



2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

SOUTH AFRICA
OCTOBER 2022



USAID
FROM THE AMERICAN PEOPLE

ICNL
INTERNATIONAL CENTER
FOR NOT-FOR-PROFIT LAW

fhi360
THE SCIENCE OF IMPROVING LIVES

2021 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

For South Africa

October 2022

Developed by:

United States Agency for International Development

Bureau for Democracy, Conflict and Humanitarian Assistance

Center of Excellence on Democracy, Human Rights and Governance

Acknowledgment: This publication was made possible through support provided by the United States Agency for International Development (USAID) under Cooperative Agreement No. AID-OAA-LA-17-00003.

Disclaimer: The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.

ACKNOWLEDGMENTS

A publication of this type would not be possible without the contributions of many individuals and organizations. We are especially grateful to our implementing partners, who played the critical role of facilitating the expert panel meetings and writing the country reports. We would also like to thank the many CSO representatives and experts, USAID partners, and international donors who participated in the expert panels in each country. Their knowledge, perceptions, ideas, observations, and contributions are the foundation upon which this Index is based.

LOCAL PARTNER

FOUNDATION FOR PROFESSIONAL DEVELOPMENT

Lindsey de Vos
Sunet Jordaan, Sustainable Social Solutions

PROJECT MANAGERS

FHI 360

Michael Kott
Eka Imerlishvili
Alex Nejadian

INTERNATIONAL CENTER FOR NOT-FOR-PROFIT LAW (ICNL)

Catherine Shea
Jennifer Stuart
Marilyn Wyatt

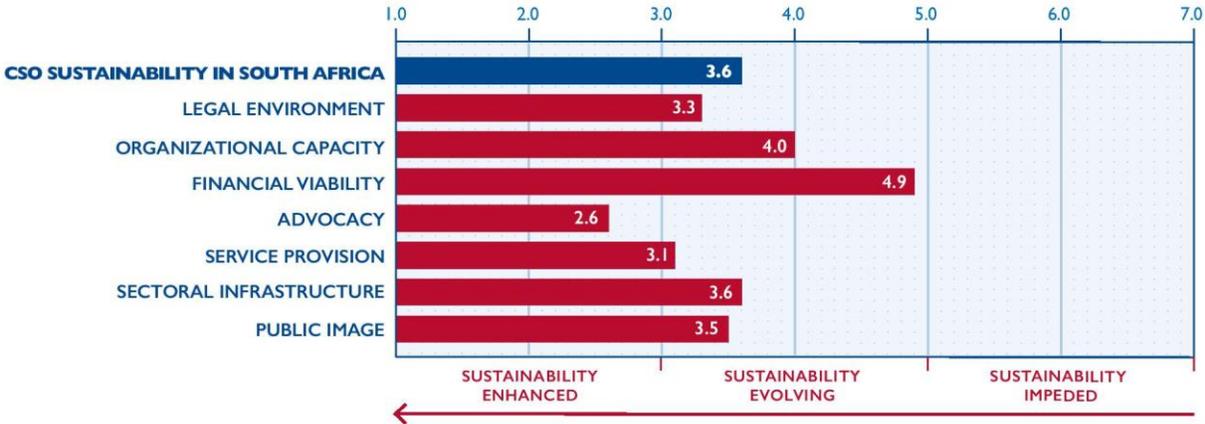
EDITORIAL COMMITTEE

Xoliswa Keke, Irene Petras, Kellie Burk, and Paul Graham

SOUTH AFRICA

Capital: Cape Town, Pretoria, and Bloemfontein
Population: 57,516,665
GDP per capita (PPP): \$11,500
Human Development Index: High (0.713)
Freedom in the World: Free (79/100)

OVERALL CSO SUSTAINABILITY: 3.6



Throughout 2021, South Africa remained under the national state of disaster declared on March 15, 2020, when the first cases of the COVID-19 virus were reported in the country. Despite restrictions on movement and public assembly, South Africa experienced the worst civil unrest since before the country became a democracy in 1994. The unrest was fueled largely by the withdrawal of relief funds, ongoing pandemic restrictions, increasing poverty, and anger over corruption and unemployment. In July, after former president Jacob Zuma was imprisoned for refusing to appear at the Zondo Commission investigating state capture and corruption, protests broke out in Gauteng and KwaZulu-Natal, leading to widespread looting and violence. In response, the government deployed armed forces, and more than 330 people died during the protests. The total economic loss caused by the unrest was estimated at ZAR 50 billion (approximately \$3.5 billion), according to Statistics South Africa. The looting was condemned by several CSOs, including Amnesty International and Business Unity South Africa.

In November 2021, South Africa held generally peaceful local government elections. Voter turnout was exceptionally low, and the ruling party, the African National Congress (ANC), received less than 50 percent of the vote for the first time since the beginning of multiparty democracy. CSOs such as Defend our Democracy, Ahmed Kathrada Foundation, Media Monitoring Africa, and Organization Undoing Tax Abuse (OUTA) requested that the country’s security agencies be on high alert during the elections and called on other CSOs to register as election observers.

