

Wednesday, 18 August 2021]

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PARLIAMENT
OF THE
REPUBLIC OF SOUTH AFRICA

**ANNOUNCEMENTS,
 TABLINGS AND
 COMMITTEE REPORTS**

WEDNESDAY, 18 AUGUST 2021

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Acting Speaker and the Chairperson

1. Referral of Bills to National House of Traditional and Khoi-San Leaders

- (1) The Secretary to Parliament has, in accordance with section 39(1) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019), referred the **Upstream Petroleum Resources Development Bill** [B 13 - 2021] (National Assembly – sec 76) to the National House of Traditional and Khoi-San Leaders, which must, within 60 days from the date of the referral (viz. 18 October 2021), make any comments it wishes to make.

National Assembly

The Acting Speaker

1. Referral to Committees of papers tabled

- (1) The following papers are referred to the **Joint Standing Committee on the Financial Management of Parliament** for consideration:
- (a) Monthly Financial Statements of Parliament – July 2021, tabled in terms of section 54(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No 10 of 2009).
- (2) The following papers are referred to the **Portfolio Committee on Justice and Correctional Services** for consideration and report:
- (a) Report dated 27 July 2021, for the removal from office of Ms J F van Schalkwyk, Chief Magistrate, Sub-Cluster Head, Kempton Park, Johannesburg in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No 90 of 1993).
- (b) Draft Regulations 2021, for approval, in terms of the Legal Practice Act, 2014 (Act No 28 of 2014).
- (3) The following papers are referred to the **Portfolio Committee on Justice and Correctional Services**:

- (a) Draft Regulations 2021 made in terms of the Promotion of Access to Information Act, 2000 (Act No 2 of 2000).
- (4) The following papers are referred to the **Portfolio Committee on Environment, Forestry and Fisheries** for consideration:
- (a) Letter from the Minister of Forestry, Fisheries and the Environment dated 05 August 2021, to the Acting Speaker of the National Assembly, explaining the reasons for the delay in the submission of the Annual Report of the Department of Forestry, Fisheries and the Environment for the 2020/21 financial year.
 - (b) Letter from the Minister of Forestry, Fisheries and the Environment dated 05 August 2021, to the Acting Speaker of the National Assembly, explaining the reasons for the delay in the submission of the Annual Reports of the Public Entities of the Department of Forestry, Fisheries and the Environment for the 2020/21 financial year.
- (5) The following paper is referred to the **Joint Standing Committee on Defence** for consideration:
- (a) Letter from the President of the Republic, dated 10 August 2021, to the Acting Speaker of the National Assembly, informing members of the Assembly of the extension of employment of the South African National Defence Force (SANDF) for service in cooperation with the South African Police Service (SAPS).
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TABLINGS

National Assembly

1. The Acting Speaker

- (a) Draft Performance Management System of the Independent Communications Authority of South Africa, submitted in terms of section 6 A (1) of the Independent Communications Authority of South Africa Amendment Act, 2000 (Act No 13 of 2000).

Referred to the **Portfolio Committee on Communications** for consideration and report.

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON PUBLIC SERVICE AND ADMINISTRATION ON THE EASE OF DOING BUSINESS BILL [B6 -2021], DATED 18 AUGUST 2021

1. INTRODUCTION AND REFERRAL OF THE BILL

The Portfolio Committee on Public Service and Administration (“the Committee”) having considered the Ease of Doing Business Bill [B6-2021] (National Assembly – section 75), referred to it and classified by the Joint Tagging Mechanism (JTM) as a section 75 Bill, reports as follows:

The Ease of Doing Business Bill, a private member’s bill, was referred to the Committee on 26 February 2021 in terms of National Assembly Rule 286(4)(i) after all due deliberations, to consider a motion of desirability on the content and spirit of the Bill. (see ATC No 26-2021). The Bill had been introduced in the National Assembly, proposed as a section 75 and was published in the Government Gazette Number 43090 of 13 March 2020.

2. ATTENDANCE REGISTER

Members Present

ANC:

Mr James, TH

Ms Lesoma, RMM

Ms Ntuli, MM

Ms Kibi, Ms MT

Ms Maluleke, Ms BJ

Ms Malomane, Ms VP

DA

Mr Malatsi, S

Mr McGluwa, J

Dr Gondwe, M

EFF

Ms Komane, RN

Ms Motsepe, CCS

IFP

Inkosi Cebekhulu, RN

3. OBJECTS OF THE BILL

The objects of the Act are to:

- (a) Create capacity in government to measure, control and reduce the socio-economic impact of regulatory measures;
- (b) Ensure the due consideration of multiple options by organs of state to achieve the objectives of government policy
- (c) Measure the impact of a regulatory measure, especially red tape contained in a regulatory measure, on business;
- (d) Measure and reduce red tape and the cost associated with red tape when conducting business in the Republic; and
- (e) Create a business friendly environment for business in the Republic

4. PRESENTATION BY THE INITIATOR OF BILL, MR HCC KRUGER (MP)

The Committee afforded Mr HCC Kruger an opportunity to introduce and present on the tabled Bill. He stated that the Bill seeks to get a political buy-in so that all Small, Medium and Micro Enterprises (SMMEs) overcome the binding and systematic constraints for businesspeople to operate in a business-friendly environment. SMMEs must experience conducive level playing fields and interact with government and its agencies with far less red tape in the system hindering their potential to thrive in stimulating economic growth and ultimately job creation. The Bill further seeks to create Regulatory Impact Assessment Unit (RIA) in the Presidency office responsible for the measuring and reducing red tape and the cost associated with red tape when conducting business in the Republic. The Bill will be applicable to all three spheres of government even though its section 75 Bill.

5. PRESENTATION BY THE OFFICE OF THE PRESIDENCY

The Socio-Economic Impact Assessment Unit in the Office of the Presidency was invited to clarify their roles and responsibilities in avoiding to promote duplication in government with what the Ease of Doing Business Bill seeks to achieve. The Socio-Economic Impact Assessment (SEIAS) Unit is responsible for assisting government departments to analyse broader socio-economic challenges, associated costs and risks and develop mitigation actions; ensure alignment with the NDP by taking into consideration on how policy proposals impact on and relate to the transformation and inclusive economic growth. The Unit further seeks to understand regulation that impacts negatively/positively on the society, including laws that favour big businesses and negatively impact SMMEs, the rich versus the poor, thus perpetuating exclusion.

The Office of the Presidency, through the Socio-Economic Impact Unit made the following remarks concerning the Bill:

Institutional Arrangements:

- The Bill establishes a RIA unit which is a duplication of the existing SEIAS unit.
- The Bill encroaches on mandates of other departments- Small Business Development and Trade, Industry and Competition.
- Operation Vulindlela is already addressing structural economic reforms.
- The Bill does not consider separation of powers between Parliament and the Executive.
- The Bill does not consider a holistic approach to red tape reduction such as Provinces and Municipalities.

