



DEPARTMENT OF COOPERATIVE GOVERNANCE

87 Hamilton Street, Arcadia, Pretoria, Private Bag x804, Pretoria, 0001, South Africa
Tel: +2712 334 0600, Fax: +2712 334 0603, Website: www.cogta.gov.za

GUIDELINES FOR DISASTER FUNDING: 2017/2018 FINANCIAL YEAR



JUNE 2017

ITEM	PAGE
(i) List of acronyms	1
1. Introduction	2
2. Arrangements for disaster funding	
2.1. Existing Disaster Grants	3-9
2.1.1. Funding for Immediate/ Emergency Disaster Relief	
(a) Provincial Disaster Grant	
(b) Municipal Disaster Grant	
2.1.2. Funding for Post Disaster Recovery and Rehabilitation	10-14
(a) Provincial Disaster Recovery Grant	
(b) Municipal Disaster recovery Grant	
3. Disaster funding for 2017/18 financial year	15-16
ANNEXURES	
Annexure A – Provincial Disaster Grant Framework	
Annexure B – Municipal Disaster Grant Framework	
Annexure C – Municipal Disaster Recovery Grant Framework	
Annexure D - Schedule 7A: Funding Allocation for 2017/2018	

(i) List of Acronyms

CASP -	Comprehensive Agricultural Support Programme
CBO -	Community Based Organisations
CFO -	Chief Financial Officer
DCOG -	Department of Cooperative Governance
DORA -	Division of Revenue Act (Act No. 3 of 2017)
DMA -	Disaster Management Act (Act No. 57 of 2002) as amended
FFC -	Financial and Fiscal Commission
HOC -	Head of Centre
HOD -	Head of Department
HSDG -	Human Settlements Development Grant
MDG -	Municipal Disaster Grant
MDRG -	Municipal Disaster Recovery Grant
MFMA -	Municipal Finance Management Act (Act No. 53 of 2003) as amended
MTEF -	Medium Term Expenditure Framework
NDMC -	National Disaster Management Centre
NGO -	Non-Governmental Organisations
PDG -	Provincial Disaster Grant
PDMC -	Provincial Disaster Management Centre
PFMA -	Public Finance Management Act (Act No. 1 of 1999) as amended
PRMG -	Provincial Roads Maintenance Grant
SALGA -	South African Local Government Association

1. INTRODUCTION

The Disaster Management Act (Act No. 57 of 2002) (DMA) primarily focuses on disaster risk reduction with more emphasis on prevention, mitigation and emergency preparedness. The purpose is to proactively assess the risks, plan with the aim to ensure preparedness and reduce the impact as and when disasters occurs. Therefore, the successful realisation of the provisions for the DMA is dependent on the preparation, alignment and implementation of disaster management plans, including contingency arrangements by all spheres of government, Institutions, organisations and stakeholders.

Section 56 and 57 of the DMA makes provision for disaster funding in cases where the measures in place e.g. DRR measures, contingency measures, etc. are surpassed by disaster impacts and the affected are unable to cope using only their own resources.

2. ARRANGEMENTS FOR DISASTER FUNDING

All organs of state, private sector, Non-Governmental Organisations (NGOs), Community Based Organisations (CBOs) and individual community members are responsible for disaster management including disaster funding. In terms of organs of state, the responsibility for disaster funding lies with an organ of state that has the powers and function as per the Constitution of the Republic of South Africa (1996) and the relevant legislation for the operation, maintenance and management of such infrastructure. Sections 25, 38, 52 and 53 require organs of state across the spheres of government to develop contingency strategies and emergency procedures in the event of a disaster, including measures to finance these strategies. Disaster funding through the DMA has been introduced to provide assistance, in the event of disaster occurrences that are of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources.