South Africa continued to suffer from the COVID-19 pandemic in 2021. In late November, South African scientists discovered the new, highly infectious Omicron strain of COVID-19, which caused many countries to reinstate bans on travel from South Africa and other countries in the region. The National Department of Health began a COVID-19 vaccination program in February, first for health care workers and later for the entire population. Despite government and CSO campaigns urging people to get vaccinated, only one third of South Africa’s adult population was fully vaccinated by the end of the year.

Criticism mounted of the government’s COVID-19 social-distress relief grants, which were intended to help households suffering financially because of the pandemic. The grants fell far below the estimated national food poverty line, and after they ended in April 2021, food insecurity increased. School-aged children were especially hard hit, both because of problems with the National School Nutrition Program and because of children’s inability to return to school. The fifth wave of the National Income Dynamics Study–Coronavirus Rapid Mobile Survey estimated that 750,000 South African children dropped out of school or did not return to school in 2021, the highest drop-out rate in twenty years. The relaxation of COVID-19 control measures during the year allowed children to finally return to school in person.

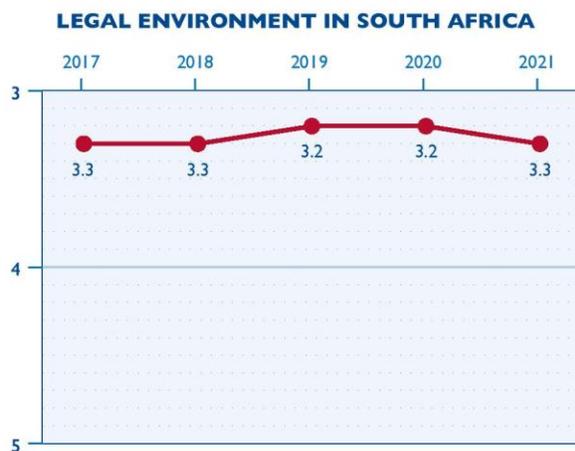
After almost two years of pandemic-related lockdowns and constraints, South Africa’s gross domestic product increased by 4.9 percent in 2021, returning to the economic growth rate of 2017, according to Statistics South Africa. The consumer price index increased to 5.9 in December 2021, also the highest since 2017. The

unemployment rate, including people who had stopped looking for work, stood at 46.6 percent, compared to 43.1 percent in 2020. Job losses were reported in almost all sectors except the informal sector, with women more affected than men. The country continued to experience frequent load shedding, as Eskom, the national power producer, struggled to generate adequate power.

The overall sustainability of CSOs in South Africa remained unchanged in 2021. Advocacy improved slightly as CSOs were more involved in policy making and stood up for the most vulnerable. Service delivery improved slightly as CSOs played a major role in responding to the unrest in July and continued to provide pandemic-related services. The legal environment deteriorated slightly because of media threats and state harassment of organizations and activists. The financial viability of CSOs continued its decline as corporate social investment (CSI) spending went down. CSOs' organizational capacity, sectoral infrastructure, and public image were stable.

The number of registered CSOs increased in 2021. As of September 2021, 248,902 CSOs were registered with the Nonprofit Organizations (NPO) Directorate in the Department of Social Development (DSD), up from 230,000 in October 2020. The number of public benefit organizations (PBOs) listed on the South African Revenue Service (SARS) website saw a major increase from nearly 25,700 in March 2021 to 62,993 by the end of September 2021. Developmental needs related to COVID-19 and the year's civil unrest, along with increased population growth and increased service-delivery needs, were probably behind the increase.

LEGAL ENVIRONMENT: 3.3



The legal environment for South African CSOs deteriorated slightly since 2019, largely because of incidents of state harassment and threats to media.

The 1997 NPO Act provides a stable legal framework for the sector. CSOs are not required to register but must do so to receive government funding. Most CSOs register as voluntary associations under the NPO Act or as nonprofit companies (NPCs) under the Companies Act. Individual organizations may register as both NPOs and NPCs, although most smaller organizations lack the administrative and financial capacity to do so. NPC registration has the advantage of allowing funders to claim tax benefits. CSOs register at no cost either online or in person at DSD offices. Registration usually takes about two months. In a somewhat more complex

process, CSOs may also register as nonprofit trusts with the master of the Supreme Court under the Trust Property Control Act. The NPO Act requires registered organizations to submit audited financial reports and narrative reports annually to the NPO Directorate.

In 2021, DSD reintroduced the Know Your NPO Status campaign to help CSOs comply with their legal obligations. Many observers saw this campaign not as an educational effort but as a way to deregister non-compliant CSOs from the DSD database. While it is not publicly known how many organizations were deregistered in 2021, the number was probably in the thousands.