Functions

The Bill:

- Takes away current responsibilities of impact assessments from Departments, the SEIAS reports are assessed and quality assured by the SEIAS unit in the Presidency.
- Has due consideration of spatial inequalities on businesses and other socio-economic factors.

- Ensures that evaluations have to be strategic, such as how has red tape reduction contributed to businesses in creating additional jobs and contributing to economic growth?

6. WRITTEN AND ORAL SUBMISSIONS ON THE BILL

6.1 The Big Voice of Small Business

The Big Voice of Small Business supported the Bill with amendments. The organisation was of the view that Section 18 of the Bill resides in the Small Business Department and might create confusion in the application. SEIA's approach is selective on its consultations, therefore the organisation prefers the Regulatory Impact Assessment. The organisation further proposes that the Ministry of Small Business and Development establish the National Small Business Council to advise the Minister on numerous issues impacting on the sector.

6.2 South African Small Medium Enterprises Association

The South African Small Medium Enterprises Association supports the Bill. The organisation highlighted that red tape is a major challenge confronting government at large. Government departments continue to work in silos.

6.3 SAKELIGA

The SAKELIGA supports the Bill. The organisation is advocating for the establishment of the Regulatory Impact Assessment Unit in the Office of the Presidency to monitor the formulation of legislation. The establishment of the Unit will strengthen the constitutionality of the business environment.

6.4 Free Market Foundation

The Free Market Foundation supports the Bill.

7. COMMITTEE DELIBERATIONS ON THE BILL

The Portfolio Committee has deliberated and decided on the desirability of the Bill:

- 7.1 The Committee has applauded Mr Kruger for initiating and tabling a Private Member's Bill (the Ease of Doing Business Bill) in the National Assembly. The Committee further commended organisations that submitted the written and oral submission on the Bill. Mr Kruger's effort demonstrates his passion for the upliftment of the Small, Medium

and Micro business in the country. Red tape is among challenges impeding on the development of SMMEs and economic growth of the country.

- 7.2 The Committee was concerned about a proposal of establishing yet another Regulatory Impact Assessment Unit in the Office of the Presidency aimed at measuring and reducing red tape and the cost associated with red tape when conducting business in the Republic. Currently, the Office of the Presidency has Socio-Economic Impact Assessment Unit that does similar functions that the Bill seeks to achieve. The Committee was of the firm view that the Bill encroaches on the mandate of the SEIAs, National Treasury, Trade and Industry and Small Business (see above reference number 4) citing same reasons. However, there was a different view concerning SEIAs that numerous Bills are processed without undergoing through its processes.
- 7.3 Establishing the new Regulatory Impact Assessment Unit goes against the spirit of reducing the wage bill in government. There are financial implications on the implementation of the Bill which will add more pressure to ailing financial resources and whilst the current government priority is to fight against the Coronavirus and save lives through vaccination rollout and livelihoods through relief support.
- 7.4 The rationale for directing the Ease of Doing Business Bill to the Portfolio Committee on Public Service and Administration was questioned since the Bill in its entirety seeks to address red tape hindering the Small, Medium and Micro Enterprises, which is the responsibility of other government departments such as Department of Small Business and Development, Trade and Industry and National Treasury. However, the rationale is understood because the Ministry for Planning, Monitoring and Evaluation, which is responsible for conducting SEIAs in the Presidency, falls under the oversight of the Committee on Public Service and Administration.
- 7.5 The Committee was wary of perceived bottlenecks the Bill might create, which should be avoided by Parliament.
- 7.6 The Portfolio Committee on Public Service and Administration is mindful that the Portfolio Committee on Small Business and Development has objected to more or less similar content of the Bill on the Red Tape Assessment Bill in the Fifth Parliament. Therefore, as much as the Constitution affords Members of Parliament an opportunity

to draft Private Members Bill, Members should be encouraged to do this through consultations and in-depth research about whatever policy gaps Bills seek to address and further check within government system whether there are no existing systems before tabling the Bill.

8. MOTION OF DESIRABILITY ON THE BILL

Having extensively deliberated on the content of the Ease of Doing Business Bill, the Portfolio Committee is on the firm view that the Bill is a duplication with the function of the Socio-Economic Impact Assessments Unit in the Office of the Presidency. Furthermore, the Bill objects seek to address red tape experienced by small businesses, which could be addressed the relevant committee.

The Committee resolved that the Bill is undesirable.

Report to be considered

2. Report of the Portfolio Committee on Police on the oversight visit to Kwa-Zulu-Natal and Gauteng Province to assess the impact of violent protests in the respective provinces 19 -21 July 2021, dated 17 August 2021

1. Introduction

Following the incarceration of former President Jacob Zuma on 7 July 2021, parts of South Africa embarked on larger scale violent protests and riots leading to the destruction of state and privately owned property. The protester looted shopping malls, factories predominantly located in and around major cities in the KwaZulu-Natal and Gauteng provinces.

2. Background

The President Ramaphosa authorised the deployment of 2 500 soldiers from the South African National Defence Force (SANDF) to assist the SAPS in quelling the unrest. The Minister of Defence and Military Veterans, announced to Parliament on 14 July 2021 that the deployment will be increased to 25 000 troops under the code name Operation Prosper. The Portfolio Committee on Police and the Joint Standing Committee on Defence deemed it necessary to engage with the top leadership of the SANDF and the SAPS on the deployment strategy in affected areas and to further conduct oversight visits in selected hotspot areas where violence and looting took place.

3. Composition of the Delegation

The Committee was comprised of the following members and support staff;

Hon T. Joemat-Pettersson (ANC)(Chair)

Hon M. Shaik-Emam (NFP)

Hon. O. Terblanche (DA)

Hon. N. Peacock (ANC)

Hon. P.Groenewald (FF+)

Hon. H. Shembeni (EFF)

Hon. K. Meshoe (ACDP)

Hon. Z. Majozi (IFP)

Mr M Dodo (Committee Assistance)

Adv P Gwebu (Committee Secretary)

Joint Standing Committee on Defence

African National Congress

Mr ME Nchabeleng (Co-chairperson – NCOP)

Mr VC Xaba (Co-chairperson – NA)

Ms TI Legwase

Mr TN Mmutle

Ms M Modise

Ms AH Mthembu

Ms NE Nkosi

Democratic Alliance

Mr SJF Marais

Mr D Ryder

Mr ML Shelembe

Economic Freedom Fighters

Mr TWI Mafanya

Mr K Motsamai

Inkatha Freedom Party

Mr R Cebekhulu

Support Staff

Dr W Janse van Rensburg - Committee Researcher

Mr G Mankay - Committee Assistant

4. DAY ONE

The Committees received a joint briefing from the SANDF and the SAPS on the situation in the province and the law enforcement responses in bringing calm to what had escalated into violent protests in the province. The Committee undertook to spend the entire day one engaging the Minister of Police and his senior management on the events that led to police failure to deploy adequately despite allegedly having received an intelligence report warning of violent protests if former President Jacob Zuma was to be incarcerated. Members had lots of questions to the Minister and wanted their unanswered questions answered. This delayed the delegation and as a result, the scheduled oversight visits to identified hotspot areas did not take place.

