

**SUBMISSION BY THE BUDGET JUSTICE COALITION (BJC) ON
THE 2019 MEDIUM TERM BUDGET POLICY STATEMENT (MTBPS)
& THE 2019 ADJUSTMENTS APPROPRIATION BILL
TO THE STANDING AND SELECT COMMITTEES ON APPROPRIATIONS**

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Submitted by:



For further information, contact:

Dullah Omar Institute | Samantha Waterhouse | swaterhouse@uwc.ac.za | 084 522 9646
Studies in Poverty and Inequality Institute | Sacha Knox | sacha@spii.org.za | 083 688 3158
Institute for Economic Justice | Busi Sibeko | busi.sibeko@iej.org.za | 065 913 6881
Public Service Accountability Monitor | Zukiswa Kota | z.kota@ru.ac.za | 072 648 3398
SECTION27 | Daniel McLaren | mclaren@section27.org.za | 079 9101 453
Equal Education | Sibabalwe Gcilitshana | sibabalwe@equaleducation.org.za
Rural Health Advocacy Project | Russell Rensburg | russell@rhap.org.za | 076 309 4261
Rural Health Advocacy Project | Kirsten Pearson | kirstenpea2@gmail.com | 082 936 1898
Budget Justice Coalition | Andile Cele | andile.bjc@gmail.com | 072 504 1116
AIDC | Dick Forslund | dick@aidc.org.za | 082 895 7947
PLAAS | Dr Farai Mtero | fmtero@plaas.org.za | 021 959 3729

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PART 1: INTRODUCTION AND OVERVIEW

The 2019 Medium Term Budget Policy Statement (MTBPS) and the Adjusted Estimates of National Expenditure (AENE) are the first of the 6th democratic administration. The Budget Justice Coalition's (BJC) current and past submissions have illustrated that the preceding administration was characterised by budget cuts and harmful adjustments to key social programmes, as well as poor planning in relation to the delivery of social services, underspending in departments essential for the realisation of basic human rights, high levels of unemployment, debt, and highly compromised governance of state-owned entities (SOEs). The People of South Africa would like to see the 6th democratic administration turn the tide and we provide ideas in this Submission for how it can begin to do so.

Many have raised alarm at South Africa's current economic trajectory, which can be described as one of austerity - defined as "difficult economic conditions created by government measures to reduce public expenditure."¹ Such measures are usually implemented to allow the state to prioritise debt repayments in order to reduce government borrowing and debt exposure. Commonly implemented austerity policies by the state include: spending cuts, regressive tax increases, or a combination of both. The United Nations Committee on Economic, Social and Cultural Rights (UN Committee), released its Concluding Observations² on South Africa's implementation of economic and social rights in October 2018. The Committee, whose recommendations are binding since government ratified the International Covenant on Economic, Social and Cultural Rights (ICESCR) in 2015, made various observations and recommendations³ and stated that it was "concerned that [South Africa] has introduced austerity measures to relieve the debt level". The Committee observed that the austerity measures being introduced in South Africa risk further exacerbating inequality and potentially undoing progress achieved, particularly in sectors such as health and education. It is against this backdrop that the BJC urges the Standing and Select Committees on Appropriations to intervene to safeguard important social spending areas.

In this submission, we focus on the in-year adjustments to expenditure and the impact of such policy decisions and related budget execution on social programmes. While an analysis of South Africa's macroeconomic policy environment is not within the ambit of this submission, we acknowledge that decisions made at that level are often presented as *fait accompli* and force impossible choices at the level of appropriations for both national and provincial government. For this reason, we urge the Appropriations Committee to also read the BJC's submission to the Finance Committee, made on 5 November 2019⁴, which makes clear that there are alternatives. That submission points out that austerity resoundingly fails to solve the problem it purportedly seeks to address: rising debt levels. Not only does austerity cause further economic harm by weakening demand in the economy, but it also has devastating implications for people's lives, in particular low-income households. The BJC submission to the Finance Committee provides a concise analysis of why government finances are so constrained, and it also shows that they needn't be; providing clear and well-researched alternatives

¹ Available via Oxford Dictionary online at <https://en.oxforddictionaries.com/definition/austerity>

² UN Committee on Economic, Social and Cultural Rights, Concluding Observations on the Initial Report of South Africa on its Implementation of the ICESCR (October 2018). Available at: https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=E%2fC.12%2fZAF%2fCO%2f1&Lang=en

³ Mark Heywood UN committee finds austerity measures implemented in SA 'may further worsen inequalities' Daily Maverick January 2019 (accessed at <https://www.dailymaverick.co.za/article/2019-02-19-un-committee-finds-austerity-measures-implemented-in-sa-may-further-worsen-inequalities/> September 2019).

⁴ Available at: <https://budgetjusticesa.org/assets/downloads/BJC-MTBPS-Finance-Submission-2019.pdf>

to the continued cuts and squeezes to social spending that are resulting in regression in the enjoyment of Constitutional rights.

1.1 OVERVIEW OF KEY ADJUSTMENTS

The Budget Justice Coalition places importance in the adjustments made to the current spending plans of national departments. A particular area of concern relates to the increase in specific department's declared unspent funds. In 2018/19 - 6 departments declared unspent funds amounting to R 328.8 million while unspent funds amounted to R 3.9 billion across 28 departments. While this may be a result of savings in programmes of some departments - it is imperative to ensure that unspent funds do not disadvantage social programmes. We are concerned that in the 5 year period between 2014/15 and 2018/19, 94% of the education infrastructure budget amounting to R58.4 billion was spent and only 67% of the associated planned targets were achieved by the Department of Basic Education.⁵ This includes only 23% of targets in the Accelerated School Infrastructure Delivery Initiative and 70% within the Education Infrastructure Grant (EIG). Over this 5 year period; R10.2 billion was allocated to the ASIDI and R48.2 billion for the EIG. We are concerned by the potential impact of unspent funds on service delivery in water and sanitation given R 215 million unspent in Water and Sanitation including R 185 million from the regional bulk infrastructure indirect grant particularly in light of ageing municipal water infrastructure.

Table 1 illustrates the highest unspent funds for 2019/20.

Table 1: Ten largest declared unspent funds in 2019/20 Adjusted Budget

Department	Total Unspent Funds 2019 (ZAR)
Department of Higher Education and Training	897,100,000
Police	703,618,000
Department of Health	346,000,000
Cooperative Governance and Traditional Affairs	310,500,000
Small Business Development Department	300,000,000
Department of Energy	256,464,000
Department of Water and Sanitation	215,000,000
National Treasury	179,359,000
Rural Development and Land Reform	117,294,000
Correctional Services	100,000,000

The Department of Police tabled unspent funds of R 150 million in 2018, which increased markedly to R 703.6 million in the current financial year. While there were no declared unspent funds for the Department of Health in 2018; a total of R346 million was declared unspent in October 2019. This

⁵ This trend is highlighted in the recent provincial audit report (2018/19) issued by the Auditor General in which several departments failed to meet their targets despite having spent most or all their allocated budgets in some instances : <https://www.agsa.co.za/Portals/0/Reports/PFMA/201819/GR/PFMA2018-19%20-%20Section%205.pdf>

includes unspent funds amounting to R240 million is in the National Health Insurance programme as a result of slow spending.

Figure 1: Declared unspent funds in 2018/19

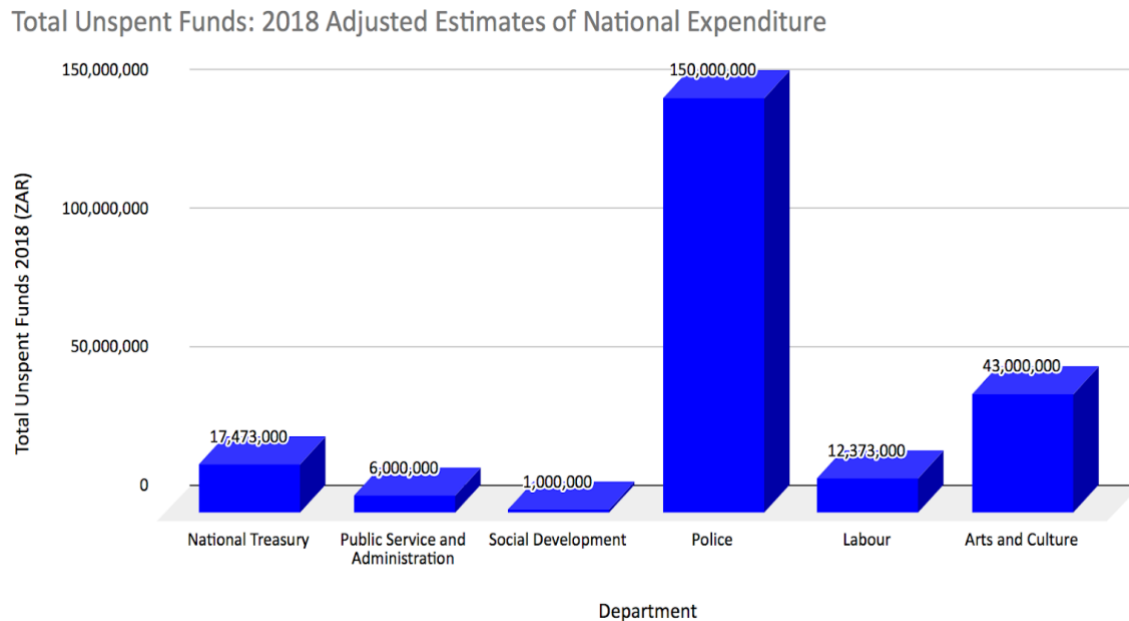


Figure 1 reflects the six departments in 2018/19 that declared unspent funds. The highest unspent amount in 2018 was R 150 million (Police) while in 2019 the Department of Higher Education and Training intends to return R 897.1 million to the National Revenue Fund. This includes unspent funds in higher education institutions (R 350 million) and R 400 million from the infrastructure efficiency grant. We call on the Committee to ensure that this does not occur at the expense of provisioning of key services in these institutions - particularly those with significant infrastructure maintenance and student accommodation backlogs.

Further detail is provided in latter sections of this submission pertaining to these adjustments as well the impacts of austerity on key departments.