After many delays, DSD started to amend the NPO Act in 2021. Recommendations regarding the registration of foreign CSOs aroused concern that the DSD was aiming to control foreign philanthropy and limit CSOs' ability to accept funds from foreign donors. As a way to address issues arising from Financial Action Task Force (FATF) requirements and United Nations (UN) Security Council resolutions related to identifying entities and persons engaged in money laundering and terrorist activities, the DSD recommended that CSO boards have a minimum of six members rather than leaving the number up to individual organizations. CSOs feared that this number might be difficult to achieve. The CSO sector was invited to comment on the recommended changes by October 2021, which was later extended to February 2022. Organizations such as Inyathelo: The South African Institute for Advancement, NGO Law, Equal Education, National Coalition for Social Services, and Media Monitoring Africa monitored the proposed reforms closely.

CSOs in South Africa operate freely. However, despite a 2018 Constitutional Court ruling affirming citizens' right to protest, the ban on public gatherings imposed during the pandemic in 2020 remained in effect through most of 2021. Some organizations and activists experienced harassment. For example, protesters demonstrating against the activities of the Ikwezi Mining Kliprand Colliery were arrested in KwaZulu-Natal in March 2021. In March, the South African Police Force used excessive force to disperse students at the University of the Witwatersrand protesting the exclusion of students with historic debt, killing one bystander. Increased threats to whistle blowers and trade union leaders were also noted, including the assassination in August of a key witness in an investigation into the corrupt procurement of personal protective equipment and the death, also in August, of a leader of the National Union of Metalworkers during a labor dispute. Because of these trends, the CIVICUS Monitor downgraded South Africa's civic space from "narrowed" to "obstructed" in 2021. News media also came under increased pressure during the year. The phone of a News24 journalist covering discontent in the police force in February was found to be bugged. Journalists covering incidents of unrest in July were attacked and intimidated by demonstrators and looters, and four community radio stations were looted and damaged. Police detained a Newzroom Afrika journalist who was covering local government elections in November on accusations of distracting an election official. He was freed after an outcry from the South Africa National Editors' Forum.

CSOs may register with SARS for refunds of value-added tax paid on goods and services. The SARS website provides clear information on the process for obtaining refunds. CSOs registered as PBOs receive preferential tax treatment and are allowed to accept tax-deductible donations if the donations are used for specified activities. PBOs must submit annual financial reports to SARS to maintain their tax-exempt status. A number of CSOs report that SARS is very slow in providing PBO certificates.

CSOs have access to a range of legal services. For example, the public-interest law center Section27 advances human rights in South Africa; the Charities Aid Foundation (CAF) Southern Africa works with LegalWise, a company offering legal insurance, to provide legal services to CSOs; and the Socio-Economic Rights Institute of South Africa has a database of law clinics and attorneys providing pro bono assistance. These clinics include the Legal Resource Center, Lawyers for Human Rights, and Legal Aid South Africa. A number of organizations, such as the foundation DGMT, assist CSOs with the registration process. Some corporations, including Werksmans, Bowman, and Cliffe Dekker Hofmeyer, offer pro bono legal or financial services to individual CSOs.

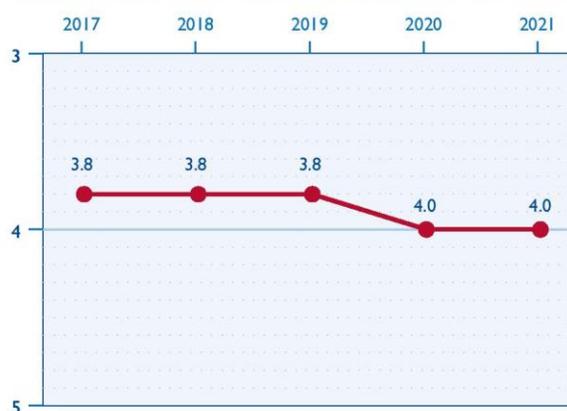
ORGANIZATIONAL CAPACITY: 4.0

The organizational capacity of CSOs stabilized in 2021 after a moderate decline in 2020.

CSOs generally have good working relationships with their constituencies. In the lead-up to local government elections in 2021, the Triangle Project partnered with other CSOs, such as Equal Education and My Vote Counts, to host workshops aimed at engaging community members in the electoral process. The COVID-19 Front built constituencies by linking civil society actors and building relationships among various stakeholders. The group also worked with the National Economic Development and Labor Council's Community Trust and Civil Society Forum to expand the reach of services related to COVID-19. Many CSOs, including the Imbumba Foundation, Gift of the Givers, and Afrika Tikkun, engaged regularly with their constituencies on social media.

