

REPUBLIC OF SOUTH AFRICA

SECOND SPECIAL APPROPRIATION BILL

(As introduced in the National Assembly (proposed section 77); explanatory summary of Bill and prior notice of its introduction published in Government Gazette No. 45013 of 19 August 2021)
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)

[B 17—2021]

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BILL

**To appropriate an additional amount of money for the requirements of the State;
and to provide for matters connected therewith.**

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Appropriation of additional amount of money for requirements of State

1. (1) Appropriations by Parliament of additional money from the National Revenue Fund for the requirements of the State in the 2021/22 financial year to votes and the main divisions within a vote, and for the purposes that are specified, are set out in the Schedule. 5

(2) The appropriations envisaged in subsection (1) are subject to the Appropriation Act, 2021 (Act No. 10 of 2021).

Short title 10

2. This Act is called the Second Special Appropriation Act, 2021.

SCHEDULE

Vote		Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Interest and Rent on Land			
		R'000	R'000	R'000	R'000	R'000	R'000	
8	<p>National Treasury Purpose: <i>Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, the maintenance of macroeconomic and financial sector stability, and the effective financial regulation of the economy.</i></p> <p>4 Asset and Liability Management <i>Manage government's annual funding programme in a manner that ensures prudent cash management, and an optimal portfolio of debt and other fiscal obligations. Promote and enforce the prudent financial management of state-owned entities through financial analysis and oversight.</i> Of which * – South African Special Risks Insurance Association: Purchase of equity</p>	3 900 000					3 900 000	
19	<p>Social Development Purpose: <i>Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.</i></p> <p>2 Social Assistance <i>Provide social assistance to eligible individuals whose income and assets fall below set thresholds.</i> Of which <i>Households</i> * – Social Assistance Transfers: Social grants ** – Social Relief of Distress</p> <p>3 Social Security Policy and Administration <i>Provide for social security policy development and the fair administration of social assistance.</i> Of which <i>Departmental agencies and accounts</i> – South African Social Security Agency *** – System enhancements to improve application and payment processes including the strengthened eligibility assessment system</p>	26 700 000			26 700 000			
		26 200 000			26 200 000			
		500 000			500 000			
					500 000			
23	<p>Defence Purpose: <i>Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force.</i></p> <p>2 Force Employment <i>Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental, interagency and multinational military exercises.</i> Of which <i>Foreign governments and international organisations</i> – Southern African Development Community Secretariat: Operations</p>	700 000	354 442*	324 260	21 298			
		700 000	354 442	324 260	21 298			
					21 298			
28	<p>Police Purpose: <i>Prevent, combat and investigate crime; maintain public order; protect and secure the inhabitants of South Africa and their property; and uphold and enforce the law.</i></p> <p>2 Visible Policing <i>Enable police stations to institute and preserve safety and security, and provide for specialised interventions and the policing of South Africa's borders.</i></p>	250 000	250 000*					
		250 000	250 000					

* Specifically and Exclusively Appropriated

** Includes R9.763 billion expenditure authorised in terms of section 16(1) of the Public Finance Management Act

*** Includes R250 million expenditure authorised in terms of section 16(1) of the Public Finance Management Act

SCHEDULE

Vote	Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
		Compensation of Employees	Goods and Services	Interest and Rent on Land			
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
39	Trade, Industry and Competition Purpose: <i>Lead economic development policy formulation and planning. Facilitate access to sustainable economic activity and employment for all South Africans through an understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development, and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.</i>	1 300 000			1 300 000		
	6 Industrial Financing	1 300 000			1 300 000		
	<i>Stimulate and facilitate the development of sustainable and competitive enterprises, through the efficient provision of effective and accessible incentive measures, that support national priorities.</i> Of which <i>Public corporations</i> – Various Institutions **** * – Industrial Development Corporation: Industrial financing				1 300 000		
	TOTAL	32 850 000	604 442	324 260	28 021 298		3 900 000

* Specifically and Exclusively Appropriated

**** Expenditure authorised in terms of section 16(1) of the Public Finance Management Act

MEMORANDUM ON THE OBJECTS OF THE SECOND SPECIAL APPROPRIATION BILL, 2021

1. PURPOSE OF BILL

- 1.1 The Bill aims to address the impact of the recent unrest and the Covid-19 pandemic by providing for additional urgent funding allocations and amounts authorised in terms of section 16 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).
- 1.2 The Bill provides for additional urgent funding allocations in the 2021/22 financial year, to the votes of National Treasury, Social Development, Defence, Police, and Trade, Industry and Competition.
- 1.3 The Bill also includes expenditure authorised by the Minister of Finance in terms of section 16 of the PFMA for the reintroduction of the Social Relief of Distress grant and support for small businesses.

2. LEGISLATIVE REQUIREMENTS

- 2.1 Section 213(2) of the Constitution of the Republic of South Africa, 1996 (“the Constitution”), provides that money may be withdrawn from the National Revenue Fund only—
 - (a) in terms of an appropriation by an Act of Parliament; or
 - (b) as a direct charge against the National Revenue Fund, when it is provided for in the Constitution or an Act of Parliament.
- 2.2 Section 16(1) of the PFMA provides that the Minister may authorise the use of funds from the National Revenue Fund to defray expenditure of an exceptional nature which is currently not provided for and which cannot, without serious prejudice to the public interest, be postponed to a future parliamentary appropriation of funds. Section 16(6) of the PFMA requires that expenditure in terms of subsection (1) must be included either in the next adjustments budget for the financial year in which the expenditure is authorised or in other appropriation legislation tabled in the National Assembly within 120 days of the Minister authorising the expenditure, whichever is the sooner.

3. SUMMARY OF BILL

- 3.1 *Clause 1* provides for appropriations by Parliament of additional money from the National Revenue Fund for the requirements of the State in the 2021/22 financial year to votes and the main divisions within a vote, and for the purposes that are specified, which are set out in the Schedule. This clause also provides that the appropriations are subject to the Appropriation Act, 2021 (Act No. 10 of 2021).
- 3.2 *Clause 2* provides for the short title.

4. ORGANISATIONS AND INSTITUTIONS CONSULTED

Engagements were held with the departments of National Treasury, Social Development, Defence, Police, and Trade, Industry and Competition regarding the proposed appropriations.

5. FINANCIAL IMPLICATIONS TO THE STATE

The required additional urgent funding amounts to R32.850 billion.

6. CONSTITUTIONAL IMPLICATIONS

The Bill is a money Bill envisaged in section 77 of the Constitution and proposes the withdrawal of money from the National Revenue Fund in accordance with section 213(2) of the Constitution.

7. PARLIAMENTARY PROCEDURE

- 7.1 The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure prescribed by section 75 of the Constitution, as required by section 77(3) of the Constitution.
- 7.2 The State Law Advisers are of the opinion that it is not necessary to refer this Bill to the National House of Traditional and Khoi-San Leaders in terms of section 39(1)(a) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), since it does not contain provisions pertaining to customary law or the customs of traditional or Khoi-San communities.

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