



REPUBLIC OF SOUTH AFRICA



**STATEMENT BY THE HONOURABLE JEFF RADEBE, MP,
MINISTER IN THE PRESIDENCY AND CHAIRPERSON OF
THE IMC ON COMPREHENSIVE SOCIAL SECURITY
IMPLEMENTATION;**

**JOINT SITTING OF STANDING COMMITTEE ON PUBLIC
ACCOUNTS (SCOPA) AND PORTFOLIO COMMITTEE FOR
SOCIAL DEVELOPMENT.**

**PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA,
CAPE TOWN**

21 NOVEMBER 2017

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The Chairperson of SCOPA and Chairperson of Portfolio
Committee on Social Development

Honourable members of SCOPA and Portfolio Committee on
Social Development

Members of the IMC

Directors General and CEOs

Members of the Media

Ladies and Gentlemen

Honourable members, good morning.

The structure of the Constitution for a Democratic South Africa
is founded on the provision of the three arms of the State, namely
the Judiciary, the Legislature (Parliament) and the Executive

(Government). The matter before us had reached the point where all arms of the State have been involved and tried to resolve the impasse between SASSA and SAPO, in the provision of Social Grants.

The role of the IMC is clearly with Political Authority to act in guiding, directing and ensuring the implementation of the Constitutional Court Order. This serves as our statement of commitment to the people of South Africa and particularly the social grant recipients, that government will continue pay social grants.

Government elected to resolve this impasse through the Inter - Ministerial Committee which illustrated its Political Commitment at its meeting with this Joint Committee of SCOPA and Portfolio Committee on the 8th November 2017. We believe that today, we bring to you demonstration of the commitment and dedication of the Executive to take full responsibility for the implementation of the solution that finally resolves the impasse.

BACKGROUND

The Constitutional Court on the 17th March 2017 ordered that SASSA and the Department of Social Development (DSD) must find an alternative service provider to Cash Paymaster Services (CPS). The current contract with Cash Paymaster Services (CPS) for the payment of social grants was declared invalid by the Constitutional Court in 2014 bringing finally to a legal battle that began in 2012.

The declaration of invalidity was suspended until the end of the contract to enable the South African Social Security Agency (SASSA) to “insource” the payment of grants. After the Black Sash matter in March 2017, the Court further suspended the

declaration of the invalidity of the CPS contract for another year to March 2018, when it became obvious that SASSA was not ready to pay out grants. This was to allow the Department of Social Development and SASSA to find a permanent solution to the payment of social grants to all beneficiaries.

CONSTITUTIONAL COURT DIRECTIONS

On the 7th of November 2017, the Constitutional Court issued Directions to SASSA to ensure proper compliance with its order dated 17th March. It directed SASSA to:

- provide information to Panel of Experts within the required timeframes or provide the panel if unable to do so within three working days of the request;
- provide appropriate and sufficient detail on process undertaken by SASSA to obtain services of service providers, including communication with the office of the Chief Procurement Officer by 12 noon Friday 17th November;
- combine statistics and information of all mechanisms involved in the payment of social grants in one consolidated document to be provided to the panel on a monthly basis;
- request GCIS to develop and implement a focused communication plan to inform current and potential beneficiaries and recipients of social grants of the implications of the transition and benefits of receiving their social grants via bank accounts provided by commercial bank or financial institution of their choice;
- report to the court, on affidavit, each month as to the progress achieved in implementing a communication plan;
- by Friday, 08 December 2017, report to the Court, on affidavit, as to SASSA's plan to effect the uninterrupted payment of social grants, specifying matters such as definite roles and responsibilities, precise timelines,

dependencies, desired outcomes and risk- mitigation measures;

- after filing its plan, report to the court each month as to the progress achieved in implementing the plan, the steps taken to mitigate risks which could prevent the full execution of the plan and any other matters;
- by Friday, 8 December 2017, report to the Court as to SASSA's contingency plan if a seamless transition on 1 April 2018 is not realisable; and
- provide the Panel with appropriate and sufficient information on any steps taken to implement these directions.