Some CSOs, such as Lesedi la Batho and FoodForward SA, rely increasingly on clearly defined strategic plans and display clearly stated missions and visions on their websites and in their annual reports. At the same time, CSOs generally use the data collected through monitoring and evaluation for required reports to funders and their boards rather than for strategic planning and program revision. The CSO sector's capacity for monitoring and evaluation decreased slightly in 2021, with 70 percent of CSOs reporting that they had full-time internal staff dedicated to this task, compared to 79 percent in 2020, according to the Trialogue Business in Society Handbook

ORGANIZATIONAL CAPACITY IN SOUTH AFRICA



2021. Nevertheless, 95 percent of CSOs reported that they measured the outcomes of some of their interventions and 49 percent measured the outcomes of all of their interventions. In 2021, Nation Builder launched guidelines developed in collaboration with ninety-five organizations and funders to provide CSOs with standards and best practices for reporting on the impact of their work.

All CSO board members serve on a voluntary basis. Inyathelo, which provides governance training to CSO boards, reports that board members often do not understand their role and engage in operational functions instead of oversight. Board members sometimes offer effective assistance with their organizations' risk management but fail to evaluate their own performance.

Staffing remains a major concern at many CSOs. CSOs have experienced reductions in budgets for staff as donors have reduced their core funding. CSO employees are increasingly paid less and enjoy fewer benefits, and CSOs report that they lack adequate financial and administrative capacity to attend to staff wellness. Several reports indicated that CSOs' staff were experiencing high levels of stress and anxiety in 2021 because of extreme fatigue caused by virtual working conditions and increased anxiety after the July civil unrest. CSOs often make use of professional consultants in monitoring and evaluation, communications, and audits. Health Justice Initiative, Ipas South Africa, and other organizations use consultants to assist with the development of strategic plans.

More than 70 percent of private businesses, including Standard Bank and the Discovery insurance company, encourage their staff to volunteer for CSOs, according to the Trialogue Business in Society Handbook 2021. CSOs sometimes complain that these volunteer services do not always serve their needs. Because of the pandemic, some corporate volunteer programs were on hold in 2021, while other businesses, such as the Nal'ibali Reading program, introduced online volunteering initiatives or moved existing volunteer programs online. The For Good virtual volunteering platform supported various organizations through donation collection drives, virtual fundraising, and volunteering opportunities. At the same time, only 14 percent of CSOs had budgets to manage volunteers and volunteer programs in 2021, a reduction of 4 percent from 2020, according to the Trialogue Business in Society Handbook 2021.

In 2021, despite high costs and disruptions caused by frequent load shedding, CSOs continued to use social media and other digital platforms to facilitate their work and disseminate information. For example, the Seriti Institute continued to host its Seriti Talks on topics such as COVID-19 vaccination mandates, early childhood development, and food security on Zoom, which enabled more individuals and CSOs to take part. CSOs reported that they increasingly worked online, and some organizations installed wi-fi in their centers and offices for beneficiaries to access.

FINANCIAL VIABILITY: 4.9



CSOs' financial viability declined in 2021 for the fifth year in a row, largely because of the civil unrest and South Africa's general economic decline. An October 2021 report from Epic Africa stated that 60 percent of CSOs reported a loss of funding in 2021 because of COVID-19. This data is somewhat contradicted by the Trialogue Business in Society Handbook 2021, which found that only 11 percent of CSOs said that their income decreased in 2021 (compared to nearly 72 percent in 2020), while 56 percent of CSOs reported that their income increased. However, the number of CSOs with no cash reserves increased from one third in 2020 to more than half in 2021. Only 21 percent of NPOs had more than six months' operating costs in reserve, compared to 34 percent in 2020, the Trialogue Business in Society Handbook 2021 reported.

Foreign funding for CSOs continued to decrease in 2021. For example, UK Aid's overall budget for South Africa shrank from GBP 26.3 million (approximately \$34.7 million) in 2020–21 to GBP 15.4 million (approximately \$20.5 million) in 2021–22. USAID funding for South Africa decreased from \$403 million in 2020 to \$272 million in 2021,

of which \$251 million was for HIV/AIDS-related interventions, \$34 million for COVID-19 control measures, and \$15 million for tuberculosis-related interventions. Foreign funding continued to be directed largely to the COVID-19 pandemic response in 2021.

The government launched several new funding initiatives benefitting CSOs in 2021. In February, the government worked with the private sector to create the Gender-Based Violence and Femicide Response Fund, to which South African businesses and global philanthropies pledged more than ZAR 128 million (approximately \$9 million). Of this amount, ZAR 69 million (approximately \$4.9 million) was dispersed to 110 CSOs focused on protecting and achieving justice for victims of gender-based violence (GBV). The Solidarity Fund, a nonprofit organization established in 2020 with contributions from corporations, individuals, and other groups to respond to pandemic-related needs, supported, for example, the GBV response of the National Shelter Movement of South Africa and Gift of the Givers. The Solidarity Fund set up an additional fund, the Humanitarian Crisis Relief Fund, to provide emergency relief after the civil unrest. In November, the government launched the Social Employment Fund, valued at ZAR 800 million (approximately \$56 million), to support CSOs helping to create job opportunities, promote food security and health care, and provide educational services

