COMMISSION #: 2

TITLE: Digital Transformation & Grant Funding

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Situational Assessment (Current Reality)

Digital Transformation & Social Mandate Context

- The NLC's transition from manual to digital grant processing is occurring in a high-pressure environment with unprecedented demand (±16,000–17,000 applications vs. upwards of 4,500 historically).

- Large segments of NPOs/NPCs/PBOs face **digital divide barriers**: low digital literacy, rural isolation, unreliable and inadequate connectivity, elderly applicants, and limited access to devices.

- The NLC–DSD–CIPC–SARS compliance ecosystem lacks **real-time integration**, producing verification failures and mismatches.

- Support structures (provincial offices, help desks, DSD front desks) are **uneven, under-trained, or inaccessible**.

Problem Identification

Key Systemic and Operational Problems

- **System Integration Failures:** NLC–DSD data not syncing; outdated DSD records; repeated requests for already-submitted documents; login/password/OTP issues.

- **Capacity & Skills Gaps:** Insufficient training for NLC and DSD staff; provincial offices not empowered to resolve issues; inadequate walk-in support.

- **Digital Exclusion:** Rural, elderly, disabled and resource-poor organisations unable to access or use the system; limited bandwidth; lack of digital readiness.

- **Process & Design Challenges:** One-size-fits-all application design; inflexible compliance rules for micro-grants; lack of templates, guides, video support.

- **Change Management Gaps:** Migration to digital not tested with sufficient representative users; inadequate communication during transition; backlog accumulation.

Implications of the Problems

Strategic, Operational & Social Consequences

➡ **Exclusion from Access:** Vulnerable communities, rural NPOs, and grassroots organisations risk being excluded from lottery funding — undermining equity, constitutional objectives, and social cohesion.

➡ **Erosion of Trust:** Repeated errors, mismatches, and rejections create perceptions of unfairness, inefficiency, and lack of transparency.

➡ **Grant Processing Bottlenecks:** Backlogs grow; compliance failures escalate; adjudication timelines lengthen; inability to track application status causes anxiety among applicants.

➡ **Reputational Risk:** The NLC is perceived as digitally advanced but practically inaccessible.

➡ **Reduced Good-Cause Impact:** Digital failure (+ illegal gambling) could cut off public-benefit funding to charities, arts, culture, sports, and schools — the core beneficiaries of the Lotteries Act.

Need–payoff (What Must Be Done)

Priority Interventions (High Impact, High Feasibility)

- **Fix System Integration & Stabilise the Digital Platform**
  - Achieve real-time NLC–DSD compliance syncing; resolve password/OTP/system glitches; implement tracking numbers for every submission.
- **Build a National Digital Support Ecosystem**
  - Train and certify NLC/DSD staff; strengthen provincial walk-in centres; deploy mobile digital-support teams to rural communities; leverage youth as digital navigators and use e.g. Thusong Centres.
- **Adopt Inclusive, User-Friendly Application Design**
  - Provide sector-specific templates; microlearning videos; multilingual guidance; simpler processes for micro-grants; disability-inclusive support.
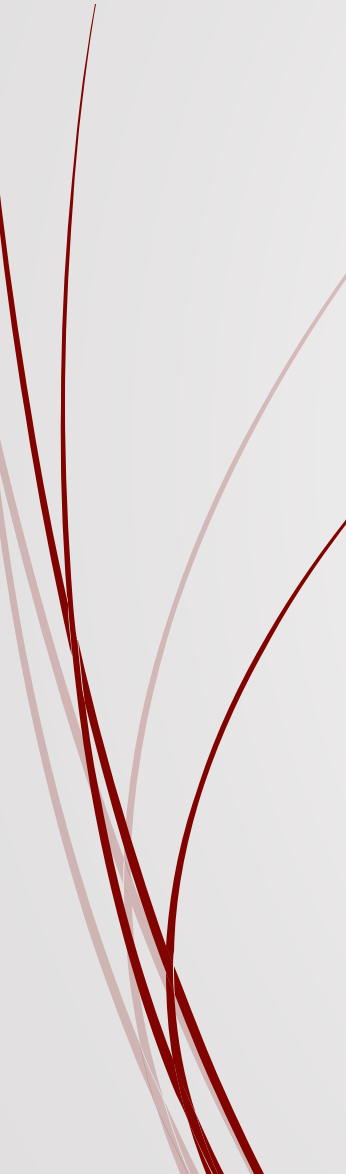- **Strengthen Communication & Transparency**
  - Communicate clear transition roadmap; progress updates; real-time application tracking; proactive messaging to avoid repeated document requests and applicant confusion.

Payoff (Expected Benefits)

What Success Could Look Like

➦ Consistent, fair, and accessible grant opportunities for all communities — urban, rural, elderly, disabled, and digitally inexperienced.

➦ Reduced backlogs, faster turnaround times, and accurate compliance checks.

➦ Improved trust and accountability through transparent communication and system stability.

➦ Strengthened social-mandate funding streams (protection of cultural heritage, R&D, sports, arts, schools) despite pressures from illegal online gambling.

➦ A more inclusive, modern, resilient grant ecosystem aligned with national development goals and constitutional equity principles.

Thank you