Honourable members, it was on the basis of these comprehensive directions that the IMC decided to align its work to that of the Constitutional Court reporting requirements, given the similar timeframes and expectations of the dedicated period between now and April 2018. The IMC Chair and the Chair of the Technical Committee met with the Panel of Experts, on the 14th November 2017, to outline our work and find convergence with respect to the approaches to this task.

It was also our considered view that placing more onerous reporting requirements would only lead to failure and as a result we developed a plan that coincides the deadlines and deliverables with that of the Constitutional Court. In this way, SASSA would remain focused on the task of implementation rather than dual, different reports to different authorities as will be shown by our project plan.

IMC TECHNICAL COMMITTEE

The IMC was given the responsibility to ensure implementation of the order of the court in its entirety. On the 8th November 2017, the IMC assured the Joint Sitting of SCOPA and the Portfolio Committee on Social Development of the establishment of a dedicated team.

The dedicated team was indeed established as the Technical Committee with a mandate to ensure the finalisation of the agreement between the SASSA and SAPO as well as the development of an implementation plan and a communication strategy.

This Technical Committee has confirmed the Public Sector led hybrid model, which includes a partnership with Home Affairs, State Security Agency and Financial Institutions. This hybrid approach will allow a set of public sector and private sector service providers by offering beneficiaries maximum choice, access and convenience.

Four focus areas were established by the Technical Committee including the Financial and ICT team which met with the Financial Institutions, on Friday 10th November 2017, to discuss their specific role. The Legal team is led by the Office of the Chief State Law Advisor as well as the legal teams of SASSA and SAPO to ensure the constitutionality and legal robustness of this process.

A lot has been achieved in the 10 days towards finding a sustainable solution for the payment of social grants in the country. The commitment of the IMC to yourselves and our people was to conclude an agreement between SASSA and SAPO. This includes the implementation protocol, communication strategy and the implementation plan.

The Implementation Protocol was concluded and signed between the SASSA and SAPO, and by the Minister in the Presidency on behalf of the IMC.

IMPLEMENTATION PROTOCOL

The Implementation Protocol is an overarching agreement in terms of the Inter-Governmental Relations Framework Act of

2005. The collaboration between SASSA and SAPO is further enabled by Section 238(b) of the Constitutions of RSA; Section 4(2)(b) of the South African Social Security Act of 2004 which allows SASSA to “do anything necessary for the realisation of the Agency’s objects”, and the National Integrated ICT White Paper Policy. This protocol allows SAPO to provide SASSA by April 1 2018, subject to cost effectiveness, the following:

- Corporate Control Account (Holding Account);
- Special Disbursement Accounts;
- Card Body Production & Distribution subject to price competitiveness; and
- On-boarding of new beneficiaries (Instant Account Opening & Card Issuance at SASSA Branches and Biometric authentication of beneficiaries.

This protocol forms the foundation for the signing of a further detailed collaborative agreement between SASSA and SAPO with the Detailed Project Plan which will be submitted to the IMC by the 6th December 2017 to the Panel of Experts / Constitutional Court by the 8th of December 2017.

The Meeting with the Financial Institutions and the Banking Council of South Africa of the 10th November 2017, agreed on the principle of establishing a special affordable account for SASSA beneficiaries and how to enhance their role in SASSA grants. The parties agreed to further meetings to discuss the details of the commercial accounts and the expansion of their joint activities.

THE IMPLEMENTATION PLAN

The Implementation Protocol is accompanied by an overarching implementation plan which identifies the various critical steps

required to ensure payments of grants by the 1st of April 2018. This plan identifies the various stages including:

- Finalising all the necessary service agreements;
- Agreement on the cost model and conclusion of the cost benefit analysis of the options;
- Issuance of the first batch new biometric enabled card;
- Develop software for card management system; and
- Handover from the current service provider to the new Service providers.