The private sector continued to provide substantial support to CSOs in 2021. Fifty-three percent of all CSI went to CSOs, amounting to 28 percent of the sector's total income in 2021, according to the Trialogue Business Handbook 2021. Almost three quarters of organizations reported that they received corporate funding. At the same time, almost 50 percent of companies reported that they decreased CSI in 2021, which overall fell by 4 percent to ZAR 10.3 billion (approximately \$720 million). A sharp decline was evident in CSI support for educational services, which fell from 50 percent of the total amount in 2020 to 39 percent in 2021, according to the Trialogue Business Handbook 2021. The private sector encourages employees to donate money to their CSI funds and other sources of funding for CSOs. For example, employees and board members of the Industrial Development Corporation donated funds to the Solidarity Fund. The number of corporate entities making non-cash contributions to CSOs, including goods, products, services, and volunteer time, increased in 2021.

In spite of a rough financial year, individuals continued to contribute to CSOs in 2021. About 11 percent of the sector's total funding in 2021 was from individuals, a slight decline from 14 percent in 2020. According to CAF Southern Africa, 47 percent of South Africans report that they donate money, goods, or services to CSOs and religious organizations.

Because of the sector's weakening financial viability, CSOs are seeking to diversify their funding sources. Almost 48 percent of CSOs engage in some type of income-generating activity, despite the fact that more than half of organizations lack full-time staff devoted to fundraising, according to the Trialogue Business Handbook 2021. CSOs typically rely on digital fundraising campaigns, the sale of products and services, and mail and telephone calls to raise additional funds. For example, the Lockdown Collection, whose Vulnerable Artist Fund assists young artists, raises funds by selling art, collecting donations, and hosting art auctions. Imbumba Foundation provides CSOs with paid consulting services on financial management.

All registered NPOs must submit annual audited financial reports to the NPO Directorate to maintain their active registration. Larger CSOs often enlist the help of professional auditing firms to assist with financial reporting. Smaller CSOs often rely on the financial skills of their board members. DSD reported in late 2021 that more than 50 percent of organizations were not compliant with the financial reporting requirement and it would start phased deregistration of non-compliant organizations.

ADVOCACY: 2.6

CSO advocacy improved in 2021 for the fourth year in a row as CSOs were more involved in policy making and stood up for the most vulnerable.

The government recognizes the importance of engaging with CSOs, and policymakers often request input from them on pending legislation and legislative reform. For example, in 2021, DSD asked CSOs for comments during public hearings on the Children's Amendment Bill, which would improve child protection services, foster care, and adoption services and ensure that migrant children receive services. The government also consulted with CSOs to inform decision making on the extension of social and economic support to individuals affected by the pandemic. The Social Housing Regulatory Association, for example, briefed the Portfolio Committee on Human Settlements

on rental relief for social-housing beneficiaries affected by COVID-19. However, CSOs are not always invited to be part of policy-making processes, and in some instances, CSOs that are not funded by government departments such as DSD are deliberately excluded.

Although Equal Education, Equal Education Law Center, Section 27, and two school governing bodies won a High Court case to force the government to provide meals to children covered by the National School Nutrition Program, many students still did not receive school meals in 2021. In July, the same applicants filed another application with the High Court to ensure the government's adherence to the 2020 court order. A settlement agreement was reached that requires provincial education departments to draft new plans and report monthly on progress on implementation. CSOs such as Zero Dropout Campaign urged the Department of Basic Education to develop effective catch-up plans after students lost almost a year of schooling between 2020 and 2021.



South African CSOs are very active on issues related to the rights of women and sexual minorities. In September 2021, following advocacy by Sonke Gender Justice and other organizations, the parliament passed three GBV-related bills to strengthen the rights of women and children. In November, the Human Rights Institute of South Africa, Women's Legal Center, and Sisonke National Sex Workers Movement advocated at the UN Human Rights Committee for the equal implementation of the national minimum wage, the de-stigmatization of sex work, and the protection of land and property rights of women. Female-led trade unions, the Women's Legal Center, and other CSOs successfully urged the government to ratify the International Labor Organization Violence and Harassment Convention 2019 (No. 190) in 2021.

In March 2021, Human Rights Watch filed a submission with the Department of Home Affairs to address a draft policy that would not allow individuals to change their sex or gender on the national identity system. CSOs in partnership with the European Union worked with the government to review policies on the protection of transgender and intersex persons in November 2021.

Environmental advocacy increased in 2021 as the National Business Initiative, C40Cities, and World Wide Fund for Nature (WWF) worked towards "net zero by 2050" to ensure South Africa's adherence to the Paris Agreement. In a significant victory for environmental protection, CSOs such as Greenpeace Africa and Natural Justice and small, local organizations such as the Border Deep Sea Angling Association and Kei Mouth Ski Boat Club successfully advocated to prevent the Shell Corporation from conducting seismic surveys off the South African Eastern Cape coast. The Wilderness Foundation Africa had regular briefings with parliamentarians on environmental topics such as greening the economy and wildlife trade.

