



**NDA**

National  
Development  
Agency



# DIALOGUE REPORT

CIVIL SOCIETY REGULATORY FRAMEWORKS IN SOUTH AFRICA

September 2021

# DIALOGUE REPORT

## Civil Society Regulatory Frameworks in South Africa

September 2021

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## **Acronyms**

CSO	Civil Society Organization
DSD	Department of Social Development
CBO	Community Based Organization
HSRC	Human Science Research Council
MTSF	Medium Term Strategic Framework
NEDLAC	National Economic Development and Labour Council
NDA	National Development Agency
NDP	National Development Plan
NPO	Non-Profit Organization
PBO	Public Benefit Organizations
SARS	South Africa Revenue Services

## **Welcome Remarks**

### **Mrs Thamo Mzobe, CEO-National Development Agency (NDA)**

Mrs Thamo Mzobe welcomed everyone who managed to attend the webinar such as various stakeholders and civil society sector. Since it is women's month, she acknowledged women as the key pillars in providing livelihood for their families, ensuring that their homes warm, despite the challenges that the country faces, women have been able to change the landscape of the sector and poverty. It is not an easy struggle; women have long been involved in the struggle and it not going to end with us. Let us celebrate every women who has joined the webinar including those who did not join the webinar. The struggle continues and poverty is still rive, it is compiled by the pandemic that the country is experiencing but as always the frontline workers and fieldworkers remain at a bigger scale being women. In her welcoming remarks, Mrs Mzobe indicated that women are leading as citizens that are taking the COVID-19 vaccine, as always women are leaders in their own right. Young women who are leading in the civil society sector are applauded as they are ensuring that they are also fighting poverty. The National Development Agency is pleased to be part of the research conducted with the Human Science Research Council (HSRC) and other critical stakeholders to review and analyze the current framework the NPO ACT 71 of 1997 that regulates the civil society sector today in our country. The research seeks to test how existing policies within the government in the main and the frameworks and regulations affects the functions of the civil society sector. Without the civil society sector, the government on its own cannot fight the struggles of poverty, unemployment and inequality.

In 1994, after the having, democracy the founding fathers and mothers started focusing on institutions, systems and mechanisms to fight poverty in the country. The process culminated in the establishment of the NDA in 1998. The civil society sector is the third pillar in any democratic state representing the interest of groups within communities and contributing towards the development and improvement of the lives those disadvantaged by the circumstances that are beyond their control. The National Development Agency mandate within government not just social development but across government is to contribute towards the eradication of poverty and its causes. In implementing the NDA mandate, the NDA must empower and enhance the capacity of the civil society sector and in achieving this the NDA helps to build cohesive communities that are able to tackle the challenges of unemployment, poverty and inequality. Today the NDA is fulfilling its secondary mandate by promoting consultation, dialogue and share development experience between civil society sector and relevant organs of the state in order to influence

the national development policy by providing the bases for development policy. The NDA's secondary mandate is that of consultation and dialogue. The recent unrest in the country demands the NDA and civil society sector to improve their efficiency. The NDA needs to provide an enabling environment for the civil society sector to engage with affected communities and find out what exactly transpired. Dialogues and webinars give us the platform to expand the NDA's mandate and find out how far this mandate can reach the civil society sector ensure stability and social cohesion. Optimistically, the finding of the study will open a robust engagement and debate between state leadership of the state and legislature to find ways that continue promote the prosperity of the sector and find ways to close any gaps that may restrict the full function of the sector in meeting their commitments. There are challenges, more especially economic challenges and these challenges have been around for a long time and the country still manages to fight these challenges. The dysfunction in the development space in the main the civil society sector through bureaucratic legislative processes is worrisome and concerning. The development space needs collective partnerships with civil society sector not excluding business, private sector and independent donors who have interest in the development space. Desperation of civil society organization has been caused by constant reduction of funds to the NDA, which in turn reduces the effort of the NDA to communities. The NDA feels the pressure to mobilize resources in the space of government in mobilizing resources for the sector. Constant deregistration of civil society organization and the cumbersome process of registration are part of the challenges that are facing the development sector.

Since 1994, the national government has tried to remedy two institutional gaps, which are the absence of appropriate policy for democratic inclusion in South Africa and the lack of institutional mechanism to accompany such policies. The new government has decentralized administration represents designed a break on the past, as such it is such a numerous civil society organizations are poorly situated to take lead roles in the reduction of poverty and inequality. The composition of speakers will give a full picture of the limitations and recommendations within the sector. Business Unity South Africa perspectives are critical to the dialogue because private sector is critical to the advancement of the civil society sector. The NDA is proud to be associated with HSRC, the NDA looks forward to have many successful development policies and implementations. The dialogues would begin to create a new path for the civil society role to assume the responsibility of taking charge of their own development and the development of the country

as well as the economic stimulation to ensure that civil society becomes independent and sustainable as a country.

## **Overview and Background of the dialogue**

**Mr. Bongani Magongo, Executive Director Development Management and Research, NDA**

The civil society sector is a critical component of the state because it becomes the buffer on how the state deal with socio-economic and challenges of a particular state. The motive for the NDA to get involve in looking at how the country enhance the civil society sector to a point where the civil society sector a reach a point of being the voice of the population. The role of civil society sector is to be a representative of the people and over the years the civil society sector has been looked as a partner of the state in delivering the programmes that the state want to deliver to the people. In the previous year, the key drivers of civil society have been examined and identified key elements, which are the ability of the sector to stand alone, the types of regulatory mechanisms that allow independency, funding mechanisms for civil society sector and transformation of the sector.

The sector has evolved over time and the question is “are we transformation in a manner within which we are relevant to the current challenges”? The series of dialogues on civil society sector gives platform to define key issues that would allow the sector to be partners in the development. The NDA secondary mandate states that NDA must create platforms and these platforms must be informed by research and further influence the development policy of the country. The dialogues gives the civil sector a platform to dialogues amongst itself and be able to claim their own existence and the development space to have a common goal in ensuring the development of the country.

## **Limitations of Regulatory Frameworks for Civil Society in South Africa**

**Mr Thulani Tshefuta – Chair of Convener NEDLAC Community**

The National Economic Development and Labour Council (NEDLAC) presentation focused on inputs from the community constituency. It has been highlighted that government model of many democratic states acknowledge civil society as the third sector of the society. The community constituency was established as a platform of the civil society as one of the four social partners at NEDLAC being government, labour, business and civil society. The social partners play complementary roles, these social partners are responsible for social dialogues, produce social compacts, and social compacts will be implemented through distinctive but complementary roles through partnerships by the stakeholders.

The centrality of the role played by civil society is located on the premise that if the agenda that we seek to pursue is to succeed the citizens have to be organized. Partnerships with civil society recognize that people and communities are not just beneficiaries but part of the solution in their own development. The priority number of the Medium Term Strategic Framework (MTSF) of the sixth Administration, which started in 2019, focuses on building a capable and developmental state. The MTSF highlights the importance of active citizens as a key element of building a capable, ethical and developmental state.