The following was tabled by the Auditor-General on 20 November 2019 and is worth noting in relation to preceding performance by the Department of Water and Sanitation:

“The department needs to improve the planning and implementation of... the bucket eradication programmes..... Based on the current year’s performance of the bucket eradication programme of just over 2 000 households, **it would take the department well over a 1 200 years to fully address the backlog of 2,6 million households without access to basic sanitation services reported in 2015 – and this does not even include the new demand.**”

As an important measure to prevent regression in the realisation of socio-economic rights, the BJC asserts the need to improve, across government, the efficiency and effectiveness for spending allocated budgets. While difficult - and often very harmful- adjustments to budget allocations are presented as ‘necessary’ and ‘unavoidable’, we cannot help but question this against massive swathes of underspent budget which do not get re-appropriated/allocated to critical areas. What we are not seeing is what measures are proposed to change the damaging status quo, particularly in departments

where this has become standard. We propose that the Committee require national and provincial departments to provide clear ‘turnaround’ strategies, which themselves will require some budget allocations, for improved efficiency and effectiveness on spending budgets. The role of National and Provincial treasuries to support and monitor this in the departments most affected must be clearly set out. To continue to identify underspending as a problem while superficially focusing on reallocations and failing to grapple with the specifics of this issue at hand is proving entirely ineffective.

1.2 INTERSECTIONAL FEMINIST ANALYSIS

We have attempted to provide an **intersectional feminist analysis of the MTBPS and AENE** however, such analysis is hampered by the overall gender-blindness of planning, performance and budget data in the documents provided by The Treasury and in department documents. It is our hope that by raising questions related to this form of analysis we will inspire improved thinking across the state and importantly improved information in future finance and appropriations related documents so that we can begin to effect the changes to both budgets and programmes that will give real meaning to the concepts of equality and redistribution enshrined in the Constitution.

What the BJC means by ‘intersectional feminist budgeting’

Our analysis is ‘non-binary’ – we do not focus only on the categories ‘women/girls’ and ‘men/boys’ when undertaking ‘gendered’ analysis because this fails to recognise the spectrum of gender identifications or to understand how gender non-conforming people are affected across departments, programmes and budgets. We note a tendency in Government Frameworks to focus on ‘gender’ in terms of cisgender⁶ women.⁷ The BJC uses the spelling ‘womxn’ to denote our recognition of any person identifying as ‘womxn’ and in recognition of the full spectrum of gender diversity.

Gendered analysis has generally relied on a limited notion of ‘women’s [sic] issues’ such as gender-based violence, sexual and reproductive health, or women’s [sic] representation etc. These are critical areas and must receive the attention they do, however a feminist analysis recognises the broader impacts of structural violence on womxn and gender diverse people, resulting not only from capitalist neo-liberal approaches but also from embedded patriarchy and heteronormativity and consider how these norms manifest in people’s daily lives at all levels and across sectors (transport, water, minimum wage, industry). Are measures in place to substantively transform the deeply entrenched patriarchy and heteronormativity across our society that has maintained the discriminatory status quo thus far? Are womxn’s and gender diverse people’s contributions to the economy recognised? Does the substance of programmes, budgets and priorities address the evidence of womxn’s and gender diverse people’s lived experiences, both in terms of access to appropriate services, but also, whether or not the decision making structures and processes incorporate them at all levels.

Our intersectional approach means that we recognise the different lived experiences of different womxn and groups of people. Relying on information on how the ‘intersections’ of race, class, gender identity, age, geographical location, disability, migrancy and so forth, impact on different people’s lives. This assists in ensuring an understanding from a programmatic and budgetary perspective of what different people require from services and assists with identifying, for the sake of substantive equality, which groups, subjected to the most serious levels of discrimination and exclusions, must be prioritised for interventions.

⁶ A term for people whose gender identity matches the sex they were assigned at birth.

⁷ For example the December 2018, government ‘Framework on Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing’.

Our submissions attempt to address feminist questions both in terms 'big picture' issues across sectors, as well as on issues specific to the recent Gender-Based Violence and Femicide (GBVF) Emergency Plan. Given its stage of development, we have not engaged in these submissions with the National Strategic Plan for Gender Based Violence (GBV).

From an intersectional feminist perspective, **we are deeply concerned that substantial cuts to provincial transfers and to local government will disproportionately affect groups that experience higher levels of discrimination and exclusion through the negative impact on service delivery.** We see no evidence in the MTBPS nor in the AENE to assure us that this is not the case. Allocations to these spheres of government are critical, not only to service delivery in general, but to realising transformation of patriarchal norms in services. **At a time when additional leadership, strategy, programming and budgeting is required at this level, the cuts are of great concern. The current pressures on all budgets, exacerbated by the deeper austerity measure of cutting social spending, require direction and this direction should be clearly articulated in the MTBPS.**

The MTBPS states that the priority area of the GBVF Emergency Plan will be funded over the next three years through adding funds to the Provincial Equitable Share (PES), while also outlining the reduction of funds to the PES by R7.3 billion. **We thus require more information on how the GBVF Emergency Plan funds are increased in the PES while it is being decreased overall.** What elements of the PES are being cut to cover the overall cuts and to accommodate the additional funds for GBVF? **The policy and budget documents relating to the plan fail to provide any information regarding what direction is being given to national and provincial departments or municipalities regarding allocations and spending on GBVF, including direction on where to make cuts, and where not to.**

Despite assurances that cuts to the **Government Compensation Bill** will avoid cutting salaries in essential services, we require more information on how this will be achieved. The cuts in the **Wage Bill** will potentially affect all areas and all members of the public, with the biggest impacts being felt by those who are working class or live in poverty. However, what seems less obvious is the fact that the MTBPS is **gender-blind in its approach to how it will ensure that these cuts do not undermine strategies to increase job security for womxn and vulnerable groups-** in this case, within government- and to how the cuts will protect against the degrading of essential- and frankly, at times non-existent- services to address the lived contexts of these vulnerable groups.

The MTBPS, AENE and Department Performance Plans must demonstrate that cuts to the Wage Bill will be done with care not to affect the provision of essential services targeting womxn, girls and gender non-conforming people, and that the necessary expansion of services to address the severe gaps in programmes affecting these groups will actually be possible in the face of these cuts. **These cuts must not undermine efforts to ensure that an equitable and redistributive portion of compensation budget is spent on employing black womxn, people with disabilities/and womxn and gender non-conforming people generally within all government salary levels.** Frozen and unfilled posts, for example, can undermine the goal of increasing black womxn's representation at more senior levels. Information of this nature must be included in strategic thinking and documentation.

Ensuring that cuts and underspending in compensation budgets from the SAPS, NPA, Justice, Health, and Social Development, as well as at the Municipal level do not affect the GBVF Emergency Plan, is critical, as the Plan will succeed or fail based on the number and quality of people who implement it.⁸

⁸ There is evidence, for example, from over a decade ago, that investing in skilled and experienced staff for specialised policing and prosecutions, had a large positive impact on access to justice. Unfortunately those programmes were regressed and eventually replaced by initiatives that focused more on expenditure for fixed

PART 2: KEY FINDINGS AND RECOMMENDATIONS

2.1 AN INTERSECTIONAL FEMINIST APPROACH TO THE ECONOMY & THE AENE

Findings:

- The unpaid labour performed disproportionately by womxn is not reflected in the MTBPS in terms of its impact on womxn's time, health and resources, nor its value to the economy.
- There's no indication of an understanding of how cuts in budgets to departments, provinces and local government could exacerbate additional burdens on womxn.
- A significantly higher proportion of womxn are unemployed (41,9%) than cis-men (35,3%), and more womxn are employed in the informal sector than cis-men (47.6% compared to 30.6% of cis men).
- Increasing unemployment and income insecurity is linked to increased levels of exploitation of people in precarious forms of labour, which also offer no social protection.
- Cuts to and pressures on community development related funds, at all levels of government, affect womxn and gender non-conforming people by limiting their access to water, electricity, safe toilets, and safe transport, amongst others.
- Department of Cooperative Governance and Traditional Affairs declares R300 million unspent on the Community Work Programme – this is an allocation that could have been used to support womxn's employment.
- National Treasury declared R157 225 million from the Jobs Fund unspent
- Department of Arts and Culture declared underspending of R45.4 million
- R300 million has been declared underspent by the Department of Small Business Development, from the Small Enterprise Finance Agency's 'Small Business and Innovation Fund'.

Recommendations:

- All departments and especially the Treasury and Stats SA must start to consider the costs to womxn and the benefits to the economy of womxn's unpaid labour
- National budget documents must demonstrate how sectoral investments to stimulate the economy and create jobs also answer the question of gendered inequality in employment in those sectors.
- Government must take a stronger stance with the private sector regarding employment equity, in particular regarding strategies to address the under employment of black womxn.

2.2 HEALTH

Findings:

- Austerity budgeting will not relieve but instead will deepen the pressure on our underfunded public health system.
- No mention of the committeemen to spend R1 billion on the implementation of the minimum wage for Community Health Workers.
- Womxn and girl children generally carry the burden of providing care and health support in families and homes, this is not being taken into consideration.

assets. Appointing unskilled and inexperienced people can reverse the gains made then and worsen the current situation.

- Vast underspending in critical programmes by the department – R260 million in the NHI indirect grant; R11 million on the Human Papilloma Virus (HPV) grant.

Recommendations:

- All CHWs fully employed and earning decent wages by the end of the financial year
- The National Department of Health must explain why there continues to be such high levels of under-expenditure on the NHI indirect grant each year and what its plan is to tackle this.
- We would like to know why we are 1 million people short of our HIV/AIDS treatment targets this year and what measures are being taken to address this
- What steps are being taken to address under-expenditure and missed targets on health infrastructure, such as the fact that only 7 out of 45 health facilities identified at the start of the financial year for maintenance, repairs or refurbishments have been completed.

2.3 EDUCATION

Findings:

- Based on current projections, we are likely to spend R7 billion less on education in the 2020/21 financial year, than what plans reflected in 2017.
- The budget for the School Infrastructure Backlogs grant (SIBG) continues to decline in the next financial year, with a projected R350 million real decrease.
- No introduction of the scholar transport grant.
- Cuts to education budgets exacerbates womxn’s unpaid labour, as it is often womxn who are more likely to carry the responsibility of dealing with all aspects of children’s education career.
- Girl children, gender non-conforming students and learners with disabilities already face barriers to their education, these cuts could exacerbate these.

