



2019 CIVIL SOCIETY ORGANIZATION SUSTAINABILITY INDEX

For Sub-Saharan Africa: South Africa
October 2020



Cover Photo: A group of youth gather at a free WIFI spot to access the internet in Maputo, Mozambique in March 2020. USAID is developing programs in several countries, mainly in Africa, to promote universal internet access. The program enables free access to information for young people who may not have the financial resources to access the internet otherwise, thereby helping them to participate in democratic processes, practice citizenship, and exercise their right to information.

Photo Credit: Gideon Américo Muiambo, representative of the Movement for the Prevention of Crime (MHPC)

This photo was a submission in the 2020 USAID Center of Excellence on Democracy, Human Rights, and Governance photo contest.

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For South Africa

October 2020

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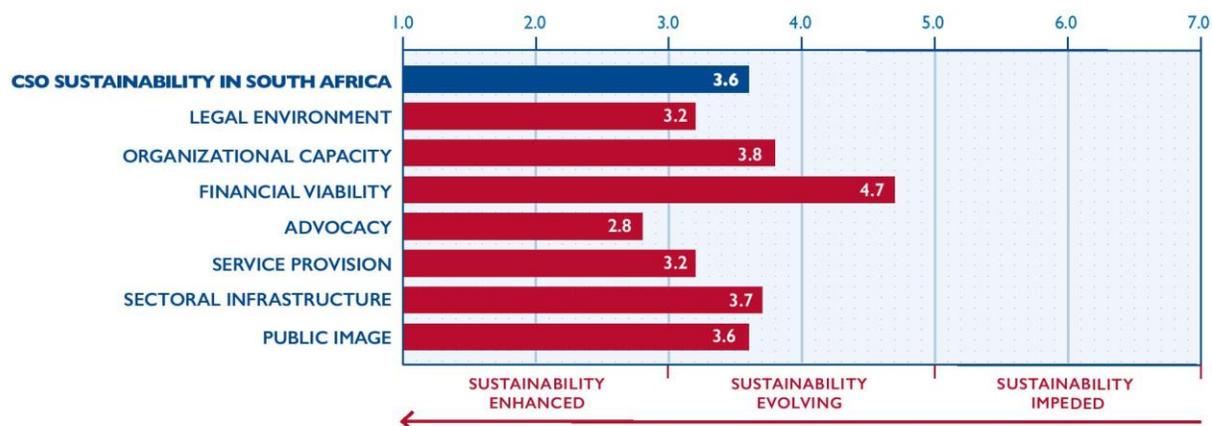
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SOUTH AFRICA¹

Capitals: Cape Town, Pretoria, and Bloemfontein
Population: 56,463,617
GDP per capita (PPP): \$13,600
Human Development Index: High (0.705)
Freedom in the World: Free (79/100)

OVERALL CSO SUSTAINABILITY: 3.6



South Africa celebrated the twenty-fifth anniversary of its transition to democracy in 2019. Despite the “new dawn” introduced with the inauguration of President Cyril Ramaphosa in 2018, the country continued to be hungry for change in 2019. Elections in May for the National Assembly and provincial legislatures produced the lowest voter turnout since 1994, with only 66 percent of registered voters casting votes and a particularly poor turnout among youth. Although the African National Congress (ANC) again won the majority with 57 percent of the vote, it obtained its lowest share of votes since coming to power in 1994. The official opposition party in the National Assembly, the Democratic Alliance (DA), also received a smaller proportion of votes than in 2014. During his 2019 state of the nation address, President Ramaphosa acknowledged CSOs’ contributions several times, noting the need for civil society to partner with the government and hold the government accountable to achieve common goals.

South Africa remains one of the most unequal countries in the world, with a Gini co-efficient score of 0.63, according to the World Bank. In September 2019, South Africa entered a technical recession as the gross domestic product shrank by 1.4 percent, causing international financial analysts such as Moody’s Investor Services to reduce the country’s investment credit rating outlook from stable to negative. Unemployment among people between the ages of fifteen and twenty-four hit an all-time high of 58.2 percent. With the economy faltering, there were concerns across the CSO sector about the stability of corporate giving and individual contributions.

