



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF SOCIAL DEVELOPMENT

SOCIAL DEVELOPMENT SERVICES

GUIDELINE FOR THE SUBMISSION OF BUSINESS PLANS FUNDING APPLICATIONS FROM: NON PROFIT ORGANISATIONS TO DELIVER SOCIAL DEVELOPMENT SERVICES

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1. BACKGROUND

The Department of Social Development in Limpopo Province is rendering social development services in partnership with different social development stakeholders who operate at Provincial, District and local level. In order to render quality and equitable social services to the citizens of Limpopo, Government is expected to provide funding, support and capacity building to these partners.

2. Social Development Profile in Limpopo

2.1. Situation analysis

2.1.1. Demographic profile

The Province of Limpopo is situated in the north of the Republic of South Africa. It shares borders with the provinces of Gauteng, Mpumalanga and North West. It also shares borders with the Republics of Mozambique in the east, Zimbabwe in the north and Botswana in the west. The province covers an area of 123 910 km² with an estimated population of 5.6 million.

With approximately **5.6** million people, Limpopo province accounts for 11% of the population in the Republic of South Africa which is estimated at **50.6** million. This makes Limpopo the fourth most populated province in the country after Gauteng, KwaZulu-Natal, and Eastern Cape respectively (Stats SA, 2011). The population of Limpopo province is youthful with 35% (1.93 million) being children under the age of 15 years. Six out of ten people (3, 3 million) are economically active (15 – 64 years) while elderly people are in the minority making up 5% of the province's population. Females constitute the majority, making up 54% (3 million) of the province's population.

From a district perspective, Limpopo province consists of five districts as indicated in Table 1 below. The province's population is unevenly distributed with close to half of the population (47%) located in Capricorn and Vhembe Districts. Waterberg District accounts for the least proportion of the population in Limpopo province (12%). When it comes to sex structure, districts generally emulate the provincial picture; females outnumber males.

Table 1: Population distribution by district and sex, 2011

District	Male	Female	Total
Mopani	549 187	630 978	1 180 165
Vhembe	608 489	723 244	1 331 732
Capricorn	598 176	684 552	1 282 728

Waterberg	337 764	351 205	688 969
Sekhukhune	484 728	586 334	1 071 063
Total	2, 578, 344	2, 976, 313	5, 554, 657

2.1.2. Socio-economic profile of Limpopo province

Approximately 80% of the population in Limpopo province is rural based. This situation greatly impacts on the population's capacity to acquire education – particularly tertiary education - which in turn influences the potential for gainful employment in the formal economic sector. Available information shows that one in three people (33.4%) aged 20 years and older has had no formal education. The highest percentage of people in this category (39%) is found in Vhembe District, while Capricorn District has the lowest percentage (9%). According to Department of Health and Social Development (2005) at least two thirds (67.6%) of the population aged 20 years and older with no formal education are women. Statistics South Africa (2007) shows a significant decrease in the percentage of the population aged 20 years and older with no schooling, nationally. It is reported that the percentage of people aged 20 years and older with no schooling dropped from 17.9% in 2001 to 10.3% in 2007. In 2007, 9.1% of the people aged 20 years and older had completed higher education, as compared with 8.4% in 2001. While these are national figures and, variations are invariably expected at provincial level, the expectation is that the changes reflected at national level are mirrored at provincial level, Limpopo province included.

The rate of unemployment plays a key role in depicting the employment status of the labour force in South Africa and, to a fair extent, the functioning of the economy at large. Statistics South Africa (Stats SA hereafter) conducts labour force surveys on a quarterly basis in the attempt to track employment and unemployment patterns in the country. Results of the 2011 fourth quarter Labour force survey put the national unemployment rate at 23.9%. From a provincial perspective the rate of unemployment in Limpopo province was estimated at 20.2% during the same reference period.

3. PURPOSE OF THE GUIDELINE

The purpose of the guideline is to provide guidance to service providers on how to apply for funding from the Department of Social Development.

The following roles and responsibilities will be taken into consideration.