The South African constitution provides a flexible and enabling environment for civil society to take a leading role in our society. Other types of legislation such as Companies Act, Tax laws and NDA Act, also affect civil society. However, the NPO Act makes a clear distinction between creating an enabling environment for the society and the other objectives regarding administration and regulation. In addition, the NPO Act promotes cooperation and shared responsibility and this highlights that there government cannot develop the sector alone there has to be a collaboration.

The early day introduction of Regulatory mechanism came with the premise of formalization, professionalization and increased funding of civil society. One of the unintended effects of the legal instruments is the erosion of self-initiative and intra-sectoral accountabilities. Top down regulatory instruments tends to introduce the compliance vs course dichotomy. Organizations appears to be happy to be referred to as complaint even if they do not live to pursue the cause for which they were established. There are many organizations that are established by women in rural communities, and these organizations are not registered, not funded, and they provide programmes that are responsive to real life challenges that are confronted by households and communities and these organizations that are not accredited to be part of the solution. However, those that are considered complaint are the one that get attention and takes all the credit. Moreover, in valuing the complementary role of sectors of the society there are programmes that are suffocated by the bureaucracy of the government.

The regulatory measures are not in place to change the origin of civil society of agility, responsiveness, relevance, self-reliance and sustainability. Government should not use its power in using regulatory instruments to impose itself as the parent of civil society. The approach one-size fits on regulations does not appreciate that the civil society organizations (CSO's) have different organizational forms and governance structures. Furthermore, the current regulatory framework does not promote innovation that can come through social entrepreneurship. The measures that are intended to benefit civil society such as tax benefit are trapped in bureaucracy and rendered inaccessible.



The NEDLAC recommends that regulatory framework must help to unleash and realize the potential of civil society organizations than wanting to manage and dictate terms to civil society. Several elements of the Regulatory framework must lead to the institutionalization of Public-community-partnership to the scale of Public Private Partnership as a model of partnerships. Lastly, there has to be consideration of Self-regulatory approach for the sector. Existing legislative mechanisms has to acknowledge civil society sector as the true and genuine third sector of the society and give the civil society the power to regulate itself through self-regulatory approaches and mechanisms. There has to be an introduction of the same regulations that are responsive to civil society at any point in time which bureaucracy of government cannot do. Self-regulatory mechanisms can establish an APEX body that can be able to extrapolate lessons from practices through learning forums and the NDA must institutionalized learning forum that can develop best practices and these practices be shared with the civil society sector.

## **Research Findings and Recommendations on CS Sector funded by the NDA**

**Advocate Gary Pienaar, Human Sciences Research Council (HSRC)**

### **Definition of Civil Society Sector**

The presentation focuses on Regulatory Framework for the Civil Society Sector. Civil society organizations are defined as Public entities operating outside of the family, state and private sector that collectively form a powerful space for social cohesion and solidarity, service delivery, and a voice of critique and expression and as key partner in a free and democratic society.

### **Civil Society Diversity**

Civil society is diverse and it is multi-faceted including features as form, size, capacity, location, degree of formalization, objectives, roles, functions, and degree of autonomy, relationship with the state or government and sources of funding. The diversity of CSO worsen in South Africa as the result of Apartheid legacies that brought socio-economic and spatial inequalities. There is a broad array of activities because of governance and market failures. The civil society sector has its own governance problems internally, this has been evident in recent years within the organizations, and there is trend of declining compliance with the requirements of registering and reporting to the NDA and Department of Social Development (DSD).

## **Civil society as partners**

Civil society is seen as a structure that form a powerful space for social cohesion and solidarity, service delivery and a voice of critique and expression. Therefore, civil society is a key partner in a democratic and free society. Civil society sector such as social justice and human rights organizations played a crucial role in the struggle against apartheid and its legacies and in the transition to democracy. Civil society have also played a major role in democratic transformation, spearheading many initiatives for constitutional and legal reforms, contributing to policy development and raising constitutional awareness to help eradicate poverty.

## **Existing Regulatory Frameworks**

The Non-profit Organization (NPO) Act 1997 does not define civil society or civil society organizations but focuses only on its mandate. The NPO Act defines NPO's as a trust, company or other association of persons established for public purpose and the income and property of which are not distributable to its members or office bearers except as reasonable compensation for services rendered. Furthermore, the NPO Act focuses on the intent of the organization to which it applies and public purpose is not defined in the NPO Act. The Income Tax Act 1962 deals with Public Benefit Organizations (PBO) and these organizations have been granted tax exemption. The PBO principal object must be one or more public benefit listed in the Act and the activities must be carried on in a non-profit manner and with charitable intent. The similarity between the NPO Act 1997 and The Income Tax Act 1962 is that they do not benefit for the members of directors of the organizations. The Value-Added Tax confer certain benefits for organizations that qualify as associations not for gain and it is not clear whether is the same as the PBO on NPO. The NDA Act is more brief and narrow in some way as it defines CSO as a trust, company or voluntary association established for a public purpose but does not include an organ of the state.

## **Legislative Hierarchy**

The four mentioned laws represent a hierarchy of definitions. All the four definitions have a common thread as they on the organization's intent rather than its form.

- NDA Act 1998- All PBOs whether or not established on a non-profit basis (Broadest)
- NPO Act 1997- All non-profit PBOs (Slightly less broad)

- Income Tax Act- NPOs working for the common good in specified areas (More Restrictive)
- Value-Added Tax- Association not for gain/Welfare organizations (Most Restrictive)

### **Guiding values, principles and perspective**

There has to be a strategic level approach in understanding of roles and functions of civil society in our particular political, economic and social context for instance in the Constitution and The National Development Plan (NDP). A regulatory framework for civil society has to be closely linked to constitutionally guaranteed rights to freedoms of association, expression, assembly, the right to property and the right of the public to participate in decision making by the state. There is a need for civil society operation and functioning are subject to the general provisions of the law such as admin law, labour law, civil war, company law, law on contracts, trusts and tax. South Africa has to recognize that civil society has a special role and features and the unique circumstances in which civil society operates hence there are laws that are specifically governing civil society.

## **Regulatory Frameworks for the Civil Society Sector**

**Dr. Zaid Kimmie, Foundation for Human Rights (FHR)**

### **Key findings of the study**

The findings of the study deals mostly with the NPO Act itself and the manner in which it relates to the other provisions. The developmental roles assumes that civil society is a single coherent sector and that the implementation mechanisms can be located to DSD and this assumption is unfortunately not true. The regulatory and oversight roles are resource-intensive but can be applied relatively uniformly. The wide and overly-ambitious scope leads to a lack of focus on basic implementation.