Economic insecurity contributed to an increase in xenophobic attacks against foreign nationals and their businesses in March and September 2019. In March, the national government launched its National Action Plan to Combat Racism, Racial Discrimination, Xenophobia, and Related Intolerance, which CSOs helped to draft. The plan commits stakeholders to working together to promote and protect all human rights. In October, nearly 700 refugees and asylum seekers camped for more than a month in front of the building of the United Nations (UN) High Commissioner for Refugees in Pretoria, requesting resettlement in response to the attacks they had suffered. The Open Society Foundation for South Africa (OSF-SA) hosted a dialogue at which CSOs condemned the attacks and developed strategies to protect the rights of asylum seekers, refugees, and immigrants. In November, the South African rugby team, the Springboks, won its third World Cup since 1995. Responding to frustration with South Africa’s inequalities and declining economy, the team approached the competition using the Twitter hashtag #StrongerTogether, and its victory, together with its first black captain, aroused widespread feelings of national unity.

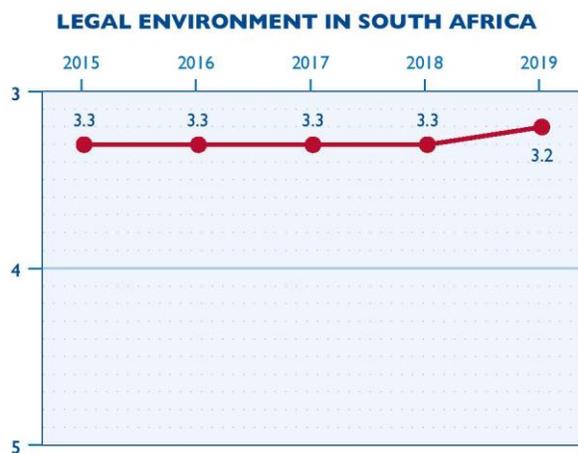
¹ Thank you to the Centre for Civil Society at the University of Kwazulu-Natal in Durban, South Africa for their review and contributions to the 2019 CSOSI report for South Africa.

A major national issue in 2019 was the introduction of the National Health Insurance (NHI) Bill in the parliament. The CSO sector was divided in its reaction to the bill. For example, while the South African National Aids Council (SANAC) and the People’s Health Movement of South Africa supported the bill, the health CSOs Section 27 and Treatment Action Campaign (TAC) expressed serious concerns over the bill’s funding and implementation. They expressed concerns about good governance, structural oversight, transparency, stakeholder participation, and funding plans, which were not clearly laid out in the bill. It is estimated that expenditures on the NHI will increase from ZAR 1.2 billion (approximately \$81 million) in 2018–19 to approximately ZAR 3 billion (\$203 million) in 2021–22. Some of the funds may go to CSOs implementing NHI pilot projects.

The overall sustainability of CSOs in South Africa was unchanged in 2019. The legal environment improved slightly with the government’s release of a draft green paper on the social economy, which addresses the role of social enterprises and seeks to reform CSO funding and reporting mechanisms. Advocacy improved for the second year in a row as CSOs’ work on gender-based violence (GBV) led to changes in government policy. Service provision was stronger as government recognition of and support for CSOs’ services expanded under President Ramaphosa. An array of training and capacity-building opportunities strengthened the sectoral infrastructure. The sector’s public image improved as the media offered positive stories about CSOs, in sharp contrast to the previous two years. At the same time, CSOs’ financial viability deteriorated moderately because of the contracting economy and dwindling international and government funding. Organizational capacity was unchanged.

As of October 2019, nearly 221,000 CSOs were registered with the Nonprofit Organizations (NPO) Directorate in the Department of Social Development (DSD), an increase of almost 21,000 since 2018. On average, about 20,000 to 30,000 new NPOs have registered each year since 2012, resulting in a 43 percent growth in the number of registered CSOs in the last three years alone. However, because some CSOs retain their registrations after they are no longer operational, DSD figures may not accurately indicate the number of active organizations. The 2019 Trialogue Business in Society Handbook reported that in 2019, 83 percent of CSOs were registered as NPOs, 29 percent were registered as nonprofit companies, and 14 percent were registered as nonprofit trusts.

LEGAL ENVIRONMENT: 3.2



The legal environment for CSOs in South Africa improved in 2019 for the first time in ten years as concrete steps were taken to improve policies affecting CSOs and legal services became more available. The government released a draft green paper on the social economy, which includes recommendations to recognize the role of social enterprises, streamline funding for the CSO sector, and establish mechanisms for systematic reporting. The paper includes a legal and regulatory pillar. It was drafted in a consultative manner, with the International Labor Organization playing a key role in developing the paper by hosting workshops and public consultations to ensure that the CSO sector contributed. If implemented, the recommended reforms will legitimize and better regulate the social economy sector, including all CSOs. The policy was met with positive responses by

actors across all sectors. Finalized policy recommendations are expected to be presented to the parliament for approval by the middle of 2020.

