



**THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA**



SOCIO-ECONOMIC IMPACT ASSESSMENT SYSTEM (SEIAS)

REVISED (2019): FINAL IMPACT ASSESSMENT TEMPLATE – PHASE 2

NAME OF THE PROPOSAL: FUNDRAISING AMENDMENT BILL

1. Please DO NOT ALTER the template and questionnaire
2. Date must be clearly indicated
3. Draft SEIAS report should have a watermark word DRAFT indicating the version and should be accompanied by the supporting documents (draft proposal, M&E plan and pieces of research work)
4. FINAL report will be in PDF format and will be inclusive of the sign-off
5. FINAL report will have the approval stamp of the DMPE on the front cover and will include the signoff
6. Sign off forms are only valid for a period of six months.

PART ONE: ANALYSIS FOR FINAL SEIAS REPORT

Please keep your answers as short as possible. Do not copy directly from any other document.

1. Conceptual Framework, Problem Statement, Aims and Theory of Change

1.1. What socio-economic problem does the proposal aim to resolve?

1.1.1 Background

In the early seventies the apartheid government established the Fund Raising Act No107 of 1978 to provide social relief services to the white minority in the country. The monies accumulated in the various funds were disbursed to mainly white communities who allegedly affected by disasters, acts of terrorisms, act of social violence and refugees who supported the regime and South African Defence Force. Furthermore, the declaration of disaster was confined to then South Africa with the exclusion of the so called "homelands". As a result, only few people benefited from the relief services to the exclusion of the majority in the country.

In view of this, following the democracy the Department of Social Development was tasked by South African Government with a mandate to develop safety nets to cushion the vulnerable communities against the impact of food insecurity and vulnerability due to life exigencies. To this end one of the severe impact to communities is exposure by vulnerable poor people to hazards and risks that culminate into disaster due to lack of disaster risks mitigation and developmental programme in the environment that communities resides. Exacerbating the issue for the poor was skewed institutional arrangements, poor governance due to misalignment with King IV, Public Finance Management Act (PFMA) and duplication of the legislative environment, lack of relevance of the Fund Raising Act in its current form in the country. It was only in the advent of democracy that access to relief funds became feasible to poor communities albeit in a poorly structured environment.

In response to this anomaly the Department of Social Development in collaboration with National Treasury 2004 embarked on exploring various short term relief programmes internationally that would assist in addressing issues of short term relief, institutional arrangements, legislative provisions and processes. Likewise, a research led by Dr Makiwane from Human Research Council focused on Social Relief Distress under the Social Assistance Regulation 9(1) with regard to disbursement processes. In addition, an internal research focused on the various relief funds under the Fund Raising Act. Whilst issues of short term relief were researched and explored the South African Social Security Agency (SASSA) was established to disburse Social Grants inclusive of Social Relief of Distress.

However the other short term relief services under the Fund Raising Act No.107 of 1978 (Act No.107 of 1978) with four Boards different objectives remained in the Department of Social

Development. Prudently so National Treasury advised the Department to rationalise the Boards into one fund.

Further consultation with Social Protection Community and Human Development (SPCHD) identified a policy gap; that in addition to the consolidation of the relief funds into one relief fund the Department of Social Development should be empowered to embark on fund raising drive, by approaching both the private and public sectors, for targeted developmental socio-economic projects. It is against this background that it is seen prudent for the Fund Raising Act to be amended with a view to introduce the National Social Development and Relief Fund (The Fund). By doing so would also address issues of disaster risks mitigation that are part of the requirements as enjoined by the Disaster Management Act No.56 of 2002 and related Disaster Management Framework.

1.1.2 Problem Statement

Since the dawn of the new democracy in 1994 the South African government is faced with a mammoth task of alleviating the impact of the apartheid legacy which has left millions of black people very poor. The scourge of poverty is felt through the country due to a high number of unemployment rates, with concomitant lack of skills.

Although the South African Government has introduced a successful social grants system that covers many households and millions of children, the apartheid legacy is still being felt in the country in the rural and urban areas. These are vulnerable and poor communities who should benefit as espoused by the constitution. It is against this reason that there is a need to review the Fund Raising Act, for it to be applied consistently to provide long term developmental interventions. As a point of departure the provision of Social Relief to poor households should be linked with the other developmental programmes within the department with a view to ensure self-sustainability.

Currently, community development efforts are still implemented in a fragmented and uncoordinated manner with poor alignment between national, provincial and the local spheres of government. This fragmented approach contributes to wastage of limited resources as the impact in communities does not equate the vast resources invested. The amendment of the Fund Raising Act would introduce and enhance community development approach that involves and includes cooperatives in socio-economic activities. The limitations of existing legislative frameworks, impacts negatively on provision of relief resulting in fragmented and uncoordinated provision of relief at high costs to department. The proposal to amend the Fundraising Act is

- The Fund Raising Act dates back to 1978, as result, the Act is not aligned to the Public Finance Management Act (PFMA) more so on issues of accountability and governance. Over the years the Portfolio Committee, the National Treasury and Auditor General have raised concerns on the multiple relief funds with various Boards impacting negatively on the administrative and secretariat costs of the Department.
- The objective of the proposed Fund Raising Amendment Bill will enable the Department of Social Development to deal with issues of short term relief and sustainable

development. Furthermore, the purpose of amending the provisions of the Fund Raising Act is to align the Act with the Disaster Management Act No.57 of 2002 (Act No.57 of 2002), and the Social Assistance Act No. 13 of 2004 (Act No. 13 of 2004), and to reduce costly administrative services required by various Boards.