4. MANAGEMENT OF NPOs

4.1. PROVINCIAL ROLES AND RESPONSIBILITIES

- Facilitate application and funding process (Provide Funding, Management and Support)
- Monitor and evaluate compliance to funding and service delivery policies by NGOs
- Ensure that NPOs respond to the needs of communities
- Identify areas of duplication and gaps in service provision
- Identifying resources available to NPOs;
- Identifying training courses/institutions and developing a systematic capacity building programme, tailored to the capacity needs of the local organizations;
- Providing quality assurance to ensure that NPOs apply minimum norms and standards of practice subject to annual reviews;
- Coordinating NPOs with similar core business/ activities;
- Ensuring alignment with government priorities/policies;
- Co-coordinating financing within a specific municipality/ district and facilitate liaison within a District;
- Regular monitoring and co-ordination of performance among NPOs;
- Facilitating sharing of lessons learnt and best practice among local NPOs, and
- Ensuring NPOs meet legislative requirements and standards for governance and management.
- Coordinate NPO financing
- Provide guidance to Districts

4.2. DISTRICTS ROLES AND RESPONSIBILITIES

Districts are the coal phase of the service delivery. Districts are responsible for the operation of NPO financing, social mobilisation, reporting and capacity building of all funded NPOs.

The districts has the following operational responsibilities

4.2.1. Monitor effective and efficient transfer of funds to NPOs/NGOs quarterly

- Ensure funds are transferred to NPOs timeously

- Draw weekly expenditure reports
- Conduct and perform reconciliations

4.2.2. To provide leadership of the programme

- Advocate for the programme in the district
- Ensure adherence to government policies and priorities
- Provision of NPO governance

4.2.3. Establish a good NPO management system

- Develop system for NPO management
- Manage NPOs on the ground
- NPO supervision

4.2.4. To integrate of the programme into the Province Social Development Integrated Delivery model

- Integrate and collaborate with Provincial and district social development staff
- Foster improved collaboration and networking of NPOs

4.2.5. Capacity building for NPOs

- Strengthening the capacity of local communities, and the district social development systems and civil society to deliver good quality health care programme at the district level

4.2.6. Evaluate the quality of the services delivered by NPOs

- Conduct visit to NPOs daily, weekly, monthly or quarterly
- Assist NPOs on areas of need

4.2.7. To ensure NPO data collection

- Train NPO on data collection
- Collect data with NPOs

4.2.8. Monitor and evaluate the impact of the programme on the ground

- Review progress of the programme periodically
- Report on the progress on the ground

4.3. NON PROFIT ORGANIZATIONS ROLES AND RESPONSIBILITIES

- Compliance to Policy on Financial Awards, PFMA and Signed Service Level Agreement
- Render quality and equitable services according to the approved Business plans.
- Submit all required reports and claims timeously
- Adhere to the agreed upon objectives as outlined in the business plan
- Ensure that governance structures are functional and effective
- Monitoring and evaluation of services
- Assist emerging NPOs/Community Based Organizations as much as possible

5. LEGAL MANDATES

The Department of Social Development derives its mandates from the Constitution of South Africa Section (2) the Bill of Rights and Section 28 (1) which enshrines the rights of children.

The key policies and legislative framework to guide the department when funding NPOs

- Constitution of Republic of South Africa Act, 1996 (Act No.108 of 1996)
- The NPO Act, 1997 (Act No. 71 of 1997)
- Public Finance Management Act, 1999 (Act No.1 of 1999)
- National Development Agency Act, 1998 (Act No. 107 of 1998)
- Companies Act, 2008 (Act No. 71 of 2008)
- Integrated Service Delivery Model for Social Welfare, 2005
- Intergovernmental Framework Act, 2005 (Act No. 13 of 2005)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001)

ADDITIONAL POLICIES AND LEGISLATION

- White Paper on Population Policy for South Africa (1998)
- National Welfare Act, 1978 (Act No.100 of 1978);
- Welfare Law Amendment Act, 1996 (Act No. 106 of 1996)
- Social Service Professions Act, 1978 (Act No. 110 of 1978);
- Probation Services Act, 1991 (Act No. 116 of 1991);

- Prevention and Treatment of Drug Dependency Act, 1992 (Act No. 20 of 1992);
- Advisory Board on Social Development Act, 2001 (Act No. 3 of 2001);
- South African Social Security Agency Act, 2004 (Act No. 9 of 2004);
- Social Assistance Act, 2004 (Act No 13. of 2004);
- Children's Act, 2005 (Act No. 38 of 2005);
- Older Persons Act, 2006 (Act No. 13 of 2006);
- Prevention of and Treatment for Substance Abuse Act, 2008 (Act No. 75 of 2008)
- Integrated National Disability Strategy White Paper, November 1997
- National Policy Framework for Families, 2001
- Human Rights Commission Act, No 54 of 1994

INTERNATIONAL INSTRUMENTS

- Universal Declaration of Human Rights.
- Millennium Development Goals (MDG)
- African Charter on the Rights and Welfare of the Child
- NSP (HIV/AIDS)
- Geneva Declaration on the Rights of the Child.
- The UN convention on Disabilities.
- UN Declaration on the Rights of the Child.
- Convention on the Rights of the Child.
- UN Protocol to Prevent Trafficking in Persons.
- Hague Convention on Inter-country Adoptions.
- United Nations Convention on the Rights of the Child
- African Charter on the Rights and Welfare of the Child (OAU Doc. CAB/LEG/24.9/49 (1990), entered into force Nov. 29, 1999).

