



PRESIDENTIAL
SOCIAL SECTOR
SUMMIT
2022

FRAMEWORK AGREEMENT
OF THE PRESIDENTIAL SOCIAL SECTOR SUMMIT

BOKSBURG | 4 - 5 AUGUST 2022

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REPUBLIC OF SOUTH AFRICA





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1. Preamble to the Presidential Social Sector Summit:

In South Africa, poverty, unemployment, and inequality still mirror the racial, gender, spatial, and age demographic dynamics of colonialism and apartheid. Most vulnerable and poor people are black, female, and young. Therefore, eradicating poverty and reducing inequality is a preface about inclusive growth, job creation, economic opportunities, redress, social justice, and healing of the wounds of our divided past.

In the past, the social partners worked in a fragmented way to respond to the colossal challenges of poverty, unemployment, and inequality. However, the separate and fragmented responses have fallen short of the massive actions these conditions require. With the Presidential Social Sector Summit, the nation, through social partnership, reaffirms the principle of working together to end these triple challenges.

Through this framework agreement, Social Partners agree to optimise resource mobilisation and equitable distribution and to empower people and their organisations to create sustainable livelihoods. Furthermore, social partners agree to create a sound regulatory environment that enables the social sector to function effectively.

- Social partners further emphasised the need to establish a single regulator, managed and controlled by the social sector.
- On capacity building, Social Partners agree that the National Development Agency (NDA), in line with its mandate, must be strengthened to effectively carry out its mandate of capacity building of civil society organisations. Social Partners further call for strengthened coordination of all capacity-building programmes and enhanced collaboration amongst all training institutions.
- Social Partners acknowledged that the transformation of the Social Sector has been relatively slow and agreed that it should be accelerated and focused.

This Summit builds on lessons learned and experiences from previous Summits of this nature. It is imperative to note that the Presidential Social Sector Summit process will feed into the broader Social Compacting process, which involves all other social partners, including business and labour.

2. Introduction

In recognising the critical role that civil society plays in tackling poverty, inequality and related social ills, the President announced, in the State of the Nation Address (SONA 2022) that a Social Sector Summit will be convened to improve the interface between the State and Civil Society. In addition, the Social Sector Summit will seek to discuss and find practical ways to create an enabling regulatory and policy environment to strengthen collaboration and coordination with other social partners, enhance capacity building for Civil Society Organisations ("CSOs"), improve resource mobilisation, and contribute towards sustainable job creation.

- 2.1 Despite the excellent work many CSOs undertake, whether organised or formalised, many remain unrecognised and unsupported and not in a position to interface with the State and vice versa.
- 2.2 The CSOs that are registered in terms of applicable laws are often at the forefront of accessing assistance from the State because they have developed a considerable capacity to meet requirements for registration and compliance. In this regard, much more must be done to ensure that all CSOs are registered and compliant with all applicable legislation.
- 2.3 The challenge for the Presidential Social Sector Summit is to build on the positive aspects of the existing system for an interface between the State and civil society to establish a more comprehensive and inclusive framework that recognises, supports, and reaches beyond those CSOs.
- 2.4 Furthermore, this comprehensive and inclusive framework should be able to identify, recognise, and support those big and small activities that add value to the country's development objectives.
- 2.5 Following the announcement to convene the Presidential Social Sector Summit, both in 2018 and subsequently in 2022, preparations included the following:
 - 2.5.1 The establishment of a multi-stakeholder National Steering Committee comprising the Presidency, the National Department of Social Development (DSD) and its development agency, the National Development Agency (NDA), the Department of Planning and Monitoring (DPME), the Department of Employment and Labour, the National Economic Development and Labour Council (NEDLAC), and the National Lotteries Commission (NLC).
 - 2.5.2 Facilitation of Provincial Dialogues, in all nine Provinces, as a build-up towards the Social Sector Summit,
 - 2.5.3 Consultation Workshops and thematic roundtable fora led by National Planning Commission and NEDLAC Community Constituency

