been disbursed already need to be accounted for by beneficiaries before the 25% can be paid. Some of the funding (representing 25% on the balance of their grant) has already been paid (R444 957) to 24 beneficiaries.

2. 61 Beneficiaries were originally earmarked for 25% calculated based on the balance remaining after claiming the first and or the second tranche. Some beneficiaries disputed 25% because of poor understanding and/ or lack of communication from either the part of the NAC or beneficiaries as to whether their project would be able to continue during lockdown. The funding has subsequently been approved to be disbursed to the affected beneficiaries. Beneficiaries are required to report on the first and/ or second tranches paid; and in addition, submit updated tax clearance certificates before grant funds can be paid out.

1. The NAC contract does not have a ***force majeur*** clause. The contract was not breached because the National Disaster Act took precedence over any contract where beneficiaries could not implement the work funded.
2. A sample on the NAC contract is attached to this response.
3. The NAC has engaged with the relevant beneficiaries. Beneficiaries, whose grant funds are due, will be fully reimbursed subject to them reporting on funds already disbursed and upon submitting valid tax clearance certificates.