- **Design of the Regulatory Framework**

The non-profit assessment is conducted at the establishment of the legal framework and under the NPO Act or the Income Tax Act. All CSOs are subjected to the same registration and reporting requirements and this negatively affects small grass-roots organization. The location of the NPO directorate raises questions about civil society independence. Moreover, accountability provisions are not enforced and the mandate of the NDA as conduit for funding is largely abandoned

- **Implementation**

There are overly ambitious goals coupled with lack of capacity, lack of necessary financial and human resource has resulted in weak implementation. There is failure to produce and disseminate updated information about the NPOs and the status of their compliance with the Act. One of the outcomes is that there is poor data about the contribution of the sector. Furthermore, there is a limited transparency, accountability, and accountability by CSOs to a broad range of stakeholders. Therefore, accountability in practice is largely limited to funders and donors. There are no procedures that are in place to enable members of the public to report a CSO whose operations, or activities are questionable to any independent institution. ‘

## **Recommendations**

1. The Act was too ambitious and been poorly implemented. As it currently constituted and implemented it does not serve the purpose for which it is designed. The amended should:

- Limit its application to non-profit entities that provide an external public benefit,
- Continue to confer formal legal status on organizations that choose to register,
- Automatically register all participating organizations whose turnover falls below a certain threshold with South Africa Revenue Services (SARS) as Public Benefit Organizations.

2. The entity responsible for the implementation of the revised NPO Act should:

- Establish an outline facility for the easy collection and dissemination of data of those organizations that choose to register,
- Ensure that the information submitted is easily accessible online for public inspection.

3. Registration and reporting of CSOs should be simplified.

4. Organizations with a turnover of more than R250 000 per year should also submit annual financial statements, including the source of all income and a summary of expenditure. Organizations with turnover that is less than R250 000 should only submit a summary of financial statements.

6. CSOs providing services on behalf of or with the government entities should continue to be regulated in terms of the requirements of the relevant professional field with registration only an immediate precaution for the state funding.
7. The regulatory authority should publish annual updates on the state of the database including the number and types of CSOs registered and those that have up-to-date information.
8. The question of whether to establish an independent entity with regulatory functions and compliant mechanisms should be investigated further, but this issue should be separated from the management of the registration process.
5. The regulatory entity should not take responsibility for the accuracy or completeness of the data submitted as it is unlikely in the near future to have the capacity to undertake onerous compliance monitoring.
6. The fact of registration on the database should not be taken as certifying that the CSO possesses the claimed capabilities. Entities that wish to provide funds to CSOs should have the same system in place to verify that the recipient has capabilities to deliver on the outputs required.
7. The basic information available and the fact that the organization concerned is able or not to regularly update information should be considered by the funding entities. However, they should only be treated only as a preliminary requirement.
8. CSOs should consider voluntarily holding themselves to object standards of good governance.
9. A separate framework to regulate organizations to solicit funds from the general should be put in place in order to ensure that such organizations are able to publicly account for any funds they receive.

# **NPOs/NGOs perspectives on current Regulatory Frameworks in SA**

## **Mr. Glenn Farred – Former Executive Director for SADC Council of NGOs**

Over the years, there has been research studies that have laid a foundation evidence based information that can assist in transforming the sector. The presentation focused on the perspective on enabling regulatory options for the NPO sector in South Africa. Civil society pre-1994 contained a large group of organizations. A key component of the development of the reconstruction and development programme. An enabling environment and supportive partnerships is seen as a key to development. The NPO Act was enacted and it brought optimism.

### **New Environment/Old Frameworks**

- Misalignment between legislation and current realities of the sector,
- Not a problem of intention but unintended consequences of state centric perspective.

Objects of Act 2. The objects of this Act are to encourage and support nonprofit organizations in their contribution to meeting the diverse needs of the population of the Republic by:

- a) Creating an environment which non-profit organizations can flourish,
- b) Establish an administrative and regulatory framework within which nonprofit organizations can conduct their affairs,
- c) Encouraging non-profit organization to maintain adequate standards of governance, transparency, accountability and to improve those standards.
- d) Creating an environment within which the public may have access to information concerning registered non-profit organizations.
- e) Promoting a spirit of co-operation and shared responsibility within government, donors and amongst others interested persons in their dealings with nonprofit organizations.

### **Cold Realities**

- Adoption of GEAR\end of honeymoon
- Competition of resources
- Chronic disinvestment
- Fragmentation of the sector (NGO,NPO, NPC, VA)

- Active hostility from the state to some components of the sector
- Rise of state dependent “non-profits” which come to dominate the landscape
- Low levels of skill/minimal rewards
- Shrinking accountability/Reduced legitimacy
- Growing out by NGOs

### **New Challenges**

According to the DSD there are currently 246 823 registered NPOs from 1994 est. 93 300. There has been a significant growth numerically, doubtful “return on investment” and growth of uncivil society. There is a widening gap between corporate and community based NPOs. Furthermore, there is a frozen legislative and policy space for the sector.

Civil society is an essential ingredient for democracy, the health of the sector is in direct proportionally to the health of our democracy, a measure of how effectively people exercise their self-activity and self-actualization.

### **Dimensions of NPO Communities**

- a) Communities of Interest
- b) Communities of values
- c) Communities of space/place

### **Lessons for future proofing the sector**

- Diversification of fragmentation
- Resourcing the rich or enabling self-organizations
- Optimal regulation –alignment to diversity; reducing administrative burdens
- Enhanced self-regulation; independence and social accountability
- Therefore, establish a Presidential Advisory Council for the NPO Sector
- Designed a universally accessible funding collection and distribution mechanism for all components of the sector.

## Questions, comments and answers

Theme/ Area	Question or Comment	Response
Partnerships	The millennium declaration which South Africa signed and joined a commitment to develop a strong partnership with the sector in pursued of the development and the PFMA had implications for the sector	As government and NDA there is a process underway of institutionalizing all the stakeholders and the civil society should carry the state civil society model and these model forward.
NPO Registration	The regulatory framework can be a setback or cumbersome for NPOs or CBOs when applying for the NPO registration with the NPO Directorate, I am a cofounder of an NPO that was established in 2020 we applied in September 2020 and we only received NPO registration certificate in June 2021. There is a challenge to communicate with NPO Directorate and their website in not user friendly	The Directorate acknowledge the delay but it was due to the lockdown when staff member started to work from home. The Directorate designed a catch-up plan and come up with ways of issuing registration certificates by emails. The directorate continue to communicate with clients with emails.
NPO Act	Is there a process to amend the NPO Act and if so will there be a public participation?  How do we access the gazzetted NPO Act?	Yes, the NPO Act amendment is currently in process and cabinet for public comment has approved it. Some of the research study that the department has looked into, what are the things that needs to be aligned to with the current environment informed the amendment.  The NPO Act will be published or gazzetted and the public will be able to submit comments.



