

Key elements of the sector funding policy

In 2023 the national Department of Social Development (DSD) approved a new Sector Funding Policy (SFP) for public comment. This new policy impacts how the DSD funds services provided by partners in the non-profit organisation (NPO) sector. It provides guidance on what services will be funded and how much will be allocated for specific services. It is important for NPOs to know and understand what the policy means for them, and how they can constructively engage with national and provincial DSDs to ensure that key services to prevent and respond to violence are supported in the future. The SFP has 10 chapters and 4 Annexures. This factsheet is one of five factsheets that the Violence Prevention Forum (VPF) has developed to help NGOs and other stakeholders understand the policy.



What NPOs need to know about the SFP

SECTION A – CONTEXT FOR THE SOCIAL DEVELOPMENT SECTOR FUNDING POLICY

Chapter 1 reviews the history of the Policy on Financial Awards, highlighting the challenges that necessitated its revision. The chapter also reviews the implications of the NAWONGO court case for the funding services to those who are most vulnerable in society.

Chapter 2 sets out the legal framework governing transfers within the social development sector, highlighting the particular importance of the Constitution and the Public Finance Management Act. The legislation governing transfers within the social development sector is divided into framework legislation and legislation that permits or mandates the funding of specific services.

SECTION B – THE SOCIAL DEVELOPMENT SECTOR FUNDING POLICY

Principles and policy goals: The SFP is based on values, principles and rights outlined in the Constitution and other government policies.

Transformation: Chapter 4 sets out the values and principles for entities delivering developmental social services. These are intended to promote organisational transformation.

Partnerships and funding transfers: Chapter 5 sets out the entities and the purpose of services that may be funded by transfers. It provides the specific eligibility requirements to receive transfers. It specifies the types of funding arrangements and transfer payment agreements.

Planning and budgeting for the delivery of services: Chapter 6 defines and prioritises developmental social services. It also provides the norms for funding and structuring provincial DSD budgets and identifies temporary measures to prioritise budgets to meet services funding standards.

Procedures for budgeting and allocating funds: Chapter 7 describes the steps that provincial DSDs must follow when planning, budgeting for and allocating funds for the provision of services.

Management of transfers: Chapter 8 sets out key policies related to the management of transfers. Detailed requirements and procedures are set out in the SFP Guideline.

Monitoring and publication: Chapter 9 describes the requirements to improve the transparency of transfers to NPOs and other entities.

Implementation arrangements: Chapter 10 provides the dates for the implementation of the SFP and specific provisions and practical arrangements for the implementation of the policy.



Annexures



ANNEXURE 1 – Top action areas for prevention and early intervention

- The purpose of the Annexure 1 action areas is to ensure that funding is prioritised for prevention and early intervention in order to break the cycles of harm, vulnerability and risk.
- By setting aside funds for prevention and early intervention, the SFP, through Annexure 1, seeks to ensure that funding for prevention and early intervention is not ‘crowded out’ by the demand for costly crisis (response) services – which are typically or often statutory (required by law). Prioritised funding for prevention and early intervention can help to reduce the long-term demand for more costly crisis interventions and services.
- **Priority action areas are:**
 1. **Positive parenting and family promotion, with a particular emphasis on promoting the positive role of men; support for teenage girls who are pregnant, and the prevention of teen pregnancy.**
 2. **Intimate partner violence, particularly against women.**
 3. **Prevention of substance misuse among young people, including prevention of alcohol consumption by pregnant women in provinces where foetal alcohol syndrome (FAS) is high.**
 4. **Social crime prevention among young people.**

ANNEXURE 2 – Principles to identify services/projects that should be discontinued

The following principles provide guidance to national and provincial DSDs to determine which services and projects should not be funded by DSD. These principles are to ensure that public funds are used appropriately and effectively and they apply to both department in-house delivery and delivery through NPOs and other entities.



- Principle 1: Alignment – national and provincial DSDs will not provide or fund services or projects that are not aligned to the DSD mandate.
- Principle 2: Compliance – national and provincial DSDs will not fund an entity that is not compliant with the applicable registration requirements (e.g. NPO registered in terms of the NPO Act). The entity must also be accredited or registered to provide a particular service or programme if such registration is a requirement.
- Principle 3: Non-discrimination – national and provincial DSDs will not provide or fund services or projects that unfairly discriminate against any person either by design or due to the manner of implementation.
- Principle 4: No undue influence - spending on social relief services and projects funded should not be related to, motivated or influenced by undue influences such as politics.

ANNEXURE 3 – Services to be funded according to minimum funding standards

The state, within its available resources, is responsible for providing funding that covers the reasonable core costs of a service when it contracts or partners with an entity to deliver constitutionally and statutorily mandated developmental social services. The department will establish minimum funding standards for these services which will progressively increase funding until all services are funded according to reasonable core costs.



ANNEXURE 4 – Prioritised list for expanding access to services

- When expanding access to developmental social services (i.e. services in budget programmes 2, 3 and 4), funding should be allocated according to the services’ relative priority. The prioritisation method defined in SFP Appendix 2 provides the criteria for prioritising developmental social services.
- Where services had the same total prioritisation score in the prioritisation model, they share the same ranking and are listed in alphabetical order.

