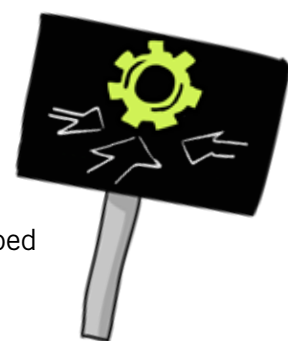


# What do national and provincial DSDs need to do to implement the SFP?

In 2023 the national Department of Social Development (DSD) approved a new Sector Funding Policy (SFP) for public comment. This new policy impacts how the DSD funds services provided by partners in the non-profit organisation (NPO) sector. It provides guidance on what services will be funded and how much will be allocated for specific services. It is important for NPOs to know and understand what the policy means for them, and how they can constructively engage with national and provincial DSDs to ensure that key services to prevent and respond to violence are supported in the future. The SFP has 10 chapters and 4 Annexures. This factsheet is one of five factsheets that the Violence Prevention Forum (VPF) has developed to help NGOs and other stakeholders understand the policy.



## National DSD must ...

**Develop guidelines for the SFP:** These guidelines must provide detailed guidance on how the SFP should be implemented by both the national and provincial DSDs. The development and implementation of the guidelines will take place gradually. The SFP Guideline on NPO Contributions will provide detailed guidance on the processes and procedures for determining what non-profit organisations (NPOs), that are being funded according to prescribed minimum funding standards, can be expected to contribute from their own resources.



**Develop standard names for services:** Develop and maintain a list of standard service names and definitions to be used by all provincial DSDs and others in the social development sector. Thirty-two standard service names are provided in Appendix 1 of the SFP.



**Develop minimum norms and standards:** Define minimum norms and standards for each service based on existing legislation and policy. This will lay the foundation for developing a sector funding strategy and the specification of reasonable core costs that the state should progressively aim to fund.



**Work out the reasonable core costs of delivering services:** The national DSD will research the reasonable core costs of each of the priority services and publish them as they become available. These costs must represent the ideal level of funding that the state should progressively work towards, based on the available budget.



**Develop minimum funding standards:** Annexure 3 of the SFP sets out which of the services government has committed to fund according to minimum funding standards.



**Develop tools:** National DSD, working with the provincial DSDs, will put in place tools and templates for the SFP.



There are **four schedules** provincial DSDs need to set up that align with the stages of the allocation process. They are directly linked to the **annexures developed and updated by national DSD**.

## Annexure 1

Top action areas for prevention and early intervention

### Schedule 1: List of priority prevention and early intervention initiatives

Each provincial DSD must compile and maintain a prioritised list of services, considering the ranking in Annexure 1 of the SFP. Each provincial DSD is expected to allocate a fixed percentage of their total budget to priority prevention and early intervention programmes, and to projects that the department lists in Schedule 1. Provincial DSDs may choose to spend more than the minimum percentage of their total budget on these programmes and projects.

## Annexure 2

List of principles to identify services/projects that should be discontinued

### Schedule 2: List of existing Transfer Payment Agreements (TPAs)

Provincial DSDs must develop and maintain a list of all TPAs and the respective costs of those agreements in a format set by national DSD.

## Annexure 3

Services required to be funded according to minimum funding standards

### Schedule 3: Services funded according to minimum funding standards

Each provincial DSD must compile and maintain a list of services which must be funded according to minimum funding standards. Provincial DSDs must fund all Category 2 services listed in SFP Annexure 3, according to the applicable minimum funding standards set nationally or a higher amount. Provincial DSDs may identify additional services that they will fund according to their own minimum funding standard (where no minimum funding standard exists at national level).

## Annexure 4

Prioritised list of services

### Schedule 4: Prioritised list of developmental social services

Each provincial DSD must compile and maintain a prioritised list of services, taking into account the ranking in Annexure 4 of the SFP. This list represents the order in which the province must act, as and when additional funding becomes available:

- Firstly, increase the minimum funding standard of the different services; and
- Once Category 1 services have been fully funded according to the applicable national minimum funding standards and these are equal to the reasonable core cost of provision, the order in which access to these services must be expanded.