5. Briefing by the SANDF

The briefing by the SANDF gave an overview of Operation Prosper, the deployment of SANDF members to support the work of the SAPS in bringing stability in those parts of KZN that experienced incidents of violent protests and looting of businesses. The operational deployment was joint in nature, whereby all components were selectively deployed in support of SAPS to protect, among others, National Key points to ensure that they are prevented from being vandalised, destroyed or being sabotaged by providing escort and domination of routes opening of routes to give free passage of delivery vehicles and cargo carriers along N2 and N3 main supply routes.

The duration of the military deployment in hotspots areas was expected to last for from 12 July until 12 October, wherein hopefully the situation would be back to normal. The main activities of units deployed in the province include the following;

- Safeguarding of national key points, visibility patrols, roadblocks in areas such as Mtubatuba Town, Empangeni and Eshowe
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at Ladysmith CBD warehouse
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at Pietermaritzburg CBD, Pine Town CDB, Woodburn and Hayfield
- Safeguarding of national key points, visibility patrols VCPs/Roadblocks at Pietermaritzburg Makro and Alexandra area

- Safeguarding of national key points at KSR, AFB Durban, SAB Isiphingo and Safal Steel Cato ridge and standby
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at Harding, Ezingolweni and Port Edward
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at Greytown
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at Strandby
- secure the National Key Points Natcos, Acacia, Umgeni, Ntwini, Engen refinery, SABC, SARB, KSIA, Umgeni water and Ethekewini Metro
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at N3, M7, Pinetown and Isiphingo Hospital
- Safeguarding of national key points, visibility patrols VCPs/roadblocks at King Shaka International Airport
- Safeguarding of the Durban harbour and the Richards Bay harbour
- Safeguarding of the national key point at Westville.

In addition, the SANDF reported that it had deployed troops to secure and protect courts around Durban and Pietermaritzburg, securing the residence of Deputy Chief Justice, ensuring the clearing and opening of N2 and N3 national roads and removal of some other barricades in the key parts of the province.

6. Briefing by the South African Police Service (SAPS)

The briefing was to appraise the Joint Committees on Police and Defence of the unrest situation and the law enforcement's approach to stabilize the unrest situation in the Province from the 1st to 19th of July 2021. The briefing highlighted the events starting with when former President of the Republic, Mr Jacob Zuma, was scheduled to give evidence before the Commission of Enquiry into state Capture, his demand for the recusal of the Chairperson of the Commission, the Constitutional Court order for him to submit himself to the Commission which ultimately led to his conviction and incarceration for contempt of court. The Minister of Police and the National Commissioner were ordered by the court to ensure that Mr Zuma is arrested and incarcerated if he failed to hand himself to the prison authorities within five calendar days.

6.1 Events before incarceration

The Provincial Operational Command Centre had deployed the Tactical Response Team, The National Intervention Unit, Public Order Policing, and Visible Policing members to the area since the 1st of July 2021. Road blocks were conducted at Nkandla and surrounding areas following increased mobilisation for protests in support of the former president. Mr Zuma submitted an urgent application to the High Court of Pietermaritzburg to stay the execution of his arrest pending his rescission application to the Constitutional Court. On the 4th of July 2021, he failed to hand himself over as directed by the Constitutional Court. On Monday the 5th of July the High Court of Pietermaritzburg heard the application to stay the execution of his arrest. The matter was remanded to the 9th of July. Just before midnight on Wednesday the 7th of July 2021, Mr Zuma was incarcerated to serve his 15 months' imprisonment.

6.2 Events after incarceration of former President Zuma

Following Mr Zuma's incarceration, multiple protests ensued across the KZN province. Road blockades and disruptions took place in eThekweni, uMgungundlovu, Midlands, Inkosi Langalibalele, iLembe districts. Following the dismissal of Mr Zuma's court application for the stay of execution, there was a call for a national shutdown, mainly orchestrated through the use of social media. The protests took the form of, among other things;

- Petrol bombings of malls, shops, warehouses etc
- Discharging of firearms
- Torching of trucks
- Blockading of areas
- Threats made to Economic key points/interests in the Province: Port of Durban, Port of Richards Bay, King Shaka International Airport, SABC offices, Water and Electricity
- Infrastructure, Fuel Depots.
- Stand-off between Community Forums and protestors which led to tensions in communities and incidents of vigilantism
- Mass looting and destroying of malls, warehouses, factories and shopping centres

The Police further reported that a container containing ammunitions for various calibre of handguns which was stored at Leicester Road, Mobeni was looted. The container was destined for a client in Pretoria and the matter is being investigated by the DPCI. Efforts are underway to identify the instigators of the violence with a view of prosecuting them.

6.3 Racial Tensions

Certain areas of the province have since witnessed incidents of racial tensions after certain communities in townships such as Phoenix and Verulam started mobilising against people of African descent. This led to incidents of shootings and burning of vehicles. A dedicated team of investigators has been assembled to investigate the crimes committed and more deployments of the Police and the Military have been dispatched to maintain order in the affected areas. A total of 138 dockets of murder were reported during the unrest period, with 2466 cases opened.

6.4 Modus Operandi of Rioters

The violent protests begun by the targeting of national highways and toll-roads, which then escalated into the looting and targeting of trucks, malls, warehouses and shops owned by foreign nationals. The rioters used petrol bombs, firearms, tipper trucks to blockade roads and even torched trucks and buildings. Damage to property included malls, shopping centres, banks, ATMs, liquor outlets and distributors, schools, warehouses etc.

6.5 Plan of Action

The Police reported several measures to restore peace and stability in affected areas. The measures include coordination mechanism at the National Joint Operational and Intelligence Structure, which filters down to Provincial Joint Operational Centre. The deployment included VISPOL, Public Order Policing, Operational Response Service, Detectives, Crime Intelligence, Reservists, SANDF and Metro Police. The joint operations have taken the form of road blocks, vehicle checkpoints, searches of premises and individuals and patrols on national roads. Of the total 2466 cases reported, 2051 arrests were made. Processes are currently ongoing to recover some of the looted goods, including items such as alcohol, firearms, motor vehicles, ammunition, building material, clothing, cigarettes, copper, electronics and audio visual devices and other dangerous weapons.

6.6 Detection of Cases

All districts in the province now have a dedicated task teams to investigate all cases related to the unrest. The monitoring of all dockets is done by the Deputy Provincial Commissioner: Crime Detection and Detective Provincial Heads. All high profile cases are centralised and investigated by the DPCI, with continuous implementation of prosecutor guided investigations.