- It is envisaged that the proposed amendment to the Fund Raising Act will bring about the dissolution of various funds with a view, to establish one National Social Development and Relief Fund with one Board with a view to streamline issues of governance and strengthen efficient services to the poor communities.
- The amendment of the Fund Raising Act through establishing a National Social Development and Relief Fund, would assist government through to raise monies from public and private sector under one fund, and assist Organizations, Bodies and Persons to undertake socio-economic development activities through cooperatives.
- Lastly the proposed Fund Raising Amendment Bill would eliminate duplication of services provided for in the Social Assistance Act and the supporting regulations in relation to Social Relief of Distress.
- As already mentioned, this benefit is awarded in various forms and values across provinces, either in the form of food parcels, food vouchers, or cash which then makes it not a uniform provision to beneficiaries.
- There are no norms and standards that guide the implementation of relief thus resulting in a haphazard programme leading to fraud and litigations for failing to provide relief to qualifying applicants.
- The legislative frameworks are located at national Department of Social Development leading to problems of implementation at the provincial sphere of governments, and also impacting on dealing with relief issues spontaneously and immediately.
- The issues of accountability and governance are also not streamlined and there are no proper systems in place as to how to process the disbursement of relief and to keep track of the trends and budget accordingly.
- The National Treasury and the office of the Auditor General are in support of the consolidation of the funds into one fund to ease cumbersome administrative and secretariat services.

1.1.3 Literature Review

The rights to food, water and social security are enshrined in section 27, which also enjoins the government to take reasonable legislative and various steps within available resources to ensure that poor communities have access to basic resources. It is important to note that food security is seen as a Constitutional Right in South Africa and guarantees its citizens the right to have access to sufficient food, water inclusive of social security, and that “the state must by legislation and other measures, within its available resources, avail to progressive realisation of the right to sufficient food. The National Policy on Food and Nutrition Security for the republic of South Africa, 2015 provides a broad framework for the fulfilment of this Constitutional imperative, and serve as a guide to national, provincial and local government in pursuit of food and nutrition security at every level

Social protection represents society’s responses to the varying levels of risk or deprivation that people face. These responses include secure access to income, livelihood, employment, healthcare, educational services, nutrition and shelter (Taylor, 2002:119). South Africa faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including drought, cyclones and severe storms and not discounting the burden of diseases that can trigger widespread hardship and devastation.

In addition, South Africa’s extensive coastline and proximity to shipping routes present numerous marine and coastal threats. Similarly, our shared borders with six southern African neighbours present both natural and human-induced cross-boundary risks, as well as humanitarian assistance obligations in times of emergency. In addition to these natural and human-induced threats and despite ongoing progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability – in underserved, ecologically fragile or marginal areas – where they face recurrent natural and other threats that range from drought to repeated informal settlement fires (National Disaster Management Framework, 2005).

In responding to the calamities that faces the South African population, the South African government plays a major role in addressing the issues of undue hardship and displacement through providing social relief intervention aimed at addressing the needs of communities affected by disasters and other social issues. The Department of Social Development together with the number of Non-Government Organizations are always at the forefront in providing for the communities affected by disasters. Therefore, it is of critical importance to ensure that the department is able to respond with the undying needs of communities affected by disasters.

Strengthening Co-ordination and alignment across the sector

According to Luka (2000) by its nature, community development is cross-cutting and its implementation is often challenged by a plethora of policies and programmes that are not coherent and integrated. The Department of Social Development finalized the National Community Development Policy Framework which aims to guide implementation of community development and to link efforts across sectors including civil society and development agencies. Currently, community development efforts are still implemented in a fragmented and uncoordinated manner with poor alignment between national, provincial

and the local spheres of government. This fragmented approach contributes to wastage of limited resources as the impact in communities does not equate the vast resources invested.

Fragmented Community Empowerment programmes with the Sector

The primary areas of focus of the National Development Agency (NDA) is food security, early child development, enterprise development and income generation programmes. Some of its strategic objectives include contribution towards the eradication of poverty and its causes by granting funds to civil society organization, the implementation of development projects in poor communities and whilst strengthening institutional capacity of Civil Society Organizations that provide services to poor communities. NDA established a Programme Management Unit responsible for offering project management to private and public entities that wish to fund poverty-eradication projects. The National Social Development and Relief Fund will work in collaboration with National Development Agency on the issues of providing funding for community empowerment projects.

In line with the National Policy on Food and Nutrition Security for the Republic of South Africa, 2015, The Community Development branch within the Department established a programme known as Household Food and Nutrition Programme that collaborates with Community Nutrition Development Centres which provide nutritious meals to affected or poor communities on a daily basis. The main goal of the Centers is providing cooked healthy meals as well as much needed social contact to vulnerable and food insecure individuals. They also empower vulnerable groups through training courses coordinated by government departments and other relevant agencies. Once the amended Fundraising Bill is approved this programme will be implemented in partnership with National Social Development and Relief Fund.

Social Assistance Act, 2004 (Act No. 13 of 2004) provides for the rendering of social assistance to persons, and mechanisms for the rendering of such assistance. Section 13 of the Act, together with Regulations mandates SASSA to provide social relief of distress (SRD) to any person in need of immediate relief provided they meet certain prescribed criteria. One such criterion is that the person has been affected by a disaster as defined in the Disaster Management Act. The Directorate: Social Relief, in the Department of Social Development, formulates policy for Social Relief of Distress. SASSA, as administrator of the Social Assistance Act, implements the Social Relief Policy. SASSA appoints Non-Government Organisations to distribute relief to individuals and households experiencing undue hardship. The National Social Development and Relief fund will enter into Memoranda of Understanding with service providers that are already contracted by SASSA to distribute relief in order to avoid reinventing the wheel.

Lastly, The Fund Raising Act, 1978 (Act No 107 of 1978) provides for the establishment and management of Relief Funds, including the Disaster Relief Fund. The Act is outdated and not in line with best practices. Only chapter 2 of the Act remain owing to the introduction of Non Profit Organisations Act. Furthermore, the Act is in conflict with recent Disaster Management Act of 2002 particularly on the issues of Disaster Declaration. The various funds established in terms of Fundraising Act are dormant and not accessible. The only fund that is accessible and remain active is the Disaster Relief Fund. The four funds established in terms of the

Fundraising are within the ambit of the Department of Social Development with only the exception of the South African National Defence Force Fund.

The proposed Fundraising Amendment Bill will ensure collaboration with other interventions implemented by the Department such as Community Nutrition Development Centres implemented by Community Development branch, National Development Agency and South African Social Security Agency with a view to ensure alignment of food security programmes to poor communities.