3. Principles of the Social Partnership:

- 3.1 **Mutual respect:** All social sector partners shall respect and treat each other as equal partners in addressing social ills, including poverty, unemployment, inequality and other related issues;
- 3.2 **Transparency:** Social partners will work and engage each other transparently, ensuring trust and meaningful relationships. There shall be openness, transparency, fairness, and efficiency in resource allocation to the Civil Society by the government and private sector.
- 3.3 **Accountability:** Social Partners commit to being accountable to each other and their respective constituencies regarding programmes and resources invested in Civil Society. This accountability and transparency shall also be a driving principle in executing this framework agreement;
- 3.4 **Ethics, honesty, and commitment:** All parties shall demonstrate a high level of honesty and loyalty in implementing the agreements contained in the Presidential Social Sector Summit Framework Agreement and the programme of action to be developed post the Summit. All Social partners commit themselves to prevent and rooting out corruption.
- 3.5 **Innovation:** Innovative ideas and models must be developed and implemented to pursue a South Africa free from poverty, inequality, and unemployment.
- 3.6 **Best practice learning and sharing:** Tested global and regional best practices on working with Civil Society, programme implementation and resource mobilisation strategies need to be researched and implemented.
- 3.7 **Transformation and developmental agenda:** All social partners commit to social transformation, which is developmental in nature and approach. Ideally, resources should be equitably distributed towards people and initiatives that address the under-development and marginalisation at the grass-root level.
- 3.8 **Resource Mobilisation for Civil Society:** Government, private sector, and development agencies are committing themselves to resource the Civil Society in a predictable, sustainable, and transformative manner. Government and Private sector, including development agencies, pledge to end issues of late disbursement of funding, fiscal dumping and returning unspent funds, which affect CSOs' ability to deliver on their commitments; and
- 3.9 **Coordination: Social Partners agree to strengthen coordination modalities to enhance cooperation.**
The Parties commit to establishing a presidential working group on civil society as a coordinating mechanism that will include all social partners. The coordinating mechanism shall be at the national, provincial, and local levels. The civil society shall have a majority of representatives in all coordinating mechanisms. The Parties agree to ensure that the coordinating mechanism chaired by the President (at National), Premiers (at provincial levels) and Mayors (at Municipal levels) meets quarterly to track progress and respond to emerging developments.

4. The Undertaking for the Presidential Social Sector Summit:

4.1 Resource Mobilisation

Prior to 1994, most funding was channelled to South Africa by international donors of which the majority was directed to challenge apartheid and support the struggle for democracy. Moreover, there was funding to support communities in the form of resource centres and support for civic initiatives. This funding continued to flow and went as far as supporting communities, while the State was not fully committed to extending services to communities and the broader civil society. There was a myriad of funding sources in the period leading up to 1994, from donors, philanthropies, faith-based organisations, and even international communities directly. In turn, the existence of this generous funding aimed at supporting various initiatives accounted for the existence of a vibrant, well-resourced, and adequately supported civil society.

The advent of democracy came with reduced funding from the International Donor Communities. The issues of South Africa were placed on the back-burner in the priorities of international funders. The democratic state earnestly began implementing programmes such as The Reconstruction and Development Programme and instituted economic reforms. The reforms in the immediate aftermath of the end of apartheid moved South Africa from the strict definition of a Third World Country into a Category of a Middle-Income country, which resulted in reduced funding from international funders. Therefore, competition for limited resources made funding requirements more stringent and its modalities more onerous.

An attempt to bolster the reduction of the international funding and the dwindling funding for civil society, saw South Africa, turning to its local resource mobilisation efforts from its private sector. In the democratic period, the country legislated for Private Sector Contributions to the funding of civil society and broader socio-economic development. The legislation has diversified the pool of available resources to include, Corporate Social Investments, Philanthropies, Legal Obligations, etc. However, the fragmented nature of funding itself and the funding priorities have rendered the impact and development outcomes inadequate to respond to the challenges. To respond to the myriad of funding challenges, the Presidential Social Sector Summit resolves to make the following interventions to respond to the funding challenges

4.1.1 Central Civil Society Fund

Social Partners agree to consider the establishment of a new centrally coordinated funding facility to support the work of Civil Society Organisations.