South Africa has a stable legal framework that regulates CSOs, and organizations continued to register and operate freely in 2019. Most CSOs register with DSD as voluntary associations under the NPO Act or with the Companies and Intellectual Property Commission as nonprofit companies (NPCs) under the Companies Act. They may register either online or at DSD offices. The relatively easy registration process is free of charge and takes approximately two months to complete. In a somewhat more complex process, CSOs may also register with the master of the Supreme Court as nonprofit trusts under the Trust Property Control Act. Most faith-based and small, grassroots community-based organizations register as voluntary associations, while larger, better-resourced organizations usually register as NPCs or nonprofit trusts.

DSD prepared amendments to the NPO Act in 2019 to improve the policy and regulatory environment in which CSOs operate. However, DSD was unable to submit the draft bill for consideration during the year, because certification under the Socio Economic Impact Assessment System had not been completed.

CSOs in South Africa enjoy freedom under the law, are allowed to criticize the government, and generally are not subjected to state harassment. In 2019, the judicial system held the government accountable for interference in civil society activities when it found the Economic Freedom Fighters (EFF) party, a member of the coalition government, guilty of contravening the South African Electoral Code by harassing a journalist. The Social Justice Coalition cited several instances in which police and other law enforcement agencies used excessive force against protesters, including killing two men during a protest over service delivery in April 2019. At the end of the year, the case was still under investigation.

DSD embarked on a nationwide #KnowYourNPOStatus campaign to help improve transparency, good governance, and accountability in the CSO sector in 2019. The campaign included training for DSD officials across the country so that they could help CSOs comply with regulations. The campaign was implemented in cooperation with a number of government and civil society stakeholders, including the Companies and Intellectual Property Commission (CIPS), National Lotteries Commission, and the Southern African NGO Network (SANGONeT).

As of March 2020, 24,123 public benefit organizations (PBOs) were listed on the website of the South African Revenue Service (SARS), an increase of 1,721 organizations since February 2019. CSOs registered as PBOs receive preferential tax treatment. Under Section 18A of the Income Tax Act of 1962, PBOs may accept tax-deductible donations if they are used for specified public benefit activities. Individuals making donations to PBOs may apply for tax deductions on a percentage of their donations. CSOs may also register with SARS for exemptions from value-added tax (VAT) on their goods and services, although many CSOs report that they struggle to get VAT refunds from SARS.

CSOs are allowed to engage in income-generating activities provided the activities relate to their main objectives, aim at cost recovery, and do not involve competitive practices that are unfair to taxable entities. Some CSOs fear that these strict limitations on income generation will lead to financial penalties or even deregistration and therefore avoid engaging in such activities. CSOs can engage in fundraising activities as long as the funds are used to realize their primary aims.

Legal services for CSOs expanded slightly in 2019. The Legal Resources Center (LRC) helps CSOs comply with legal and administrative requirements and promotes good governance and accountability across the sector. In 2019 alone, LRC was involved in representing civil society in numerous legal cases. These included a successful case against the Regulation of Interception of Communications and Provision of Communication-Related Information Act, the silicosis class-action settlement for gold miners, and a community-led challenge against Sasol Ltd.'s greenhouse gas emissions. Lawyers Against Abuse offers legal advice to CSOs working on GBV issues. DGMT NGO Commons, the website of the DG Murray Trust, provides access to resources about registration and compliance. Other organizations providing legal support to CSOs include the National Organization of Democratic Lawyers, South African Society for Labor Law, ProBono.org.za, and TrustLaw.

ORGANIZATIONAL CAPACITY: 3.8

The organizational capacity of CSOs was stable in 2019. CSOs continued to build strong relationships with their constituencies. For example, TAC, which has more than 8,000 members in 193 branches across the country, used its regular newsletter to reach and engage its constituents. The Citizen Justice Network, a network of paralegals, opened three new offices in underserved areas, which provide paralegals and journalists with access to technology so that they can have regular contact with constituents. Sonke Gender Justice's One Man Can campaign helped community-based organizations (CBOs) partner with community radio stations, and some CBOs used local radio stations to reach constituencies, especially in rural areas. Many smaller faith-based organizations (FBOs) used their links to churches to build constituencies. The Organization Undoing Tax Abuse (OUTA), a recently established but already influential CSO, built its constituency through paid memberships. OUTA reported that its membership revenue grew by 16 percent in 2019 to reach ZAR 46 million (approximately \$3.3 million).

