

To: Premier Panyaza Lesufi
GAUTENG PREMIER
Per email: Panyaza.lesufi@gauteng.gov.za
Copy to: Asanda.makubalo@gauteng.gov.za

And to: Ms Mbali Hlophe
**MEC OF GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT
AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT**
Per email: Mbali.Hlophe@gauteng.gov.za
Copy to : lehlohonolo.makuzeni@gauteng.gov.za

7 May 2024

Dear Premier Lesufi and MEC Hlophe

PAYMENT DELAYS BY GAUTENG DEPARTMENT OF SOCIAL DEVELOPMENT PUT NPOS AT RISK OF CLOSURE, WITH NO PLAN FOR BENEFICIARIES

1. We confirm that we act on behalf of Epilepsy South Africa, the West Rand Association for People with Disabilities, Central Gauteng Mental Health Society, Vaal Mental Health, Remme-Los Residential Care and Independent Living and the North Gauteng Mental Health Society (“our clients”). Our clients are all Non-Profit Organisations (“NPOs”) operating in Gauteng and funded by the Gauteng Department of Social Development (GDSD). The services provided by our clients are set out in detail in our letters of 3 April 2024 and 2 May 2024. For ease of reference, we attached these letters and are marked “A” and “B”.
2. SECTION27 is a public interest law centre that seeks to achieve substantive equality and social justice in South Africa. Guided by the principles of the Constitution, SECTION27 uses law, advocacy, legal literacy, research and community mobilisation to achieve access to healthcare services and basic education.

3. For the past few weeks, SECTION27 has been engaging with Gauteng Department of Social Development (GDSD), on behalf of the abovementioned NPOs that offer welfare services to vulnerable people. These NPOs require subsidies from the GDSD to continue their operations. However, despite GDSD confirming our clients' eligibility for subsidies, there has been no payment made or even confirmation of when subsidies will be paid. The organisations are at risk of imminent closure with staff having already started to resign. This is a self-constructed disaster by the GDSD and our clients are not the only ones suffering from it. We now fear that the recent departure of the Head of Department due to the expiry of her contract and following several corruption allegations, will only result in more delays and dysfunction.
4. The NPOs we represent provide essential services to vulnerable people that the GDSD does not or cannot adequately provide. The services include residential facilities for persons with mental disabilities, mental health disorders, paraplegia and quadriplegia. Many of the organisations provide services such as community outreach, counselling, psychiatric evaluation, and protective workshops that are crucial for the personal safety and development of persons with disabilities. These organisations fulfil part of GDSD's constitutional obligations to, for example, ensure the protection of the rights of children and to progressively realise the right to social security, linked to the rights to equality and dignity. For this reason, the GDSD provides organisations such as these with annual subsidies.
5. Most of our clients have been operating for decades and have relied on government funding throughout their existence. Many of them are entirely dependent on GDSD funding and operate on a knife's edge, fearful of running out of funding. The GDSD has been advocating that these NPOs must find alternative sources of funding to ensure their sustainability, for most of our clients this is simply not feasible. They do not have the budget to hire funding officers to seek out the funding they require. Staff are already overworked and paid far less than they would be if they worked directly for the government or in the for-profit sector. Private funding can also be equally, if not more,

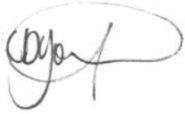
precarious than public funding. For instance, one of our clients lost corporate funders due to the COVID-19 pandemic's effects on the economy.

6. There have been widely reported delays in the process of the annual adjudication of the applications of NPOs for funding due to different processes, which have been largely untransparent, being implemented to ensure NPOs are compliant with funding requirements. There have also been delays regarding sending successful NPOs their service level agreements (SLAs), which confirm the amount of funding to be provided for the year. The financial year began in April 2024 and money has not yet been released to successful NPOs who have signed and returned their SLAs. In fact, many organisations are still in the dark about whether their applications have been successful.
7. In late March 2024 we received instructions from the organisations we represent to engage with the GDSD in response to the risk of their imminent closure. The GDSD was at that point only communicating with NPOs through press statements. On 20 March 2024, the GDSD issued a statement that the funding allocations would only begin at the end of April 2024. On 3 April 2024, the GDSD issued another statement that successful NPOs would be contacted in the first week of April, which came and went without any NPOs being informed as to whether their applications were successful or not. Our clients were concerned that they would not be able to pay salaries or operational costs. They needed an answer as to whether they would receive funding and, if so, when.
8. After a meeting held between SECTION27, our clients, and the then HoD and other officials in the GDSD on 5 April 2024, our clients have been receiving their SLAs, although not for many of the essential programmes they offer, and some of the SLAs received appear to have issues. The sending of the SLAs indicate that the organisations are fully compliant with the requirements to receive funding, the services they offer fall within the GDSD's objectives, and the GDSD does intend to pay them at some point. The SLAs without issues have been signed and returned to the GDSD. However, payment has still not been made to these organisations, despite us making it clear to the GDSD, from the beginning, that the organisations were on the brink of closure and that there is no plan regarding where the extremely vulnerable beneficiaries of the NPOs would go if they closed.

9. As April ended without payment or a set date of payment, our clients' fears have increased. On 26 April 2024, SECTION27 sent another letter to GDSD demanding that, by 30 April 2024, it finalises and makes decisions on the programmes offered by our clients for which SLAs had not been sent; respond to the issues our clients had found in some of the SLAs received; and communicate with our clients on when they can expect payments. Unfortunately, despite acknowledging the letter, the GDSD has failed to respond to our demands.
10. We sent another letter on 2 May 2024 informing the GDSD of our clients' predicament and demanded they give substantive answers to our questions by 6 May 2024. On the same day, the contract of the HoD of the GDSD, Matilda Gasela, ended and she left office. Concerningly, the HoD had been appointed to the GDSD while she was the subject of corruption allegations, dating back to her tenure at the Department of Agriculture, Land Reform and Rural Development. Her appointment occurred 6 months after the Special Investigation Unit (SIU) recommended she be prosecuted for fraud, a recommendation you were likely aware of.
11. The GDSD is yet to acknowledge receipt of the letter sent 2 May 2024 and the questions set out in the 26 April letter remain unanswered. This, despite many in the NPO sector being on the brink of collapse. The departure of the HoD in the midst of the crisis is indicative of the dysfunction of the GDSD. The disruption caused by this could result in more delays in the payment of compliant, non-corrupt NPOs who only seek to serve those most vulnerable. These are delays NPOs cannot afford.
12. We therefore call on you as the head of the Province to address the dysfunction in the GDSD that has caused this crisis. We demand the GDSD makes payment to all those organisations who have signed and sent back their SLAs. The GDSD must also imminently finish sending out SLAs to compliant organisations and afford those organisations who have been denied funding for certain programmes an opportunity to appeal those decisions.
13. We further demand that you respond to our letter by **Friday, 10 May 2024.**

14. Our client's rights remain strictly reserved.

Yours Faithfully,



SECTION27

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