**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**FRIDAY, 23 SEPTEMBER 2022**

**DUE DATE: 7 OCTOBER 2022**

**3352. The Leader of the Opposition (DA) to ask the President of the Republic:**

Whether he has found that the reports that only 6% of emergency relief funds for victims of the KwaZulu-Natal floods has been spent are accurate; if not, what is the position of the Government in this regard; if so, what (a) is the reason that such a small portion of the fund was spent and (b) steps has he taken to correct the matter?

NW4157E

**REPLY**

Funds available for emergency relief and recovery following the KwaZulu-Natal floods came from the following disaster relief grants:

* Provincial Disaster Response Grant
* Provincial Emergency Housing Grant
* Municipal Disaster Response Grant
* Municipal Emergency Housing Grant

Other funds were sourced through reprioritising existing budgets and conditional grants.

**Provincial Disaster Response Grant**

The amount available in the Provincial Disaster Response Grant – R145 million – was not allocated as no application was received from the province.

**Provincial Emergency Housing Grant**

Of the amount available in the Provincial Emergency Housing Grant – R326 million – only R140 million was transferred to the province by the national Department of Human Settlements (DHS) with the undertaking that the balance would be transferred once the province had spent 80 per cent of their initial tranche. These funds are primarily for the provision of temporary shelter.

As at the end of August 2022, the province had spent R55.4 million of the Provincial Emergency Housing Grant , which translates to 17% of the total amount approved, or 40% of the amount transferred.

The key reason for the low expenditure is the lack of suitable land and because some people affected by the disaster were reluctant to move away from their current location. In addition, the lack of bulk infrastructure in the affected areas and objections from ratepayers’ associations have also delayed delivery.

To address the low expenditure, the National Treasury has granted the DHS approval to deviate from the conditions of the framework, which only provides for temporary shelter relief.

The deviation allows for the DHS to:

* Provide a Rental Assistance Scheme to assist beneficiaries from mass care centres to take up rental units in townships and other areas. This initiative will assist 1,500 families for up to 34 months, with the potential of relieving pressure in around 40 mass care centres.
* Establish Transitional Emergency Accommodation for up to 12 months. This initiative will identify and acquire suitable buildings that can be swiftly refurbished to accommodate families.

**Municipal Disaster Response Grant**

The declaration of a National State of Disaster resulted in a total amount of R516 million being approved and paid to the affected municipalities between June and August 2022. Out of the total amount approved, KwaZulu-Natal was allocated a total of R406 million, of which R25.7 million had been spent by the end of September 2022.

Most of the municipalities have finalised the appointment service providers and have started implementing the approved projects. Expenditure will begin to be realised as service providers start to submit claims for the work done.

Other reasons for slow spending include:

* Changing of approved projects after the payment has been made to the affected municipality. Changing of projects delays spending because municipalities can only spend money on approved projects.
* Procurement processes that municipalities embark on delays the spending of the approved funding. Municipalities are encouraged to use an emergency procurement process to ensure that there are minimal delays. However, not all municipalities follow this advice; as a result it takes longer for projects to be implemented.

**Municipal Emergency Housing Grant**

National Treasury approved a conversion of a portion of the Municipal Emergency Housing Grant– an amount of R120 million – to augment the shortfall experienced in the Provincial Emergency Housing Grant. There were no funds allocated to municipalities in KwaZulu-Natal against the Municipal Emergency Housing Grant.

**Reprioritisation of Conditional Grants**

The province also reprioritised conditional grants such as the Provincial Roads Maintenance Grant (R1.03 billion) towards disaster projects. Expenditure on the Provincial Roads Maintenance Grant as at the end of September was R39 million, with orders to the value of R696 million placed in August and September.

National Treasury granted approval to reprioritise portions of the Urban Settlements Development Grant (USDG), Informal Settlements Upgrading Grant (ISUPG) and Municipal Infrastructure Grant (MIG) for the affected municipalities.

National Treasury approved that a total of R41.3 million be reallocated against the MIG allocation for disaster response. This was for the municipalities of uMzumbe Local Municipality, uThukela District Municipality and King Cetshwayo District Municipality. In terms of the 2021/22 pre-audited Annual Financial Statements, municipalities reported full expenditure against the MIG allocation.

With regards to the 2022/23 allocation for eThekwini, an amount of R124 million was reprioritised from the Informal Settlement Upgrading Partnership Grant (ISUPG) allocation of R727.2 million, and an amount of R340 million was reprioritised for the Urban Settlements Development Grant (USDG) from the R1.2 billion allocations. The reprioritised funds were for the reconstruction of infrastructure damaged through the disaster. As things stand there has been little to no expenditure on the two reprioritised amounts, given the approval was only made towards the end of July 2022.