Recommendations:

- Drastic steps be taken to ensure that bailouts for state-owned entities cease to divert funds from critical social spending priorities such as basic education.
- The Committees evaluate National Treasury’s MTEF projections for basic education funding and insist that the basic education sectoral budget be considered for an annual real increase greater than 0.8% in the 2020/21 financial year.
- The Committee request the DBE and PEDs to report on interventions to improve spending and delivery
- The Committee establishes clear plans to ensure that cuts to education do not exacerbate barriers of access to girls, gender non-conforming students and learners with disabilities.
- The Committees ensure stakeholders such as National Treasury provide support to the Department of Basic Education (DBE) and Provincial Education Departments (PEDs) to strengthen their ability to efficiently spend allocated funds.

2.4 SOCIAL DEVELOPMENT

Findings:

- 25.2% of the population live below the Food Poverty Line and there is no access to social security to poor people between the ages of 18 and 59.

- Recent research has identified a Decent Standard of Living of R7 236 per person per month in 2019 prices. The 2019 Child Support Grant (CSG) constituted just 6% of this standard, while the Old Age and Disability Grants constituted only 24% of this value.
- The Child Support Grant (CSG) of R430 is well below the value of the Food Poverty Line of R561/person/month, let alone the Upper Bound Poverty Line (R1 227), which is still regarded as a survivalist measure.
- Access to grants, increases food security and the quality of livelihoods not only for the direct recipient, but also for the extended family.
- There is a reduction of R60 million from grant administration within the South African Social Security Agency (SASSA) towards the government priority of GBV.
- The Department of Social Development declared R70 million unspent on social worker scholarships due to the bursary scheme being terminated in 2018/19.
- The number of unemployed social workers and auxiliary social workers has increased due to Departments of Social Development not being able to absorb social work graduates due to a lack of funding.
- The DSD has a critical role in implementing the Gender-Based Violence and Femicide (GBVF) Emergency Plan, the AENE does not provide sufficient clarity on how budgets are allocated and funded for this. Cuts to non-profit institutions, specifically from HIV/AIDS organisations, to the tune of R33 million are very concerning, despite these funds being reallocated to the important area of the GBV priority.
- The increased allocations to Early Childhood Development (ECD) over the medium term indicated in the MTBPS are positive however, we note our concerns regarding one critical area being financed through funds from another critical area.
- We note with great distress that the restructuring to create the 'Department of Women [sic], Youth and Persons with Disabilities' still fails to directly address the needs of transgender, gender diverse, gender non-conforming and intersex people, who thus remain completely unaddressed in a democratic South Africa, with no explicit indicator or budgeting for this group.

Recommendations:

- South Africa investigate the feasibility of a Basic Income Grant (BIG) for all; A BIG paid to all (but clawed back from those who do not need it through the tax system) would address the necessity of extending social security coverage to those between 18 and 59 years old.
- South Africa urgently increases the Child Support Grant (CSG) amount to at least the food poverty line.
- The BJC implores Government and Treasury to reframe social grants as necessary economic stimulus and recommends more fully integrating the welfare system into South Africa's economic recovery plans.
- We request a clear explanation of how potential harms will be mitigated with substantial funds taken away from SASSA.
- Increasing the funding to NPOs who provide services on behalf of the Department would enable these NPOs to employ the unemployed social work graduates, thereby increasing the workforce for improved services, and providing much needed employment for womxn and youth.
- Government must account for how essential social work services will be provided when there are cuts to relevant scholarship programmes and very limited filling of posts. We request clear information/plans on how these problems will be addressed.
- We require urgent clarification on DSDs budget for the GBVF Emergency Plan, specifically we require details on how funds will be allocated to different programme activities and from where the funds are being sourced.

- Funds for the priority area of GBV must not be appropriated from other essential areas such as HIV/AIDS organisations.
- We request clear explanation of where the increased funding to ECD is coming from.
- We strongly recommend that the newly created 'Department of Women [sic], Youth and Persons with Disabilities' include clear indicators and budgeting to address the problems faced by transgender, gender diverse, gender non-conforming and intersex people in South Africa.

2.5 Home Affairs

Findings:

- There are proposed reductions in expenditure to Home Affairs of -0.3% over the medium term, which are likely to disproportionately and detrimentally affect womxn, transgender, gender diverse and intersex people. Specifically, but not exclusively, regarding processing sex description alterations.
- Linked to the DSD's responsibility for grants, with reduced capacity at Home Affairs we are concerned about continued problems with birth registrations, affecting access to the CSG of the most vulnerable children.

Recommendations:

- We recommend that a clear plan is put in place to mitigate the negative effects of large reductions in planned expenditure for Home Affairs.

2.6 ENERGY

Findings:

- R250 million has been declared unspent on Eskom's integrated National Electrification Programme, this has resulted in the target for electricity connections to households has been adjusted downwards from 195 000 connections to 181 500 connections.
- R769 000 was declared unspent under programme 5, 'Nuclear Energy'. This was for Nuclear Safety and Technology.
- Issues in the energy sector are undoubtedly contributing to the austerity measures which are proposed in the 2019 MTBPS. Electricity supply shocks are constraining economic development and tariff increases are causing the cost of electricity to impact the cost of living at a household level.

Recommendations:

- Arrangements for future decommissioning and decontamination at both Koeberg and Pelindaba should be made transparent to the public and that the entities concerned should report on the funding that is ring fenced for these purposes.
- Parliament request that National Treasury present on the project applications that have been made to the Budget Facility for Infrastructure and specifically request clarity on whether the Grand Inga Project has been properly appraised.

2.7 ENVIRONMENT

Findings:

- A total of R50 million of the Department of Environmental Affairs' Green Fund has been declared as unspent funds.
- The Department's core functions, which emanate from its various legal mandates- and include aspects such as environmental impact assessments, enforcement and compliance, biodiversity conservation, ocean and coastal regulation and chemicals and waste management- attract less than half of the organisation's budget, which itself comprises a mere 0.8% of the total budget for the national tier of government.
- Illustrative of the disjuncture between budgets and the fulfillment of mandates; while environmental crime abounds in South Africa, only 1% of the Department's budget is assigned to the law enforcement function.

Recommendations:

- It should be ascertained whether the Department, DBSA or a combination thereof is responsible for the spending failure on the Green Fund and, in a transparent manner, due accountability action should be affected for it.
- Allocations to the Department's core functions should be increased and a viable source for this increase would be an appropriation from the disproportionate amount- 54% of the Department's budget- allocated to Programme 6 (dedicated to implementing Expanded Public Works and green economy projects in the environmental sector).
- It is urged that budgeting be re-orientated so that going forward, it reflects alignment with non-negotiable Departmental mandates (such as; ensuring everyone's Constitutional right to have the environment protected) as a primary point of departure.

2.8 LAND REFORM

Findings:

- Low budgetary allocations represent one of the primary reasons for poor policy outcomes in land reform, which have constituted a small proportion of the national budget at 1% of the total.
- There is a marked decline in the land reform budget for the 2020/2021 financial year: 8% decrease for restitution and 11% decrease for land reform.
- Lack of post-settlement support has been identified as a common cause of poor performance or total collapse in many land reform projects. These factors provide a compelling reason to allocate more resources to land reform.
- People living in the former homelands continue to face poorer health, sub-standard education, insecure land tenure, persistent under development, weak or non-existent infrastructure and services, unequal distribution of resources and limited access to economic opportunities.
- Medium and large-scale commercial farmers who often constitute the elite tend to access land and production support ahead of the rural poor.
- Womxn continue to be underrepresented in land reform. In 2017, available data revealed that women [sic] constituted only 23% of land reform beneficiaries in South Africa.
- The Commission on Gender Equality indicates that 90% of land-reform beneficiaries are [cisgender] men, demonstrating the persistent inequalities between men and womxn in entitlement to land and property.

Recommendations:

- We recommend increased budgetary allocations to land reform and assert that 1% of the national budget is completely insufficient to address this important area or to ensure that land reform creates successful redistribution with the wasted opportunity to create a more equitable society and egalitarian economy.
- We recommend the prioritisation of increased post-settlement support in order to ensure more successful land reform projects.
- In order to address inequitable access, we support the proposals of the Presidential Advisory Panel Report on Land Reform and Agriculture, that 30% of the budget be allocated to landless and land-poor households, 30% to the smallholder farmers, 30% to medium-scale commercial farmers and the remaining 10% to large-scale commercial farmers.
- It is essential that budgetary processes in Land Reform urgently prioritise gender equity.

2.9 HUMAN SETTLEMENTS

Findings:

- There has been consistent underspending of the Urban Settlements Development Grant (USDG) by metros over the years, which has resulted in a change in funding mechanisms and the creation of the alternative Upgrading of Informal Settlements Programme (UISP) Grant.
- Many upgrading applications have either been stalled at municipal level (resulting in the same pattern of underspending on informal settlement upgrading) OR funding applications for projects are put forward to provinces that are not UISP compliant (resulting in the same pattern of disregard for UISP principles, namely; community participation and relocation as a last resort).
- There are underspent funds of R17.25 million in Human Settlements from the 'national upgrading support programme' and from the 'title deeds restoration programme'.
- There is poor performance in relation to the issuing of title deeds, with only 7435 title deeds being issued to pre-2014 qualifying beneficiaries against a target of 206 170, and with only 6900 post-2014 title deeds being issued to qualifying beneficiaries against a target of 159 687.

Recommendations:

- There needs to be clear directive, particularly at the municipal level, about how to successfully transition to the UISP, with processes outlined on how to properly mitigate the continuing problems of underspending, and a lack of regard for the principles of community participation and relocation as a last resort.
- Underspending, as well as poor performance on the issuing of title deeds need to both urgently be addressed, especially as these problems have a detrimental impact on access to social delivery and disproportionately so for the poor and oppressed.

2.10 GENDER-BASED VIOLENCE AND FEMICIDE (GBVF) EMERGENCY PLAN

Findings:

- The R16 billion committed to Gender-Based Violence and Femicide (GBVF) is not from 'additional funds' but is rather appropriated from current budget allocations.