The grant funds are administered by the Department of Cooperative Governance (DCOG) through the National Disaster Management Centre (NDMC) in consultation with National Treasury. Disaster funding is primarily guided by the following legislations:

- a. Disaster Management Act (Act No. 57 of 2002)
- b. National Disaster Management Framework of 2005
- c. Division of Revenue Act (Act No 3 of 2017)
- d. Public Finance Management Act, (Act No. 1 of 1999)
- e. Municipal Finance Management Act (Act No. 53 of 2003)
- f. Amended Municipal Systems Act (Act No. 32 of 2000)
- g. Relevant Treasury Regulations issued in terms of PFMA

2.1. Existing Disaster Grants

There are three (3) types of disaster funding administered directly by the DCOG. The National Sectors administers the provincial sector disaster reconstruction and rehabilitation grants which are facilitated by DCOG through the National Treasury. The disaster grants are as follows:

2.1.1. Funding for Immediate/ Emergency Disaster Relief

Funds for immediate disaster response are provided within the DORA as unallocated provisions for disaster response within provinces and municipalities. Funds for immediate disaster response are provided within the DORA through special conditional, unallocated grants under Schedule 7A and 7B that is the Provincial Disaster Grant (PDG) and the Municipal Disaster Grant (MDG). These conditional grants are designed for the immediate release of funds and are intended to fund amongst other items: emergency repairs to essential basic service's infrastructure, provision of temporary infrastructure, humanitarian relief and other immediate essential services following a declared state of disaster. These grants are unallocated because allocations are done as and when disasters occur and funding is approved. The conditions of the grants as required by the DCOG and as stipulated in the grant-funding framework are attached hereto (Annexure A: B and C).

The following are the existing grants for Immediate/ Emergency Disaster Relief:

2.1.1. (a) Provincial Disaster Grant

- (i) The PDG is allocated by Schedule 7A of DORA. The conditional grant is meant to provide for the immediate release of funds for disaster response. The grant covers emergency repairs to essential basic services' infrastructure, humanitarian relief and other essential services to address the disruptions caused by disasters in provinces communities.

(ii) **Administration of the Grant**

The NDMC under DCOG administers the PDG in consultation with National Treasury.

(iii) **Intended recipients**

Funding from the grant may be accessed by provincial sector departments to respond to the immediate needs of communities after a disaster has occurred and in instances where the sector department is unable to deal with the effects of the disaster only using own resources.

(iv) **Allocation criteria**

The allocations are in accordance with declared state of disasters, disaster reports from affected sectors and municipalities as well as disaster assessments conducted by PDMC and NDMC.

(v) **Key conditions**

- Declaration of a state of disaster
- Classification by the NDMC
- Proof that despite dealing with the disaster in terms of existing legislation, and the respective contingency arrangements as augmented by regulations and directives made through the declaration of a state of disaster, the executive is still unable to effectively deal with the disaster.
- Support for the funding request by the relevant affected national department

(vi) Other requirements

- Copy of a decision by the relevant authority to declare a state of disaster in terms of the DMA.
 - Incident report detailing the extent of damages and losses, e.g. number of people affected, damages on infrastructure and the environment, etc.
 - The final application of funding submission within 35 days following the declared state of disaster.
 - Information on items to be purchased, clear reasons for purchasing the items and the value for money provided.
 - List of critical infrastructure to be repaired or replaced.
 - Support received from NGOs and businesses or any other stakeholders.
 - Funds required for disaster response, emergency mitigation and response.
 - A business plan detailing how the funds will be spent. The Business plan must include a cost cash flow budget projection.
-
- The PDMC and the affected provincial sector department to indicate funds contributions by organs of state within the province to address the impact of the disaster.
 - Provide details of funds already spent by affected organ of state to deal with the disaster.

(vii) Evaluation of funding applications

- The evaluation process of the application will take a maximum of up to ten working days and is subject to section 56 and 57 of the DMA. The process is also reliant on the submission of disaster reports as well required documentation on time.
- Engagements are further done with relevant stakeholders for the mobilisation of resources as well as technical support to ensure sustainable intervention measures in affected areas.