ORGANIZATIONAL CAPACITY IN SOUTH AFRICA



Strategic planning for CSOs continues to be facilitated primarily by external consultants, who are brought in to conduct planning sessions and then often write the plans. As a result, organizations often lack a sense of ownership for the plans, which can lead to poor implementation and turn strategic planning into a box-ticking activity rather than a useful practice. Most smaller CSOs view strategic planning as too expensive to undertake. In recent years, many CSOs have branched out to areas beyond their missions and the goals included in their strategic plans in their search for funding.

Internal governance remained a major challenge for CSOs in 2019. Board members serve on a voluntary basis, but in some instances their motivation for serving is questionable. For instance, some board members anticipate economic benefits. Training for board members is generally inadequate, and several organizations report that board members do not understand the role of the board, which can lead to their inappropriate involvement in management and operational issues. CSOs that seek to maintain good scores with the Broad-Based Black Economic Empowerment (BBBEE) program, which aims to reduce economic inequality and is important for public funding, must comply with its requirements for board composition.

Staff turnover remained high in 2019 because of declines in CSOs' financial sustainability and the general volatility of the funding environment. In many cases, CSOs could not afford to pay competitive salaries, which made it difficult to attract good candidates for open positions. DSD, a major domestic CSO funder, pays salaries to social workers that are almost 40 percent higher than those offered by the average CSO. DSD's policy of only partially subsidizing CSOs' salary costs while expecting organizations to cover the balance with income from other sources largely drives this pay disparity. High staff turnover forces CSOs to divert resources from service delivery to training new employees. It is too expensive for many CSOs to engage in succession planning in management by keeping senior personnel on their payrolls. The rate and impact of staff turnover are generally worse for small, local CSOs. Larger, national CSOs often have diversified funding and cash reserves to retain qualified employees.

Staff training remains a major concern in the CSO sector. Funding from donors for training is limited, and any available funding must be used for training in technical, project-focused areas rather than general management skills. Training on general topics of leadership, management, and monitoring and evaluation is offered only to selected individuals, who are then expected to pass on their learning to other staff.

CSOs struggle with access to needed technology. Many CSO employees still use their own cell phones for service provision, and some even use their own laptops. Without computers or reliable internet access, CSO staff often rely on smartphones and WhatsApp as their primary method of communication. Some CSOs were able to purchase vehicles in 2019 with funding from the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

FINANCIAL VIABILITY: 4.7

FINANCIAL VIABILITY IN SOUTH AFRICA



CSOs' financial viability declined for the third year in a row in 2019, largely because of dwindling support from international and public donors as well as the contracting economy. According to the 2019 Trialogue Business in Society Handbook, nearly one-quarter of CSOs had stagnant income in 2019, one third had declining income, and only 44 percent reported an increase in income, down from 48 percent in 2018 and 60 percent in 2017. As they competed for a shrinking pool of funds, CSOs found it challenging both to secure adequate funding for day-to-day operations and to ensure their sustainability. Almost half (43 percent) of CSOs lack cash reserves, and 55 percent of CSOs have incomes of less than ZAR 2 million (approximately \$135,000) per year, according to 2019 Trialogue Business in Society Handbook.

Foreign funding for CSOs has decreased dramatically in recent years. As a high-middle income country, South Africa is no longer a priority for international donors, and the donors that remain channel most of their funding to the government rather than CSOs. CSOs report that funding is often given to organizations based on donors' organizational preferences rather than CSOs' ability to implement programs. This approach has resulted in service delivery failures and sometimes even the suspension of funding. CSOs that lack the resources to build relationships with funders are even less likely to receive funding in new funding cycles.

USAID funding for democracy, human rights, and governance declined in 2019.

Although the United Kingdom's Department for International Development (DFID) suspended its bilateral aid program with South Africa in 2015, its project budget for South Africa increased in 2019–20 to GBP 13.7 million (approximately \$17.8 million) from GBP 7.8 million (\$10.1 million) in 2018–19. In April 2019, the Global Fund allocated a grant of ZAR 5 billion (\$338 million) to combat HIV/AIDS and tuberculosis in South Africa. Thuthuzela Care Centers, which provide services to rape victims, will receive some of this funding to improve their HIV prevention services.

Domestic funding is still dominated by corporate donors, which, according to the 2019 Trialogue Business in Society Handbook, accounted for 29 percent of all CSO income in 2019, a 5 percent increase over 2018 (although real growth was minimal after adjustment for inflation). Corporations expended ZAR 10.2 billion (approximately \$690 million) on corporate social investment (CSI) in 2019, with retail and wholesale companies contributing the largest amount, followed by the mining and financial sectors. As in the past, about 50 percent of CSI support was channeled to education, 15 percent to social and community development, and 9 percent to food security. CSI support for health-care interventions fell from 9 percent in 2018 to 7 percent in 2019.