- The details of how the GBVF Emergency Plan will be funded remains unspecified in the documents.
- No increases proposed to the compensation of employee's budget even though increased police, prosecutors, social workers, and health professionals are so critical to crime prevention and response, and especially to combatting GBVF.
- R64.4 million is moved from the Police budget to the National Prosecuting Authority (NPA), which will positively affect NPA capacities but may further weaken detection services capacities.
- Amongst the unspent funds- amounting to R700 million in goods and services for detective services - R442.7 million of this is based on underspending on the forensic science laboratories, which has a direct link to the failures in DNA testing services for GBVF cases.
- R3.6 million reported as unspent under the Civilian Secretariat for Police, due to vacant posts affecting monitoring SAPS compliance with Domestic Violence Act.
- The DoJCD reports R90 million in compensation to employees being unspent.
- The reduction in allocations to 'buildings and other fixed structures' by R344.8 million (from R855.6 million to R510.8 million) and in the 'machinery and equipment' by R106.3 million (from R354 million to R247.8 million) might be presented as a 'necessary' reduction, however the implementation of sexual offences courts requires spending in both of these categories, which the department reports as being underfunded.
- increase of R25.7 million (from R3 486.3 million to R3 512 million) in the compensation of employees in the NPA.

Recommendations:

- We require urgent clarification on how the GBVF Emergency Plan will be funded, specifically, where funds are being cut to fund the plan.
- Treasury must provide a breakdown of the funds, as per the structure of the documents currently provided by the Gender-Based Violence and Femicide Interim Steering Committee, with additional information on how the figures provided per intervention area are further divided between different spheres of government, the different departments responsible and under which line items for those departments the allocations can be found.
- To address access to justice in GBVF cases, it is critical that the SAPS provide a clear budgeted plan to increase the reporting and detection rates for GBVF, so that a higher proportion of cases are referred to the NPA for prosecution.
- The Committees to find the reason for the underspending from the Department of Police and also gain information on how certain spending is being managed to support the GBVF plan in the face of cuts.
- To affect change in the quality of prosecutions in GBVF related matters, we would like to see that this increase is linked to an increase of experienced prosecutors.

PART 3: THE ADJUSTED APPROPRIATIONS AND THE IMPACTS ON SERVICE DELIVERY AND THE REALISATION OF HUMAN RIGHTS

3.1 AN INTERSECTIONAL FEMINIST APPROACH TO THE ECONOMY & THE AENE

Unpaid labour

The time spent on ‘womxn and girls’ work’ within families and communities (ensuring there’s water, cooked food, light, that homework is done, cleaning, safe transport for children to school, providing care to elderly or sick family members, providing the necessary support to members of the family with disabilities, participating in community development initiatives etc.) is generally treated as invisible, undervalued in society and unpaid. **The unpaid labour performed disproportionately by womxn is not reflected in the MTBPS in terms of its impact on womxn’s time, health and resources, nor its value to the economy.** There’s no indication of an understanding of how cuts in budgets to departments, provinces and local government could exacerbate these additional burdens on womxn, nor how these cuts will inhibit the implementation of services that should be in place to mitigate against this. Furthermore, no measures are suggested to ensure that the cuts do not have this predictable negative impact on womxn and girls.

In the context of GBVF, womxn disproportionately carry the unpaid role of providing emotional support and ensuring access to services for family members who have been violated (getting to and waiting at the police station, the hospitals, the courts etc.). Womxn who have not been directly physically violated experience direct trauma as a result of failed services to the people they seek to support. Providing these ‘services’ and **coping with the emotional impact of fulfilling failed government responsibilities in many cases carries the additional cost of womxn not being productive in the economic sector.** In rural areas this role falls mostly on the shoulders of elderly womxn; for example, an elderly grandmother who is turned away numerous times by Home Affairs and Social Development when attempting to obtain a birth certificate for an orphaned grandchild, is likely to eventually feel defeated and depressed, impacting on her ability to provide care to those dependent on her.

All departments and especially the Treasury and Stats SA must start to consider the costs to womxn and the benefits to the economy of womxn’s unpaid labour. In terms of this year’s adjusted budget, the 2020 budget, and the MTEF, we would like to see greater acknowledgement of this including the appreciation of how cutting social spending is increasing the costs on womxn’s time.

Employment in SA still favours cisgender men (cis-men), with womxn experiencing greater insecurity in terms of employment and living income. A significantly higher proportion of womxn are unemployed (41,9%) than cis-men (35,3%),⁹ and more womxn are employed in the informal sector than cis-men (47.6% compared to 30.6% of cis men).¹⁰ The MTBPS and AENEs don’t provide any useful information to establish what is being done to address this picture continuing unabated. Indications that investments will be made in sectors where cis-men dominate don’t contain any additional strategies to explain how the representation of womxn at all levels of employment (not just the lower levels) will be achieved. As noted in our submission to the Finance Committee on the MTBPS, the note given to womxn’s employment in the tourism sector is weak and ‘lazy’. These **national budget documents must demonstrate how sectoral investments to stimulate the economy and create jobs also answer the question of gendered inequality in employment**, at this point it appears that the dots between these two priorities have not been connected.

Insecure and informal employment

Womxn and gender non-conforming people are disproportionately represented in insecure and informal employment. Government’s plans for job creation tend to perpetuate the status quo of these vulnerable groups being employed in low status, low paying, or insecure employment (such as in informal trading, domestic work, sex work, in the Expanded Public Works Programme [EPWP], farm

⁹ StatsSA Quarterly Labour Force Survey, 2019 Q3 Trends.

¹⁰ Stats SA. 2018. Quarterly Labour Force Survey: Second Quarter 2018. <http://www.statssa.gov.za/?p=11375>

labour, and as Community Health Workers [CHWs]). **Increasing unemployment and income insecurity is linked to increased levels of exploitation of people in precarious forms of labour, which also offer no social protection.** No indication is given of how people in these contexts will be protected nor what is in place to increase the ratios of womxn and gender non-conforming people in formal, secure, and senior employment.

These questions apply not only to public sector employees, but also to the **private sector**. The low approach to regulating the private sector remains problematic; **incentives are not sufficient to shift the norms in the private sector in terms of gendered representation.** Stats SA indicates that in July 2018, only 32% of managers in South Africa were womxn, only 24% of SOEs were headed by womxn, and only one of the top 40 JSE listed companies has a womxn CEO. In 2016 only 39% of municipalities with a sitting mayor were womxn. The Commission on Employment Equity reports indicate that in terms of the private sector, white people continue to dominate in top management in the private sector at 71.1%, and 67.4% of top management in the private sector are cis-men. **Government must take a stronger stance with the private sector regarding employment equity, in particular regarding strategies to address the under employment of black womxn.**

Gender and the economy in relation to the GBVF Emergency Plan

Addressing ‘women’s [sic] economic vulnerability’ is a critical element of the GBVF Emergency Plan, showing **positive insight into the connections between womxn’s experiences of violence and their economic situations, we note that** similar focus should be given, in relation to gender non-conforming people). This issue extends well beyond the intention of the GBVF response and speaks to the greater issues facing womxn and gender non-conforming people in relation to South Africa’s economy.

At the same time, despite urgent and pressing new contexts, we see reflected in the Emergency Plan, similar statements and strategies as previously raised: targets to increase government procurement from businesses run by women [sic] and job opportunities at the lowest end of the scale – the EPWP. While these measures might indicate valuable intentions, they are indicated as being delivered ‘*within* existing programme budgets’, and neither of these strategies are new; quite clearly, **more integrated thinking is needed on how to increase secure employment for womxn and gender non-conforming people. It is simply not sufficient to focus only on very low paying, at times short-term, and often insecure jobs** (such as EPWP, CHW or community care workers). The strategy must consider womxn and gender non-conforming people at all levels of employment in both the public and private sectors.

Critical areas of underspending and wasted opportunities

In the AENE, the **Department of Cooperative Governance and Traditional Affairs** declares **R300 million unspent on the Community Work Programme** – this is an allocation that could have been used to support womxn’s employment, but will not be, because it is being returned to the National Revenue Fund. Similarly, National Treasury declared R157 225 million from the Jobs Fund unspent - again, **money that should have been used in the next six months to stimulate employment, including for vulnerable groups.**

The Budget Justice Coalition also notes, with concern, **declared underspending within the Department of Arts and Culture of R45.4 million.** This, taken with the failure by the Department to implement *any* community arts programmes during the first half of the financial year, represents a **squandered opportunity to provide valuable forms of employment, particularly for those that have limited access to the formal job market such as womxn and gender non-conforming people.**

R300 million has been declared underspent by the Department of Small Business Development, from the Small Enterprise Finance Agency’s ‘Small Business and Innovation Fund’. At a time of high

unemployment, government could have prioritised strategies to ensure that the allocated funds were properly spent in this period. The mission of the Department of Small Business Development is to focus on enhanced support to small businesses and cooperatives, with an emphasis on programmes to advance entrepreneurship amongst womxn, the youth, and people with disabilities, in order to contribute to job creation and economic growth. We note that this emphasis excludes gender diverse and gender non-conforming people, and that this must be rectified. Unfortunately, it is not possible to tell if the Small Enterprise Finance Agency has any programmes that focus on womxn's small businesses, because its website is down. **The lack of specificity in strategies for the different groups of people identified is problematic and signals a 'lip service' intention rather than a programmatic intervention.**

GBVF and Community Development

Cuts to and pressures on community development related funds, at all levels of government, affect womxn and gender non-conforming people generally, but also in very specific ways. Specific areas that are affected and that are critical in mitigating GBVF include: access to water, electricity, safe toilets, and safe transport, amongst others. Despite the importance of these areas towards potentially decreasing GBVF, most of these allocations are not in national level budgets and thus we don't address them in detail within these submissions, however they are critical blind spots.

We do, however, note that pg. 38 of the MTBPS includes sanitation, toilets, and transport, with an emphasis on getting accessible transport to poor and working class people. While we support this proposal, it is also unfortunately demonstrates the gender-blindness of planning and budgeting: there is no mention, for example, of the urgent need for programmes and budgets to ensure safe transport for womxn or gender non-conforming people. Likewise, the profound vulnerability of womxn and girls- as well as gender non-conforming people, and people living with disabilities (who may be targeted at higher rates than the general population of womxn and girls)- who are subjected to violence while using community toilets is not noted. While access to safe, clean toilets affects everybody, the additional impacts of gender-based violence in this area necessitates prioritisation and commitment to ensure that implementation is accelerated, rather than cut.

