

REPUBLIC OF SOUTH AFRICA

**RECONSTRUCTION AND
DEVELOPMENT PROGRAMME
FUND AMENDMENT BILL**

(As amended by the Portfolio Committee on Finance (National Assembly))

(MINISTER OF FINANCE)

[B 111B—98]

REPUBLIEK VAN SUID-AFRIKA

**WYSIGINGSWETSONTWERP OP
DIE HEROPBOU- EN
ONTWIKKELINGSPROGRAMFONDS**

(Soos gewysig deur die Portefeuljekomitee oor Finansies (Nasionale Vergadering))

(MINISTER VAN FINANSIES)

[W 111B—98]

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Amendment of section 3 of Act 9 of 1994

3. Section 3 of the principal Act is hereby amended—
- (a) by the substitution for paragraph (a) of the following paragraph:
 “(a) to finance reconstruction and development projects and programmes **[identified by the Minister responsible for the co-ordinated implementation thereof; and]** authorised by the Cabinet;” and 5
- (b) by the insertion of the following paragraph after paragraph (a):
 “(aA) in accordance with a technical assistance agreement; and”.

Amendment of section 4 of Act 9 of 1994

4. Section 4 of the principal Act is hereby amended— 10
- (a) by the deletion of the word “and” at the end of paragraph (a) and the substitution for paragraph (b) of the following paragraph:
 “(b) from which transfers shall be made **[to the National Revenue Fund]** for the financing of the reconstruction and development projects and programmes referred to in section 3(a); and” and 15
- (b) by the addition of the following paragraph:
 “(c) from which transfers shall be made to a spending agency in accordance with the relevant technical assistance agreement.”.

Substitution of section 5 of Act 7 of 1994, as substituted by section 16 of Act 6 of 1997 20

5. The following section is hereby substituted for section 5 of the principal Act:

“Unspent money

5. Money allocated from the fund and not spent by the end of each financial year shall, in the absence of any provision to the contrary in a technical assistance agreement, be paid into the fund.”. 25

Amendment of section 6 of Act 9 of 1994

6. Section 6 of the principal Act is hereby amended—
- (a) by the substitution in subsection (1) for the words preceding paragraph (a) of the following words:
 “The **[Director-General: Finance]** Accountant-General in the Department of State Expenditure shall be the accounting officer **[of]** responsible for the administration of the fund and shall, subject to the directions of the Minister—” and 30
- (b) by the substitution for subsection (2) of the following subsection:
 “(2) The accounting officer of a spending agency shall be accountable for the money allocated to that spending agency in terms of section 4(c).” 35

Substitution of section 7 of Act 7 of 1994

7. The following section is hereby substituted for section 7 of the principal Act:

“Audit 40

7. The accounts and balance sheet referred to in section 6(1) and the financial records kept by the accounting officer contemplated in section 6(2) shall be audited by the Auditor-General.”

Amendment of section 8 of Act 7 of 1994

8. Section 8 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection: 45
- “(1) **[Any]** Subject to any technical assistance agreement, any money of the fund which is not required for immediate use may be invested with the Public

Investment Commissioners or with a financial institution approved by the Minister and [may] shall be withdrawn when required.”.

Insertion of sections 8A and 8B in Act 7 of 1994

9. The following sections are hereby inserted in the principal Act after section 8:

“Regulations” 5

8A. The Minister may make regulations regarding any matter which is necessary or expedient to regulate in order to achieve the objects of this Act.

Report to Parliament

8B. The Minister shall at least once a year report to Parliament on the utilisation of the money of the fund.” 10

Short title

10. This Act is called the Reconstruction and Development Programme Fund Amendment Act, 1998.

**MEMORANDUM ON THE OBJECTS OF THE
RECONSTRUCTION AND DEVELOPMENT PROGRAMME FUND
AMENDMENT BILL, 1998**

1. The Reconstruction and Development Programme Fund Act, 1994 (Act No. 7 of 1994) ("the Act"), does not allow for speedy disbursement of foreign and domestic donor funds and the implementation of projects. Donors also require that their contributions be used solely for the projects they have agreed to fund.

2. It is therefore proposed that the Act be amended to provide that donor money in the fund shall only be used in accordance with the agreement in terms whereof the money was granted. It is also proposed that funds should flow directly from the fund to spending agencies in accordance with the relevant agreements and not via the National Revenue Fund.

3. It was felt that it would be more appropriate for the Department of State Expenditure to control and administer the fund. The Bill also seeks to empower the Minister to make regulations and seeks to effect certain technical amendments.

4. Consultation:

- Department of State Expenditure
- Representatives of donor states
- SARS
- Tender Board
- Department of Justice
- Department of Foreign Affairs
- The Office of the President

5. PARLIAMENTARY PROCEDURE

The State Law Advisers and the Department of Finance are of the opinion that this Bill must be dealt with in accordance with section 75 of the Constitution since it contains no provision to which the procedure set out in section 74 or 76 of the Constitution applies.