Additional support to the investigating teams include the use of technology to enhance intelligence gatherings, providing accurate and timeous information to operational teams and ensure implementation, monitoring of social networks in order to identify instigators. There is a need to improve on the involvement of the community in the fight against crime as well as enhancing the SAPS physical, human and financial resources.

7. Committee Deliberations

The Committee welcomed the two presentations from the SANDF and the SAPS. Regarding the deployment of the military, the committee asked for the actual number of SANDF deployments on the ground. It was important to stress the emphasis that the military are there to support the work of the Police and not the other way round. Clarity was also sought on the nature of dangerous weapons that were looted from a container in eMobeni and whether such weapons caused a threat to national security.

The Committee further probed the nature of SANDF deployment and the cooperation with SAPS as the terms of reference were clear that SANDF will be deployed to support the SAPS, including the exact numbers of SANDF boots on the ground. The leadership of the SANDF confirmed to the Committee that it had a very good coordination and cooperation with the SAPS and all operations were running smoothly. The total deployment of SANDF members was slowly building towards a total of 5000 troops. More members were due to be deployed following the commitment to deploy 25 000 soldiers across the two affected provinces.

The Committee further reflected on the situation sparked by racial tensions in Phoenix and surrounding areas where it was reported that people were killed in incidents of vigilantism and racism. Members pleaded with government to do more to assist families that had their loved ones missing or murdered. It was also critical that justice be done, with perpetrators of the kind of heinous crimes prosecuted.

The Committee observed that the entire security cluster was caught unprepared to deal with the situation that presented. Even more disturbing was the information that suggested the police ran out of supplies to deal with the protests. Such incidents lead to the communities losing faith in the ability of the police to protect them, which ultimately lead to communities mobilising in an effort to protect themselves. The laws of the republic allow citizens to work with the police in the fight against crime but not acts of vigilantism.

The Minister of Police assured the Committee that he had spent a few days visiting the affected areas in an effort to calm the situation. He commended the Police for not resorting to the uses of deadly force in dealing with the protesters. Task Teams from community leaders had been created to assist the police in the investigations and getting to the root cause of the problems amongst communities. The Minister warned that the issue needed to be handled with care as the situation remained volatile. The premier of the province had committed to providing more resources so that a thorough and complete investigation can take place, including investigating the role and actions of private security companies in dealing with protesters.

The Committee welcomed the commitment and interventions by the Minister, urging that it was important for investigations to be speedily concluded and corrective measures taken to avoid a repeat. There were glaring lapses of the intelligence community according to the Committee as reports suggested that the State Security did provide the Police Minister a dossier that violent protests were going to erupt. The Police Minister denied receiving such intelligence from the State Security Minister, stressing that despite being overwhelmed by the situation, the police did their best to repel the violent protesters.

There were concerns raised regarding the deployment of Public Order Policing units to hotspot areas as very few were visible on the ground where looting was taking place. The Police responded by saying they were severely stretched and simply did not have the numbers to deal with the protesters. The leadership of the POPs in the province responded with a detailed report on the deployment in the province, which painted a picture of heavily under-resourced unit that was stretched to the limit by protests.

There were even more worrying reports that some law enforcement officials took part in the looting. The IPID was urged to investigate all allegations of looting by law enforcement officers. A total of 10 law enforcement officials had since been charged for allegedly taking part in the looting. The SAPS was urged to strengthen its vetting capacity to ensure that corrupt officers are removed from the service. Regarding those arrested, the Committee remained concerned whether there is capacity from government to process the people that were arrested. This was in light of reports that the Department of Justice and Correctional Services does not have the capacity to process the suspects.

The Committee asked SAPS management to give an assurance whether it had a plan to contain the protests from escalating into rural communities. Failure to have necessary measures could lead to a situation where people again end up mobilising to protect what is theirs. The SAPS

management assured the Committee that the situation was firmly under control and that operations were ongoing to arrest the situation and recover stolen goods where possible.

The Committee promised to look into the issue of budget, which featured strongly in the Police Minister's remarks when he informed the Committee of severe budget cuts to the total of R11 billion and how this was affecting the overall performance of the department. In addition to members leaving the service on yearly basis, the SAPS had been unable to train 7000 new recruits in two consecutive years due to the COVID-19 pandemic and budgetary constraints.

7.1 Length of Minister and Departmental briefing

Committee members insisted on asking questions to the Minister of Police and the senior management of the South African Police Service. This led to the extension of the meeting that lasted over 5 hours and in essence prevented the Committee from proceeding to the planned sites for the visit. Most of the Committee members left the venue and departed to the airport except the Chairperson.

8. DAY TWO

The Committee took a decision to reserve the entire day two on visiting affected areas of violent protests in Gauteng Province. Three areas were visited in the SOWETO township. They were the Jabulani Mall, Protea Glen Mall and the Maponya Mall. The Committee conducted its business by receiving an overview of the events from the relevant Station Commander of the area, followed by an account by the Community Policing Forum, the IPID and the CSPS. This was followed by a walkabout of the area to afford the Committee an opportunity to assess the damage caused.

9. Jabulani Mall Site Visit

The Station Commander who briefed the Committee was Brigadier Lebeko. She began by giving a profile of the Police Station, an outlook of the damaged infrastructure on the day when violent protests broke out on 12 July 2021. The looters targeted Jabulani CBD, Tsele Shopping complex sector four in Moletsane, Jabulani mall sector four at Jabulani CBD, Shell filling station at sector four Jabulani CBD, ENGEN filling (petrol) station at sector four Moletsane,

ENGEN filling (petrol) station at Zola North sector one, Shoprite supermarket and Shoprite Liquor at Zola One sector four as well as Shakara complex.

The Station received information on 11 July 2021 that there might be possible looting at the Jabulani mall and began making preparation to deploy VISPOL members accordingly. The Station did not anticipate the volumes of people who came to attack the malls. Some hijacked trucks to break through the perimeter fence that protected the mall and Police were simply overwhelmed by the situation despite trying their best to protect the mall. The Station ran out of ammunition to control the crowd that was coming in large numbers. Some ammunition was received from neighbouring stations (Lenasia South, Ennerdale and Johannesburg Central) and the members went back into the mall to try and push the people out of the mall but were outnumbered as the crowd was throwing stones at the SAPS members. The mall was surrounded at every corner by the crowd who were running out with the looted items and vandalising ATMs. Support from private security was present but did not help the situation as numbers of looters continued to grow. There was a general lack of sufficient personnel to effectively deal with the situation, which was coupled by a lack of support from the neighbouring stations that were dealing with similar incidents. POPs deployments were also thin as most of them had been deployed at the Constitutional Court for the former President's case. All these challenges were met with huge shortage of ammunition.