In November, Black Sash, Cry of the Excluded, and other CSOs protested outside the parliament building in favor of a basic income grant. Section27, together with Blind SA, asked for the Copyright Act of 1978 to be declared unconstitutional, as it prevents copyright-protected products to be translated into braille or certain electronic formats without the permission of the producer. Media Monitoring Africa and the International Commission of Jurists asked to be declared friends of the court in this case.

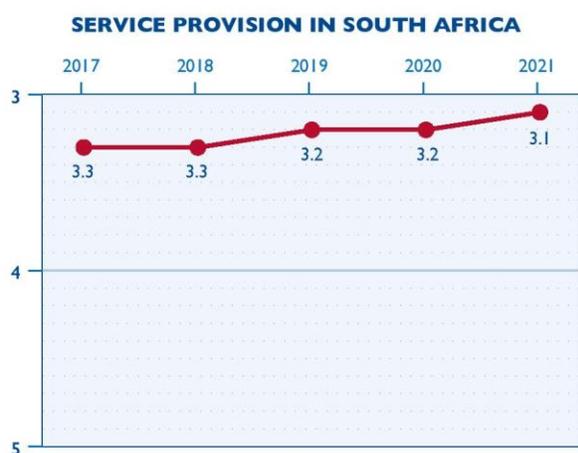
CSOs also followed up on policy changes that they had influenced in the past. For example, at the end of 2021, My Vote Counts and OUTA declared their concern that only three political parties had declared their donations under changes to the Political Party Funding Bill, which was promulgated in February 2021 and came into effect in April 2021 after advocacy by many CSOs. Section 27 successfully sued the Department of Basic Education a second time to ensure that all schools in Limpopo were provided with proper sanitation facilities.

In addition, the Active Citizens Movement wrote to the deputy chief justice heading the judicial commission of inquiry into state capture asking that whistle blowers be better protected and proposing amendments to the Protected Disclosures Act of 2000 to provide legal protection and access to specialized courts for whistleblowers. The Civil Society Working Group on State Capture offered a platform for engaging, strengthening, and overseeing the Zondo Commission and made several evidence-based submissions. Similarly, the Parliamentary Monitoring

Group, a partnership between Black Sash, Human Rights Committee, and Idasa, provided current information on committee proceedings and parliamentary activity. Various CSOs, including the Inclusive Society Institute and Helen Suzman Foundation, worked on changes to the electoral system. The Asivikelane Initiative, which emerged during the COVID-19 lockdown, is a novel local government outgrowth focused on service delivery and budget monitoring processes that offers CSOs and informal settlements the ability to work together with local municipalities.

After DSD began to work on the NPO Amendment Act in October 2021, Media Monitoring Africa, Inyathelo, and other CSOs actively engaged with the sector to ensure wide participation in providing comments on the draft bill. They established a working group to represent the sector during the amendment process and regularly communicated with DSD, including making a successful request to extend the date for comments on the bill. Inyathelo and other CSOs hosted a webinar for CSOs on the proposed bill.

SERVICE PROVISION: 3.1



CSO service provision improved slightly in 2021 as the sector played a major role in responding to the unrest in July and continued to provide pandemic-related services.

More than two-thirds of CSOs work in education, health care, and social welfare and continued to provide services in those areas in 2021, according to the Trialogue Business Handbook 2021. Twenty-nine percent of CSOs reported that they worked in food security or agriculture, an increase of 9 percent from 2020. Fifty-four percent of CSOs reported that the demand for their services increased in 2021.

As in 2020, many CSOs adapted their programs and interventions to deal with the pandemic. While 28 percent of CSOs scaled down their operations, only 5 percent put programs on hold because of COVID-19, the

Trialogue Business Handbook 2021 reported. Programs continuing from 2020 included the Community Response program of the Seriti Institute, which focused on strengthening food resilience and reducing food insecurity, and the Seriti Partner program, which helped communities transition from relief to resilience with support from the 11th Hour Project, FoodForward SA, Meal SA, Social Justice Initiative, WWF Nedbank Green Trust, Heinrich Böll Stiftung, UN Development Programme, and local CSOs.

Some CSOs also adjusted their programming because of the civil unrest. Afrika Tikkun helped rebuild township economies after the unrest by launching the #RevivingTownshipEconomies campaign. Some CSOs could not deliver services during the unrest. For example, the warehouse of FoodForward SA in KwaZulu-Natal was vandalized and looted, cutting food supplies for 1,200 smaller CSOs that normally deliver 4 million meals per month to the poor.

During the holidays at the end of the year, a number of CSOs provided additional food parcels, soup kitchen services, and meals to the homeless in the Western Cape. Organizations such as Ladles of Love expanded the number of weekly soup kitchens in cooperation with Hope Exchange. CSOs providing emergency response services, such as TEARS Foundation, increased their services to GBV victims. With the help of First for Women, a private insurance company, TEARS Foundation appointed additional staff members to provide mobile services to victims of GBV.