	<p>There is a confusion at local government where the office of the mayor will deal with women, children and disability which a DSD role. The next thing there is parallel structures and confusion which I see as an interference as the council does not even know the NPOs and NGOs that are there the IDP is important but raw clarification is required as far as NPOs and NGOs</p>	<p>The NPO Directorate is a regulator. However, it is located within the Department of Social Development. The regulatory issues in the local government needs a collaborative work because NPOs offer different types of services. Municipalities also have a role in checking compliance of NPOs in their areas.</p>
<p>Capacity Building/Funding</p>	<p>How can the NDA assist in providing capacity building interventions to CSOs?</p>	<p>The NDA is a grant-funding agency in the sense that the NDA walk in communities, assess the needs of communities, and determine which interventions can be provided to communities. The NDA also facilitates support to civil society through other actors of development. The NDA provides partnerships. The NDA work with organizations that are youth lead or have members with disability. As the NDA, we also have capacity building interventions as well as referrals to other departments where we cannot provide assistance.</p>
<p>No Support from Department of Social Development &amp; Government Departments</p>	<p>There is a big gap between NPOs and government because we do not get any support DSD is not responding to proposal submission why is the department not responding to NPO proposals?</p>	<p>At a policy development DSD are not funders and the department cannot even discuss funding. The DSD can direct NPOs to other organizations that provide NPOs with funding.</p>

	<p>The paralegal NGOs are not supported by the DSD and the DSD does not want to issue these NGOs any funding or donation. Why is DSD not supporting the paralegal NGOs?</p>	<p>The NPO Directorate does not fund and it's not part of the directorate mandate. The fragmentation of the regulatory framework in the sector needs a synergy between the funders, the regulators and stakeholders that are responsible for the development of the country and ensure that NGOs are supported.</p>
Annual Reports	<p>Why is a delay on response to submission of Annual Reports?</p>	<p>The lockdown has affected the turnaround time to respond to such submissions and the department has put the mechanisms in place such as "Know your status campaign" collectively with the provinces. The staff has also been working overtime to catch up with the work that was affected by the lockdown.</p>
Budget	<p>Why is the budget for social welfare NPOs not published on DSD website?</p>	<p>As a regulator the focus is only on registration and monitoring compliance in terms of the NPO Act. However, different directorates handle issues that are related to funding. The provinces are the most appropriate stakeholders to publish the budgets and funding information.</p>

## **Wrap-up (Reflections)**

### **Mr. Thami Ngwenya – Senior Manager Research, NDA**

The NDA acknowledges and thankful of the panelist that have been part of the session. It is critical for the NDA to always bring back its work to the people that it affects the most in this case being the civil society organizations present in this webinar, all government departments and agencies that are involved. The entire panelist have done a very good work in terms of the engagements with presentations and the people that are on board on the forum. The NDA leadership has also played a crucial role in allowing the webinars and reaching out to the civil society organizations and the challenges that are faced by the CSOs. All thanks to the colleagues from NDA and HSRC that have played a role in organizing and facilitating the webinar. The participants who managed to be part of the webinar raised questions and comments, the session would not have been a success without your active participation.

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## GENERAL CONCEPT NOTE

### WEBINAR: CIVIL SOCIETY SECTOR REGULATORY FRAMEWORKS

**Organizers:** NDA and HSRC

**Date:** 19 August 2021, 10:00-13:00 (South African Time)

**Venue:** Zoom Webinar

#### 1. BACKGROUND

The civil society sector is the third pillar of any democratic governance state, it represents the interest of the society and communities – public interest. In South Africa, the sector play an important role in the social, political and economic development discourse. The increasing needs of society have underscored the requirement for the civil society sector to have the appropriate capacities, including appropriate legislative frameworks, to effectively address the demands of society. The sector, however, experience many challenges in their role of bridging the gap between the state and society, while also bridging the gap between themselves, which is manifested in a variety of ways.

The establishment of the NDA was a clear positive of government views on the role of civil society sector and the establishment of the Community Constituency at NEDLAC is commitment on the part of government in inclusion of this sector in all development and economic policies of the country. This commitment sits within the paradox of government also being increasingly apprehensive of the role that civil society plays in South Africa development and economic landscape. Nevertheless, the NDA notes that post-apartheid it was necessary to ensure that economic power was passed on to those who were left most vulnerable by the apartheid regime by working with civil society organisations. Civil society organisations, by virtue of their roots within

communities and the work they do with those most in need, are seen as partners through which service delivery can occur. The civil society sector present an opportunity for the government to develop effective and efficient partnerships. This sector is often able to identify the needs of communities more readily and have wider reach than state organs. As a result, investing in building the capacities and capabilities of the civil society sector becomes a valuable investment for government.

One of the seven priorities of the Sixth Administration announced by President Ramaphosa in his State of the Nation Address on 20 June 2019 is to focus on ‘A capable, ethical and developmental state’. Such a state cannot be achieved without an active and fully participating civil society sector. Historically, civil society has had a profound influence on the emergence, shape and nature of South Africa’s democratic society. The sector continues to play an important role in the social, political and economic development of the country. An active and independent civil society sector is necessary to help ensure that the state, the private sector, the general public, as well as the sector itself, fulfil their respective obligations in terms of the Constitution, including to –

- ‘...Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights;
- Lay the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law; [and]
- Improve the quality of life of all citizens and free the potential of each person;’  
(Preamble to the Constitution).

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The Non-Profit Organisations Act 71 of 1997 (NPO Act) is part of the legal framework to create an enabling environment for the sector. However, the NPO Act assumes that the state must play an administrative justice role for the sector, while the sector’s only role is to comply. These frameworks do not take adequate account of the fact that NPOs (or CSOs) are constituted for a range of purposes and in a variety of forms. These include such as voluntary associations that are established in terms of common law, as non-profit trusts established in terms of the Trust Property Control Act of 1988,

and as non-profit companies incorporated in terms of the Companies Act of 2008. These and other regulatory frameworks do not place appropriate responsibilities and accountability in the hands of the sector itself.

The South African context for the sector requires regulatory frameworks that do not merely establish organisations through a registration process of “one size fits all”. Instead, these frameworks should recognise the diversity of organisations operating in the civil society sector – and should recognise and regulate any organisation that does work for the ‘public good’. Within these regulatory instruments, there is no provision for the sectors to develop mechanisms for self-regulation to ensure full participation and ownership of these frameworks. It is for this reason that the sector with other social partners, including the state, must embark on dialogue and consultative journey to create a conducive environment to debate appropriate regulatory mechanisms that are supportive to well-functioning civil society in a democratic state.

The NDA commissioned the Human Sciences Research Council (HSRC) to conduct a research study with the main purpose of reviewing and analysing the current legislative, policy and regulatory environment for the sector and its impact on the functioning of civil society in South Africa. The NDA envisages that the output of this study will ignite debate and engagements between the state (i.e. the legislature and executive branches), and civil society sector leaders, structures and general membership on the legislative frameworks required to support functions of the civil society sector. The outcome is to ensure that South Africa has comprehensive legislation, policies, regulations and procedures that promote and enhance the effective functioning of South Africa’s civil society sector. The specific objectives of the research were to:

- describe the state of regulatory frameworks of the civil society sector in South Africa and contributory factors.
- produce analysis on the South African and global context on functional regulatory frameworks (legislation, policies, procedures) that promote a well-functioning civil society sector ‘to support democracy and development’.

- provide clear proposals on regulatory frameworks that can be useful for promoting the operating environment of the civil society sector in South Africa.
- benchmark with other countries, especially developing countries, on how they have collaborated with CSOs in advancing ‘their development agenda’.
- propose and recommend policy debate issues, policy proposals and discussions that can improve the South African regulatory framework for the civil society sector.

One of the key debates that now affects the civil society sector is what constitutes a developmental state. From a government perspective, the developmental state has been conceptualized around managing development, often through consultants and experts. A more liberal conception of the developmental state is one of partnering with marginalised constituencies to ensure development, often through civil society organisations.