Many corporate entities increased their non-cash contributions to CSOs in 2019. However, CSOs report that their appreciation of CSI has been undermined by some companies' tendency to donate products or services that they do not need rather than investing in skills development or simply donating cash. The business sector also engages in fundraising to assist the CSO sector. In the MySchool MyVillage MyPlanet initiative, one of the biggest community fundraising events in South Africa, individuals can swipe loyalty cards at participating stores to have a percentage of their purchases donated to the program.

Government funding sources include provincial departments of social development, the National Lottery Distribution Trust Fund (NLDTF), and the National Development Agency (NDA). In 2019, CSOs reported a 36 percent decline in funding from the National Lotteries Board, which oversees the NLDTF.

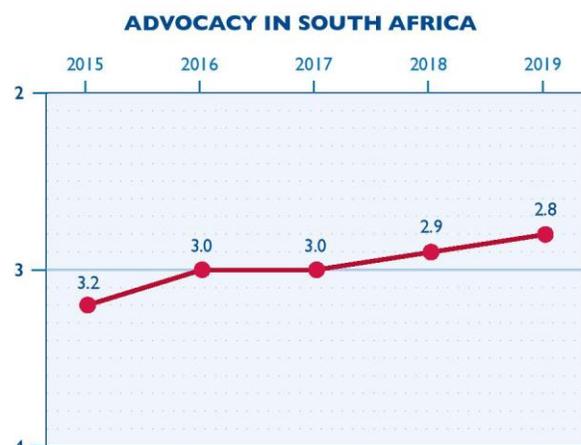
Individuals contribute regularly to CSOs in South Africa. Although their contributions declined in 2019, almost 72 percent of CSOs received contributions from private individuals, according to the 2019 Trialogue Business in Society Handbook. Eighty-eight percent of organizations received non-cash donations, such as products, services, and volunteer time, from individual donors, companies, and other entities. Since 2017, philanthropic income at institutions of higher education, including donations from trusts and foundations, the private sector, and individuals, has increased as a result of the #FeesMustFall movement.

CSOs sought to diversify their funding base in 2019, as they increasingly recognize that dependence on a single, inadequate source of funding often results in closure, especially of smaller, grassroots organizations. CSOs have grown better at fundraising. For example, Reach for a Dream Foundation hosts an annual Slipper Day, when people purchase wristbands to benefit the foundation and are encouraged to wear slippers to work or school. The Sunflower Fund, which support patients in need of bone-marrow transplants, sells bandanas on its annual Sunflower Day. Almost all CSOs handle fundraising internally, as they lack the resources to employ professional fundraisers or even to have dedicated fundraising staff. CSOs that are dependent on donor income still struggle to implement a fee-for-service model, and crowdfunding is still in its infancy in South Africa. The business sector is willing to assist CSOs with loans, but CSOs do not view this as a feasible funding alternative.

All registered NPOs must submit audited financial reports to the NPO Directorate to maintain their registrations, and PBOs must submit financial reports to SARS to maintain their tax-exempt status. Although other CSOs are not required to conduct annual audits, many organizations do so to meet funding requirements. External financial audits are very expensive for smaller CSOs. The number of CSOs with insurance against project-related risks increased from 29 percent in 2018 to 37 percent in 2019. However, about 40 percent of CSOs do not have formal risk management processes, and more than 60 percent of CSOs are not required by funders to develop risk management plans, according to the 2019 Trialogue Business in Society Handbook.

ADVOCACY: 2.8

Advocacy by South African CSOs improved for the second year in a row in 2019 as various organizations expanded their GBV efforts. CSO initiatives focused on GBV demonstrated that South African CSOs were able to advocate publicly for policy change while working productively with the government. In September 2019, the #TotalShutDown movement, which began as a protest action in 2018, mobilized women’s and lesbian, gay, bisexual, transgender, and intersex (LGBTI) groups in marches across the country to call for action against GBV. One of the movement’s major achievements was the government’s creation of the Interim GBV and Femicide Steering Committee, co-chaired by representatives of the president and civil society, which is charged with updating and implementing an emergency response plan against GBV and femicide. The committee



is developing a national strategic plan on the issue through extensive, multi-sectoral consultations. CSOs such as the Networking HIV and AIDS Community of South Africa (NACOSA) and Lifeline are working with the Department of Health, DSD, South African Police Service, and National Prosecuting Authority to ensure that Thuthuzela Care Centers are fully functional to treat GBV victims. The president created a fund to support survivors of GBV and femicide attempts.