Legislation Alignment

Recognising the need for uniformity of approach, the Disaster Management Act called for the development of a National Disaster Management Framework to provide a coherent, transparent and inclusive policy on disaster risk management appropriate for South Africa. The contents of the National Disaster Management Framework (NDMF) are far-reaching and based on the requirements of the Disaster Management Act. The Disaster Management Act gives explicit priority to the application of the principle of co-operative governance for the purpose of disaster risk management and emphasises the involvement of all stakeholders in strengthening the capabilities of national, provincial and municipal organs of state to reduce the likelihood and severity of disasters (DSD guidelines for mainstreaming Disaster Risk Reduction). In terms of the Disaster Management Act, each national organ of state must determine its role and responsibilities in relation to disaster risk management and assess its capacity to adhere to the requirements of the Act.

The issues of accountability and governance as stipulated in the Fund Raising Act are not in line with the Public Finance Management Act, resulting in no clear division of power and roles between the Director General and the Relief Funds Boards. The Disaster Management Act No.57 of 2002 and the Disaster Management Framework of 2005 enjoins all government departments to contribute towards disaster risk mitigation projects, however the Fund Raising Act is presently silent on issues of disaster risks mitigation. Disaster & Social Relief programmes are not aligned with other departmental sustainable food security catered for by National Development Agency and the Community Development branch in the form of Community Nutritional Distribution Centers (CNDC).

Resourcing Community Empowerment initiatives

In order to address the broad social needs of poor communities including people who suffered loss or damage due to disasters, comprehensive social security systems including developmental socio-economic provisions should be designed to impact positively with relevant assistance in a timely manner. The approach to relief in the Fund Raising Act (1978) is fragmented and with parts that date back to the apartheid era.

According to Luka (2011) funding of community development in DSD is the lowest of all the department's programmes. This is also due to the limited scope of community development

as well as the limited capacity of community based organizations to implement programmes and deliver effective community development services. There are many Community Based Organisations that are engaged in voluntary or self-help work often with very weak institutional support and poor access to funds to carry out their work.

However, a policy gap has been identified in enabling DSD to embark on fund raising drive, by approaching both the private and public sectors, for targeted developmental socio-economic projects. It is against this background that it is seen prudent for the Fund Raising Act to be amended with a view to introduce the National Social Development and Relief Fund (The Fund).

Objectives of the Fundraising Amendment Bill

The overall policy goal is to review the provision of social relief programme by amending Fund Raising Act No.107 Of 1978 (Act No.107 of1978) provisions through establishment of National Social Development and Relief Fund, with a view to set up a legislative mechanism that allow DSD to embark on fund raising activities in order to receive donations from the Private, Public and International sectors and further to focus on socio-economic developmental programmes.

The department will raise and receive monies/ funding from Private, Public and International donors for the rendering of assistance to persons, communities, organizations and bodies requiring such assistance and which the board may deem fair and reasonable in respect of social development activities in the following manner:

- Identify and provide funding to empowerment projects needing project- initiation.
- Identify and provide funding to empowerment projects for expansion purposes.
- Identify and provide funding to Organizations involved in skills transfer to Cooperatives.
- Provide funding to contribute towards the establishment of Protective Workshops/Places of Safety when a need is identified. e.g. (COVID 19 victims and Survivors)
- Provide funding/ in-kind assistance to deal with issues of humanitarian aid to countries hit by natural and man-made disaster events
- Provide in-kind assistance to asylum seekers and refugees who have been displaced.
- Contribute funding on common complimentary intergovernmental projects to alleviate impact of poverty.
- To deal with exigency matters needing immediate funding to mitigate the impact on the victims and survivors during events of disaster.
- Collaborate with CNDC, NDA and SASSA with a view to ensure alignment of food security programmes to poor communities.

The amendment bill seeks to rationalise the provisions of the Fund Raising Act to focus on socio –economic developmental programmes through monies received from Public, Private and International donors. The proposed bill direction is to enable the Department of Social Development to raise funds through a Board. The new provisions shall empower poor communities to benefit from long term sustainable programmes through cooperatives. The

Board shall be responsible to provide funding to identify projects that focuses on socio-economic development of poor communities.

The National Social Development and Relief Fund Board shall be appointed by the Minister to serve for a three-year term which may be renewable once, at the discretion of the Minister. The Minister shall appoint a Chairperson and Deputy Chairperson amongst the nine members. The Minister shall have the prerogative to terminate the services of any member of the Board.

The proposed established Board will be composed of not more than nine members, four of which shall be officials in the employment of the public services. The Board shall administer the funds to provide funding to sustainable socio-economic projects and collaborate with the National Development Agency, the Community Development Branch, and the South African Social Security Agency on issues of food security to vulnerable and poor communities.

The funds received shall be deposited at the South African Reserve Bank and the minimal amount shall be kept at the Bank registered in terms of Banks Act for the purpose of the operational and the administrative running costs. The Secretariat and Administrative services of the Board shall be performed by officials in the employment of the Department of Social Development reporting to the Director General as the Accounting Officer.

The Board shall report to the Minister through the Director General on issues pertaining to the monies disbursed for identified empowerment projects. Socio-Economic Developmental empowerment projects receiving monies or in-kind assistance from the Fund shall be monitored for their performance, having received proper training to sustain their existence. The Board shall enter into cooperative agreements with provincial Department of Social Development to identify sustainable socio- economic projects in need of funding in order to expand coverage.