## **2. OBJECTIVES OF THE WEBINAR**

Discussions will be based on insights from the National Development Agency’s *‘Regulatory Frameworks requirements for the South African Civil Society sector to promote active participation in developmental state’* (NDA, 2021). Findings that may be of interest for debate include existing frameworks that have failed to locate proper accountability and responsibility with entities in the civil society sector, many CSOs dislikes being treated as service providers by the state and private sector; existing frameworks discriminate against smaller organisations that fail to formally register because of complex and costly bureaucratic processes. In tackling these challenges, the objectives of the dialogue are to:

- Present the findings of the research and recommendations to the civil society sector, government and the business sector given their critical role in supporting the civil society sector in a coherent and integrated manner;
- Provide an overview perspective of the current regulatory frameworks in meeting the needs of the civil society sector from various experiences;

- Draw a road map for the sector based on research and experiences on how the sector can lead the process of designing and developing national comprehensive regulatory frameworks that are acceptable and working for the sector.

### **3. TARGET AUDIENCE**

This public dialogue aims to involve participants from the following groups:

- Civil Society sector and its membership
- Labour organisations
- Non-States/State-Owned Entities
- Government departments
- Academic Institutions
- Business organisations
- South African Public

### **4. OUTCOMES OF THE DIALOGUE**

The dialogue should not be perceived as an academic debate and just end at this level or report writing level, but should specifically influence development policy. The resolutions together with key lessons learned from the debates and discussions should be a guiding tool for the country in putting together regulatory frameworks for civil society operations in South Africa.

### **5. FORMAT AND COMMUNICATION IMPLICATIONS**

The dialogue will be communicated to the public through the assistance of the Communication Units at the NDA, SASSA, DSD, NEDLAC and HSRC. The dialogue will be virtual via Zoom webinar and live-streamed on the Department's Facebook pages. Registration is required beforehand; after which an email will be sent with guidance on how to join the dialogue. Furthermore, the Department and its agencies will put together a media advisory notifying the media outlets/houses of the event to solicit possible coverage.



## 6. DRAFT PROGRAMME

<b>WEBINAR: Civil Society Sector Regulatory Frameworks Policy Dialogue</b> <b>MODERATOR: Mr Xolile Brukwe - Stakeholder Manager, NDA</b>		
09:30-10:00	Online log-in	All
10:00-10:10	Welcome Remarks	Mrs Thamo Mzobe, CEO-NDA
10:10 -10:25	Overview and Background of the dialogue	Mr Bongani Magongo – Executive Director DMR, NDA
10:25 -10:40	Limitations of Regulatory Frameworks for Civil Society in South Africa	Mr Thulani Tshefuta – Chair of Convener NEDLAC Community
10:40-11:10	Research Findings and Recommendations on CS Sector funded by the NDA	Adv Gary Pienaar, HSRC and Dr Zaid Kimmie, FHR
11:10 -11:25	Private Sector Perspectives on civil society sector Regulatory Frameworks in SA	Business Unity South Africa
11:25 -11:40	NPOs/NGOs perspectives on current Regulatory Frameworks in SA	Mr Glenn Farred- Former Executive Director for SADC Council of NGOs
11:45-12:45	Q&A Session	All
12:45 -12:55	Wrap-up (Reflections)	Mr Thami Ngwenya- Senior Manager Research, NDA
12:55-13:00	Closure and Vote of Thanks	Mr Peter Netshipale – DDG Community Development, DSD

## 7. Contact for Further Information: Nthabiseng Kraai

Email inquiries to: [nthabisengk@nda.org.za](mailto:nthabisengk@nda.org.za)



# WEBINAR INVITATION

## CIVIL SOCIETY SECTOR REGULATORY FRAMEWORKS

**Date: 19 August 2021 (Thursday)**

**Time: 10:00 – 13:00**

**Platform: ZOOM**

The National Development Agency (NDA) commissioned the Human Sciences Research Council (HSRC) to conduct a research to review and analyze the current legislative, policy and regulatory environment for the Civil Society sector in South Africa as well as their impact on the functioning of the sector. The objectives of the Webinar are to:

- Present the findings of the research and recommendations to the civil society sector, government and the business sector given their critical role in supporting the civil society sector in a coherent and integrated manner;
- Provide an overview perspective of the current regulatory frameworks in meeting the needs of the civil society sector from various experiences;
- Draw a road map for the sector based on research and experiences on how the sector can lead the process of designing and developing national comprehensive regulatory frameworks that are acceptable and working for the sector.

**PLEASE CLICK HERE TO REGISTER**

**For further information contact: Nthabiseng Kraai ([nthabisengk@nda.org.za](mailto:nthabisengk@nda.org.za))**





# WEBINAR PROGRAMME

## CIVIL SOCIETY SECTOR REGULATORY FRAMEWORKS

**DATE: 19 AUGUST 2021 (THURSDAY) | TIME: 10:00 – 13:00 | PLATFORM: ZOOM**

**MODERATOR: MR XOLILE BRUKWE – STAKEHOLDER MANAGER, NDA**

09:30 - 10:00	Online log-in	All
10:00 - 10:10	Welcome Remarks	Mrs Thamo Mzobe, CEO-NDA
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11:10 - 11:25	Private Sector Perspectives on civil society sector Regulatory Frameworks in SA	Business Unity South Africa- Still to confirm
11:25 - 11:40	NPOs/NGOs perspectives on current Regulatory Frameworks in SA	Mr Glenn Farred – Former Executive Director for SADC Council of NGOs
11:45 - 12:45	Q&A Session	All
12:45 - 12:55	Wrap-up (Reflections)	Mr Thami Ngwenya – Senior Manager Research, NDA
12:55 - 13:00	Closure and Vote of Thanks	Mr Peter Netshipale – DDG Community Development, DSD





# NDA WEBINAR ON CIVIL SOCIETY REGULATORY FRAMEWORKS

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INPUT BY COMMUNITY CONSTITUENCY

Thulani Tshefuta

Thur, 19 August 2021



# Introduction and Context

- Civil Society as the “Third Sector”
- Community Constituency Civil Society as one of the four Social Partners
- Distinctive but Complementary Roles of Social Partners
- The centrality of the role of civil society is located on the premise that being organised is the prerequisite for the success of the agenda we seek to pursue
- Partnerships with civil society acknowledge that people and communities are not just passive beneficiaries but part of the solution in their own development (Social Capital)
- Priority number one of the MTSF is on Building a Capable, Ethical and Developmental State... Active Citizenry is one of the key tenants of this



# Regulatory Instruments

- The Constitution provides for a flexible enabling framework
- Civil Society is also affected by other legislations like the Companies Act, Tax laws,
- The NPO Act No. 71 of 1997 makes a clear distinction between creating an enabling environment for civil society and the other objectives regarding administration and regulation
- Furthermore, the Act promotes co-operation and shared responsibility between the state and civil society
- The preamble states, for example, that the objectives of the Act are:
  - To provide for an environment in which non-profit organisations can flourish
  - To establish an administrative and regulatory framework within which non-profit organisations can conduct their affairs.