Arrests were effected as the SAPS members were trying to recover the goods from the crowd, JMPD arrived to assist in limited numbers. After a while two more vehicles from JMPD also arrived to assist. Members from JMPD were not in possession of firearms and the station issued them with shotguns to assist in removing looters from the mall. Public Order Policing members arrived at approximately 17:00 to assist the small group which came earlier. SANDF members also came to assist resulting in the crowd dispersing. All goods recovered were booked at Jabulani SAPS 13 stores. Although the Station attempted to arranged for re-enforcements earlier all the areas were dealing with the same problem and POPs members were also deployed elsewhere. The SAPS continues to receive information from the community on items which were looted and arrests were made, with suspects already appearing at Protea Court. Bail has been denied in most cases and suspects are remanded in custody at Johannesburg Prison. The IPID said it had received several reports from the Station regarding the discharge of ammunition and all its investigations had exonerated the police after they were found to have acted within the law. The Community Policing Forum members and the CSPS said they had a

very good working relationship with the Station and did everything to support the work of the Police in dealing with the protests.

10. Protea Glen Mall

The Committee was briefed by the Station Commander Colonel MI Maote. She outlined the composition of the deployment at the Protea Police Station, which consist of four sectors. There are two main shopping malls and six shopping complexes. All the Malls and shopping complexes were looted during the unrests that erupted. A total of 70 shops were looted at the Protea Gardens Mall, while 82 shops were looted at Protea Glen Mall. The looted businesses ranged from ATMs, grocery shops, butcheries and retail supermarkets. There were 73 individuals who were arrested in connection with the looting, while two individuals suffered fatal injuries. Police officers on duty also suffered injuries ranging from head injuries to chest and leg injuries. Damages to the national key points were kept at minimum, with only two post offices at the two malls suffering damages. Two cases of possession of stolen property were opened against police officers. Failure to deploy accordingly was cited as the main cause for the damages suffered at the affected areas. The Police Station was under resourced to deal with the situations, including the failure to deploy members of the Public Order Policing units.

The Community Policing Forum representatives reported that they have a good working relationship with the station and that it was their wish to see the station upgraded to a brigadier station in order to be deployed more resources to deal with similar situations in future. Efforts to mobilize communities to come in numbers to assist the Police did not yield positive outcomes as the rioters completely overwhelmed both the Police and the private security units that were deployed. It was estimated that the impact will be huge on job losses and interruption on service delivery including food and medical supplies. The situation was however returning to calm as Police continued to make more arrests with information coming from community members.

11. Maponya Mall

The mall is under the jurisdiction of Kliptown Police Station. It is the only mall where the looting was kept at bare minimum due to the combined efforts from the Community, CPF, SANDF and the Police. Threats were identified earlier and Police deployment as well as Community mobilization happened on time before crowds started gathering. Attempts were

made to break in to the Mall after shop owners were urged to close but more deployments of the POPs provided critical reinforcements. Critical to the success in protecting the Mall was the collective effort and cooperation between the police, private security and the community in holding the line. A total of 51 incidents were reported, with 45 arrests made. Confiscations and recoveries of looted property is ongoing following cooperation from members of the community who are providing information to law enforcement about those who took part in the looting.

The main reason that led to the Mall surviving total looting and vandalism could be attributed to, among other things;

- The presence of the Mall security who assisted and protected the mall.
- The Community who assisted and who protected the mall.
- The Community Police Forum who engaged with the community and discouraged their actions.
- Visible policing who received information concerning possible looting and took countermeasures beforehand.
- Daily support from the District office, Provincial office as well as Head Office personnel to supplement the station resources.
- Daily support from the SANDF and the Metro Police.
- Daily coordination of all operations which was led by senior Management from station.

12. Observations and Recommendations

- The Committee recommends that proper planning be done prior to all future oversight visits to prevent a situation where there is insufficient time for meeting communities or visiting sites.
- Intelligence structures should have anticipated the unrest that happened and measures should have been taken to pre-empt and avoid what happened.
- POPs needs to be capacitated with as it became clear that they were not up to the task when violent protests started.

- Relations between police and communities needs to improve as the lack of trust in the Police by the communities gave rise to community mobilization which ended up sparking racial tensions in some parts of KZN.
- Other departments such as Social Development have a role to play in bringing about social cohesion amongst communities in KZN.
- Issues of budget and improving working conditions, investment in the use of technology in fighting crime should be done without further delays.
- Police stations must be empowered with more resources to respond to protests as failure by the police may lead to communities resorting to vigilantism
- The Committee further notes the efforts of the police officers who did all they could under difficult situation.
- The IPID should speed up the investigation of private security companies that broke the law through actions that exceeded their mandate. The Committee will request a comprehensive report once investigations are completed.
- Recruitment of new officers not taking place for two financial years, coupled by high turnover rate is a serious problem that needs to be attended to as soon as possible.
- The police-population ration is not practical for effective policing. Engagement with the National Treasury must be a priority to ensuring that adequate resources are provided.
- The SAPS has a lot to do in regaining the confidence of the citizens. The CSPS has an important role to play in this regard.
- The Committee remains eager to see the outcome of the investigations and whether any high profile politicians or businessmen will be prosecuted for instigating the violent protests.
- Committee notes that this was not just about unemployment but a mix of things including elements of pure criminality and acts of sabotage
- The Police must do everything in their power to ensure that all those who broke the law are prosecuted.

The Economic Freedom Fighters and the Democratic Alliance raised its objections and reserved its rights with respect to the report.

Report to be considered.

3. REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE THIRD QUARTER PERFORMANCE AND EXPENDITURE REPORT FOR 2020/21 OF THE DEPARTMENT OF THE SOUTH AFRICAN SOCIAL SECURITY AGENCY (SASSA) AND THE NATIONAL DEVELOPMENT AGENCY (NDA), DATED 18 AUGUST 2021

The Portfolio Committee on Social Development (hereinafter referred to as the Committee) having examined the Third Quarter Performance and Expenditure Report for 2020/21 of the South African Social Security Agency (hereinafter referred to as SASSA or the Agency) and the National Development Agency (hereafter referred to as the NDA or the Agency) on 16 April 2021, reports as follows:

1. INTRODUCTION

1.1 Mandate of the Committee

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinising and overseeing the department's action. It is to conduct oversight that is driven by the ideal of realising a better quality of life for all people of South Africa. The Committee is also required to facilitate public participation, monitoring and oversight over the legislative processes relating to social development. In doing this, it also confers with relevant governmental and civil society organs on social development matters.

The Committee also enhances and develops the capacity of its members to exercise effective oversight over the Executive Authority in social development. It monitors whether the Department of Social Development fulfils its mandate according to priorities.

It also has a mandate to perform the following:

- a. Considers legislation referred to it;

- b. Conducts oversight of any organ (s) of the state and constitutional institution(s) falling within its portfolio;
- c. Facilitates appointment of candidates to entities;
- d. Considers international agreements; and
- e. Considers budget of department and entities falling within its portfolio.