1.2. What are the main root causes of the problem identified above?

| What socio-economic problem does the proposal aim to resolve | What are the main roots or causes of the problem |
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| <p>Vulnerable communities not receiving humanitarian relief due to outdated misaligned legislative provisions and systems.</p> | <p>1. Outdated and misaligned legislative provisions:</p> <p>1.1. Fund Raising Act No.107 of 1978 and Social Assistance (No.13 Act 2004) and Social Assistance Regulation are not aligned with the prevailing Disaster Management Act No.57 of 2002. For an example there are four funds under the Fund Raising Act as follows:</p> <ul style="list-style-type: none"> • Social Relief Fund caters for victims of violence. • State President Fund caters for victims of Terrorist acts. |

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| | <ul style="list-style-type: none"> • Refugee Relief Fund caters refugees • Disaster Relief Fund caters for victims of disaster events. Whereas under Social Assistance Regulation 9(1) issues of undue hardship are dealt with and catered for without having a separate Boards as required by the Fund Raising Act, hence this nullify the need to have four separate Boards to deal with issues individually. <p>1.2. Furthermore, the definition, requirements and processes of declaring an event a disaster under the Fund Raising Act differ under the prevailing Disaster Management Act that makes provision at Local, Provincial and National Level. Whereas funds are locked under the Fund Raising Act if no national disaster is declared. It is thus prudent to align with the disaster management without having to process another declaration from a different department thus impacting on access to relief for poor communities.</p> <p>1.3. In view of the fact that, what was declared a refugee, a victim of disaster, victim of terrorist act, victims of violence act in 1978 is definitely not applicable in the present dispensation. Hence the proposal to repeal these provisions as they are catered for under Social Assistance Regulations 9(1) wherein undue hardship is referred to.</p> <p>1.4. Fragmented legislative provision that impacts on the beneficiaries, thus perpetuating the exclusion errors due to the gaps between legislative provisions with inherent helplessness and disempowerment on beneficiaries.</p> <p>1.5. Empowerment projects dealing with issues of fund raising activities that are aligned to disaster risk mitigation as prescribed by the Disaster Management Act for departments to perform are catered for in the proposed amendments unlike the present reactive provisions in the Fund Raising Act.</p> |
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| | <p>2. Uncoordinated community development efforts:</p> <p>2.1. Currently, community development efforts are still implemented in a fragmented and uncoordinated manner with poor alignment between national, provincial and the local spheres of government. This fragmented approach contributes to wastage of limited resources as the impact in communities does not equate the vast resources invested</p> <p>2.2. Community development is cross-cutting and its implementation is often challenged by a plethora of policies and programmes that are not coherent and integrated</p> |
| | <p>3. Fragmented relief provisions/system:</p> <p>3.1. There are no norms and standards that guide the implementation of relief thus resulting in a haphazard programme leading to fraud and litigations for failing to provide relief to qualifying applicants</p> <p>3.2. The legislative frameworks are located at national Department of Social Development leading to problems of implementation at the provincial sphere of governments, and also impacting on dealing with relief issues spontaneously and immediately</p> <p>3.3. The issues of accountability and governance are also not streamlined and there are no proper systems in place as to how to process the disbursement of relief and to keep track of the trends and budget accordingly</p> |

1.3. Summarise the **aims** of the proposal and **how** it will address the problem in no more than five sentences.

- To provide relief to individuals and families who experienced socio-economic distress resulting from a range of circumstances.
- To address developmental socio- economic activities by funding projects, with long term intervention to extricate the poor communities out of the poverty

| Desired Outcomes | Mechanisms to achieve them |
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| Effective and efficient provision of social relief services to eligible applicants | The establishment of a National Social Development and Relief fund that will be able to generate revenue by raising funds for projects involved in socio-economic development through cooperatives |

1.4. Please describe how the problem identified could be addressed if this proposal is not adopted. At least one of the options should involve no legal or policy changes, but rather rely on changes in existing programmes or resource allocation.

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| Option 1. | South African Social Security Agency continue to provide Disaster Relief and Social Relief of Distress under the provision of Social Assistance Regulation 9(1) in tandem with the provision of disaster relief under Fund Raising Act No 107 of 1978 (Act No107 of 1978). |
| Option 2. | <p>let the status quo remain:</p> <p>The Fund Raising Act No107 of 1978 (Act No107 of 1978 established various short relief funds as follows:</p> <ul style="list-style-type: none"> •The Disaster Relief Fund, provide short term relief to victims and survivors of disaster. •Refugee Relief Fund, provide short term relief to documented refugees •State President Fund provide short term relief victims to survivors and families of acts of terrorists acts •Social Relief Fund provide short term relief to victims and survivors of violence <p>The Fund Raising Act enjoins the Minister to appoint various Boards to operationalize the management and the administration of the funds. Furthermore, the Director General of the Department of Social Development appoints officials to provide secretariat and administrative services to all the Boards. The Fund Raising Act No107 of 1978 section17 (2) confers juristic powers to the Boards thus conflating the Director General’s role and responsibilities on issues of governance as prescribed by Public Financial Management Act. All these Boards requires administrative and secretariat support at different times; thus loading an overbearing resources to the department.</p> <p>In most cases provision of relief intends to address an immediate need required to assist an applicant who is experiencing social distress at the time of application. However, in this option it means the intended beneficiary will have to wait for the process of the</p> |

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| | declaration of disaster, logistics for the Board to form a quorum, the provinces need to send a list of verified applicants (note at times applicants list and forms get lost) names are at times spelt incorrectly with wrong ID numbers leading to delay in the provisions of disaster relief |
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PART TWO: IMPACT ASSESSMENT

2. Policy/Legislative alignment with other departments, behaviours, consultations with stakeholders, social/economic groups affected, assessment of costs and benefits and monitoring and evaluation.

2.1. Are other government laws or regulations linked to this proposal? If so, who are the custodian departments? Add more rows if required.

| Government legislative prescripts | Custodian Department | Areas of Linkages | Areas of conflict |
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| National Disaster Management Act | Department of Cooperative Governance and Traditional Affairs | Declaration of the Disaster as defined in terms of disaster management act. | The fundraising act section 26 also providing for declaration of disaster by President. The amendment will address this gap and the declaration of disaster will only be in terms of Disaster Management Act |
| Public Finance Management Act | National Treasury | Procurement of goods and services | The Fund Raising Act of 1978 dates back to the apartheid era, and is not aligned with the latest legislative provisions and best practices |
| Social Assistance Act | Department of Social Development | There is too much overlap with regard to the provisions of | Aligning the Fundraising Act with Social Assistance Act to avoid duplication of |

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| | | <p>relief between Social Assistance Act 2004 and the Fund Raising Act resulting in duplication and over supply of scarce resources; in process disadvantaging deserving poor beneficiaries</p> <p>Social Assistance Act also regulate provision of disaster relief to persons affected by disasters.</p> | humanitarian relief services. |
| Refugee Act | Department of Home Affairs | Humanitarian relief is provided to documented refugees. The Department of Home Affairs is responsible for registration of Refugees. | Alignment of Fundraising and Refugee Act |

2.2. Proposals inevitably seek to change behaviour in order to achieve a desired outcome. Describe (a) the behaviour that must be changed, and (b) the main mechanisms to bring about those changes. These mechanisms may include modifications in decision-making systems; changes in procedures; educational work; sanctions; and/or incentives.