- The Fund's existence does not entail discontinuing all the other funding to civil society by the various funders. This proposed new funding facility may also consider repurposing already existing instruments.
- As the initial and primary source of this Fund, all institutions, be they government at all levels, public, private, and even civil society – may contribute a certain percentage of their annual budget to the Fund as agreed by social partners.
- The Fund, in its grant-making, will consider and develop measures to ensure the transformation of the sector.
- The Fund, in its grant-making, will also be mindful of special dispensations for:
 - Women
 - Youth and
 - People with Disability
- Social partners agree that the legislative and regulatory process must be speedily concluded.

4.1.2 National Funding Policy

The funding for civil society is varied and fragmented; therefore, Social Partners agree to create a policy to consolidate the funding and direct resources to the country's developmental priorities.

4.1.3 Self-Funding and Individual Donations

To guarantee that there are always resources to fund anti-poverty and developmental initiatives South African Civil Society offers to create a self-funding mechanism that encourages individual donations and crowd-funding by Citizens.

4.2 Regulatory Framework

Regulations of civil society in South Africa should be about creating an enabling environment in which organisations thrive. However, in South Africa, many laws regulate civil society, which are complicated and demanding for most civil society organisations. However, the reality of the sector is that it is predominantly a sector of poor people who are trying to contribute to improving the lives of their communities and form organisations to have a legal vehicle to do so.

Social partners note that the existing information and data are mostly on the Non-Profit Sector. Information about other forms of civil society is scarce and hard to obtain. The South African Civil Society Sector has the following Broader Sub-sectors:

- Non-Profit Organisations (NPOs), Non-Profit Companies (NPCs) and Trusts.
- Civics Organisations, including ratepayer's associations and such types of organisations and their networks.
- Social Movements, Campaigns, and other new forms of organisations; and
- Traditional Leadership.

4.2.1 Regulations

- Social partners agree to explore different models of regulating the entire social sector. Through a collective process, social partners agree to conduct research, benchmarking, and literature review on what exists in this area.
- The future regulation must include the element of self-regulation in line with the principle of independence of civil society.
- The regulations envisaged after the process do not entail civil society, severing regulatory ties with a democratic state and other social partners.
- Social partners agree that a Regulator made up of Civil Society and possibly other social partners will be established after the process.
- Social Partners commit to ensuring the simplification and accessibility of regulations.

4.2.2 Apex Alliance

- Social partners agree to support the immediate establishment of an Apex Alliance of the Social Sector made up of 5 sectors of civil society:
 - i. Non-Profit Organisations (NPOs), Non-Profit Companies (NPCs) and Trusts.
 - ii. Civics Organisations, including ratepayers' associations and such types of organisations and their networks.
 - iii. Social Movements, Campaigns, and other new forms of organisations; and
 - iv. Traditional Leadership.
- Social partners agree that the coordination of the Social Sector for the implementation of this Framework Agreement will be through the Apex Alliance once it is established. The process towards the formation of the Apex Alliance must be preceded by the regularising of the Apexes in all the sub-sectors of the Social Sector.

4.2.3 Registration of Social Sector

Currently, there is no single register and consolidated database of the civil society. The existing registers and databases are along the incorporation forms, e.g., NPOs, NPCs, Trusts, etc. There is an urgent need to have a single register of all the civil society Social Sector Organisations, Networks and Apex Bodies.