6. SCOPE AND PERIOD OF SERVICE DELIVERY

The Guideline is applicable to different types of Non-Government Organizations, Non Profit Organizations and Community Based Organizations and Projects rendering Social Development services at Provincial, District and Local level. The period of service will be in terms of the Financing options as stipulated in the Policy on Financial Awards to service providers.

7. PRINCIPLES AND OBJECTIVES

The following principles underpin the policy in the funding of social development services

7.1. Principles

- Self reliance

- Empowerment
- Service must be accessible and appropriate to all vulnerable groups in terms of physical and geographic conditions
- Promote Equity and accountability
- Participation by service recipients
- Efficiency and effectiveness
- Partnership
- Social integration
- Sustainability
- Openness and transparency

7.2. STRATEGIC OBJECTIVES

NPOs applying for funding should align their objectives to the following Social Development Strategic objectives:

- Provide appropriate interventions for substance abuse prevention, treatment and rehabilitation
- Provide protection, care and support to older persons
- Provide social crime prevention and intervention services
- Provide victim empowerment services to victims of crime and violence
- Provide prevention, care and support service to people with disabilities
- Provide protection and care services to children
- Provide prevention, care and support services to families
- Provide integrated services to individuals and families affected and infected by HIV and AIDS
- Develop and manage community based interventions for the infected and affected
- Reduce the incidence of poverty through sustainable livelihood
- Provision of institutional capacity and support
- Empowerment of women and people with disabilities

8. SERVICE PACKAGES TO BE FUNDED

Service providers/ Sustainable livelihood applying for funding are expected to deliver services in line with the service packages of the Department.

- Child care and protection
- Integrated youth Development
- Services to older persons

- Integrated Disability services
- Social Crime Prevention Programme
- Victim Empowerment Programme
- Services to families
- Substance abuse Programme
- Non Institutional HIV and AIDS
- Provincial Councils / Management and support
- Sustainable Livelihoods

9. PRE-REQUISITE FOR FUNDING

- Must be registered NPO in terms of the Non-Profit Organization Act No 71 of 1997 or Section 21 Company or Trust in terms of Companies Act, 2008 (Act No. 71 of 2008)
- An organization must be in the process of registering and has a proof of such application with national Department of Social Development-DSD
- Comply with Non-Profit Organization Act, Act 71 of 1997 in terms submission of annual narrative and financial reports.
- Registered in terms of any other prescribed service specific legislation such as the Children's Act, Older Persons Act etc.
- The organization must have an approved constitution that embraces social development objectives signed and adopted at Annual General meeting
- NPO applying for funding should have experience of service of not less than 12 calendar months
- NPO should be linked to District and Local Social Development office
- Services to be rendered in line with the priorities of the Department and Municipalities
- Attend all workshops and training organized by the Department (Invitation to be two weeks prior meeting and be accompanied by an agenda)
- NPO to have Governance structures
- Proof of land ownership / Permission to occupy
- Approval/Confirmation of service to be rendered from the Municipality/Local Chief/Local Induna (Involvement of Social Development District Head)
- Annual Financial Bank Statement
- Funded NPOs to submit Audited Financial statement

- Attend compulsory briefing sessions after advertisement
- NPO to have Financial and Operational policies
- Proposals applications to be submitted on or before closing date indicated in the advertisement
- NPOs with Social Work post should operate for 8 hours
- Crèches and stimulation centers should operate for 8 hours
- NPOs that are receiving funding from other donor organisations for the same objectives applied for in Social Development will not be considered to avoid double dipping
- NPOs are expected to obtain a score of **50%** for them to qualify for funding
- NPOs to comply with the Departmental Costing model

10. BUSINESS PLANS ASSESSMENT PROCESS

10.1. Assessment committee

The Committee will consist of members that have knowledge, skills and experience in the assessment of business plans/or provision of a particular service.