- a) What and whose behaviour does the proposal seek to change? How does the behaviour contribute to the socio-economic problem addressed?
- i) Social Workers- Currently offering psycho social and relief services that are not sustainable. The National and provincial Departments of Social Development is responsible for the behaviour.
 - ii) Silo Mentality by National and Provincial Departments of Social Development – resulting in fragmented and uncoordinated provision of social relief services

iii) Community Development Workers - Currently offering relief services and projects that are not sustainable. The Provincial Departments of Social Development is responsible for the behaviour.

b) How does the proposal aim to bring about the desired change?

- i) Train Social Workers on the new amendments which require that the relief services be developmental and sustainable and implemented through cooperatives.
- ii) Establishment of a Social Development Fund would streamline provision of relief services from one fund instead of multiple funds
- iii) Awareness Campaign. The Community Development Workers involved in projects will be made aware of the existence of the new Social Development Fund.

2.3. Consultations

- a) Who has been consulted inside of government and outside of it? Please identify major functional groups (e.g. business; labour; specific government departments or provinces; etc.); you can provide a list of individual entities and individuals as an annexure if you want.

Consulted Government Departments, Agencies and Other Organs of State

| Department's name | What do they see as main <u>benefits, Implementation/</u> <u>Compliance costs and risks?</u> | Do they <u>support or oppose</u> the proposal? | What <u>amendments</u> do they propose? | Have these amendments been <u>incorporated</u> in your proposal? If yes, under which section? |
|--|---|--|--|---|
| Department of Cooperative Governance and Traditional Affairs | Duplication of declaration processes of disaster, resulting in confusion and the inherent litigations | Highly Supportive | Alignment of the legislative provisions on matters relating to Disaster Management Act | Yes the proposed amendment of the Fund Raising Act section 26 on the declaration of Disasters |
| The Presidency | Duplication of declaration processes of disaster, resulting in confusion and the inherent litigations | Highly Supportive | Alignment of the legislative provisions on matters relating to Disaster Management Act | Yes the proposed amendment of the Fund Raising Act section 26 on the declaration of Disasters |
| National Treasury | Rationalisation of the Relief Fund Boards would benefit the fiscus. | Highly Supportive | Social Relief Services should be streamlined to avoid duplication of services. | Yes, the proposed amendment to the Social Assistance Act would channel |

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| | | | | services through one Social Development and Relief Fund |
| Department of International Relations and Cooperation | DIRCO indicated that an African Renaissance Fund was in the process of being initiated. Already DIRCO has systems in place to deal with foreign issues speedily. | Highly Supportive | Took note of the fact that DSD is proposing that DIRCO need to take responsibility to deal with Humanitarian Aid outside the country/ International Intervention. | Yes the proposed amendment of the Fund Raising Act section 26 on the declaration of Disasters |
| State Law Advisor | The office of the State Law Advisor has promised to assist in publishing the Bill for public comments. | Highly Supportive of the intended amendments | Support the proposed amendments in total | All inputs have been incorporated in the proposed amendments |
| SANDF | The SANDF indicated that they would include the South African Defence Force Fund provisions in their amendment of the Defence Force Act. | Highly supportive | However, would in the interim propose that the section of the Fund Raising Act dealing with SANDF should remain whilst still in the process of making provision for relief in the SANDF Act. | Yes the chapter dealing with issues of SANDF would remain in the Fund Raising Act |

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| Provincial Departments of Social Development(DSD) | Provincial Department of Social Development identified concerns around duplication of relief services that causes confusion and litigation | Highly supportive of the proposed changes | Provincial DSD support the amendments to rationalise various relief services in to one | The proposed amendments took into account concerns raised by the provinces. |
| Department of Home Affairs | The Department of Home Affairs' interest is only to document asylum seekers and refugees hence the Bill has no direct risk implications. | Highly supportive of the proposed changes | The Department of Home Affairs support the amendments to rational various relief services relief into one. | The proposed amendments took into account inputs raised by Department of Home Affairs. |

Consulted stakeholders outside government

| Name of Stakeholder | What do they see as main <u>benefits, Implementation/ Compliance costs and risks?</u> | Do they <u>support or oppose</u> the proposal? | What <u>amendments</u> do they propose? | Have these amendments been <u>incorporated</u> in your proposal? |
|---------------------|---|--|--|---|
| Black Sash | Black Sash agrees that using the definition provided for in the Disaster Management Act for disaster and disaster management is useful. | Highly supportive | ' disaster ' means "disaster" as defined in section 1 of the Disaster Management Act;"; | Yes, the proposed amendment has been incorporated in the Fundraising Amendment Bill and Social Assistance |

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| | | | | Regulations to align with Disaster Management Act. |
| The Fund Raising Amendment Bill was tabled for Public Comment on the 26 May 2017 (Gazette No4861) notice number 469 | No comments were received from the public except from the SANDF | Highly supportive | The SANDF indicated that they would include the South African Defence Force Fund provisions in their amendment of the Defence Force Act. | Yes the chapter dealing with issues of SANDF would remain in the Fund Raising Act |

- b) Summarise and evaluate the main disagreements about the proposal arising out of discussions with stakeholders and experts inside and outside of government. Do not give details on each input, but rather group them into key points, indicating the main areas of contestation and the strength of support or opposition for each position

At this stage there are no possible disputes identified however it is notable that not all applicants for funding of projects may qualify to receive funding. In this instance, the National Social Development and Relief Fund Board would need to ensure that due diligence processes in administrative justice are followed and complied with.