(viii) Transfer of funds to provinces

- The funds are transferred by the DCOG to provinces through engagements with National Treasury, Provincial Treasuries and the relevant provincial departments. Funding may be released in tranches based on the business plan and cash flow projects.

(ix) Scope for allocated funds

- Allocated funds must only be utilized in the declared areas and in accordance with the approved project list.

(x) Duration for the distribution of assistance and expenditure for allocated funds.

- Funds from the grant are to be utilised within three (3) calendar months following the date of transfer to recipients.
- Roll over procedures as per DORA are applicable for unspent and uncommitted funds during periods for rollover processes.

(xi) Unspent allocations

- Funds remaining from the allocation after all emergency works have been addressed must revert to the National Revenue Fund through Provincial Treasuries.

(xii) The conditions for the grant are detailed in the PDG Framework (Annexure A).

2.1.1. (b) Municipal Disaster Grant (MDG)

- (i) The MDG is allocated by Schedule 7B of DORA. The conditional grants is meant to provide for the immediate release of funds for disaster response within municipalities. The grant covers amongst other items: emergency repairs to essential basic services infrastructure to address the disruptions caused by disasters within communities.

(ii) Administration of the Grant

The NDMC under the DCOG administers the MDG in consultation with National Treasury.

(iii) Intended recipients

Funding from the grant may be accessed by municipalities to respond to the immediate needs of communities after a disaster has occurred and in instances where municipalities are unable to deal with the effects of the disaster only using own resources.

(iv) Allocation criteria

The allocations are in accordance with declared state of disaster, disaster reports from affected municipalities as well as disaster assessments conducted by PDMC and NDMC.

(v) Key conditions

- Declaration of a state of disaster
- Classification by the NDMC
- Proof that despite dealing with the disaster in terms of existing legislation, and the respective contingency arrangements as augmented by regulations and directives made through the declaration of a state of disaster, the executive is still unable to effectively deal with the disaster.
- Support for the funding request by the relevant affected national department.

(vi) Other requirements

- A preliminary cost and damage verification report to be submitted within 14 days for the initial request for funding following the declared disaster.
 - Copy of the classification letter in terms of the DMA.
 - Copy of decision by the Municipal Council to declare a state of disaster in terms of the DMA.
 - The applicable contingency plan in use and an explanation as to why it is ineffective in dealing with the effects of the disaster.
 - The final application of funding submission within 35 days following the declared disaster.
 - The details of affected sectors.
 - Items to be purchased, clear reasons for purchasing the items and the value for money provided.
 - Support received from NGOs and local businesses.
 - Contribution by the municipality (both financially and in-kind).
 - Funds required for disaster response.
 - A business plan detailing how the funds will be spent. The business plan must include a cost cash flow budget projection.
-

(vii) Evaluation of funding applications

- The evaluation process of the application will take a maximum of up to ten working days and is subject to section 56 and 57 of the DMA. The process is also reliant on the submission of disaster reports as well required documentation on time.
- Engagements are further done with relevant stakeholders for the mobilisation of resources as well as technical support to ensure sustainable intervention measures in affected areas.

(viii) Transfer of funds to municipalities

- The funds are transferred by the DCOG to the municipalities through engagements with National Treasury, Provincial Treasury and the relevant municipality. Funding may be released in tranches based on the business plan and cash flow projects.

(ix) Scope for allocated funds

- Allocated funds must only be utilized in the declared areas and in accordance with the approved project list.

(x) Duration for the repair work, distribution of assistance and expenditure for allocated funds.

- Funds from the grant are to be used within three (3) calendar months following the date of transfer to recipients.
-

(xi) Roll over processes

- Rollover processes are applicable in line with DORA for unspent and uncommitted funds during periods for rollover applications.

(xii) Unspent allocations

- Funds remaining from the allocation after all emergency works have been addressed must revert to the National Revenue Fund through Provincial Treasuries.

(xiii) The conditions for the grant are detailed in the MDG Framework. (Annexure B).