# Constraints

- The early day introduction of Regulatory mechanisms came with the promise of formalisation, professionalisation, and increased funding for civil society
- One of the unintended effects of the legal instruments is the erosion of self responsibility for self initiative, including intra-sectoral accountabilities
- Top-Down regulatory instruments tend to introduce the compliance vs course dichotomy
- In appreciating the complementary role of social partners/sectors of society, there are programmes that are suffocated by the bureaucracy of government



# Constraints...

- Regulatory measures must not change the DNA of civil society of agility, responsiveness, relevance, self-reliance, and sustainability
- Government must disabuse itself of the notion of using Regulatory instruments to impose itself as the parent of civil society
- A One-Size-Fits-All set of regulations does not appreciate the fact that CSOs have different organisational forms and governance structures
- The current regulatory frameworks do not promote innovation that can come through social entrepreneurship
- Even measures that are intended to benefit civil society (e.g. tax benefits) are trapped in beaurocracy and rendered inaccessible





# Recommendations

- Regulatory Frameworks must help to unleash and realise the potential of civil society organisations
- Some elements of the Regulatory Frameworks must lead to the institutionalization of Public-Community-Partnerships to the scale of PPP
- Consider a Self-Regulatory approach for the sector



The End!

# Regulatory Frameworks for the Civil Society Sector

## NDA Policy Dialogue

19 August 2021

# Overview

- 1 Key Findings
- 2 Lessons from Comparative Studies
- 3 Recommendations

# Key Findings

- ◆ As already discussed there is a complex set of regulations governing civil society – NPO Act, NDA Act, Income Tax Act, Companies Act, etc
- ◆ Findings deal mostly with the NPO Act itself, and the manner in which it relates to the other provisions

# Findings (ctd)

These are all inter-related:

- ◆ Conceptual: Conflation of Regulatory, Oversight and Developmental Roles
- ◆ Design Issues
- ◆ Implementation Issues

# Regulatory, Oversight and Developmental Roles

- ◆ What are the regulatory, oversight and developmental roles?
- ◆ Developmental role assumes that civil society is a single coherent sector, and that the implementation mechanisms can be located in the DSD (through the NPO Directorate and the NDA). This assumption is unfortunately not true.
- ◆ Regulatory and oversight roles are resource-intensive but can be applied relatively uniformly
- ◆ Wide and overly-ambitious scope leads leads to a lack of focus on basic implementation

# Design of regulatory framework

- ◆ The “non-profit” assessment is conducted at the establishment of the legal form (i.e. non-profit company, voluntary association, non-profit trust) and then again under the NPO Act and/or the Income Tax Act. Additional layers of registration for CSOs providing services to the state.
- ◆ All CSOs are subject to the same registration and reporting requirements – negatively impacting smaller grass-roots organisations
- ◆ Location of NPO Directorate raises questions about civil society independence
- ◆ Accountability provisions not enforced/enforcable
- ◆ Mandate of NDA as conduit for funding largely abandoned



# Implementation

- ◆ Overly-ambitious goals coupled with lack of capacity – lack of necessary financial and human resources has resulted in weak implementation. The answer is not even more ambitious policies...
- ◆ Failure to produce/disseminate updated information about NPOs and the status of their compliance with the Act. One consequence is that we have poor data about the contribution (through employment, etc) of this sector.
- ◆ Limited transparency and accountability by CSOs to a broad range of stakeholders – accountability in practice largely limited to donors/funders. No procedure exists to enable a member of the public to report a CSO whose operations or activities are questionable to any independent institution.

# Comparative Studies

- 1 Sufficiently wide range of existing legal forms in SA
- 2 In UK registration with CSO regulator (Charities Commission) automatically confers registration with tax authorities
- 3 In US reduced compliance burden on smaller organisations (less than 50,000 USD)
- 4 Co-regulation models – non-profits assist in the public dissemination of CSO data
- 5 “Public Benefit” activities non-exhaustive (so no detailed listing of particular types of activities)
- 6 Many examples of good publicly available databases for easy registration, reporting and analysis.

# Recommendations

- ◆ The Act was too ambitious and has been poorly implemented. As it is currently constituted and implemented, it does not serve the purpose for which it was designed.

The amended Act should:

- Limit its application to non-profit entities that provide an external public benefit;
- Continue to confer formal legal status on organisations that choose to register; and
- Automatically register all participating organisations whose turnover falls below a certain threshold (say, R 250,000) with SARS as Public Benefit Organisations.

# Recommendations (ctd)

- ◆ The entity responsible for the implementation of the revised NPO Act should:
  - Establish an online facility for the easy collection and dissemination of data of those organisations that choose to register; and
  - Ensure that the information submitted is easily accessible online for public inspection.

# Recommendations (ctd)

- ◆ Registration and reporting simplified – a statement about the intent (i.e. purpose or mission) and basic capabilities (i.e. staff and main activities), a description of governance structures (including names and ID numbers of board members and office-bearers), and a summary of activities over the past year.
- ◆ Organisations with a turnover of more than R 250,000 per year should also submit annual financial statements, including the source of all income and a summary of expenditure. Organisations with a turnover of less than R 250,000 need only provide a summary financial statement.

# Recommendations (ctd)

- ◆ The regulatory entity should not take responsibility for the accuracy or completeness of the data submitted, as it is unlikely in the foreseeable future to have the capacity to undertake onerous compliance monitoring.
- ◆ The fact of registration on the database should not be taken as certifying that the CSO possesses the claimed capabilities. Entities that wish to provide funds to CSOs, be they some form of funder or a state entity, should have the systems in place to verify that the recipient has the capabilities to deliver on the outputs required.
- ◆ The basic information available, and the fact that the organisation concerned is able, or not, to regularly update their information, should be considered by the funding entity, but should be treated

only as a preliminary requirement.

# Recommendations (ctd)

- ◆ CSOs providing services on behalf of or with government entities should continue to be regulated in terms of the requirements of the relevant professional field with registration only an immediate precondition for state funding.
- ◆ The regulatory authority should publish annual updates on the state of the database, including the number and type of CSOs registered, and those that have up-to-date information.
- ◆ The question of whether to establish an independent entity with regulatory functions and a complaint mechanism should be investigated further, but this issue should be separated from the management of the registration process outlined above.



# Recommendations (ctd)

- ◆ CSOs should give serious consideration to voluntarily holding themselves to objective standards of good governance, for example, through adoption and implementation by their boards of the letter and spirit of the Independent Code of Governance for Non-profit Organisations in South Africa (Inyathelo, 2012).
- ◆ Given that it will perform purely transactional and administrative functions, we do not believe that the location of the entity will, in the short-term, make a substantial difference.
- ◆ A separate framework to regulate organisations that solicit funds from the general public (and that receive funds above some threshold amount) should be put in place in order to ensure that such organisations are able to publicly account for any funds they receive.