10.2. Composition and Representation of the Committee

The composition of the assessment committee will be as follows:

- Officials/Stakeholders from the Department-Provincial and District offices :
 - Provincial Programme Managers
 - Heads of Social work Services
 - Heads of Community Development
 - NPO/NGO District Coordinators
 - ICBS District Coordinators
 - District Programme Managers and coordinators
 - Municipal Supervisors,
 - Finance Managers
 - NPO Forum members as observers
 - Local municipal representatives as observers

- NPO Coordinators : Secretariat
- Provincial Managers and Heads of Social Work/Community Development :
Chairpersons
- Members may be co-opted when necessary

- **NB: The committee members will be appointed by the Head of Department or his/her delegate in writing.**

10.3. Functions of the Committee

The functions of the committee will include amongst other things:

- Develop an action plan
- Assessment of Business Plans
- Recommendations for funding
- Ensure affected NPOs/NGOs are informed of the outcome of the assessment
- Compile reports on the outcome and recommendations to the District Executive Managers and Head of the Department

11. FINANCING CRITERIA

11.1. Financing options

The Department of Social Development as a contractor of services purchases services by means of three options:

- Purchasing and financing through programme funding
- Purchasing and financing through a process of closed tender, in a case where the Department identify needs and invite applications from appropriate service providers
- Purchasing and financing through an open tender, where invitations from the supply of service are done according to tender procedures and policies

11.2. Types of Financing

The Department may use six possible types of financing in funding service providers/ Sustainable livelihood:

- Seed Financing: Is given where the service is in the early stages of development
- Capital Financing : Funds are given for non –consumable items such as furniture, equipment and maintenance
- Venture Financing: Once-Off type of financing applicable to projects that only need start up financing to become self-sustainable
- Partial Financing: Applies where only part of a broader service is approved for financing
- Shared Financing: Occurs where different funders decide to jointly fund a service, or different parts of a comprehensive service

- Long Term Contractual Financing: It applies to services that operate over a longer period of time and have long term objectives, the achievement of goals rely on ongoing funding for recurrent day to day operational costs.

11.3. Methods of payment

- Payment in phases/ stages/ tranches: The next payment of an allocation is dependent on results achieved in the previous phase/ stage.
- Payment through transfer on a quarterly basis in advance
- Payment at regular pre-determined intervals

12. MONITORING AND EVALUATION

Monitoring and evaluation of funded service providers will be the responsibility of the Department of Social Development in partnership with NPOs. The following process will be followed:

12.1. Field visits

- Field visits and inspections will be conducted by Government Officials on regular bases (Per appointment/ Surprise visits/ unannounced visits)

12.2. Reports

- Service providers must provide the Department with a monthly activity report and financial report of the previous month by the **7th of every month**
- All reports must be compiled using the prescribed format
- Services delivered will be evaluated on a six monthly bases through the submission of six monthly reports , **end of September and March each year**
- Annual reports must be submitted at least **30 days** after the end of the financial year i.e. **at the end of April each year**
- Audited Financial statements must be submitted within **three months after the end of the financial year**
- The following reports should be submitted before the next tranche of payments is done: **Monthly, Quarterly, Six monthly and Expenditure reports**

13. REDUCTION, SUSPENSION AND TERMINATION OF FUNDING

The Department has the right to reduce, suspend or terminate funding. This will apply on the bases of the following:

- Mismanagement of funds
- Financial assistance is no longer required

- The agreed upon objectives have not been met
- The service ceased to exist
- Beneficiaries are abused, maltreated or their rights are violated
- Service provider/Sustainable livelihood used the money in a fraudulent manner
- Non –compliance with the requirements for submission of reports, including Audited Financial Statements
- Non adherence to the Business plans in terms of the proposed and agreed activities

14. DISPUTES AND THE RIGHT TO APPEAL

The NGOs has the right to appeal where:

- Subsidy/ funding is not paid as agreed upon the service level agreement and Business plan
- Business plans assessment results are not received within 90 days after the application closing date

To settle disputes the following procedure will be followed:

- The aggrieved service provider/Sustainable livelihood shall submit a written appeal with motivation
- Documentary proof should be provided to support the dispute
- The appeal must be lodged within 30 days after receiving notification from the Department

15. BUSINESS PLANS TENDERING PROCESS/TENDER NOTICES

The Department of Social Development will make use of the following tender notices to advertise fundable social development services:

- National and local news papers
- National radios and local community radio stations broadcasting in Limpopo province
- Social Development Offices
- Provincial and District Social Development

In addition to the above the following community structure may be used to disseminate information