3.2 HEALTH

Overview: austerity bites into health

Austerity budgeting is having particularly negative impacts on health care services. Spending on health care in South Africa is already highly unequal, with a similar amount spent on private services for 16% of the population as the amount that is spent on public health for 84% of people.¹¹ Moreover, when health spending is reduced, womxn bear the greatest burden, since it is they who are responsible for providing most of the care in our communities. It is crucial to note that **these inequalities are being entrenched by austerity measures.**

The 2019 MTBPS proposes average annual nominal growth of only 7.0% spending on health. When population growth of 1.4%, average estimated (CPI) inflation of 4.7%, above inflation wage settlements and high medical price inflation are taken into account, this annual rate of increase is far

¹¹ 4.1% of GDP is spent on public healthcare, while 4.4% is spent on private healthcare. Department of Planning, Monitoring and Evaluation, 2017. 'Final Impact Assessment (Phase 2): White Paper on National Health Insurance'.

too low.¹² When one considers further that there are estimated to be 40 000 vacancies in the public health sector that need to be filled, urgent health infrastructure challenges, widespread shortages of medical equipment, and the need for massive upgrades to IT systems – not to mention the funds that are needed to begin building NHI – one realises that austerity budgeting will not relieve but instead will deepen the pressure on our underfunded public health system.

Cuts to health sector budgets have many impacts on the delivery of health care to womxn, transgender, gender diverse, and intersex people. These include disproportionate HIV infection rates; inadequate maternal and child health services; reduced access to hormones, contraception and gender-affirming care; and less prevention and early intervention of cervical cancer.

Another impact of budget cuts on health is on the **employment conditions** of doctors, nurses, specialists and other health personnel. In recent years, tens of thousands of public health posts have been vacant.¹³ This is resulting in **critical staff shortages** and hampering the expansion of health professionals necessary to improve levels of care and prepare the country for the transition to NHI.

Community Health Workers, the majority of whom are womxn, have experienced the brunt of health budget shortfalls and a lack of political prioritisation by working without decent wages or employment benefits. **We are concerned that neither the MTBPS nor the adjusted National Health Department budget makes mention of the 2019 Budget commitment to spend R1 billion on the implementation of the minimum wage for Community Health Workers.**

An additional impact of cuts, frequently missed, is that **womxn and girls generally carry the burden of providing care and health support in families and homes.** Research has shown that young womxn and elderly womxn who head households, adversely bear the “costs and the shocks” of HIV in South Africa.¹⁴ This impact on womxn’s employment, as a result of the need to take time off work. Informally employed womxn are particularly vulnerable to losing employment and/or income as a result. In addition to adult womxn, research indicates that girls, including primary school going girls, are required in resource-poor families to take time out of school in order to care for sick family members.

Adjustments

The adjustments budget for health details **R346 million of declared unspent funds.** This underspending, of which R260 million is on the NHI indirect grant, is unacceptable in the context of a financially stained health system in need of massive investment.

We would like to know **why there continues to be such high levels underspending** by the National Department of Health on the NHI grant in particular.

¹² Helanya Fourie ‘Unpacking health inflation in South Africa’ *Econex*, undated. Available at: <https://econex.co.za/unpacking-health-inflation-in-south-africa/>.

¹³ Russell Rensburg ‘What to do about South Africa’s unemployed doctors’ *Bhekisisa* 21 Feb 2019. Available at: <https://bhekisisa.org/article/2019-02-20-budget-speech-2019-unemployed-doctors-health-spending-austerity>

¹⁴ du Toit and Neves. 2007. In Hickey S & du Toit A. 2007. *Adverse incorporation, social exclusion and chronic poverty*. Chronic Poverty Research Center Working paper 81. Institute for Development Policy and Management, University of Manchester, Programme for Land and Agrarian Studies, University of the Western Cape. p19.

We are also concerned by the **R11 million of underspending on the Human Papilloma Virus Grant** which is targeted at girls.

On **HIV/AIDS** the department is **1 million clients short** of its target to have 5.8 million people receiving ARVs by the end of the financial year. We would like to know what the department plans to do to intensify its efforts to ensure this critical target is met.

Underspending has also been recorded in **health infrastructure**, while only 7 out of a planned for 45 health facilities have been maintained, repaired or refurbished using the NHI indirect grant. We would like to know what steps the department will take to ensure all 45 identified facilities do indeed benefit from these funds.

3.3 EDUCATION

Basic education sector budget

When we take inflation into account, the total basic education sectoral allocation – that is, the provincial and national education budgets – is growing at an aching slow pace, with a **shocking 0.8% real growth anticipated in 2020/21**. Based on current projections, we are likely to be **spending R7 billion less on education in the 2020/21 financial year, than what our plans reflected in 2017**.

School infrastructure conditional grants

Cuts to conditional grants remain a threat to eradicating school infrastructure backlogs. Allocations to almost all provinces will see declines in the upcoming financial year, including provinces with major infrastructure backlogs such as the Eastern Cape and Kwazulu-Natal. The budget for the School Infrastructure Backlogs grant (SIBG), which allocates money to the Department of Basic Education (DBE) to build schools, continues to decline in the next financial year, with a projected R350 million real decrease. The Division of Revenue Amendment Bill cuts R40 million from this year's budget due to the slow implementation of water and sanitation projects. A further R100 million was moved out of the national infrastructure budget¹⁵ as it was incorrectly classified in the 2019 Estimates of National Expenditure. These reductions follow a R7 billion cut to infrastructure grants in 2018.

Scholar transport conditional grant

Provincial Education Departments (PEDs) have cited inadequate funds as one of the main reasons that they are not able to provide scholar transport to learners who qualify for this service. A conditional grant would prevent PEDs from shifting money allocated specifically towards scholar transport to other programmes, as these funds would be ring-fenced. Over the last few years, the DBE and National Treasury have committed to developing a conditional grant for this purpose but have thus far failed to deliver on this promise. The finalisation of a Department of Planning Monitoring and Evaluation (DPME) evaluation on scholar transport provision has been cited as one of the two main barriers to introducing a conditional grant. It seems that this evaluation has now been completed, yet there is still no mention in budget documents and speeches on the introduction of such a grant.

Equitable share review

EE has, in previous submissions to this [Committee](#), highlighted the problems with the equitable share (ES) formula. EE has noted, in particular, the failure of the ES formula to cater for the higher costs of education provision in rural provinces as compared to urban areas. EE has welcomed National Treasury's intention to review the equitable share formula, yet we still await time frames for the

¹⁵ Classified in the 2019 Adjusted Estimates of National Expenditure as 'Buildings and other fixed structures'

review process to be made public. The information provided in various Division of Revenue Bill Explanatory Memorandums has been so vague, it is impossible to ascertain when the public can expect to interact with the process to provide comment. In particular, it is unclear to what extent the education component of the ES formula will be reviewed. The existing formula does not take into account the factors contributing to the high cost of providing education in rural provinces when allocating funds for education.

Intersectional Feminist Analysis

Weaknesses in access to and quality of education result in additional unpaid and **unrecognised labour by womxn**. It is often womxn who are more likely to carry the responsibility of finding a school, ensuring that children are registered in schools, interacting with teachers, participating in school activities, and also providing homework support to children. Thus, cuts to Education can exacerbate womxn's unpaid labour.

Cuts to the Education budget are also likely to exacerbate the **additional barriers to girls' education** (such as; family responsibilities, lower rates of teacher attention, menstruation, violent and unsafe environments), as well as **barriers for gender non-conforming students** (such as; lack of sensitivity training for educators and students, lack of access to appropriate facilities like change rooms and toilets, violent and unsafe environments) and for **learners with disabilities** (such as; schools unequipped to teach children with a range of barriers to learning, far distances to inclusive schools, or necessarily specialised schools (such as for children who are blind, deaf, or experience intellectual disabilities), violent and unsafe environments). While these students are enrolled, they are out of school at higher rates than cisgender boys who do not experience the same degree of barriers to learning. **The Committees must familiarise themselves with Education White Paper 6 on Inclusive Education and ensure that this important policy is adequately costed and budgeted for.**

Prioritisation

This budget does not allow for the necessary strategies between the departments of basic education, health, transport and social development that are required to address these significant failures to realising the right to education for the most marginalised children. Decisions to prioritise bailouts of SOEs over education allocations, sends a strong message about the 6th administration's priorities. We call on the government to rank learners as highly as they do other obligations and ensure the provision of quality basic education in all public schools.

Recommendations

We urge the joint Select and Standing Committees on Appropriations to consider the following recommendations:

- We recommend that drastic steps be taken to ensure that bailouts for state-owned entities cease to divert funds from critical social spending priorities such as basic education.
- We recommend that the Committees evaluate National Treasury's MTEF projections for basic education funding and insist that the basic education sectoral budget be considered for an annual real increase greater than 0.8% in the 2020/21 financial year.
- We recommend that the Committees halt the proposed decreases to all education conditional grants, particularly school infrastructure grants which were drastically reduced in 2018.
- We recommend that the Committees ensure stakeholders such as National Treasury provide support to the Department of Basic Education (DBE) and PEDs to strengthen their ability to efficiently spend allocated funds. We recommend that the Committee request the DBE and PEDs to report on interventions to improve spending and delivery.

- We recommend that the Committees require National Treasury to strengthen oversight of conditional grants and intervene in provinces that are under-resourced or under-capacitated.
- We urge the Committees to call on National Treasury, the DBE and other relevant departments to urgently finalise the development of a conditional grant for scholar transport, which should be put into effect in the 2020/21 financial year.
- We recommend that the Committees follow-up on the status of the Evaluation Report conducted by the DPME on scholar transport.
- We recommend that a progress update and timelines on the ES review process be made publicly available, as a matter of urgency, and that details of the process be included in the 2020 DoRB.
- We recommend that further phases of the ES formula review take into account the factors contributing to the high cost of providing education in Rands
- We recommend that the Committee establishes clear plans to ensure that cuts to education do not exacerbate barriers of access to girls, gender non-conforming students and learners with disabilities.

