

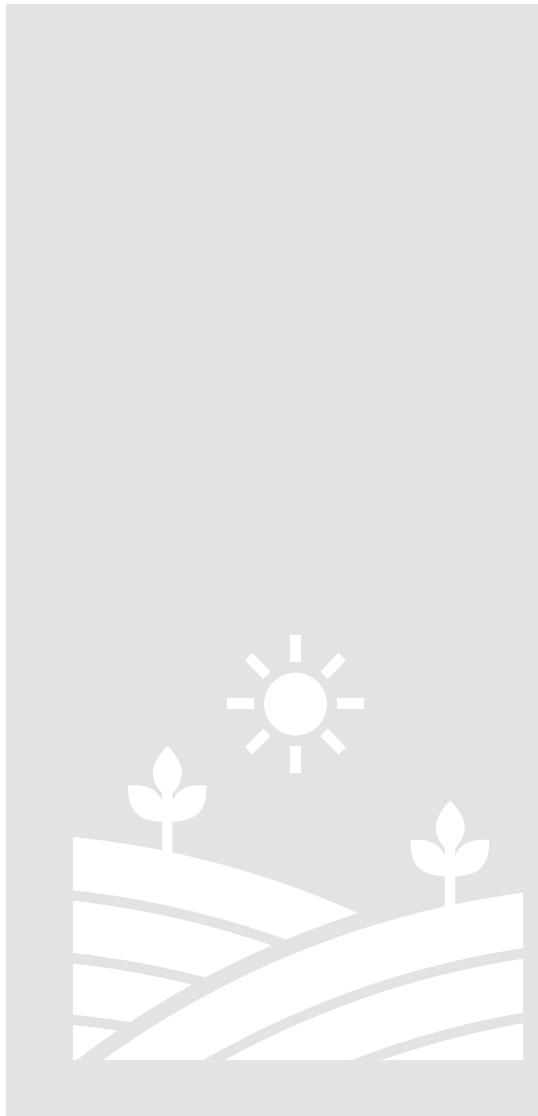
# NLC National Indaba 2025

## Commission 3: Strategies for Sustainability

**Group Report Out**

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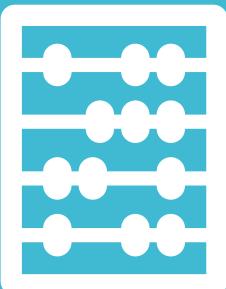


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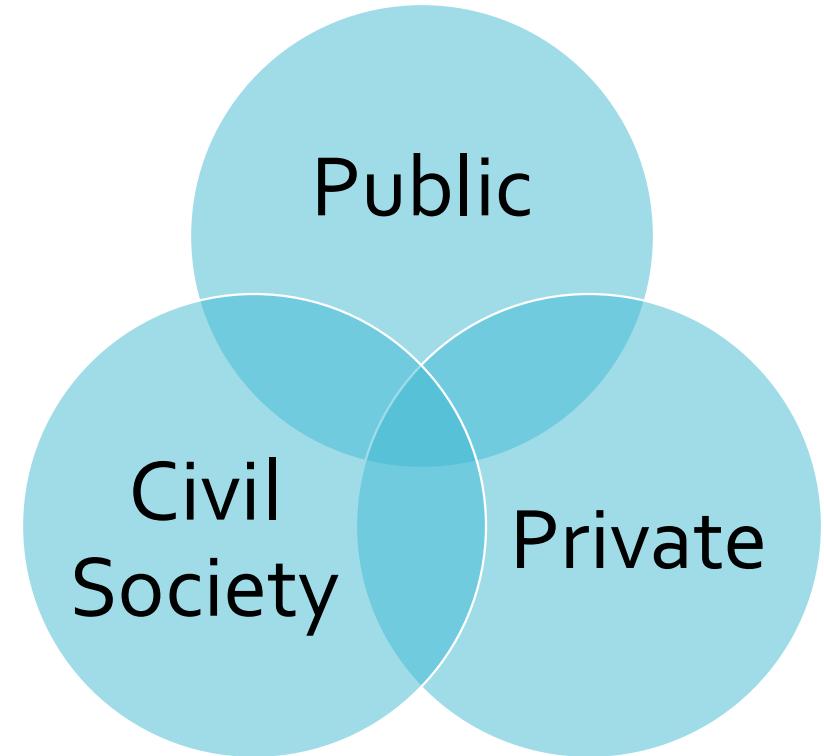


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# Framework for discussion



- How to ensure sustainability model aimed at revitalising CSOs as a sector across South Africa
- The “third sector”
- We must acknowledge interconnected and cross-cutting nature of issues and different but complementary roles
- The interest of affected people and communities must remain central



# Strategic Value of CS in a participatory democracy



- Constitution, NDP and MTDP all refer to building a competent state; participatory democracy is embedded in this
- CS represent voices of marginalised communities / vulnerable groups
- Watchdog role - State capture would not have gone as far as it did if CSOs were playing their role effectively
- Some initiatives / interventions must be done by civil society. If government or private sector fails, CSOs can step in.
- To do this CSOs need resources and capacity to better serve communities (enabling funding)
- Strategic contribution of research and credible data – evidence-driven policy making for targeted interventions.