# Regulatory Frameworks for the Civil Society Sector

## NDA Policy Dialogue 19 August 2020

Adv Gary Pienaar  
Developmental, Capable and Ethical State, HSRC  
and Foundation for Human Rights



science & innovation  
Department:  
Science and Innovation  
REPUBLIC OF SOUTH AFRICA



# Presentation outline

- ❖ Theoretical framework: What is ‘civil society’?
- ❖ Diversity of forms, functions, locations and contexts
- ❖ Statutory definitions: complexity, constraints and risks
- ❖ Regulatory options
- ❖ Enabling environment and filling the ‘accountability gap’
- ❖ Values, principles and perspectives

# What is civil society?

- ❖ Public entities operating outside of the family, state and private sector that collectively form a powerful space for social cohesion and solidarity, service delivery and a voice of critique and expression, and as a key partner in a free and democratic society.
- ❖ An explicit citizen-centric focus: ‘An ecosystem of organised and organic social and cultural relations existing in the space between the state, business, and family, which builds on indigenous and external knowledge, values, traditions, and principles to foster collaboration and the achievement of specific goals by and among citizens and other stakeholders’ (Van Dyck, 2017: 1).

# Civil society's diversity

- Multi-faceted diversity, including features such as form, size, capacity, location, degree of formalisation, objectives, roles and functions, degree of autonomy, relationship with the state or govt, & sources of funding.
- These differences exacerbated in SA - continuing legacies of apartheid, e.g. socio-economic and spatial inequalities.
- SA CS compelled to take on a broad array of activities because of governance and market failures, e.g. laudable response by CSOs to the desperate needs arising from socio-economic impacts of Covid-19 pandemic.



# Civil society as partners

- Civil society ‘structures form a powerful space for social cohesion and solidarity, service delivery and a voice of critique and expression.’ CS ‘is thus a key partner in a democratic and free society’ (CASE, 2008).
- Partnership with particular pertinence in SA: civil society, especially social justice and human rights organisations, played a fundamental role in the struggle against apartheid and its legacies, and in the transition to democracy.
- Key actors of democratic transformation, spearheading many initiatives for constitutional and legal reforms, litigating public interest cases, contributing to policy development, providing technical and professional expertise, research and analysis, and by raising constitutional awareness to help eradicate poverty and inequality.



# Existing regulatory frameworks (1)

- NPO Act 1997 does not define civil society or CSOs, but focuses narrowly on the scope of its mandate - NPOs, which are defined as:
  - a trust, company or other association of persons
  - (a) established for a public purpose; and
  - (b) the income and property of which are not distributable to its members or office-bearers except as reasonable compensation for services rendered.
- The Act focuses on the intent of the organisations to which it applies: a public purpose and are not formed to personally enrich its members or office-bearers.
- ‘Public purpose’ is not defined in the NPO Act.

# Existing regulatory frameworks (2)

- Income Tax Act 1962: ‘public benefit organisation’ (PBO) - organisations that have been granted tax exemption. A PBO’s sole or principal object must be one or more public benefit activities listed in the Act; and activities must be carried on in a non-profit manner and with altruistic or philanthropic intent. (Restrictive closed list.)
- Value-Added Tax Act 1991: confers certain benefits on organisations that qualify as ‘associations not for gain’, ‘welfare organisations’ or both.
- NDA Act 1998 - even more laconic and narrower than NPOs in the NPO Act 1997: a CSO is ‘a trust, company or voluntary association established for a public purpose, but does not include an organ of state.’



# Legislative hierarchy

These laws represent a hierarchy of definitions:

- Broadest (NDA Act 1998): all PBOs whether or not established on a non-profit basis
  - Slightly less broad (NPO Act): all non-profit PBOs
  - More restrictive approach (Income Tax Act): NPOs working for the common good in specified areas
  - Most restrictive (VAT Act): ‘associations not for gain’ / ‘welfare organisations’
- All definitions have a common thread: focus on the organisation’s intent rather than its form



# Definitional options

- Most general approach: specify all entities with a public benefit purpose as CSOs, regardless of non-profit modality. Risk: Too broad and cumbersome?
- NPO Act is more tailored: limited to NPOs with a public benefit purpose. Risks: 1. Ignores different types of entities and their particular purposes, e.g. charity or tennis club. 2. Definition of 'public purpose' is open to broad interpretation.
- SARS' defns restrict scope by listing qualifying types of activities. Risk: omission constrains sector's dynamism.
- All approaches treat entities as homogeneous. Risk: overlook some complexities of different organisational forms.
- Definitions proposed in DSD's 2012-14 draft policy framework attempted to uncover these differences.

# Context matters

- Any discussion of CSOs should take account of theoretical and historical perspectives, as well as the practical difficulties of defining entities.
- Option: ‘CSOs are non-profit entities that may take different forms and operate for the public benefit (i.e. either the non-monetary benefit of its members or a specified group of external beneficiaries)’?
- Crucial distinction between organisations that serve their members rather than some external group for public benefit.
- Although option above includes both types, it is arguable that the scope of regulatory frameworks should be limited to the latter. Why?



# Internal orientation

- Organisations acting on behalf of their members are already adequately governed by –
  - ✓ their internal democratic practices (founding doc); and
  - ✓ the existing legal framework, which offers relief to members whose interests may have been prejudiced.
- From a regulatory perspective, therefore, no added value in further legislation to cover these entities.

# External orientation

- New regulatory framework for CS should therefore be limited to those entities who act, or purport to act, on behalf of members of the public, but are not currently directly responsible or accountable to that constituency.
  - Entities may have some limited form of internal accountability (boards of directors, management-staff reporting lines, etc.),
  - But this is a poor substitute for broader stakeholder accountability.
  - Applies to most CSOs and social movements - they often claim to represent a broader constituency than their registered members.
- Regulation should, then, focus on providing an enabling environment and filling this 'accountability gap'.



# Guiding values, principles and perspectives

- ❖ Strategic-level understanding of roles and functions of CS in our particular political, economic and social context - Constitution and NDP.
- ❖ A regulatory framework for CS is closely linked to constitutionally guaranteed rights to freedoms of association, expression, assembly, the right to property and the right of the public to participate in decision-making by the state.
- ❖ CS operation and functioning are subject to the general provisions of law, e.g. admin law, labour law, civil law, criminal law, company law, and law on contracts, trusts and tax.
- ❖ SA recognises special role and features of CS and the unique circumstances in which CS operates, and hence has adopted laws specifically governing CS.

# Thank you

## Contact Details

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**PERSPECTIVES ON  
ENABLING REGULATORY OPTIONS  
FOR THE NPO SECTOR  
IN SOUTH AFRICA**

Glenn Farred  
19 August 2021



# A product of optimism...

- Civil society pre-1994 contained a large group of organisations, *viz* “Struggle NGOs”
- A key component of the development of the Reconstruction & Development Programme (1994)
- An enabling environment and supportive partnerships seen as key to development
- NPO Act was enacted at a time:
  - Great optimism for SA future
  - Consolidation of democracy
  - National focal point and legitimate voice in SANGOCO

# Cold Realities...



- Adoption of GEAR\end of honeymoon
- Competition for resources
- Chronic disinvestment
- Fragmentation of the sector (NGO;NPO; NPC;VA)
- Active hostility from the State to some components of the sector
- Rise of state-dependent “non-profits” which come to dominate the landscape
- Low levels of skill/minimal rewards
- Shrinking accountability/reduced legitimacy
- Crowding out by INGOs?