2.1.2 Funding for Post Disaster Reconstruction and Rehabilitation

The DMA places the onus for Post Disaster Rehabilitation and Reconstruction (PDRR) on the organ of state responsible for maintaining such infrastructure. However, rehabilitation is not only limited to infrastructure repair, it also includes rehabilitation to the environment, amongst other things. The costs for rehabilitation and reconstruction are generally high, as a result funding for these may need a combination of different funding sources. Intervention measures for PDRR can therefore be funded through: own budgets, existing conditional grants, and reprioritisation within existing capital budgets before requesting national contributions through DCOG.

The funding for post disaster reconstruction and rehabilitation is also catered for within the DMA through the National Contingency Revenue in the event where disaster occurrences are of a magnitude that exceeds the ability of those affected by the disaster to cope with its effects using only their own resources cases. The fund is a follow up to the Immediate/ Emergency Disaster Relief Fund with the main focus on long term intervention measures to be implemented over multiple years.

Funds for disaster reconstruction and rehabilitation are allocated within Schedule 4A and 5A of the DORA within provincial sector grants such as the Education Infrastructure Grant, Provincial Roads Maintenance Grant, Comprehensive Agricultural Support Grant, Human Settlements Development Grant, Health Facility Revitalisation Grant and Early Childhood Development Grant. Provincial Sector Departments that have a mandate/ powers and functions for the type of provincial infrastructure that has been damaged by disasters are then responsible for repairing the infrastructure, monitoring, reporting and evaluating the impact thereof.

The funds for PDRR are normally allocated through Medium Term Expenditure Framework (MTEF) budget process within DORA. The following are the existing grants for PDRR:

2.1.2 (a) Provincial Disaster Recovery Grant

The Provincial Disaster Recovery Grant (PDRG) is made available through DORA within Budget Votes for relevant sector departments with a mandate for particular infrastructure or line function. The allocations are currently incorporated in the existing grants for the sector departments, however they are separate from the existing sector departments and are ring-fenced for PDRR projects. The allocations and conditions for the PDRG are clearly outlined in the Grant Frameworks for relevant sector departments, in cases where there are allocations for such sectors (Reference be made to DORA).

(i) Administration of the Grant

The PDRG is administered by relevant sector departments that are responsible for particular infrastructure and line function in consultation with National Treasury, NDMC and PDMC.

(ii) Intended recipients

- Provincial sector departments may access funding from the grant for disaster reconstruction and rehabilitation purposes after a disaster has occurred and in instances where provincial and national sectors are unable to deal with the effects of the disaster only using own resources.

(iii) Allocation criteria

- The allocations are in accordance with disaster declarations, disaster reports from affected sectors, post disaster verification assessments undertaken by NDMC.

(iv) Key conditions

- Declaration of a state of disaster
- Classification by the NDMC
- Post disaster assessments and cost verification by NDMC.
- Proof on the inability to cope by the relevant affected provincial and national sector departments
- Support of funding request by the relevant affected national department

(v) Transfer of funds to provinces

- National Treasury transfers the funds to the provinces through national sector departments and consultation with NDMC.

(vi) Scope for allocated funds

- Allocated funds must only be utilized in the declared areas and in accordance with the approved project list.

(vii) Duration for the repair work and expenditure for allocated funds.

- Duration for repair work may be up to a maximum of three (3) years, the period is dependent on the extent of the repair work and the amount allocated for repairs. This is to allocate sufficient time particularly for intensive repair work.

(viii) Rollover processes

- The rollover processes are applicable in line with DORA for unspent and uncommitted funds during periods for rollover applications.

(ix) Unspent allocations

- Funds remaining from the allocation after all repair works have been addressed must revert to the National Revenue Fund through Provincial Treasuries.

2.1.2 (b) Municipal Disaster Recovery Grant

2.1. The Municipal Disaster Recovery Grant (MDRG) is made available within Schedule 5B of DORA. MDRG may be accessed by qualifying municipalities following post-disaster damage assessment and cost verification by NDMC.