2.4. Assessment of costs and benefits to stakeholders inside and outside of government

- 2.5. Describe the groups that will benefit from the proposal, and the groups that will face a cost. These groups could be described by their role in the economy or in society. Note: NO law or regulation will benefit everyone equally so do not claim that it will. Rather indicate which groups will be expected to bear some cost as well as which will benefit. Please be as precise as possible in identifying who will win and who will lose from your proposal. Think of the vulnerable groups (disabled, youth women, SMME), but not limited to other groups.

| List of beneficiaries (groups that will benefit) | How will they benefit? |
|--|---|
| Eligible Persons or Organisations, and Bodies involved in socio-economic development projects from poor communities will benefit | Humanitarian relief for people affected by disasters. Funding of developmental community empowerment projects. |
| Government | Reduced high costs of providing social relief services |

| List of cost bearers (groups that will bear the cost) | How will they incur / bear the cost |
|---|--|
| DSD Public and Private Partnership | Existing Funds will be redirected as start-up funds, and monies raised in the fund raising activities will be allocated to deserving projects. |
| The Disaster Relief Fund, Refugee Relief Fund, the State President's Fund; and the Social Relief Fund will be consolidated into one funds | An estimated combined amount of R 108 million currently in the four funds dormant will be transferred to the newly established fund. |

- 2.6 Describe the costs and benefits of implementing the proposal to each of the groups identified above, using the following chart. Please do not leave out any of the groups mentioned, but you may add more groups if desirable. Quantify the costs and benefits as far as possible and appropriate. Add more lines to the chart if required.

Note: "Implementation costs" refer to the burden of setting up new systems or other actions to comply with new legal requirements, for instance new registration or reporting requirements or by initiating changed behaviour. "Compliance costs" refers to on-going costs that may arise thereafter, for instance providing annual reports or other administrative actions. The costs and benefits from achieving the desired outcomes relate to whether the particular group is expected to gain or lose from the solution of the problem.

For instance, when the UIF was extended to domestic workers:

- *The implementation costs were that employers and the UIF had to set up new systems to register domestic workers.*
- *The compliance costs were that employers had to pay regularly through the defined systems, and the UIF had to register the payments.*
- *To understand the inherent costs requires understanding the problem being resolved. In the case of UIF for domestic workers, the main problem is that retrenchment by employers imposes costs on domestic workers and their families and on the state. The costs and benefits from the desired outcome are therefore: (a) domestic workers benefit from payments if they are retrenched, but pay part of the cost through levies; (b) employers pay for levies but benefit from greater social cohesion and reduced resistance to retrenchment since workers have a cushion; and (c) the state benefits because it does not have to pay itself for a safety net for retrenched workers and their families.*

| Group | Implementation costs | Compliance costs | Costs/benefits from achieving desired outcome | Comments |
|--|---|--|---|-----------------|
| National DSD | Provision of secretariat services to various Relief Fund Boards will be reduced | Monies allocated to the various funds to the value of over R 106 million will be transferred to one National Development and Relief Fund to fund projects at the community level | Duplication of services that leads to costly litigation will be eliminated The costs of secretariat and administrative support to the Boards will be reduced | |
| Provincial Departments of Social Development | None | In case of processing individual application forms to send to National DSD, the Provincial DSD focus on identifying cooperatives involved in community development | Protracted individual applications forms will be done away with to focus on sustainable development. Sustainable National Development projects would capacitate communities, thus reducing dependence on Social Relief | |

| Group | Implementation costs | Compliance costs | Costs/benefits from achieving desired outcome | Comments |
|---|--|---|--|----------|
| South African Social Security Agency (SASSA) | None | SASSA to provide National Social Development and Relief Fund with a list of Service Providers contracted to provide Disaster and Social Relief. | To ensure no need to re-invent the wheel by the National Social Development and Relief Fund Board. | |
| Cooperatives | DSD would through the National Development and Relief Fund Board fund developmental projects | Cooperatives would apply as Organisations, thus directly benefiting surrounding communities through funded developmental projects | The Board will not be involved in cumbersome process to approve individual application forms for relief. | |

2.7 Cost to government: Describe changes that the proposal will require and identify where the affected agencies will need additional resources

- a) Budgets, has it been included in the relevant Medium Term Expenditure Framework (MTEF) and

The amendment Bill does not have any organisational and personnel implications on the State. Implementation of the amendment Bill will not require additional technical officials and/or capacity and will therefore not tamper with the current establishment.

- b) Staffing and organisation in the government agencies that have to implement it (including the courts and police, where relevant). Has it been included in the relevant Human Resource Plan (HRP)

Note: You MUST provide some estimate of the immediate fiscal and personnel implications of the proposal, although you can note where it might be offset by reduced costs in other areas or absorbed by existing budgets. It is assumed that existing staff are fully employed and cannot simply absorb extra work without relinquishing other tasks.

2.8 Describe how the proposal minimises implementation and compliance costs for the affected groups both inside and outside of government.

For groups outside of government (add more lines if required)

| Group | Nature of cost (from question 2.6) | What has been done to minimise the cost? |
|--------------|---|---|
| Cooperatives | DSD would through the National Development and Relief Fund Board fund developmental projects. | The Board will not be involved in cumbersome process to approve individual application forms for relief |
| | | |
| | | |

For government agencies and institutions:

| Agency/institution | Nature of cost (from question 2.6) | What has been done to minimise the cost? |
|--------------------|------------------------------------|--|
| National DSD | Staffing | officials employed to provide administrative and secretariat services would focus on policy issues and further provide secretariat and administrative support to the new Social Development Relief Fund Board |
| Provincial DSD | None | The Provincial DSD focus on identifying cooperatives involved in community development. The Board will enter into cooperative agreements with provincial Department of Social Development to identify sustainable socio- economic projects in need of funding in order to expand coverage. |
| SASSA | None | SASSA to provide National Social Development and Relief Fund with a list of Service Providers contracted to provide Disaster and Social Relief to avoid reinventing the wheel. |

| | | |
|------------------------------|-----------------|--|
| Local Government Structures. | Funded Projects | The Social Development Fund needs to work hand in hand with the Provincial and Local Government Structures for the purpose of establishing monitoring mechanism for the funded projects. |
|------------------------------|-----------------|--|

2.9 Managing Risk and Potential Dispute

- a) Describe the main risks to the achievement of the desired outcomes of the proposal and/or to national aims that could arise from implementation of the proposal. Add more lines if required.

