

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 2208 [NW2777E]**

**2208. Dr L A Schreiber (DA) to ask the Minister of Finance:**

Whether any portion of the \$4,3 billion loan granted to the Republic by the International Monetary Fund (IMF) will be used to pay the salaries of public servants; if not, what mechanisms have been put in place to ensure that no portion of the IMF loan will fund the salaries of the public servants; if so, what are the relevant details?

NW2777E

**REPLY:**

The loan of \$4.3 billion loan granted to the Republic by the International Monetary Fund (IMF) will not be earmarked specifically for the payment of salaries. The loan is a special facility created for member countries experiencing emergencies. It is called a Rapid Financing Instrument (RFI), and does not bear conditionalities, nor does it require the implementation of an IMF structural programme. Countries, however, receiving IMF emergency financing have committed to transparently utilising and reporting spending. Thus, the loan receipts (or disbursements) will form part of the National Revenue Fund to be used to support existing government programmes, which could include salary payments.

Access to the RFI was specifically expanded to help countries deal with the balance of payments (BOP) problems arising from the COVID-19 pandemic. The loan provides a low-interest opportunity for South Africa to provide counter-cyclical support to the economy and fund COVID-19 related emergency support. In other words, it mitigated the need for massive spending cuts in response to the dramatic revenue shortfalls of government, and avoided an explosion in the financing needs brought on by high-cost borrowings.

The reporting on the loan's use will form part of the general responsibility of government of publishing all information related to COVID-19-related support programmes, including procurement.