(i) Administration of the Grant

- The MDRG is administered by the NDMC within the DCOG in consultation with National Treasury.

(ii) Intended recipients

- Municipalities may access funding from the grant after a disaster has occurred and in instances where municipalities are unable to deal with the effects of the disaster only using own resources.

(iii) Allocation criteria

- The allocations are in accordance with disaster declarations, disaster reports from affected municipalities as well as post-disaster damage assessment and cost verification by PDMC and NDMC.

(iv) Key conditions

- Declaration of a state of disaster
- Classification by the NDMC
- Proof that despite dealing with the disaster in terms of existing legislation, and the respective contingency arrangements as augmented by regulations and directives (Municipal, provincial and national sector departments) made through the declaration of a state of disaster, the executive is still unable to effectively deal with the disaster.
- Business plan and the cash flow projection
- Support for the funding request by the relevant affected national department.

(v) Transfer of funds to municipalities

- The funds are transferred by the DCOG to the municipalities through engagements with National Treasury, Provincial Treasury and the relevant municipalities. Funding may be released in tranches based on the business plan and cash flow projects.

(vi) Scope for allocated funds

- Allocated funds must only be utilized in the declared areas and in accordance with the approved project list.

(vii) Duration for the repair work and expenditure for allocated funds

- Duration for repair work may be up to a maximum of three (3) years, the period is dependent on the extent of the repair work and the amount allocated for repairs. This is to allocate sufficient time particularly intensive repair work.
-

(viii) Rollover processes

- Rollover processes are applicable in line with DORA for unspent and uncommitted funds during periods for rollover applications.

(xi) Unspent allocations

- Funds remaining from the allocation after all repair works have been addressed must revert to the National Revenue Fund through Provincial Treasuries.

(xii) The conditions for the grant are detailed in the MDRG Framework. (Annexure C).

3. Disaster Funding for 2017/2018 financial year

3.1. The following are allocations for the 2017/2018 financial year:

(a). Unallocated funding (Annexure D)

Name of Grant	Financial Year	Allocated amount
Provincial Disaster Grant	2017/2018	R213 million
Municipal Disaster Grant	2017/2018	R300 million
Municipal Disaster Recovery Grant	2017/2018	R0

3.1.1. Provincial Disaster Recovery Grant

(i) Allocation for Agriculture

No.	Grant details	Province	Allocated amount
1.	Sector - Agriculture	Limpopo	R5 million
2.	Grant Name - Comprehensive	Mpumalanga	R5.3 million
3.	Agricultural Support Programme (CASP)	Northern Cape	R111.5
4.	Grant	Western Cape	R17.2 million
Total Allocation for Agriculture		R139 million	

(ii) Allocation for Human Settlements

No.	Grant details	Province	Allocated amount
1.	Sector – Human Settlements Grant Name – Human Settlements Development Grant (HSDG)	Eastern Cape	R134.2 million
Total Allocation for Human Settlements		R134.2 million	

(iii) Allocation for Roads and Transport

No.	Grant details	Province	Allocated amount
1.	Sector – Roads and Transport	Eastern Cape	R90 million
2.	Grant Name – Provincial Roads	Limpopo	R130 million
3.	Maintenance Grant (PRMG)	Mpumalanga	R50 million
4.			
Total Allocation for Roads and Transport		R270 million	

CONTACT DETAILS FOR ENQUIRIES

Name – Ms. Modiegi Radikonyana

Designation - Chief Director: Disaster Risk Reduction Capacity Building and Intervention (DRRCBI)

Telephone - (012) 848 4619

Email - ModdyR@ndmc.gov.za

Name – Ms. Motlalepula Pitso

Designation – Director: Disaster Risk Reduction and Planning (DRRP)

Telephone – (012) 848 4606

Email – MotlalepulaP@ndmc.gov.za

APPROVAL



Dr Mmaphaka Tau

Deputy Director General (Head): National Disaster Management Centre

Date: 29.06.2017