Another important GBV effort in 2019 was the #AmINext movement, sparked by the rape and murder of a nineteen-year-old student at a post office in August. #AmINext asked all South Africans to march against GBV and called on the government to declare GBV a national emergency. In response to the protest, the government promised to amend the Sexual Offences Act and Domestic Violence Act and make the National Register for Sex Offenders publicly available.

Under the new administration, CSOs were able simultaneously to work with the government and hold it to account. Organizations such as Section 27, Social Justice Coalition, and Ahmed Kathrada Foundation used community events as opportunities to advocate for social justice and push the government to comply with or change its policies. In 2019, the Zondo Commission of Inquiry into State Capture continued its investigation of government corruption in response to advocacy by anti-corruption activists and organizations. The South African CSO Corruption Watch monitored the commission’s progress, and more than twenty CSOs submitted a paper, An Agenda for Action, which includes recommendations for reforming the government and private sector to eliminate state capture.

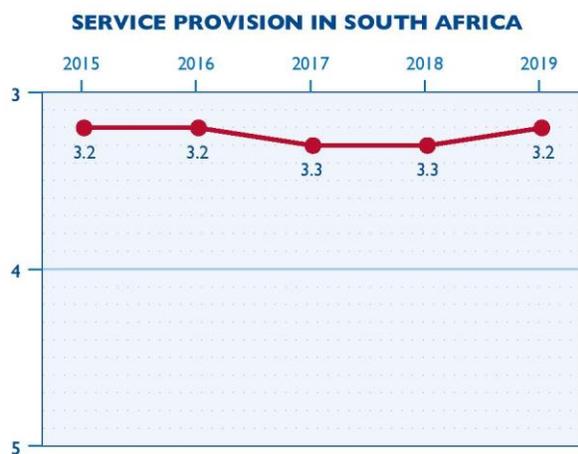
In 2018, the Constitutional Court ruled that Section 12(1)(a) of the Gatherings Act, which made failure to give adequate notice of a gathering of fifteen or more people a criminal offense, was unconstitutional. Despite this positive development, various organizations continued to advocate for the constitutional right to protest without the fear of harassment, police brutality, and prosecution in 2019. In November, the Social Justice Coalition led a demonstration, joined by Right2Know, Equal Education, and other CSOs, to defend the constitutional right to protest. Several movements and campaigns struggled for social rights, including the shack dwellers movement, which brought a case against the City of Ekurhuleni for illegal demolitions and evictions. A number of CSOs created a civil society working group to strengthen and oversee the newly established Judicial Commission of Inquiry into Allegations of State Capture. At a conference commemorating International Anti-Corruption Day in December, several organizations signed a document affirming their continuing efforts against state capture.

Activists and civil society groups continued a new trend in 2019 of pursuing private prosecutions of cases that the National Prosecuting Authority has decided not to prosecute. For example, proceedings started in a delinquency case brought by OUTA and the SAA Pilots' Association against the former chair of South African Airways. In a case filed by the Nelson Mandela Foundation and South African Human Rights Commission, with the support of the Institute of Justice and Reconciliation, the Equality Court in South Africa ruled in August 2019 that showing the apartheid-era South African flag amounts to hate speech, racial discrimination, and harassment and is a crime in most cases.

Various CSOs, such as Earthlife Africa Durban and the SA Wind Energy Association, lobbied for renewable resources in 2019. Under the hashtag #ClimateStrike, thousands of South Africans marched across the country during global protests against climate change in March and September 2019. The marches were organized by the youth-led advocacy group African Climate Alliance, supported by Extension Rebellion, Oceans Not Oil, and Energy and Climate Change. During his 2019 budget speech, the minister of finance acknowledged the seriousness of climate change and promised that Eskom, the public electric company, would expand its sources of renewable energy. The president signed the Carbon Tax Act into law effective as of June 1. Various CSOs, including the World Wide Fund for Nature, GreenPeace, and Groundwork, had pushed for the law since 2015.

CSOs did not advocate for changes in laws specifically governing the CSO sector in 2019. They were, however, actively involved in drafting the green paper on the social economy, which, if enacted, will legitimize and better regulate the social economy sector, including all CSOs. CSO stakeholders were also involved in the #KnowYourNPOStatus campaign, which aimed at good governance, accountability, and compliance with registration requirements.