- Social partners agree to the creation of a single register of all the Social Sector Organisations.
- Social partners also agree to create a database of all the Social Sector organisations.
- Both the register and the database should be disaggregated by sectors in line with the government departments.
- Government departments, donors and CSI Companies should be furnished with the registers and databases of Social Sector Organisations in their sectors.
- Social partners agree to immediately engage with the Social Sector Organisations and Bodies in their Sectors.
- Social partners agree to involve the Social Sector Organisations and their networks and apexes in advisory committees.

4.2.4 Code of conduct and ethics

Substantial malfeasance has been recorded in the behaviour of all the social partners. The issues of malfeasance (corruption, nepotism, preferential treatment and even fraud) enjoin social partners to act immediately to end real and perceived wrongdoing.

- Social partners agree to develop and adopt an all-inclusive Code of good Conduct and Ethics.

4.3 Capacity Building

Civil society organisations provide developmental and social interventions at the community level. The state and private sectors rely on CSOs to deliver essential services to communities, especially those in hard-to-reach areas. On the other hand, there is a huge challenge regarding the issue of management and leadership in general in the sector to ensure that these organisations are effectively managed. Individuals equipped with the capacity and skills to manage requisite resources (human and financial) are lacking. Building capacity amongst the CSOs staff is crucial for the sector to deliver quality services to the communities serviced. The sector requires a range of well-equipped technical staff in planning, resource mobilisation, fiscal management, accounting practices, leadership and management training programmes, programme and project management, and marketing/branding packages for their programmes. The sector also needs skilled staff in service delivery, given the range of services they provide to communities. Capacity-building support for the CSOs must be accompanied by sustainable funding to mitigate staff migration from the sector to other sectors due to employment uncertainty, poor conditions of service and job satisfaction amongst the staff. 4

4.3.1 Policy on Capacity Building for Civil Society

Social partners agree to develop and adopt a Policy on Capacity-Building for the civil society organisations in the country.

- The policy will include all the capacity-building initiatives in the country.
- The policy will acknowledge that the country's civil society is diverse and has different levels of education. Therefore, the entry point to capacity-building needs to target the least educated or those possessing the lowest levels of qualifications.
- The policy must also acknowledge that capacity building will be best done by developing materials in all the languages spoken in the country.
- All funders must have mandatory capacity-building programmes. Recognition of low level of education in most of the country.

4.3.2 The NDA to coordinate, plan and roll-out the capacity-building programme

- In line with its existing mandate, the National Development Agency (NDA) must create a well-established and well-resourced unit for Capacity Building.
- Funding priorities must be aligned to the actual needs of civil society organisations.

4.3.3 Sector Education and Training Authorities (SETAs)

The current National Skills Development Plan, Strategic and Annual Plans of all Sector Education and Training Authorities (SETAs), have to budget for capacity-building for NPOs, NGOs, CBOs, Cooperatives, and SMMEs. The funds in the SETAs are regulated in both how they are sourced and how they should be spent. In this regard, the social partners agree to build strong collaboration partnerships with the SETAs in pursuit of this capacity building mandate. The Civil Society Apex Alliance/Network together with the NDA will be the central point of coordination for this task. Social Partners agreed to consider the establishment of a broader database of institutions that provide funding for training and capacity building towards the Civil Society Sector.

4.3.4 Institutionalising Capacity Building

Community Colleges and Cooperative Academies must be established to provide capacity building. These Community Colleges must be set up in all the municipal districts of the country and must respond to areas for which there are capacity needs in their respective Districts.

4.4 Transformation

Transformation is a societal imperative as well as a constitutional one in South Africa. It is about eradicating all the traces of apartheid and colonialism. South Africa as a country, comes from a history of oppression, division, and deliberate disempowerment of one racial group by the other. A lack of transformation would defer the building of a new nation that is non-racial, non-sexist, and truly democratic as the South African Constitution envisages.

Transformation encompasses not just race relations, but creating a society that we envisioned in building a democratic future. Civil society acts on, works with, and pursues the ideal of an inclusive, non-racial, non-sexist, and non-discriminatory society. The social sector is working on addressing poverty, unemployment, inequality, patriarchy, and racism. Transformation in the sector is about amongst others, addressing funding disparities in the country.