Note: It is inevitable that change will always come with risks. Risks may arise from (a) unanticipated costs; (b) opposition from stakeholders; and/or (c) ineffective implementation co-ordination between state agencies. Please consider each area of risk to identify potential challenges.

The cost of expenditure on logistics for various Boards will be eliminated as one National Social Development and Relief Fund will be established to respond to needs of the poor communities.

Issues of legislative fragmentation, leading to litigation and ultimately service delivery dissatisfaction will be minimised by the adoption of the new proposal. The proposed amendments seek to address issues of governance in line with the provisions of the Public Finance Management Act and King IV guidelines.

- b) Describe measures taken to manage the identified risks. Add more rows if necessary.

Mitigation measures means interventions designed to reduce the likelihood that the risk actually takes place.

| Identified risk | Mitigation measures |
|---|---|
| Double dipping, wherein beneficiaries apply at SASSA and benefit from the Disaster Relief Fund Board funds as well. | SASSA is the key Social Relief of Distress and Disaster Relief provider |

| | |
|--|---|
| Litigation costs where in the advocacy groups take the Department, SASSA and the Boards to court for failing to address the needs of applicants. | Only one source of Social and Disaster Relief is activated with comprehensive infrastructure , network, and footprint |
| Unnecessary and costly Administrative and Secretariat services | Cost of expenditure on logistics has been eliminated since SASSA responds immediately to the needs of the community. |
| Declaration of Disaster Event using 2 legislative provisions causing confusion between departments. | Events of disaster are dealt with under the Disaster Management Act with less confusion and alignment of processes. |

- c) What kinds of dispute might arise in the course of implementing the proposal, whether (a) between government departments and government agencies/parastatals, (b) between government agencies/parastatals and non-state actors, or (c) between non-state actors? Please provide as complete a list as possible. What dispute-resolution mechanisms are expected to resolve the disputes? Please include all of the possible areas of dispute identified above. Add more lines if required.

Note: Disputes arising from regulations and legislation represent a risk to both government and non-state actors in terms of delays, capacity requirements and expenses. It is therefore important to anticipate the nature of disputes and, where possible, identify fast and low-cost mechanisms to address them.

| Nature of possible dispute (from sub-section above) | Stakeholders involved | Dispute-resolution mechanism |
|--|------------------------------|--|
| Cooperatives regarding the funding model | Cooperatives | Arrange information sharing with Cooperatives in provinces |
| Beneficiaries that do not qualify to receive humanitarian relief | Interest groups | Education and awareness campaigns on eligibility criteria |

Would it be possible to establish or use more efficient and lower-cost dispute-resolution mechanisms than those now foreseen? These mechanisms could include, for instance, internal appeals (e.g. to the Minister or a dedicated tribunal) or mediation of some kind.

| Nature of possible dispute | Proposed improvement in dispute-resolution mechanism |
|--|--|
| Cooperatives regarding the funding model | <p>A comprehensive model of funding socio- economic projects inclusive of criteria should be developed to enhance a structured and consistent operation. Issues of accountability and governance should be aligned with the provision of PFMA and supply chain procurement process.</p> <p>The Board will be proactive in terms of conducting awareness campaigns in provinces. The call for proposals from Cooperative will also have clear Terms of Reference.</p> |
| Beneficiaries that do not qualify to receive humanitarian relief | <p>The Board will be proactive in terms of conducting awareness campaigns in provinces with the aim to popularise community empowerment interventions including the humanitarian relief provided in case of disasters.</p> |

2.10 Monitoring and Evaluation

- a) When is implementation expected to commence after the approval of the proposal?

Formal monitoring processes will be established to assess the progress and impact during the implementation phase. The national Department of Social Development designated officials shall undertake monthly field visits to ensure that norms and standards developed and contained in the procedure manual for purpose of Socio-Economic Development projects are followed as prescribed.

Quarterly quality assurance meeting would ensure that issues of expenditure and disbursement processes are discussed to ensure that service delivery deliverables adhere to the agreed-upon norms and standards.

- b) Describe the mechanisms that you will apply to monitor the implementation of the proposal after being approved.

It will take about a year due to the fact that once the proposal is implemented the processes of appointing the members of National Social Development and Relief Fund will be initiated which will take about three months. The Fund will therefore be activated once the Board has been appointed to manage the Fund.

- c) Who will be responsible for monitoring the implementation of this proposal?

The Chief Directorate: Monitoring and Evaluation is responsible for monitoring all funded projects. The National Social Development and Relief Fund Board will develop a comprehensive Monitoring and Evaluation plan.

- d) What are the results and key indicators to be used to for monitoring? Complete the table below:

| Results | Indicators | Baseline | Target | Responsibility |
|--|--|----------|--|----------------|
| Impact: long term result (change emanating from the implementation of the proposal in the whole of society of parts of it) | % of Community Works Projects targeting Disaster Risk Mitigation Projects. | None | % Funded community empowerment projects on Disaster Risk Mitigation. | DSD |
| | % of Community Works Projects targeting Disaster Risk Mitigation Projects on Food Security | None | % Funded Community Work Projects focusing on Community Development and Food Security | DSD |

| | | | | |
|--|--|---|--|-----------------------------------|
| | % Contribution funding on common complimentary disaster risk mitigation projects with NPOS/NGOS to alleviate the impact of disaster in communities | None | Funding of None Profit Organisation in empowerment projects Community Work Projects dealing with issues of disaster risks mitigation | DSD AND None Profit Organisations |
| Outcome: medium term result (what beneficiaries achieve as a result of the implementation of the proposal) | Amended Fund Raising Act | Fund Raising Act No107 of 1978(Act No107 of 1978 | Aligned legislative process and seamless provision of relief and empowerment Funding. | DSD and None Profit Organisations |

e) When will this proposal be evaluated on its outcomes and what key evaluation questions will be asked? Below please find evaluation questions for your consideration:

- i. *What was the quality of proposal design/content? (Assess relevance, equity, equality, human rights)*
- ii. *How well was the proposal implemented and adapted as needed? (Utilise the Monitoring and Evaluation plan to assess effectiveness and efficiency)*
- iii. *Did the proposal achieve its intended results (activities, outputs and outcome) as per the Monitoring and Evaluation plan?*
- iv. *What unintended results (positive and/or negative) did the implementation of the proposal produce?*
- v. *What were the barriers and enablers that made the difference between successful and failed proposal implementation and results?*
- vi. *How valuable were the results of your proposal to the intended beneficiaries?*

f) Please provide a comprehensive implementation plan

g) Please identify areas where additional research would improve understanding of then costs, benefit and/or of the legislation.