SERVICE PROVISION: 3.2



CSO service provision improved slightly in 2019 as government recognition and support for CSOs' services expanded under President Ramaphosa. CSOs continued to provide services in health care, social welfare, GBV, early childhood development, the law, governance, emergency support, and other areas in which the government does not act. CSOs often provide specialized social services that the government does not have the expertise to provide. For example, the Teddy Bear Clinic provides psycho-social support services to victims of GBV and child abuse.

The services provided by CSOs generally respond to community needs and priorities. For example, Harambee Youth Employment Accelerator addresses young people's pressing need for employment assistance with

training and placement in first jobs. To date, Harambee has supported more than 600,000 youth and placed more than 100,000 of them in jobs. However, CSOs that are dependent on donor funding must implement services specified by their donors rather than respond to identified community needs. The CSO sector is often criticized in the media or by local and international funders and businesses for focusing on projects that aim for short-term

change rather than long-term impact. But this approach is often unavoidable, since most donors want to see measurable changes within one to five years.

Membership organizations generally provide their products and services to paying members only, although they may offer some products free of charge to non-members. CSOs often market their goods and services to other CSOs. For example, the Foundation for Professional Development, which is both a CSO and a registered institute of higher education, offers paid courses to staff from other CSOs. It is illegal for CSOs to discriminate against potential recipients of their goods and services, and CSOs strongly uphold South Africa's robust legal framework and culture in support of non-discriminatory practices.

CSOs have difficulty recovering costs for services. Communities believe that services provided by CSOs on behalf of the government should be free of charge, especially as high poverty rates mean that many beneficiaries are unable to pay for them. There are some exceptions, however. At its early childhood development centers in central Tshwane, PEN charges fees on a sliding scale based on parents' income. At the Sediba Hope clinic in Pretoria, payments made by clients who can afford to pay for health-care services help offset the costs of services for clients who are unable to pay.

Government recognition and support for CSOs' services have improved greatly under President Ramaphosa. In stark contrast to former president Zuma, who implied that most CSOs worked to undermine the government, President Ramaphosa emphasized in public statements that the government sought to cooperate with CSOs to meet common goals, including putting an end to GBV and femicide. The National Development Plan 2030, the government's strategic vision for the next ten years, highlights the importance of a good working relationship between the government and CSOs and refers to CSOs as social change partners. These important expansions in the relationships between government departments and civil society are expected to improve and expand the services delivered by CSOs.

SECTORAL INFRASTRUCTURE: 3.7

The infrastructure supporting the CSO sector improved as an array of training and capacity-building opportunities were provided by resource centers, networks, the government, and the private sector.

A limited number of resource centers and networks provide services to CSOs. A key resource center is Inyathelo: The South African Institute for Advancement, which offers both free and paid goods and services to all types of CSOs. In 2019, Inyathelo helped fill the gap in board training by offering publications and workshops to help CSOs improve their governance and the work of their boards. In cooperation with the CMDs group of financial consultants, Inyathelo also offered management training to NPOs and CSOs during its annual #ThinkGood gathering, a free networking and training event. The institute also offers a paid service linking CSOs to potential donors. TechSoupSA provides CSOs with technical support, reduced rates for access to computer programs, and other similar resources.

Several local grantmaking organizations operate in South Africa. For example, the privately funded Raith Foundation supports social justice programs, while the DG Murray Trust focuses on early childhood education and youth development. OSF-SA created a new fund for South African human rights defenders in 2019.

The CSO sector in South Africa is still fragmented, with organizations operating in silos defined by their areas of activity and, within sub-sectors, competing for funding or duplicating work. Nevertheless, several networks and organizations support CSOs' capacity-building and networking needs. SANGONeT facilitates CSOs' access to information and communications technologies and has created a bi-annual consultative forum to help organizations engage with each other at the national and provincial levels. The Women's National Coalition strengthens women's and girls' movements for social change, while NACOSA brings together 1,800 organizations working on

SECTORAL INFRASTRUCTURE IN SOUTH AFRICA

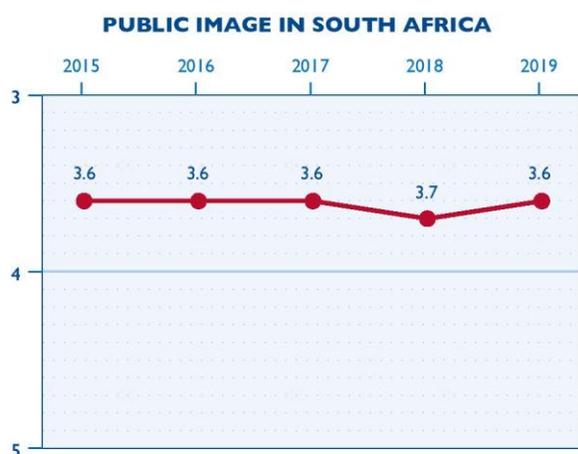


HIV/AIDS, tuberculosis, and GBV. SANAC coordinates multi-sectoral HIV/AIDS responses. The South African National NGO Coalition, one of the oldest CSO networks, still exists but is much less active than it used to be.