3.4 SOCIAL DEVELOPMENT

Social Security

Despite the constitutional guarantee, there is no provision of access to **social security** to able bodied poor people between the ages of 18 and 59. In the face of rampant income poverty and unemployment, where 25.2% of the population live below the Food Poverty Line, this is a severe failing of the state. The United Nations Committee on Economic Social and Cultural Rights recommended on 12 October 2018, that South Africa investigate the feasibility of a **Basic Income Grant (BIG)** for all, a recommendation that the BJC supports. A BIG paid to all (but clawed back from those who do not need it through the tax system) would address the necessity of extending social security coverage to those between 18 and 59 years old.

The values of social assistance grants continue to fall short of the amount that would enable any person in South Africa to enjoy their right to dignity, contained in the Constitution. Recent research has identified a **Decent Standard of Living** of R7 236 per person per month in 2019 prices. The 2019 **Child Support Grant (CSG)** constituted just 6% of this standard, while the **Old Age and Disability Grants** constituted only 24% of this value.

The BJC is very concerned that **the CSG of R430 is well below the value of the Food Poverty Line of R561/person/month**, let alone the Upper Bound Poverty Line (R1227), which is still regarded as a survivalist measure. The low value of the grant means that caregivers cannot afford basic food for their children and explains why **levels of nutritional stunting** in South African children under 5 years have reached levels of 30%. It is important to note that access to grants, including the CSG, the Old Age Grant, Disability Grant and the Care Dependency Grant, increase food security and the quality of livelihoods not only for the direct recipient, but also for the extended family. The United Nations Committee on Economic Social and Cultural Rights recommended on 12 October 2018, that **South Africa increases the CSG amount to the food poverty line**, a recommendation that the BJC supports. The need to increase the CSG amount was also recommended by the Panel of Experts appointed by Treasury to investigate ways to mitigate the negative impact of the 2018 VAT increase.

In addition to the obligations on the state in regard to social security, the BJC asserts a reframing of **social grants as necessary economic stimulus** and recommends more fully integrating the welfare system into South Africa's economic recovery plans. Increases to social grants will increase the spending power of over 17 million people. This money is most likely to be spent on food, basic services

and transport. The money will therefore flow back into the economy and stimulate growth, particularly in rural areas and informal settlements where income from grants represent the main source of income for poor households. Failure to progressively realise social security as quickly as possible will ensure that economic participation by people without alternative incomes remains too low.

The **reduction of R60 million from grant administration within the South African Social Security Agency (SASSA)** towards the government priority of GBV, in Programme 3 of Social Development ('Social Security Policy and Administration')¹⁶ raises the question of how SASSA administration can do without that funding and what the impacts on the most vulnerable will be. While we welcome additional allocations to GBV, we are wary of funds being extracted from other critical services without any explanation for how the implicated harms will be mitigated. The lack of any explanation or narrative information on this reallocation within the AENE is a cause for concern.

With government seemingly tying itself into long term recessionary economic dynamics, the BJC demands a **coherent roadmap towards the comprehensive enjoyment of the universal right to social security**. We also wish to know **what appropriate mitigatory measures are being taken while social development funds are reduced to ensure that the most vulnerable- including womxn, people with disabilities, children, transgender, gender-diverse and intersex people- are not affected**.

Social workers and auxiliary social workers

Despite the social fabric of the country being strained by post-traumatic stress, particularly in womxn and gender non-conforming people who have been subjected to gender-based violence, and on children subjected to abuse, the number of unemployed social workers and auxiliary social workers has increased. From 2013, Provincial Departments of Social Development have been unable to absorb social work graduates into the system due to a lack of funding. By the end of January 2019, a total of 3969 social work graduates, who benefited from the social work scholarship programme, were still unemployed. The failures in provision of social work services to children (such as child protection services, alternative care placement and regular review, permanency planning and family re-unification, adoptions, and court orders for orphaned and abandoned children in need of late birth registration), as well as psycho-social support to womxn, children, trans, intersex and gender diverse people who have been traumatized - which are driven by an overstretched, exhausted and overwhelmed workforce in this sector- are not addressed in this MTBPS. Increasing the funding to NPOs who provide services on behalf of the Department would enable these NPOs to employ the unemployed social work graduates, thereby increasing the workforce for improved services, and providing much needed employment for womxn and youth.

The Department of Social Development declared R70 million unspent on **social worker scholarships** due to the bursary scheme being terminated in 2018/19. This is R70 million less to the National Student Financial Aid Scheme (NSFAS). The failure to re-allocate this R70 million to programme 5 of the Department towards compensation of employees, to address the serious shortage of social workers is problematic. Not only does this violate the principle of utilising maximum available resources for the realisation of socio-economic rights, but it also has severe implications for access to social workers, which vulnerable groups need increased access to. The impacts on communities who need social worker interventions, including mental health support, are immeasurable.

¹⁶ 2019 AENE pg. 160

Cuts to the scholarships and the limited filling of posts are a strong indication that these issues are not the priority that they are purported to be. Social work and trauma services are frequently treated as a soft or nice-to-have however, providing post trauma care, in all of the abovementioned contexts, is essential, both in and of itself, but also in relation to the **direct impact this has on economic activity**: in adults this has an immediate or short term effect, while in children, the impacts of undealt with trauma have severe consequences throughout their schooling and adult life.

Transfers to NGOs

Despite the increased attention to ensure **transfers to 'Non-profit institutions'** for the purpose of delivering support services to survivors of GBVF, the total amount for transfers and subsidies to these services across the National department's budget has been reduced from R162 827 000 to R130 077 000 (in other words, by nearly R33 million)¹⁷. **The GBVF Emergency Plan** indicates that R200 million will be provided to NGOs to deliver such services by 30 March 2020, this figure exceeds the R130 077 000 now allocated at National level and the detail is not available in Provincial budgets. However, at the same time, we note that the total allocation for 'Goods and services' has increased from R417 285 000 to R505 503 000 (in other words, an increase of approximately R88 million).¹⁸ Based on our reading of the GBVF Emergency Plan we assume that it is spending in these two line items ('Non-profit institutions' and 'Goods and services') that should provide the relevant community and NGO support services. However, under Programme 4 of Social Development ('Welfare Services Policy Development and Implementation Support'), we see an increase of R93 million to the Social Crime Prevention and Victim Empowerment line item.¹⁹ This suggests that the Department is taking an approach of paying directly for the services and not spending this on transfers to NGOs. **In order to enable proper oversight of the GBVF Emergency Plan, this currently very opaque and confusing picture requires urgent clarification through the provision of clear information on how these funds will be allocated to different programme activities at National and Provincial levels.**

In Programme 4, cuts to Non-profit institutions, specifically from HIV/AIDS organisations, to the tune of R33 million is very concerning.²⁰ While this is stated to be going to the critical and important priority area of GBV, removing funding from HIV/AIDS organisations - which will disproportionately negatively affect a similar target group of vulnerable people, including womxn, children, transgender, gender diverse, and intersex people - is contradictory and egregious. The implications of these cuts is a lack of concern for the most vulnerable in a way that violates constitutional and international obligations of non-regression in relation to the realisation of socio-economic rights.

The Department of Home Affairs

Over the 3 year period, there is the incredibly worrying proposed **reduction in expenditure to Home Affairs of -0.3%**. We anticipate that this might disproportionately and detrimentally affect womxn, children, transgender, gender diverse and intersex people. **With reduced capacity, we are unlikely to address problems of processing sex description alternations**, which severely hinders access to jobs, educational opportunities, credit, financial aid, housing, shelters, and medical care. The potential lack of family recognition for this vulnerable group also means limited access to social security. The urgency of addressing the recognition of gender identity in minors, asylum-seekers, and refugees is also likely to be severely hampered.

With reduced capacity at Home Affairs we are concerned about the likelihood of continued weak

¹⁷ 2019 AENE pg. 156

¹⁸ *Ibid.*

¹⁹ 2019 AENE pg. 158

²⁰ 2019 AENE pg.160

performance and even **potential reduction in birth registrations** – especially for very young children and orphaned and abandoned children living in rural areas, which means **potential reduced access to the Child Support Grant** to the recipients who most urgently need this. Again it is mainly womxn who stand in the queue at Home Affairs to deal with birth registrations. Reductions to Home Affairs budgets are likely to mean less efficient service provision which will increase time spent in queues, the need for repeat visits (and the resultant increase in transport costs for womxn), and an increase in the waiting times for the completion of late birth registration processes.

Early Childhood Development

Evidence indicates a high return on investment- across society and lifetime of spending- in early life such as Early Childhood Development (from the perspective of the first 1000 days). Spending on ECD services and programmes can have direct impacts on the time spent by womxn and girls on child care in the home; a significant area of womxn and girls’ unpaid labour. The increased allocations to ECD over the medium term indicated in the MTBPS²¹ are positive however, we note our concerns above regarding one critical area being financed through funds from another critical area, without adequate explanation of why or how this is possible.

The Department of Women [sic], Youth and Persons with Disabilities

The restructuring of the ‘Department of Women [sic]’ to the ‘Department of Women [sic], Youth and Persons with Disabilities’ **still fails to directly address the needs of transgender, gender diverse, gender non-conforming and intersex people**, who thus remain completely unaddressed in a democratic South Africa. While we note the use of the LGBTQI+ acronym (or rather, a shortened version of such) in some department documents, **there are no explicit indicators or budgeting for this group**. This, taken with the worsening economic situation, means that a lack of access for these groups to critical areas such as health and education are likely to worsen.

Despite the recent increased attention to GBVF, the expenditure increase within the Department of Women [sic] of 15.7% relates primarily to foreign travel claims, leave gratuities, and the loss of office of the former minister²². **Under the present circumstances, we’d have expected- or hoped for- increases to relate more to increased mobilisation and work with the public on GBVF in South Africa**. We note the positive change in the inclusion of the indicator for community mobilisation initiatives, however it is deeply concerning that these initiatives are again **to the complete exclusion of the queer community** (being conducted specifically on “issues affecting women [sic]”), that the number of initiatives indicated is completely insufficient (with a meager target of 4) and that the mid-year achievement is only of one single initiative²³.