- A Transformation Charter with targets must be developed.
- Transformation must be able to build and foster good relationships and trust between all social partners to deal with issues of unequal power, politics, and trust deficit (mechanism of engagements).
- Transformation must also address the issue of governance and capacity and develop norms and standards for good practice in the sector.
- Funders must not set the agenda by their funding. Their funding and technical support must be in line with the country's priorities as stated in the NDP vision 2030.
- Transformation must be at the center of reviewing and positioning the mandate and location of the existing state entities meant for community development.

4.5 Community Development

South Africa is a developmental state requiring a comprehensive community development (Community Development) process that creates a mutually beneficial balance between economic growth, the environment and societal development. Underpinning this process lies clearly defined social, cultural, economic, infrastructural, and environmental objectives, which include the: "alleviation of absolute and relative poverty; the correction of glaring inequalities of social conditions (between genders, classes, regions, ethnic groups, social origin, age, and disability); provision for personal safety and security; and the tackling of looming threats such as environmental degradation". Accordingly, as one of the central role players in community development, the civil society sector must integrate the socio-economic elements of community development to alleviate poverty, inequality, and other social ills.

The scope of community development as an enabler to participating in the mainstream economy must be broadened. This will contribute immensely to job creation which the country is crying for, whilst promoting sustainable livelihoods. This may require legislative reforms to safeguard community development against exploitation by business interests. The government or private sector cannot implement Comprehensive Community Development without partnering with CSOs.

4.6 Job Creation

The scourge of joblessness predates the advent of democracy but has worsened during the period of the democratic transition. The South African democratic transition corresponds with the one in which the population has become more youthful and has an increased fertility rate.

Despite the plethora of programmes plans, social compacts and summit outcomes, the unemployment crisis has persisted and continues to demand the attention of all the social partners and each making their distinct contributions and working together to address the binding constraint. The Social sector summit intends to contribute to addressing the challenge of unemployment and contributing to the resolution of the other binding constraints of poverty and inequality.

The following are the measures and mechanisms the Social Partners agree to:

- Enterprise and Business Development Support for townships and village-based enterprises;
- To support rural, township and informal enterprises production clusters;
- Just Energy Transition and inclusive digitization processes at a community level
- Support for localisation and import substitution initiatives and infrastructure development as an enabler of economic recovery and reconstruction;
- Fostering the adoption of EPWP recruitment standards;
- Scaling up and partnering with civil society organisations as implementing agents of relevant Public Employment Programmes;
- Forging an anti-corruption strategy (with underlying interventions and actions) to support the building of an efficient economy and the protection of the community and public assets;
- The Department of Employment and Labour and its agencies will work in collaboration with CSOs to support community-based self-initiatives on employment creation and income generation through labour activation programme (LAP).

5. Post-Summit Process

The Presidential Social Sector Summit will have three documents as its outcomes:

1. The Presidential Social Sector Summit Framework Agreement;
2. The Resolutions of the Presidential Social Sector Summit; and
3. The Implementation Plan.

In the aftermath of the Presidential Social Sector Summit, Government, together with the Coordination Structure for Civil Society (Apex Alliance), will consolidate the summit outcomes and put them into a plan of action. Moreover, further articulation of the programme of action will be derived from this framework agreement.

HAVING REGARD to the adoption of the Summit Framework Agreement by the delegates on 5 August 2022;

AND HAVING AGREED THAT this Framework Agreement is the embodiment of priority actions setting cooperation between the government and civil society to optimise resource mobilisation and equitable distribution and to empower people and their organisations to create sustainable livelihoods;

AND HAVING ACKNOWLEDGED THAT this Framework Agreement is an affirmation of firm intent;

AND HAVING FURTHER ACKNOWLEDGED THAT the interpretation of this Framework Agreement shall be in accordance with the ordinary grammatical meaning and within the context of the Constitution and the laws of South Africa;