The government, private sector, and CSO resource centers and networks conducted several interventions to improve managerial skills in the CSO sector in 2019. NDA, a government agency tasked with eradicating poverty, implemented a new program to develop CSOs' institutional capacity in 2019. NACOSA and Lifeline provided training to assist CSOs with income generation. ABSA, a major bank, provided training on financial support services and business management to emerging small businesses, social enterprise initiatives, and other organizations. Tiger Brands Ltd. introduced capacity-development programs for its CSO partners to ensure that they are sustainable when CSI ends. Tiger Brands also began a CSO accelerator program to provide training on governance, compliance, fundraising, and other topics. The Southern African Institute for Business Accountants, South African Institute of Tax Professionals, and DSD support CSOs' financial compliance through the project NPOAssist. Inyathelo collaborates with the company Turning Point Chartered Accountants to offer regular workshops to help CSOs understand financial and donor reporting requirements.

CSOs in the health-care, GBV, and early childhood education sectors partner frequently with the government, private sector, and media. Many CSOs in the health-care and GBV sectors implement interventions in conjunction with the relevant government departments. Organizations that are district support partners have staff embedded at the district departments of health and hire clinicians to work in public-sector health-care facilities. In partnerships like these, CSOs' data are incorporated into government statistics. In 2019, the private sector primarily partnered with CSOs and the government on training initiatives, as described in the paragraph above.

PUBLIC IMAGE: 3.6



CSOs' public image was slightly better in 2019. Media reporting on CSOs was generally positive. In particular, the media reported on the work of better-known and highly regarded CSOs, such as Gift of the Givers, Afrika Tikkun, and the Nelson Mandela Foundation. Their stories were in sharp contrast to the negative media reporting of 2017 and 2018, when CSOs were heavily criticized after patients died while in the care of a poorly qualified CSO in the so-called Life Esidemeni crisis.

Government perceptions of CSOs were mixed in 2019. The government increasingly recognizes the value of CSOs' contributions, as evidenced in President Ramaphosa's expressed acknowledgement of their work. The departments of health and social development also acknowledge the work of CSOs. At the same time,

the change in political climate and a general sense of rising corruption has increased government pressure on CSOs to ensure that they are not corrupt and use funds consistently with their aims.

Public trust in the CSO sector is relatively high. The 2020 Edelman Trust Barometer indicates that public trust in the sector increased to 60 percent in 2019 from 50 percent the previous year. While public trust in the government, media, and business also increased, the CSO sector remains the most trusted sector in South Africa, with business trailing at 58 percent and the government at 21 percent. The public perceives CSOs as ethical but not necessarily competent. A survey conducted by Afrobarometer in 2019 showed that 30 percent of South African respondents believe that CSOs are involved in corruption and 64 percent of respondents believe that corruption increased in the country overall in 2019. Hearings of the Zondo Commission of Inquiry into State Capture in 2019, which highlighted corruption in the service-delivery sector in South Africa, led to some distrust of CSOs. At the same time, several CSOs that support anti-poaching initiatives are viewed favorably by the public. CSOs that are financially stable and have a social media presence generally have better public images than those that do not.

The slight increase in CSI in 2019 suggests that the level of trust in CSOs among businesses is also relatively high. Well-established CSOs, such as DG Murray Trust, Food and Trees for Africa, Harambee, and Section 27, have good reputations with the private sector.

Although CSOs seek to communicate about their projects, strategies, and outcomes, communications and marketing remain a challenge for CSOs. Most organizations have staff responsible for managing communications, but only 40 percent of CSOs have communications budgets. In the last several years, CSOs have increasingly relied on hashtag movements and social media to advocate and create awareness. Major hashtag movements in 2019 included #AmINext, which drew attention to GBV; #I'mStaying, dedicated to South Africans who decided to believe in the country, despite ongoing frustrations; #TotalShutDown, a movement of women and LGBTI communities calling for action against GBV; and #NotInMyNameSA, a national campaign for civil rights.

CSOs are required to submit narrative annual reports to the government to maintain their registrations. The Independent Code of Governance for Nonprofit Organizations in South Africa, which was first published in 2012 by Inyathelo, remains the main source of legal and ethical guidance for CSOs.

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.*

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