3.5 ENERGY

Adjusted appropriation

In the Adjustments Budget, we note that **R250 million has been declared unspent** on Eskom’s integrated **National Electrification Programme**. Mid-way through the year, **the target for electricity connections to households has been adjusted downwards** from 195 000 connections to 181 500

²¹ 2019 MTBPS pg. 38

²² 2019 AENE pg. 121

²³ 2019 AENE pg. 117

connections due to the budget reduction of R250 million. **This means that 13 500 less households will be electrified, disproportionately adding to the burden on womxn.** Performance of 91 896 additional houses electrified with grid electrification had been achieved in the first half of the year. Slow performance on the electrification of households with non-grid electrification, such as solar panels, was apparent in that only 1 364 out of a planned 20 000 households had only been electrified. Households that are not yet electrified, are typically in rural areas and among the poorest households, these households are predominantly 'Women [sic] Headed Households'.²⁴ **The losers in the decision to declare R250 million as underspending are therefore 13 500 of South Africa's poorest households that will not be electrified this year.**

R769 000 was declared unspent under programme 5, 'Nuclear Energy'. This was for Nuclear Safety and Technology. The explanation provided for this was that it is due to slow spending as a result of delays in the procurement of planned projects, such as the development of funding mechanisms for decommissioning and decontamination programmes. The Budget Justice Coalition notes that the Integrated Resourcing Plan for energy includes a proposal to extend the lifespan of the ageing Koeberg Power Plant. It is **imperative that the arrangements for future decommissioning and decontamination at both Koeberg and Pelindaba should be made transparent to the public and that the entities concerned should report on the funding that is ring fenced for these purposes.**

R914 000 in unspent funds has been declared on compensation of employees in Programme 3, 'Petroleum and Petroleum Product Regulation' due to a number of **vacancies within the programme** that have not been filled. Given that the price of petrol has been fluctuating, with a knock on effect on the price of food, and on households' cost of living, the Budget Justice Coalition emphasises the importance of regulation.

Spending priorities over the next three years

We are **concerned that government will not learn quickly enough from the mistakes made in the energy sector in the past and in attending to the crisis in the energy sector, will in the next three years commit more money to risky, wasteful energy infrastructure projects that do not materialise.** Government's master plan for energy, the Integrated Resource Plan (IRP) 2019, announced this month had imported hydroelectricity from the Grand Inga project in the Democratic Republic of Congo and nuclear power from modular reactors included, for example.

The Cabinet approved IRP acknowledges that electricity from the **Grand Inga project** is not a least cost option and that it was forced on the plan. The authors of the IRP seem dubious about the likelihood of the Grand Inga project materialising and list the risks. A significant impediment to the Grand Inga project is that the power from the Grand Inga must be transmitted across the DRC, Zambia, Zimbabwe/Botswana into South Africa. **It has not been possible to conclude agreements with the transit countries.** On 19 November 2019, the Department of Mineral Resources & Energy presented on the Grand Inga project at a meeting of the Portfolio Committee on Mineral Resources and Energy. It was noted that in terms of the treaty entered into between South Africa and the DRC, there is an investment required by South Africa in the construction of the transmission lines from the delivery point at Kolwezi to South Africa. **Power will need to be brought approximately 3700km to South Africa from the point of origin. The financial costs of transmitting the power from the DRC to South Africa have not been calculated.**

The IRP lists the main risks associated with the project as the potential for delays in the construction of both the power plants and the grid to evacuate the power, a cost risk in that the assumptions used

²⁴ Chijioke O. Nwosu and Catherine Ndinda. 2018. Female household headship and poverty in South Africa: an employment-based analysis. ERSA working paper 761. August 2018

may change as the project development is finalised and a risk of security of supply due to the power line traversing multiple countries. **The Grand Inga project entails extensive risks to the extent that the World Bank has withdrawn its financing commitment from the project.** At a time where the plan indicates that coal mines will be decommissioned, with attendant job loss implications, **Grand Inga does not contribute to job creation in South Africa.** And yet, Grand Inga is still included in government's energy plan.

When the decision was taken in 2010 to no longer invest in the **Pebble Bed Modular Reactor** project after ten years were spent on its development, it had cost a total of R9 244 billion. R53 billion have already been wasted to develop questionable energy projects such as this, due to the fact that the project was well under way before its feasibility had been or could be demonstrated.

To prevent a repeat of past costly failures and escalating tariffs, **it is imperative that all large energy infrastructure projects including the Grand Inga and nuclear modular reactors be properly appraised by the Budget Facility for Infrastructure.** We recommend that Parliament request that National Treasury present on the project applications that have been made to the Budget Facility for Infrastructure and specifically request clarity on whether the Grand Inga Project has been properly appraised.

Households are strained with rising costs of living. Particularly with the VAT rate Tariff increases, the **costs of electricity at the household level are increasing.** With this increase, fuel prices increase and the cost of food goes up, creating a situation where there is less to go around and household consumption is consequently declining. **When households buy less goods, this in turn negatively impacts on tax revenue such as VAT.**

Issues in the energy sector are undoubtedly contributing to the austerity measures which are proposed in the 2019 MTBPS. **Electricity supply shocks are constraining economic development by hampering businesses from expanding and interfering with their existing operations,** in some cases businesses have shut their doors. This is resulting in job losses when we can ill-afford them. When businesses shut down, they no longer contribute to the tax revenue that they were contributing and their employees who were contributing personal income tax seek Unemployment Insurance Fund benefits. With lower revenue due to sluggish growth, **the budget deficit becomes wider.** When businesses decide not to expand their operations because there is insufficient electricity supply to meet their needs that is a **forgone opportunity in the form of jobs that could have been created and tax revenue that could have been generated.**

These **supply shocks** also impact at household level, especially poor households, again with **womxn being disproportionately affected,** as they are often most likely to shoulder the responsibility of 'household spending'. In addition, it is womxn who often undertake the additional time and work to ensure that homes have light and that food is cooked.

The extent to which Gender Based Violence and Femicide are challenges for South Africa has come into sharp relief. **During load shedding, the safety of womxn, children, and gender diverse people, is further endangered,** when previously lit areas are dark or security systems, which rely on electricity, do not work.

3.6 ENVIRONMENT

The Department of Environmental Affairs' **Green Fund** received an allocation of R111 million for the 2019/20 financial year. A total of **R50 million of this has been declared as unspent funds.**²⁵ The Fund

²⁵ *Adjusted Estimates of National Expenditure 2019, Vote 27, National Treasury, p. 250.*

was established to support the transition to a low carbon, resource efficient and climate resilient development path delivering high impact economic, environmental and social benefits, with the Department having appointed the Development Bank of Southern Africa (DBSA) as the project's implementing agent.²⁶ The explanation offered for the surrender of the funds is **slow progress in the financing of green initiatives and projects**.²⁷ It should be ascertained whether the Department, DBSA or a combination thereof is responsible for the spending failure, and, in a transparent manner, due accountability action should be effected for it.

The **Green Fund** initiative falls under the auspices of the Department's Programme 6, which is dedicated to implementing Expanded Public Works and green economy projects in the environmental sector.²⁸ The Green Fund has clear merit, but on the other hand, strong reservations have to be expressed regarding the fact that at R4 085 469 000, **Programme 6's allocation accounts for 54% of the Department's budget**.²⁹ In the first instance the environmental benefits of the Programme as a whole are secondary to its socio-economic spin-offs, but more crucially, a consequence of this budgetary configuration is that the **Department's core functions**, which emanate from its various legal mandates, attract less than half of the organisation's budget, which itself comprises a **mere 0.8% of the total budget for the national tier of government**.³⁰

These mandates span functional areas such as environmental impact assessment, enforcement and compliance, biodiversity conservation, ocean and coastal regulation and chemicals and waste management. Serial governance failures within these domains are equitable with lapses in everyone's Constitutional right to have the environment protected through legislative measures.³¹ Illustrating the disjuncture between budgets and the fulfillment of mandates, while environmental crime abounds in South Africa, only 1% of the Department's budget is assigned to the law enforcement function.³² Consequently it is urged that budgeting be re-orientated so that going forward it reflects **alignment with non-negotiable Departmental mandates** as a primary point of departure.

3.7 LAND REFORM

South Africa's land reform has been perennially underfunded. **Low budgetary allocations represent one of the primary reasons for poor policy outcomes in land reform**. Budgetary allocations for land reform have constituted a small proportion of the national budget. **Available evidence shows that**

²⁶ <https://www.environment.gov.za/projectsprogrammes/greenfund>

²⁷ *Adjusted Estimates of National Expenditure 2019, Vote 27*, National Treasury, p. 250.

²⁸ *Estimates of National Expenditure 2019, Vote 27*, National Treasury, p. 22.

²⁹ Deduced from *Adjusted Estimates of National Expenditure 2019, Vote 27*, National Treasury, pp. 247 & 250.

³⁰ Deduced from *Adjusted Estimates of National Expenditure 2019*, National Treasury, Table 2, p. v.

³¹ *The Constitution of the Republic of South Africa*, 1996, section 24.

³² Deduced from *Estimates of National Expenditure 2019, Vote 27*, National Treasury, Table 27.11, p. 13 and *Adjusted Estimates of National Expenditure 2019, Vote 27*, National Treasury, p. 248.

land reform budgets have generally been around 1% of the national budget³³. There is scope to re-prioritise national spending and allocate more resources to support land reform. To illustrate, in the 2018/2019 financial year, the National Treasury set aside 2.7 billion for land reform while protection and security services were allocated R2.9 billion³⁴ (Africa Check, 2018). Treasury data reveals that in the 2019/20 financial year, there has been a 7% increase in the budgetary allocation for land reform (redistribution and tenure³⁵) and the restitution component. The 7% increase translates to R2.915 billion for land reform (redistribution and tenure) and R3.608 billion for land restitution³⁶. However, **Treasury data reveals a marked decline in the land reform budget for the 2020/2021 financial year: 8% decrease for restitution and 11% decrease for land reform**³⁷. **These changing patterns confirm the lack of a steady, sustained and long-term increase in budgetary allocations for land reform**³⁸.

Increases in budgetary allocations are essential to the effective implementation of land reform policies. **Available statistics show a marked increase in land prices**. Average land prices – adjusted for inflation – increased by approximately 14% per year between 1994 and 2003. The actual proportion of the land reform budget spent on land acquisition has declined due to competing priorities. These include related programmes like Agri-parks and 50/50³⁹. **Lack of post-settlement support has been identified as a common cause of poor performance or total collapse in many land reform projects**⁴⁰. These factors provide a compelling reason to allocate more resources to land reform.