For the current medium term (2019 – 2024), the Committee’s oversight focuses on the department and its entities performance with regard to the implementation of the priorities set in the National Development Plan and in the Medium Term Strategic Framework.

2. SOUTH AFRICAN SOCIAL SECURITY AGENCY

2.1 Mandate of the South African Social Security Agency

The mandate for the South African Social Security Agency (SASSA) is to ensure the provision of comprehensive social security services against vulnerability and poverty within the constitutional and legislative framework. As per this mandate, SASSA is primarily responsible for implementing the Medium Term Strategic Framework’s (2020 – 2025) Priority 3: Consolidating the Social Wage through Reliable and Quality Basic Services. It also contributes towards the achievement of the following government’s medium term outcomes:

- Reduced levels of poverty, inequality, vulnerability and social ills.
- Empowered, resilient individuals, families and sustainable communities.
- Functional, efficient and integrated sector.

As an administrator for the payment of social assistance grants, SASSA had to implement the special Covid 19 interventions announced by President Cyril Ramaphosa in April 2020 for the introduction of additional R250 to the social grants (older persons grant, foster care grant, disability grant and care dependency grant), a once off R300 top up to the Child Support Grant per child for the month of May and a R500 payment to caregivers from June - October 2020. It also had to implement the announcement for a

new Special Relief of Distress Grant (SRD) of R350 to be paid to the unemployed people who are not benefitting from any other government provisions.

SASSA also administers the payment of the Social Relief of Distress (SRD) in the form of either food parcels or cash vouchers to provide temporary relief to families experiencing undue hardship due to disasters, fires or death of provider. The Agency had to significantly scale up the roll out of food parcels to respond to the high demand of food due to the impact of the nationwide lockdown which resulted in some workers losing their employment. These changes necessitated for SASSA to draw up a revised budget and amend the originally tabled 2020/2021 Annual Performance Plan.

Furthermore, SASSA has a critical role to play in implementing the annual priorities identified in the State of the Nation Addresses (SONA). For the year under review (2020/2021), SONA identified the following priorities that have implications on the work of SASSA:

- **Job Creation:** Government is committed to finding solutions to the unemployment crisis and to removing blockages and driving interventions that will save and create jobs.
- **Persons with disabilities:** Government has established the Presidential Working Group on Disability to advise the President's office on measures to advance the empowerment of persons with disabilities as government plans, budgets and implements programmes.
- **Poverty and inequality:** Government remains committed to the strategic objective of our National Development Plan (NDP) to eliminate poverty and reduce inequality by 2030.

SASSA also has a role to play in the implementation of the National Development Plan (NDP) priorities for the social sector. It implements the following priorities:

- Eliminating income poverty by reducing the proportion of households with a monthly income below R419 per person (in 2009 prices) from 39 percent to zero. To achieve this goal, the Plan identified these milestones:
 - Ensure household food and nutrition security.
 - Entrench a social security system covering all working people, with social protection for the poor and other groups in need, such as children and people with disabilities.
 - Realise a developmental, capable and ethical state that treats citizens with dignity.
- Creating a comprehensive social protection system that includes social security grants, mandatory retirement savings, risk benefits (such as unemployment, death and disability benefits) and voluntary retirement savings. Measures to achieve this goal were identified as follows:
 - Expand public employment, with a focus on youth and women.
 - The retirement savings and risk benefit gap should be closed through reforms, including mandatory contributions, with consideration given to subsidising these contributions for low-income or periodic workers.
 - Developing a capable and developmental state.

The analysis of SASSA's quarterly performance will assess how the NDP priorities, MTSF outcomes and SONA priorities are responded to or implemented.

2. OVERALL FINANCIAL PERFORMANCE AND NON-FINANCIAL PERFORMANCE FOR THIRD QUARTER OF 2020/21

The overall budget of SASSA for the current financial year was R7 718 421 billion. The actual expenditure for the third quarter was R5 305 623 billion (69%) compared to R3

372 186 (44%) billion in the second quarter. The expenditure of the Agency was reported as follows:

- **Compensation of Employees:** it had an expenditure of R 267,573,218 for the current reporting period. This was 8% below the expected level of spending due to the vacant funded posts which are not filled. It excluded the cost of living adjustments (salary increases) for levels 1-12 which have not yet been implemented.
- **Goods and Services:** Overall spending on goods and services was 9% below the expected level of spending. This was attributed to the following reasons:
 - **Cash handling fees:** The current trend shows that approximately 90% of the clients who access their grants through the SASSA / SAPO card do so using the National Payment System (NPS) network, while 6% use the Post Office infrastructure and 4% still access their money at the remaining cash pay points. The NPS is a cheaper payment method. This scenario would lead to a saving but however the additional charges for the Special COVID-19 SRD grant will result in a possible over expenditure on this item. Final reconciliations are still outstanding for both Special SRD and Social Assistance benefits.
 - **Bank charges:** The budget on this item caters for normal bank charges by commercial banks which has an allocation of R5.7 million and expenditure amounting R4.9 million, charges related to the disbursement of grant monies with an allocation of R327.9 million and expenditure of R174.2 million, and for the payment of the Special COVID-19 SRD grant with an allocation of R89.8 million and expenditure of R25.6 million. Some funds will be reduced on the allocation for the payment of grants to give effect to the National Treasury's budget adjustment of R229.6 million. The mobile payments were not rolled out as initially envisaged due to risk involved
 - **Advertising and marketing:** Expenditure reached 52%. The budget on this item was increased by an amount of R6 million which was reprioritised from other items to cater for the communication costs related to the implementation of the Special COVID-19 SRD grant. The expenditure had not yet been significant during the reporting period thus contributing to the underspending.

A service provider was appointed to augment the marketing and communication services

- **Communication:** The underspending on this item is on the allocation made towards the USSD costs which were expected to be incurred when qualifying citizens apply for the Special COVID-19 SRD grants. The costs came lower than anticipated. There is also an allocation of R14.9 million for television and radio which forms part of the communication related to the Special COVID-19 SRD grant. Expenditure recorded during the reporting period on this allocation amounts to only R640 000 and a commitment of only R123 375.
- **Consultants:** The allocation for fraud investigations amounts to R49.8 million of which R37.6 million is on this account. The reported expenditure of R13,2 million is towards the SIU. Other internal activities were impacted upon by the COVID-19 pandemic. However, certain amounts were allocated to the regions for work to be done pertaining to fraud investigations. It is expected that there will be expenditure in the latter part of the financial year although a saving is expected on this allocation as a result of the impact of the COVID-19 as investigations involves travel.
- **Outsourced services:** Although still low expenditure on medical assessments increased in comparison to the other reporting periods as it now reached 30%. The underspending is due to the current pandemic which affected the assessments. The budget for medical assessments was adjusted downward by 20% in order for the funds to be reprioritized towards funding the administration costs of the Special COVID-19 SRD grant. Regions made further adjustments to cater for the procurement of PPE. A special project will be undertaken during the 4th quarter to address the lapsed TDGs and CDGs (approximately 2000 00)
- **Fleet:** Expenditure on this item has been affected by the regulations on COVID-19 and thus low for the reporting period as it reached 54%.
- **Leases:** The underspending on this item is due to the budget allocated for leases in progress that have not been occupied.
- **Property payments:** At the time of budget allocation some of the region's contracts had expired while some were due to expire in 2020. Therefore, the

allocation for the regions whose contracts had expired or were due to expire in 2020 was increased by 7% over the 2019/20 financial year. The increase was aimed at accommodating the possible increases when new contracts are awarded during the course of the 2020/21 financial year and to also cater for the month-month extensions before the new contracts are awarded. The SCM process is still underway and new contracts still to be concluded and thus the underspending.