The government recognized the value of CSOs' work at various events in 2021. During an online event in July 2021, President Cyril Ramaphosa, in consultation with South African political party leaders and other sectors, acknowledged the government's partnerships with civil society in developing society-wide responses and curbing public violence during the July unrest. He thanked CSOs for their additional support. The president also expressed appreciation for CSOs' contribution to sustaining livelihoods at the launch of the Social Employment Fund in November.

SECTORAL INFRASTRUCTURE: 3.6

The infrastructure supporting the CSO sector was stable in 2021.

Several resource centers provide services to CSOs. Inyathelo provides advisory services, training, and other support in areas such as financial management and fundraising. The National Institute of Community Development and Management offers training on organizational development and social entrepreneurship. The Sustainable Development Network provides training to CSOs across sub-Saharan Africa on such topics as monitoring and evaluation, project management, financial management, and resource mobilization.

South Africa has a number of local grantmaking organizations providing support to CSOs. They include the Mergon Early Childhood Development Foundation, Joint Gender Fund of the Hlanganisa Institute for Development, Open Society Foundation for South Africa, and Solidarity Fund. The Funding Practice Alliance, a CSO partnership, works to transform the relationship between CSOs and grantmakers through research on CSO sustainability and the dissemination of information. Inyathelo regularly publicizes funding opportunities online and provides strategic-planning resources to CSOs.

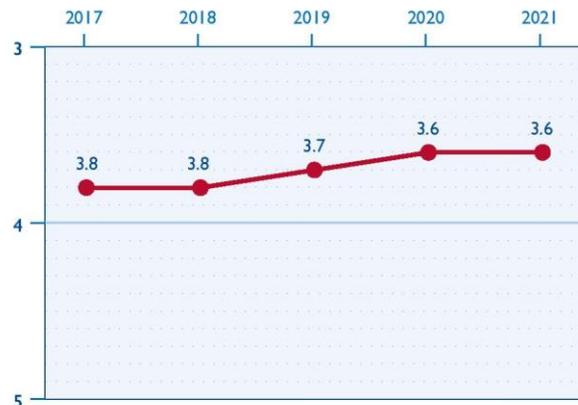
South African CSOs commonly create sectoral networks of support. For example, the National Association of Social Change Entities in Education (NASCEE), a member-led, member-driven organization, builds networks of CSOs working in education across the country and provides training and other learning opportunities to its partners with funding from the Education, Training, and Development Practices Sector Education Training Authority. The Southern African Food Lab and various community action networks engage with local networks to create linkages and deliver services. The Cape Town Together community action network, which was established in 2020 to respond to the pandemic, remained active in 2021, with more than fifty networks assisting with food relief and other social services. Shukumisa is a coalition of over sixty CSOs that cooperate to combat sexual violence and GBV.

CSOs had access to various training opportunities in 2021. The Bertha Center for Social Innovation and Entrepreneurship at the University of Cape Town helped community action networks expand their services and work more closely with various government departments. Tshikululu, Sonke Gender Justice, and Media Monitoring Africa provided training to other CSOs, often at no cost as the training was supported through grant awards. Inyathelo provided a free nonprofit clinic on mentorship and training, and Trialogue provided training on monitoring and evaluation, strategic planning, and report writing. NASCEE provided training on monitoring and evaluation and research skills. The African Center for the Constructive Resolution of Disputes provided twelve women-led CSOs with capacity building on conflict management, mediation, and facilitation. Training and Resources in Early Education provided training to rural-based early childhood development centers in KwaZulu-Natal, along with networking opportunities, access to educational resources, and individual support. However, many smaller CSOs struggled to access online training because of data costs, and training opportunities were limited for rural CSOs.

Significant collaboration between CSOs and the private sector continued in 2021. The Trialogue Business in Society Handbook 2021 reported that 55 percent of corporations believe that their collaboration with CSOs improved during the year. After the July unrest, Tiger Brands, a food manufacturer, collaborated with CSOs such as SA Harvest, Food Forward, and Gift of the Givers to provide food parcels to vulnerable households. The Industrial Development Corporation spent more than ZAR 11 million (approximately \$785,000) to support soup kitchens, women's shelters, and Thuthuzela Care Centers assisting victims of sexual assault. AVBOB, a funeral home, created a disaster relief fund to help CSOs and small, medium-sized, and micro-enterprises rebuild their organizations.