What is important to note is that the IMC and the Constitutional court reporting requirements have been aligned and therefore the work programme synchronised.

THE COMMUNICATION STRATEGY

The IMC instructed Government Communication and Information System (GCIS) to develop the communication strategy that will ensure beneficiaries are kept abreast with the process leading to 1 April 2018. This was further re-enforced by the Constitutional Court Order dated 07 November 2017.

A Communication Strategy has been developed to support this work. The strategy will ensure that our people particularly the beneficiaries are well informed and to allay their fears about the payment of Social grants from 1st April 2018. I can confirm that the Communication Strategy was developed by the 17th of November 2017

This strategy seeks to put in place a communication plan that will constantly update the country in particularly the beneficiaries of where the process is in finalising the appointment of the service provider. The strategy will reassure all the grant beneficiaries that government has no intention to cancel or frustrate this social security programme.

The multimedia communications approach will be utilised to ensure effective communication. This will include community Radio, TV, Print, Social Media, outdoor etc. Further commitment has been made by Provincial Government through the Social Development MINMEC to disseminate information through District, Metro and Local Municipalities to our Communities

STRATEGIC EMPHASIS

- Communicate primarily with the main beneficiaries of social grants across the country;
- Re-assure South Africans on the commitment to the implementation of the Constitutional order;
- Focus on recipients that have limited or no access to public information due to their remote or inaccessible locations;
- Critical at this point is a coordinated communication and a reputable voice from government offering credible messages on the way forward to avoid a repeat of the anxiety about grant payments experienced around March 2017.

Honourable Members, as you can see, we are well on course to finding permanent solutions to this challenge. We understand the anxieties that the impasse over grants has caused including fears that the cards might expire and beneficiaries will not receive their grants. I can assure all SASSA beneficiaries across the country that no card will expire come end of this calendar year.

According to the General Household Survey (2016) the main source of income of many South Africans is, social grants which bring financial security to many families. It contributes towards improving the standard of living of our people and providing a social safety net.

Social grants have changed the lives of over 17 million beneficiaries, whom SASSA pay without fail every month, and will continue to do so. No person who qualifies to receive social grants will be excluded. Changing the service provider will not mean poor service.

Government remains committed to providing South African in a dignified manner. Government is committed to providing all deserving beneficiaries their grants timeously. Specific educational messages will be developed and communicated for the benefit of social grant beneficiaries.

SASSA has facilitated the extension of its current payment card lifespan beyond 31 December 2017. This will not affect the beneficiaries that have opted to utilise commercial bank accounts. Government encourages beneficiaries to call SASSA call centre for assistance or inquiries.

As government, the protection of beneficiaries from unscrupulous deductions and exploitation of personal data remain our priority. DSD and SASSA have committed to implementing the court order especially on the protection of beneficiary data and the issue of deductions.

SASSA will proceed to investigate all financial activities around the grants as directed by the court with the view to protect beneficiaries. Going forward, SASSA intends to insource the management of Social Assistance Regulation 26 (A), which provides for the deduction of funeral policies authorised by beneficiaries.

Our social assistance programme has contributed in breaking the cycle of poverty. We remain committed to providing social assistance through grants to poor and vulnerable South Africans. This programme is at the heart of government's poverty alleviation programme and central to restoring the dignity of our

people. Through it, we continue to improve the living conditions of poor, vulnerable and underprivileged. These include the elderly South Africans, people living with disability as well as orphaned and vulnerable children including those living in child headed households.

Government provides social assistance to over 17 million beneficiaries through social grants. The child support grant has grown from 70 000 social grants in 1998 to almost 12 million social grants in 2016.

IMC remains committed to continue with this work until the conclusion of this plan. I will like to thank the honourable members of the Joint sitting of SCOPA and the Portfolio Committee on Social Development for their work on this matter.

I thank you.