- **Travel:** The underspending on this item is due to the national lockdown restrictions. The underspending is mainly on accommodation and air travel. However, there has been an increased and significant spending on the kilometres travelled item indicating that more travel is by own motor vehicles and thus more claims by officials.
- **Training and development:** The expenditure on training has also been affected by lockdown. An amount of R3.8 million has been spent from a total of R20.3 million, which is only 9% spending.

With regard to non-financial performance, the Agency had set to achieve 47 targets for the third quarter and managed to achieve 35 (74%), which was an improvement compared to 39% and 71% in quarter 1 and 2.

4. PERFORMANCE INFORMATION BY PROGRAMME

The Agency functions through two main programmes, namely, Programme 1: Administration and Programme 2: Benefits Administration and Support.

4.1. Programme 1: Administration

The purpose of this programme is to provide leadership, management and support services to SASSA. This programme mainly contributes towards SASSA's implementation of the NDPs priority of development of a capable and developmental state.

Under this programme SASSA managed to achieve 76% of its planned targets and related to this NDP priority for this quarter. They are as follows:

- SASSA managed to achieve 94.2% (925 429 of 982 497) of its 95% target of processing new grant applications within 10 days.
- It achieved its target of developing and implementing the online grant application solution at district offices. It piloted solution in at least 28 districts. More than 9 499 grant applications were received through this channel. At least 842 grants administration officials were trained on how to use the online grants application solution. Those trained included 440 capturers, 332 verification officials, and 70 Customer Care officials.
- It also achieved its target to develop an integrated validation database with government datasets.
- It further achieved its target to implement the biometric identity access management system for SOCPEN users. The scanning solution was developed and staff were trained on the new solution. The solution is being implemented in 231 local offices.
- It also investigated 81% (198 of 243) reported fraud, theft and corruption cases. The target was to investigate 50%.

4.2 Programme 2: Benefits Administration and Administration and Support

The purpose of this programme is to provide a grant administration service and ensures that operations within SASSA are integrated. It also ensures implementation of the full value chain of grants administration.

This programme is responsible for the implementation of the core business of SASSA, that of administering the payment of social grants. It is the programme that was mainly affected by the changes in the budget for payment of social grants and introduction of the Special Relief of Distress Grant. Accordingly, it had eight (8) new targets added to it. It also significantly contributes towards the achievement of most of the NDP priorities, SONA priorities and MSTF priorities listed above.

Under this programme SASSA managed to achieve 72% of its planned targets and related to this NDP priority for this quarter.

Linking the achievements of targets to these priorities, SASSA performed as follows:

- **Reducing income poverty by providing social assistance to eligible individuals:**
- SASSA facilitated the take up and payments of new entrants, of which the target was 1,2 million. A total of 344 323 new social grant applications were approved and paid in the 3rd Quarter. This brought together a total of 931 474 social grant applications approved over the 9 months.
- It paid over 18 million social grants monthly to approximately 11.3 recipients. The total paid in was R183, billion over the nine month. The 11.3 million recipients were paid into their bank accounts across 24 banks including Post Bank. Overall transaction that were successfully processed has been 99% per month.
- It paid a total of R15.6 billion was paid to eligible applicants to COVID-19 special relief grant (approximately 6 million beneficiaries per month) in receipt. Overall 98% of approved beneficiaries were paid by the end of December 2020.
- It also paid approximately R30 billion on the top-ups of existing social grants until October 2020.
- **Empowered, resilient individuals, families and sustainable communities**

Two targets were set to achieve this priority, namely:

- In addition to Covid-19 measures, SASSA issued 124 801 Social Relief of Distress to individuals and families under distress. The total amount spent was R164 million. The priority was given to Covid-19 SRD grant.

- In line with the commitment to contribute towards empowerment of SMMEs and cooperatives, 45% (183,219,968 million) of total SRD rand value (R407 million) was awarded through cooperatives and SMMEs. A total of R7,954,403 was awarded to cooperatives and R175,265,565 SMMEs.

5. OVERALL ANALYSIS OF SASSA'S QUARTERLY PERFORMANCE AGAINST GOVERNMENT PRIORITIES

SASSA as an entity of the Department of Social Development has a critical role to play towards the achievement of government priorities indicated above. Targets set in the Agency's APP demonstrated their alignment to these priorities. However, analysis of the Agency's quarterly performance report to the Committee revealed that a big portion of these targets were not reported on, which possibly imply that they were not achieved.

6. NATIONAL DEVELOPMENT AGENCY

6.1 Mandate of the National Development Agency

The National Development Agency (NDA) has a two-fold legislative mandate consisting of a primary mandate and a secondary mandate.

Its primary mandate is to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations (CSOs) for carrying out projects or programmes aimed at meeting development needs of poor communities and strengthening the institutional capacity of CSOs involved in direct service provision to poor communities. Whereas the secondary mandate is to promote consultation, dialogue and sharing of development experience between CSOs and relevant organs of state; debate on development policy; and undertake research and publications aimed at providing the basis for development

The above-mentioned mandates in the main contribute towards the eradication of poverty and its causes. This is achieved through granting of funds to CSOs to enable them to implement development projects in poor communities. The NDA is also entrusted with strengthening the institutional capacity of CSOs, which provide services to poor communities.

7. OVERALL FINANCIAL PERFORMANCE AND NON-FINANCIAL PERFORMANCE FOR THE THIRD QUARTER 2020/21

7.1 Financial performance

Being a Schedule 3A entity, as defined by the Public Finance Management Act, Act No. 1 of 1999 (PFMA), the running of the NDA is driven principally by government grants. The budget of the NDA is made up of transfer from DSD to the value of R224.4 million (97 per cent), interests of R2.3 million (0.1%), and R4.0 million (1.7%) from other income. In total, the NDA had an operational budget of R230.8 million for 2020/21 financial year compared to R215.3 million it received in 2019/20 financial year.

The NDA did not receive any additional funding from the DSD during the supplementary budget allocations to deal with the impact of COVID-19. It however reprioritised on its budget allocations and allocated R95 million for Covid 19 related responses. When taking the R95 million into consideration, the budget of the NDA was R325.9 million.