Some CSOs have active agreements with government departments and work directly with them. For example, in 2021, the Imbumba Foundation partnered with the Mpumalanga Department of Education to provide sanitary

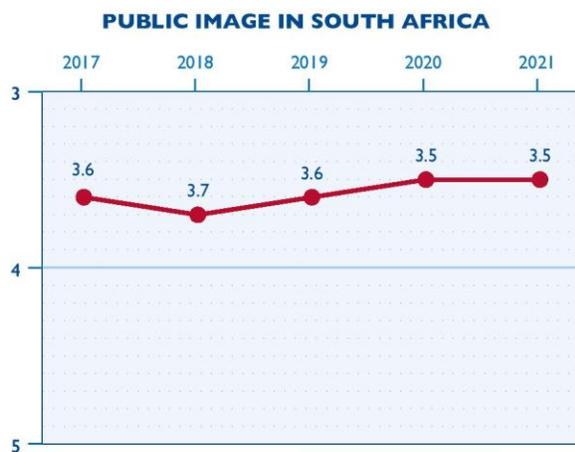
SECTORAL INFRASTRUCTURE IN SOUTH AFRICA



supplies to school-aged girls. FoodForward SA partnered with the Western Cape Department of Health and the Pick n Pay Feed the Nation Foundation to provide food hampers to vulnerable people in the Western Cape. This project was later nationalized. Nation Builder reported that CSO-government partnerships created during the COVID-19 lockdown in 2020 were maintained and improved in 2021. In Hillbrow, for example, MES, a social development organization, worked with the government to deliver essentials to people in need. Similarly, the KwaZulu-Natal government convened with labor unions and CSOs to intensify comprehensive responses to the July unrest. Since October 2021, in an effort to increase COVID-19 vaccination efforts, the government led Vooma Vaccination Weekends together with civil society and other sectors.

CSOs also worked with media to publicize critical issues. Imbumba, for example, established strategic partnerships with media houses such as ENews Channel Africa and the South Africa Broadcasting Corporation to promote its work and create awareness of the plight of girls. The Unrest Business Recovery Support, which was established in 2021 and funded by the Industrial Development Corporation, provided financial relief to small businesses and informal traders in Gauteng. The Imbumba Foundation launched the Rise food-parcel relief campaign and partnered with other organizations to mobilize resources. Doctors Without Borders, Humanitarian Development Alliance SA, and Abahlahli baseMjondolo responded to the July unrest by distributing food donations to communities. The Solidarity Fund also provided food parcels.

PUBLIC IMAGE: 3.5



CSOs' public image was unchanged in 2021.

During the year, the media reported positively on CSOs' emergency responses, medical assistance, and food services during the civil unrest. They also reported on the efforts of doctors and scientists working for various CSOs to fight the COVID-19 pandemic. The work of the Imbumba Foundation was covered by eNCA, SABC, and Media24. South African media coverage of the sector was boosted by the work of GroundUp and New Frame media, which intentionally foreground communities and those who work with them. The Seriti Institute's work in early childhood development was widely covered, especially by the *Mail & Guardian*. *The Daily Maverick* continued its "Maverick Citizen" feature, which focuses on marginalized and underprivileged communities.

Public perceptions of CSOs continued to be positive in 2021. The 2022 Edelman Trust Barometer indicated that public trust in the CSO sector increased from 60 percent in 2020 to 63 percent in 2021. The South African Reconciliation Barometer similarly reported that the public trusts CSOs to assist in time of crisis. The public increasingly expects the government to recognize and support the work of CSOs, according to a 2021 study by CAF Southern Africa. At the policy level, the government clearly recognizes CSOs as development partners but does not always include them in development planning processes, according to a study by Mwauche and Flanigan.

The private sector recognizes that CSOs are at the forefront of providing support to communities and actively seeks to work with them.

The *Dialogue Business in Society Handbook 2021* reported that 75 percent of all CSOs have at least one full-time or part-time employee to manage communications. CSOs, joined by members of the public, promote their work and needs on social media, especially Facebook and Twitter. CSOs actively build relationships with newsrooms to garner publicity.

CSOs usually operate in an ethical, compliant way. More than 200 CSOs subscribe to the Independent Code of Governance for Non-Profit Organisations in South Africa, which was created by a group of CSOs in 2021. CIVICUS's Legitimacy, Transparency, and Accountability program produced a guide to self-regulation and established a community of practice to help CSOs become more transparent and accountable. Since 2021, CSOs can also validate their work on the Validate4Good website supported by CAF Southern Africa. The website

provides CSOs with guidance on complying with the requirements of national and international donors. The Service Dining Rooms, which ensure food security for the homeless in Cape Town, created a guide of standard operating practices to ensure compliant operations. Journalists typically adhere to the Voluntary Code of Ethics and Conduct for South African Print and Online Media, and the fact-checking organization Africa Check ensures that the media and CSO sectors are held accountable for what they publish.

Most CSOs publish their annual reports on their websites if they maintain them. Organizations registered with DSD must submit their reports annually to maintain their registration. According to DSD, almost 60 percent of CSOs registered as NPOs are not compliant with the NPO Act of 2020 and have not submitted annual or financial reports within nine months of the end of their financial year. DSD says it does not know how many of these CSO are dormant or simply not complying.

Disclaimer: *The opinions expressed herein are those of the panelists and other project researchers and do not necessarily reflect the views of USAID or FHI 360.*

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

www.usaid.gov