For the purpose of building a SEIAS body of knowledge please complete the following:

| | |
|---------------------------|---|
| Name of Official/s | Mr Joe Molifi and Mr Menzi Ncobeni |
| Designation | Director and Acting Deputy Director |
| Unit | Social Relief |
| Contact Details | 012 741 6829 |
| Email address | joem@dsd.gov.za |

PART THREE: SUMMARY AND CONCLUSIONS

1. Briefly summarise the proposal in terms of (a) the problem being addressed and its main causes and (b) the measures proposed to resolve the problem.
 - a. Presently relief services as contained in the Fund Raising Act are fragmented and costly to administer due to lack of consistency in the application and implementation. The institutional arrangements as contained in the Fund Raising Act No.107 of 1978 are not conducive to respond immediately on issues of emergency.
 - b. The primary object of the bill is to consolidate various Relief Funds into one National Social Development and Relief Fund for the purpose of:

Rendering assistance to persons, communities, organizations and bodies requiring such assistance and which the board may deem fair and reasonable in respect of social development activities

Align the Fundraising Act with the provisions of Disaster Management Act and Public Finance Management Act and other related legislative frameworks

Facilitate donations from public, business and government

Contribute to International Humanitarian Aid when necessary

2. Identify the social groups that would benefit and those that would bear a cost, and describe how they would be affected. Add rows if required.

| Groups | How they would be affected |
|---|--|
| <i>Beneficiaries</i> | |
| 1. Vulnerable groups who are destitute will receive the benefit | Benefit from community development projects and provision of humanitarian relief in case of disasters. |
| 2. The poorest and most vulnerable groups within society | Benefit from community development projects and provision of humanitarian relief in case of disasters. |
| <i>Cost bearers</i> | |
| 1. DSD, and Public- Private partnership | Provide funding for community empowerment projects |

3. What are the main risks from the proposal in terms of (a) undesired costs, (b) opposition by specified social groups, and (b) inadequate coordination between state agencies?
 - a. The cost of expenditure on logistics for various Boards will be eliminated as one National Social Development and Relief Fund will be established to respond to needs of the poor communities.
 - b. Issues of legislative fragmentation, leading to litigation and ultimately service delivery dissatisfaction will be minimised by the adoption of the new proposal. The proposed amendments seek to address issues of governance in line with the provisions of the Public Finance Management Act and King IV guidelines

4. Summarise the cost to government in terms of (a) budgetary outlays and (b) institutional capacity.
- a. The existing funds under the Fund Raising Act will be consolidated into one Fund. The current values of the various relief funds are as follows:

| Relief Funds | Total Amount |
|---------------------|------------------------|
| Disaster Relief | R28'000'000.00 |
| Social Relief | R38'315'789.23 |
| Refugee Relief | R629'609.92 |
| State President | R40'017'710.58 |
| Total | R106'963'109.73 |

- b. The amendment Bill does not have any organisational and personnel implications on the State. Implementation of the amendment Bill will not require additional technical officials and/or capacity and will therefore not tamper with the current establishment.
5. Given the assessment of the costs, benefits and risks in the proposal, why should it be adopted?

The relief services contained in the Fund Raising Act are fragmented and costly to administer due to lack of consistency in the application and implementation. The institutional arrangements as contained in the Fund Raising Act No.107 of 1978 are not conducive to respond immediately on issues of emergency.

There is too much overlap with regard to the provisions of relief between Social Assistance Act 2004 and the Fund Raising Act resulting in duplication and over supply of scarce resources; in process disadvantaging deserving poor beneficiaries.

6. Please provide two other options for resolving the problems identified if this proposal were not adopted.

| | |
|-----------|--|
| Option 1. | South African Social Security Agency continue to provide Disaster Relief and Social Relief of Distress under the provision of Social Assistance Regulation 9(1) in tandem with the provision of disaster relief under Fund Raising Act No 107 of 1978 (Act No107 of 1978). |
| Option 2. | Status Quo remains and the Disaster Relief Fund, the Social Relief Fund, the State President Fund and the Refugee Relief Fund are |

| | |
|--|---|
| | activated with each having its own Board of Management and Secretariat as required by the Fund Raising Act section 17 of 1978 (Act No107 of 1978) |
|--|---|

7. What measures are proposed to reduce the costs, maximise the benefits, and mitigate the risks associated with the legislation?

The proposed amendment of the Act will culminate in the dissolution of various funds with a view, to establish a new National Social Development and Relief Fund, transfer all the assets and liabilities of the existing funds to the new one fund, appoint just one Board to streamline the legislative processes, provisions and strengthen efficient services to poor communities.

The dissolution of the 3 Boards will reduce costly administrative and secretariat services to various Boards resulting in one Board dealing with issues of Social Relief Distress and Disaster Relief.

It is also envisaged that the proposed amendment would strengthen governance issues and eliminate audit queries resulting from uncoordinated expenditure on various relief provisions.

8. Is the proposal (mark one; answer all questions)

| | Yes | No |
|--|-----|----|
| a. Constitutional? | X | |
| b. Necessary to achieve the priorities of the state? | X | |
| c. As cost-effective as possible? | X | |
| d. Agreed and supported by the affected departments? | X | |

9. Which of the National priorities would be most supported by this proposal?

This Bill is aligned to government's Outcome 13 and Chapter 11 of the National Development Plan: Vision 2030 on Social Protection which provides that all people should enjoy decent standard of living.

Furthermore, the Bill is also aligned to Economic Transformation and Job Creation priority which is one of the government 7 priorities, as existing funds will be directed as start-up

funds to cooperatives, and monies raised in the fund raising activities will be allocated to disaster risk mitigation, relief and developmental projects