According to the NDA, the revenue received was made up of the following:

- About 60 per cent of the 2020/21 transfer allocation from DSD amounting to R134.7 million, received in May 2020.
- Management fees received for implementation of the CARA project to the value of R5.7 million, which has been recognised in full, as the CARA project is expected to fully disburse within the current financial year.

- Third Party Funds received for the CARA project amounting to R45 million (adjusted by R22.5 million); and
- Interest income of R1.4 million.

As at the end of the third quarter, the Agency spent a total amount of R177,7 million (51%) compared to 39% in the previous quarter. This excluded the remaining Criminal Assets Recovery Account (CARA) budget of R71 003 million. Out of the total CARA budget of R95.5 million, the Agency had spent R24.5 million by the end of December 2020, which translated to only 26%.

7.2 Programme Performance

The budget of the NDA is spent amongst three programmes. These are:

- **Programme 1: Governance and Administration** – responsible for promoting and maintaining organisational excellence and sustainability through effective and efficient administration that includes performance, employee well-being, cost containment and brand recognition.
- **Programme 2: Civil Society Organisations** – provides a comprehensive package that aims at developing CSOs to their full potential, to ensure that CSOs, especially those operating in poor communities, have capabilities to provide quality services to the communities they are serving.
- **Programme 3: Research** – focuses on action research and impact evaluative studies that will be used to inform programme planning, implementation and management of NDA CSOs development Programmes.

The total number of target set was 38 across all programmes. The set targets per programme were as follows: Programme 1 (seven targets), Programme 2 (seven targets), and Programme 3 (five targets).

It should be noted that during the special adjustment budgets there were no changes implemented to Programmes 1 and 3. The following notable changes were implemented in Programme 2. These include:

- Targets for Work opportunities created has been increased due to the implementation of the Volunteer Support Programme.
- Capacity Building Programme along with other NDA programmes will be digitised and targets have been adjusted accordingly.

Expenditure per programme was reported as follows:

- **Programme 1:** spent 57% of its full year budget, and had 43% remaining for implementation. There had been underspending on consulting and professional fees, IT costs, audit fees, and travel.
- **Programme 2:** spent 48% of its full year adjusted budget (including 19-20 commitments), and has 52% of the budget remaining for implementation over the last 3 months. This excluded the CARA project.
- **Programme 3:** spent 51% of its full year budget, as at the end of December 2020. There has been underspending on research studies, and monitoring and evaluation.

Table 1 below provides target performance of the NDA as at third quarter of the 2020/21 financial year:

Table 1: Target performance of the NDA as at quarter 2 of 2020/21

Programme	No. of Targets	No. of Targets achieved	No. Targets not achieved	% of targets achieved
Programme 1	7	2	5	28.8%
Programme 2	7	2	5	33%
Programme 3	5	4	1	80%
Total	19	7	12	63%

The NDA achieved only twelve (12) out of the 19 planned targets for the third quarter of the 2020/21 financial year. This translated into 63% achievement rate compared to 39% in the previous quarter. The following were the achieved targets:

- A total 55% (31 cases) of irregular expenditure were identified and they are in various stages of implementation as follows: 3 Write-offs recommended; 7 Recoveries Recommended; 1 Offer to pay in instalments received; 1 Case to be absorbed by TWF; 7 verbal warnings issued by Supervisors and 1 Written warning issued in Finance. It issued 4 recovery notices and was at the time of reporting assessing 4 cases of Fruitless and Wasteful expenditure relating to interest. The target was to process 60% of cases received.
- Achieved 100% procurement of services and goods from the prioritized organizations that fall within the BBBEE Levels 1, 2, 3 and 4. However, 89% of the services and goods were sourced from organizations falling with Levels 2.
- It funded only R12 million out of the target of R75 million towards CSO development interventions.
- It created 2 061 work opportunities through the NDA Covid-19 Volunteer Programme. The work opportunities were created equitably across the 9 province and with focus being placed on vulnerable and economically challenged communities. The programme was implemented through the CSOs that have been supported through the NDA capacity building programme.
- It concluded 4 research studies, these studies were on the following research areas:
 - Behaviour change and modification in the wake of COVID-19 – Policy implications for the Social Development Portfolio Strategies
 - Requirements for transforming the civil society sector in South Africa
 - Analysis of best practices in ECD centres in the Eastern Cape Province in the context of legislation and policy
 - Creating capacities and building capabilities for the civil society sector in South Africa.

8. Committee deliberations

South African Social Security Agency

- The Committee observed with concern what seems to be a trend of delays caused by National Treasury, particularly with regard to prolonged delays to grant condonations, roll over of funds from 2020/2021 for payment of SRD grants as well payments for ECD Stimulus Package. The Committee was particularly concerned over the non-payment of SRD grant for March 2021. SASSA explained that this was due to the transition from 2020/2021 to 2021/2022 financial year as well as the January 2021 announcement of the grant's extension until end April 2021. The transition from one financial year to the other affected the rollover of funds as National Treasury had to first grant permission. With regard to the extension of the SRD grant, SASSA had to reactivate its payment systems and that caused a delay.

SASSA also explained that the reasons for delays from National Treasury on approving condonation was due to the number of requests it receives from various departments and levels of details. Of the 116 cases SASSA had forwarded to National Treasury, 94 cases were condoned, 24 cases would be reported on in the fourth quarter. There are no timeframes given to National Treasury on when approvals should be made.

- The Committee was also concerned that R6 million in debt collection had not changed and wanted to know the reasons for that.
- It also wanted to know progress made on the Temporary Disability Grant assessments and payments as the deadline was end March 2021.
- It noted the implementation of an online application system and impact it has had in making application processes easier but requested that the system should be manned to assist challenges that may be encountered by the public.
- It also noted that financial problems at the South African Post Office will not impact the payment of social grants.

National Development Agency

- The Committee observed that the Agency's attempt of aligning its quarterly reporting with the result based management principles. It however, noted that there was a weakness on understanding and reporting on the object of change, which is the main interest of the Committee. The object of change relates to changes brought by services (or targets) on the lives of people who are the object of change. It is the main interest of the Committee to make sure that programmes implemented by the social development portfolio bring changes to the lives of people.
- The Committee wanted to know the value and the impact of the research project the NDA commissioned to the University of Fort Hare. The NDA explained that the research was a longitudinal study whose objective was to test effective implementation of the ECD policy in rural areas looking at infrastructural requirements, quality of ECD centres and quality of teaching and learning programmes. This would inform the Department and the NDA on how to implement the policy across the country.

9. General observation

- The Committee noted that the reporting format has improved, particularly of the NDA to align with the principles of results based management.

14. Committee Resolution

- SASSA to forward a comprehensive progress report on the assessment and payment of the Temporary Disability Grant.

Report to be noted