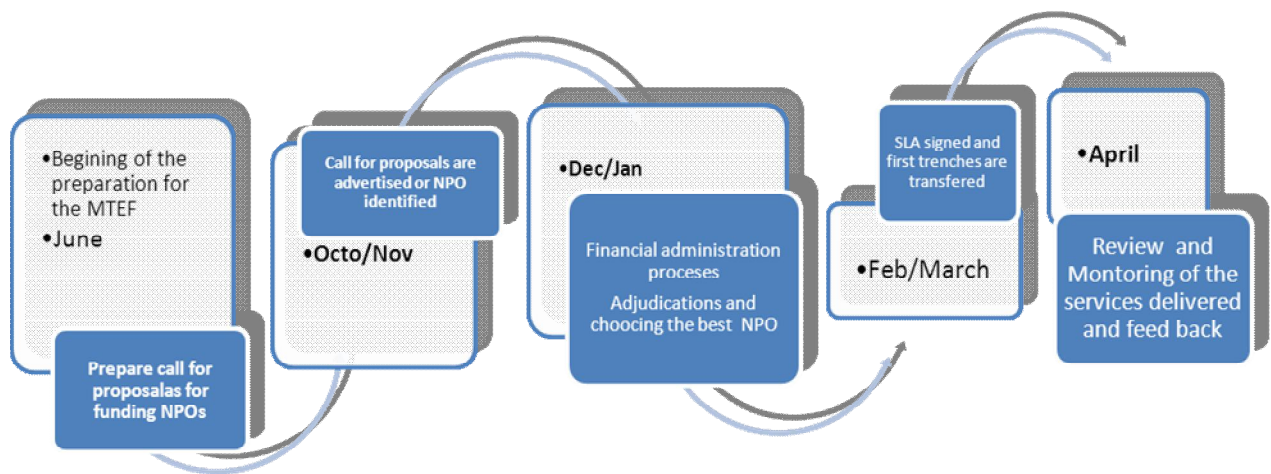
- Local government structures

- Faith Based groupings
- Business community structures
- Transport associations

16. SUBMISSION OF BUSINESS PLANS

- Deadline
- Date and time
- Location
- Contact details
- Register the application in the submission register

17. YEARLY TIMELINE IN LINE WITH MTEF



18. DEFINITION OF CONCEPTS

Definitions

NPOs are, first and foremost, **civil society organizations**. They are one of the diverse organizational forms that exist outside of the state and the market. NPOs are, by definition, 'organizations' that are 'not for profit' and are 'service oriented':

An organization is an organized body of individuals. An organization must have a set of rules that govern its activities, roles and responsibilities. These rules should be drawn up in the form of a constitution or other legal format.

Not-for-profit means that the members of the organization cannot withdraw financial surpluses from the organization. All surpluses are treated as retained income for the purpose of supporting the activities/services of the organization.

Service-oriented means that the primary focus of the organization is the provision of a service (or services) to a defined community, target group or set of individuals.

An NPO can be a non-governmental organization (NGO) or a community-based organization (CBO). The precise definitions of NPOs and CBOs continue to be debated; however, for the purposes of this Guideline, the following definitions will be used:

Non-Governmental Organizations are national or international bodies that operate outside of the state and the business sector. They are governed or managed by a group of elected or appointed members and are accountable to this governing body. NGOs tend to be larger and more developed than CBOs and have a larger proportion of paid, professional staff. Critically, they may or may not be based in the target community.

Community-Based Organizations (CBOs) share many of the characteristics of NPOs but are frequently smaller and more informal. Most importantly, they are based within a defined community. Where a CBO defines itself as a service organization, it must act in the overall interests of the community (rather than its own interests) and have the mandate of the community to provide the service.

NPOs should also be distinguished from **small, micro and medium enterprises** (SMMEs). The latter are part of the private sector and operate to create a financial surplus that is distributed to the individual members of the enterprise. Although an SMME may be based in a community, and have the mandate of the community to fulfill a service function, the fact that it operates for profit means that it is not an NPO, or indeed, a CBO.

Finally, it is necessary to distinguish NPOs from **contracted individuals** or groups of individuals/contractors. In some cases, provinces may deploy members from the community to fulfill certain service functions (for example peer education, counseling or distribution of condoms). The province may then enter into a contract (for example, an employment contract or service contract/service level agreement (SLA)) with the individuals concerned and pay a wage, salary or service fee for their services. These individuals do not constitute an NPO since there is no organization with a set of rules or a governing body to which they are accountable.

This Guideline assumes that, in the majority of cases, government will finance an organization that is registered in terms of the NPO Act.