## New Environment/Old Frameworks?

- Misalignment between legislation and current realities of the sector
- Not a problem of intention but unintended consequence of state-centric perspective

*“Objects of Act 2. The objects of this Act are to encourage and support nonprofit organisations in their contribution to meeting the diverse needs of the population of the Republic by—*

- (a) creating an environment in which nonprofit organisations can flourish;*
- (b) establishing an administrative and regulatory framework within which nonprofit organisations can conduct their affairs;*
- (c) encouraging non profit organisations to maintain adequate standards of governance, transparency and accountability and to improve those standards;*
- (d) creating an environment within which the public may have access to information concerning registered nonprofit organisations;*
- (e) and promoting a spirit of co-operation and shared responsibility within government, donors and amongst other interested persons in their dealings with nonprofit organisations.”*



# New Challenges

According to the DsD, there are currently **246 823** registered NPOs from 1994 est. **93 300**

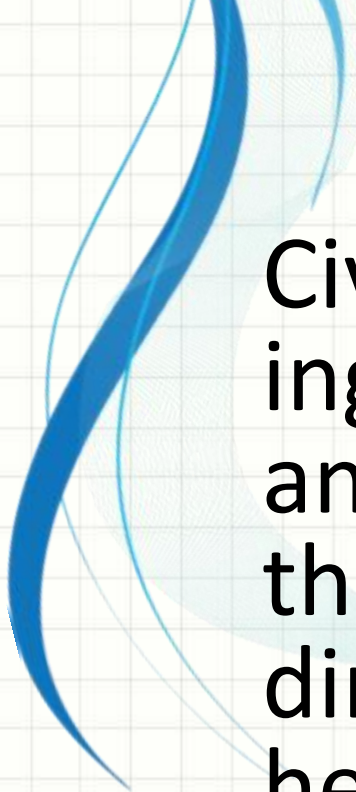
Significant growth numerically, doubtful “return on investment”

Growth of “uncivil society”

Widening gap between corporate and community based NPOs

A frozen legislative and policy space for the sector



A decorative graphic on the left side of the slide, consisting of several overlapping, wavy blue lines that curve upwards and then downwards, resembling a stylized 'S' or a ribbon. The lines are in various shades of blue, from light to dark.

Civil society is an essential ingredient for democracy and an outcome of democracy – the health of the sector is in direct proportionality to the health of our democracy - a measure of how effectively people exercise their self-activity and self-actualisation

# Dimensions of NPO Communities

1

- Communities of interest

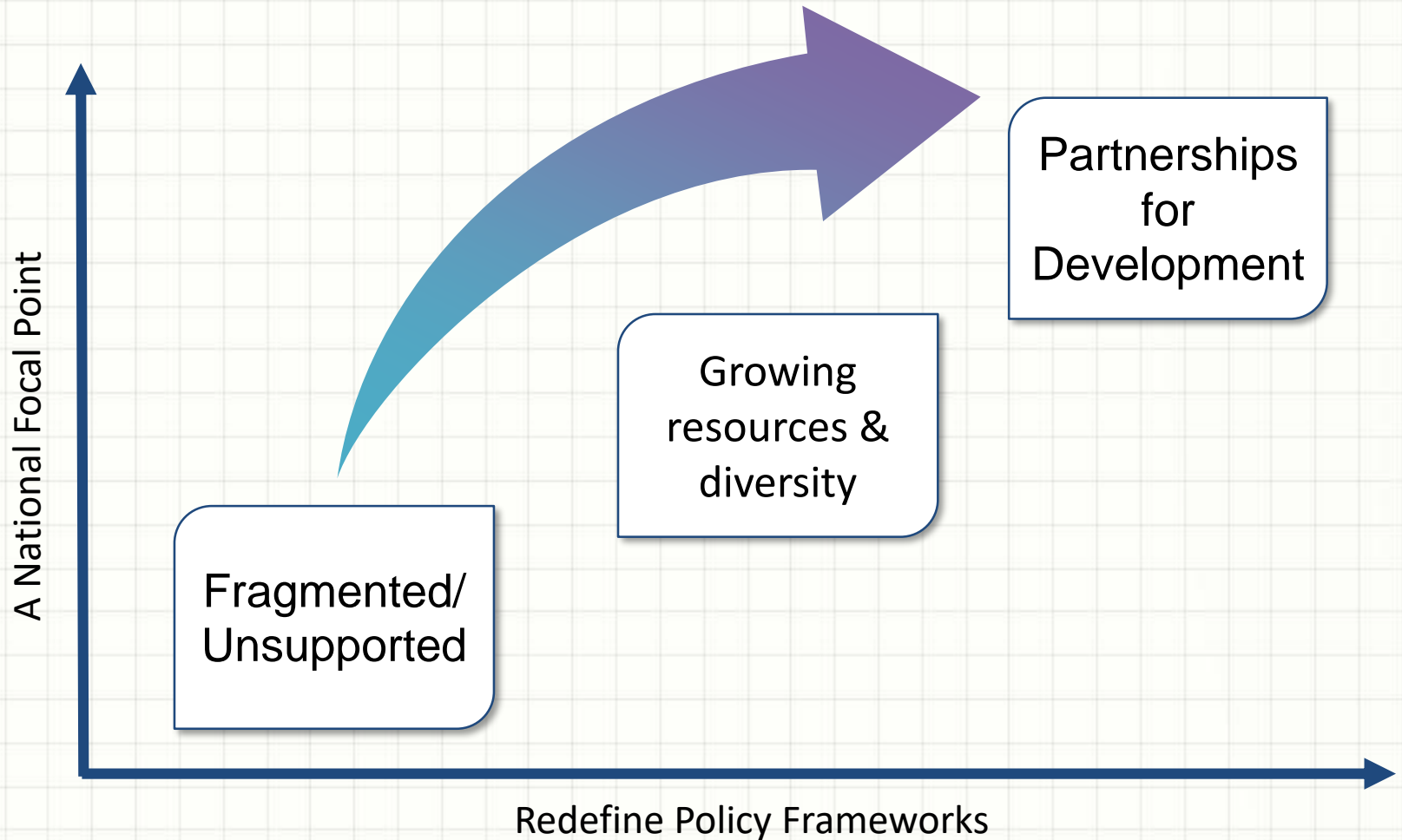
2

- Communities of values

3

- Communities of space/place

# Working Toward Mastery



# Object lessons for future proofing the Sector

- Diversification or fragmentation?
- Resourcing the rich or enabling self-organisation?
- Optimal regulation – alignment to diversity; reducing administrative burdens
- Enhanced self-regulation; independence and social accountability:

*3. State's responsibility to nonprofit organisations. Within the limits prescribed by law, every organ of state must determine and co-ordinate the implementation of its policies and measures in a manner designed to promote, support and enhance the capacity of nonprofit organisations to perform their functions.*

- Therefore establish a **Presidential Advisory Council** for the NPO Sector
- Designed a **universally accessible funding collection and distribution mechanism** for all components of the sector (derived from 1% levy of all CSI and philanthropic giving)



# Resources

- <Intranet site text here>  
[<hyperlink here>](#)
- <Additional reading material text here>  
[<hyperlink here>](#)
- This slide deck and related resources:  
[<hyperlink here>](#)