# Is the NLC funding model fit for purpose?



## Inclusion:

- Does the NLC model disadvantage emerging or grassroots organisations (who often continue their work if there is funding or not) in favour of traditional NPOs?
- Grant making model – is it a mindset of slavery that keeps us begging for handouts?
- Public participation – information is not reaching the grassroots.
- Consult communities when reviewing legislation – people are not participating which is why legislation is not helping
- NLC could consider an advisory committee that can also assist on disseminating information e.g., SA CSO Council as the Apex body – Civic organisations should be consulted
- Initiatives must be inclusive (focus on youth but include older people as well).. Let's be as inclusive as possible

# Is the NLC funding model fit for purpose?



## Compliance

- Do compliance requirements detract from the mission? Compliance should be an enabler for funding
- We must be less strict on compliance with the emerging and grassroots organisations - different compliance requirements based on grant size
- We provide financials to qualify for medium and get awarded small so what is the point of applying? Then we must submit AFS when we apply again.
- DSD registration challenges need to be addressed

# Is the NLC funding model fit for purpose?



## **Accessibility:**

- Online application – how can people in rural areas with no resources e.g., no electricity, people can't access information, let alone apply online
- Mobile offices – go into communities to assist with applications
- Reach rural communities through the Traditional Leaders

# Is the NLC funding model fit for purpose?



## Programmes not projects:

- Multi-year funding – previously, Sport was allocated multi-year funding; this had significant benefits in terms of Team SA Performance. When this was stopped, the results went down in terms of results and medals.
- Prioritise funding productive assets that can contribute towards sustainability e.g., a recycling machine or any other equipment that can be used to generate income.
- 12-month 'cooling off' period – this kills sustainability. Good grant-making practice provides for multi-year funding. Community development uplifts communities but the short-term funding defeats the purpose. Review of the legislation
- Sector percentage split –this is not fair and equitable distribution – review of the legislation

# Diversified and Sustainable funding



- How to synergise for better collaboration and coordination, when some have a lot, but most have little
- Aim is sustainability over the longer term – self reliance and multiplier effect of resources invested
- Diverse donors: private sector (CSI) funding, public sector (DSD, DoH, SETAs), international organisations
- Strategic collaboration: Centralised regulatory watchdog body (NLC in partnership with other bodies)
- Strategic partnerships (CSO - CSO and CSO – other stakeholders)
- Organise all funders under one roof, for better coordination and distribution.
- Endowed funds – stable source of income to support long-term planning
- Explore innovative finance mechanisms such as social impact bonds
- We must challenge private sector to resource communities in which they operate (give back)
- Requirement to have AFS – can private sector contribute in-kind e.g., financial services

# Capacity Development



- Strengthening CSO operational capacity and strengthening governance and accountability to deliver on our mandate
- Proper and appropriate NPO governance is essential and lack of this contributes to demobilisation of resources
- Donors to respond to actual challenges based on deficiencies identified at the application stage
- Established organisations could collaborate with the NLC for empowerment and upliftment of community-based organisations
- Those organisations that are already sustainable to assist / mentor / incubate smaller emerging organisations
- Apex organisations can assist with coordination and rationalisation e.g. shared services (bookkeepers, accountants, auditors etc.)

# Social enterprise / entrepreneurship



- Capacity building such as training and mentorship, networking and partnership opportunities
- Provide equipment and training on how to run your business e.g. financial management
- Product development - how to commercialise skills, talents and solutions e.g., poets as a service provider (ECDs are doing this well)
- Sustainability constraints – NPO growing food, can't sell surplus because people don't have money to purchase.

# Sustainable job creation



- Unemployment is a big problem – this should be one of the NLC key strategic priorities
- Food Security, IT, Climate Change – programmes with potential for job creation.
- Incentivise NPOs to hire youth to assist with job creation

# Research



- We don't know the extent of the sector (size and shape) – how many NPOs are out there? How many social entrepreneurs are there?
- NLC should go into communities and see what they are doing and listen to community needs e.g., food gardens.

# Sustaining the Lotteries Sector / Ecosystem



- Mandate of NLC is to maximise available funds for distribution – has the current model met that requirement? Funds are inadequate to meet the demand. Should we re-look at the model that can generate more funds to close this gap? Increase ticket sales? Grow the market?
- Decisions made are not always in favour of black people e.g., Lotteries Act formulated in 1997, operational in 1999, what have you done in 26 years? NLC was mandated to manage the license, external service providers are always appointed – we should have the expertise by now.
- If we wanted to really empower black people, we would have a local operator by now. Lottery is letting us down in that regard.
- Where does the rest of the money go? The 73%?

# Role of Society Lotteries in contributing towards sustainability

- Role of NLC is to regulate all lotteries, including society lotteries
- CSOs should also support by playing the National Lottery so that the money can be distributed to worthy good causes
- Former Fundraising Act, transferred to Lotteries Act (all types of fundraising raffles etc.)
- Proper governance is required
- Contributes to skills development by youth (e.g., request matriculants / graduates to run lotteries for you)
- Helps to raise awareness of the objectives of the organisation to generate public support
- CSOs can collaborate on society lotteries (joint fundraising)
- NLC can assist and advise if requested

# Poverty Alleviation → Reduction → Eradication

- Voice of the voiceless – how do we amplify? Resources are not flowing to communities or are short-term interventions..
- Need a strategy and appropriate interventions
- World Bank report – China has lifted 88 million out of poverty – how did they do this and what contribution can we make?
- Four pillars to break cycle of poverty – skills development, social protection, employment, entrepreneurship (including social entrepreneurship)
- Investment, not cost.
- Advocacy and lobbying for pro-poor policies

# Concluding Remarks