However, increase in budgetary allocation for land reform is not a universal solution to the challenges confronting South Africa's land reform programme. Success in land reform is also predicated on a number of key considerations. **Alongside increasing public expenditure on land reform, it is imperative to consider how public resources are rationed across the priority groups in order to ensure pro-poor policy outcomes**. The 2013 and 2019 State Land Lease and Disposal Policy (SLLDP) identify priority target groups in land redistribution, namely the landless and land poor households, smallholder farmers, medium-scale farmers and large-scale commercial farmers. While the 2013 SLLDP did not allow government officials to lease state land, **the revised 2019 SLLDP permits government officials to lease state land. This raises the prospects for elite capture and a skewed distribution of public resources in land reform**⁴¹.

In land reform, resources are concentrated in the hands of a few select beneficiaries. **Medium and large-scale commercial farmers who often constitute the elite tend to access land and production**

³³ Kepe, T and Hall, R. 2016. Land Redistribution in South Africa. Commissioned report for High Level Panel on the assessment of key legislation and the acceleration of fundamental change, an initiative of the Parliament of South Africa, 28 September 2018.

³⁴ <https://www.polity.org.za/article/yes-south-africa-spends-as-much-on-vip-protection-security-as-on-land-reform-2018-05-09>

³⁵ In its estimates on national expenditure, the National Treasury has identified redistribution and tenure components under the category of land reform while restitution is identified separately.

³⁶ <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2039%20Rural%20Development%20and%20Land%20Reform.pdf>

³⁷ <http://www.treasury.gov.za/documents/national%20budget/2018/enebooklets/Vote%2039%20Rural%20Development%20and%20Land%20Reform.pdf>

³⁸ For instance, in the 2007/08 financial year the budgetary allocation for land reform peaked to 1.09% of the national budget only to decline to 0.78% in the 2017/18 financial year (Kepe and Hall, 2016: *ibid*).

³⁹ Kepe, T and Hall, R. 2016. Land Redistribution in South Africa. Commissioned report for High Level Panel on the assessment of key legislation and the acceleration of fundamental change, an initiative of the Parliament of South Africa, 28 September 2018.

⁴⁰ Aliber, M. and Cousins, B. (2013). Livelihoods after Land Reform in South Africa. *Journal of Agrarian Change*, Vol. 13 No. 1, 140-165.

⁴¹ Mtero, F., Gumede, N and Ramantsima, K. 2019. Elite Capture in Land Redistribution in South Africa. PLAAS Research Report No. 55, University of Western Cape, Bellville.

support ahead of the rural poor. This is attributable to elite capture of public resources in land reform and policy biases which promote the creation of a class of prosperous black commercial farmers. **Womxn continue to be underrepresented in land reform.** In 2017, available data revealed that women [sic] constituted 23% of land reform beneficiaries in South Africa⁴². Accordingly, **budgetary processes should prioritise gender equity.** Some land reform experts have proposed that 50% of the budget should be allocated to women [sic]⁴³. A key recommendation by the Presidential Advisory Panel Report on Land Reform and Agriculture, is that **public resources in land reform must be rationed to ensure equitable access to land.** The Expert Report proposes that 30% of the budget be allocated to landless and land-poor households, 30% to the smallholder farmers, 30% to medium-scale commercial farmers and the remaining 10% to large-scale commercial farmers⁴⁴.

Social and economic inequalities are amplified in former homelands. In addition to higher levels of poverty and despite two decades of government policy for ‘rural development’, people living in the former homelands continue to face poorer health, sub-standard education, insecure land tenure, persistent under development, weak or non-existent infrastructure and services, unequal distribution of resources and limited access to economic opportunities.⁴⁵ **The proposed cuts to provincial and local budgets** will exacerbate this situation.

Womxn in these areas, in addition to carrying the greater burden of child care and care for the elderly as well as the burden of ensuring household subsistence needs are met, are particularly excluded from ‘economic opportunity, land and power’.⁴⁶ This is also likely to be the case for gender diverse and non-conforming people. The Commission on Gender Equality indicates that **90% of land-reform beneficiaries are [cisgender] men**, demonstrating the persistent inequalities between men and womxn in entitlement to land and property.⁴⁷ In addition to issues of land tenure, rural womxn’s ongoing experiences of food insecurity, poverty and failures in access to justice linked to gender-based violence are even more pronounced than for womxn in urban areas. Despite this there’s no indication of how the MTBPS intends to ensure that these conditions are addressed rather than worsened by the proposed budget reductions.

3.8 HUMAN SETTLEMENTS

The MTBPS correctly states that there is a change in funding mechanisms introduced by Treasury for 2020/21. This is as a result of the consistent underspending of the **Urban Settlements Development Grant (USDG) by metros** over the years. The conditions for metros to access what is now called the **Upgrading of Informal Settlements Programme (UISP) Grant** is twofold: municipalities have to improve on their community participation and, in doing so, produce city-wide upgrading plans.

⁴² Kepe, T and Hall, R. 2016. Land Redistribution in South Africa. Commissioned report for High Level Panel on the assessment of key legislation and the acceleration of fundamental change, an initiative of the Parliament of South Africa, 28 September 2018.

⁴³ Gerber, J. 2019. ‘Land Reform Report: 5 questions answered’ Available:

<https://m.news24.com/SouthAfrica/News/land-reform-5-questions-answered-20190729>

⁴⁴ Expert Advisory Panel on Land Reform and Agriculture. 2019. Final report of the Presidential Advisory Panel on Land Reform and Agriculture. Pretoria, Republic of South Africa.

⁴⁵ Neves David. 2017. *Reconsidering rural development: Using livelihood analysis to examine rural development in the former homelands of South Africa*. Institute for Poverty Land and Agrarian Studies Research Report no. 54, University of the Western Cape. P ix.

⁴⁶ Neves David. 2017. *Reconsidering rural development: Using livelihood analysis to examine rural development in the former homelands of South Africa*. Institute for Poverty Land and Agrarian Studies Research Report no. 54, University of the Western Cape. P5

⁴⁷ Bornman S, Budlender D, Clarke Y, Manoek S, van der Westhuizen C & Watson J. 2013. *The State of the Nation, Government Priorities and Women in South Africa*. Women’s Legal Centre. pp 12, 56

In practice, the introduction phase / window period for the new grant has caused a lot of confusion between metros and provinces, as well as with partnering Community Based Organisations. The consequence of this in terms of budget allocations is that **many upgrading applications have either been stalled at municipal level because it does not speak to a city-wide approach**, resulting in the same pattern of underspending on informal settlement upgrading OR **funding applications for projects are put forward to provinces that are not UISP compliant**, resulting in the same pattern of disregard for UISP principles (namely, community participation and relocation as a last resort).

Essentially, the expenditure trends outlined in the MTBPS and AENE don't speak to this reality, outside of mentioning the transition towards a **new funding mechanism**. This complicates making substantive comment on budget allocations and spending patterns because even though the national housing code remains clear and unchanged, quite a lot is up in the air in terms of policy directive at a municipal level.

In addition to these concerns, we note that there are **underspent funds of R17.25 million** in Human Settlements from the 'national upgrading support programme' and from the 'title deeds restoration programme'. We are also particularly concerned about poor performance, reported in mid-year progress, in relation to **title deeds**: only 7435 title deeds were issued to pre-2014 qualifying beneficiaries against a target of 206 170, and with only 6900 post-2014 title deeds being issued to qualifying beneficiaries against a target of 159 687. The potential negative impacts of this underspending and poor performance on access to service delivery are detrimental, and disproportionately so for the poor and oppressed.

3.9 THE GENDER BASED VIOLENCE AND FEMICIDE (GBVF) EMERGENCY PLAN

Powerful activism by womxn in civil society in recent years has led to the recent political appreciation for the scale of gender based violence and femicide in South Africa. The strong statements of intent and initiatives by the President towards addressing the levels of GBVF that have persisted and deepened over the past two decades - at the same time that access to justice and services for survivors has worsened - are welcome. We support the initiative and commitments made by the President towards working with civil society to consider what must be done differently by government now, rather than simply repeating what has ineffectively been done over the past 25 years. The establishment of the GBVF Interim Steering Committee (ISC) is important. As with any political priority, the narrative of that priority must run from the strategies and plans, through to the budgets. **The seriousness of this issue requires the same level of attention in national budgets provided by the Treasury as is being given to the plan by the GBVF ISC.**

In his speech on 18 September President Ramaphosa indicated that Cabinet had resolved to direct R1.1 billion in 'additional funding' within this financial year to the comprehensive response to gender-based violence and femicide. In the Question and Answer session in Parliament on 31 October, Ramaphosa indicated that a further R500 Million had been allocated, bringing the total allocation promises to R1.6 billion.

The key areas of intervention identified in the Emergency Response Action Plan on Gender Based Violence and Femicide necessitate the need for increased and better spending across various budget Votes. The Presidential Emergency Action Plan includes five areas of intervention: 1) prevent gender-based violence; 2) strengthen the criminal justice system; 3) enhance the legal and policy framework; 4) ensure adequate care, support and healing for victims of violence; and 5) implement measures to improve the economic power of women [sic] in South Africa. Overall we are encouraged by the

approach of the Plan to the issues, in particular we appreciate the nuanced problem analysis which has driven the ideas for interventions.

These interventions suggest however additional resources, adjustments, and more efficient spending in a range of departments at national and provincial level and in local government. At the national level these include various departments and institutions, such as: Parliament; the Department of Communications; the Department of Women [sic], Youth and Persons with Disabilities; the SAPS; the Department of Justice and Constitutional Development; the Department of Correctional Services; Higher Education and Training; and Economic Development. At the provincial level, this includes departments responsible for Health, Social Development, Basic Education, and Economic Development. At the local government level, these changes need to be seen, for example, in terms of access to sanitation (in other words, to safe toilets), in access to safe public transport, and in the deployment of prevention activists.

The 1.6 billion is not ‘additional’ funding. Although the President indicated that this plan would be achieved with ‘additional’ funding, the contradictory approach has been taken of appropriating the funds from current budget allocations. Some smaller amounts are present in the Adjustments Budget dealing with the presidential priority and GBVF, however these don’t come close to 1.6 billion. In the economists lock-up with the National Treasury on 30 October, when asked about GBVF allocations, Treasury officials indicated that R1.4 billion is money already allocated in the budget. The Treasury representatives indicated that there is a need to look at what departments are already doing and find efficiencies, indicating that they had engaged with between 8-10 departments in order to establish what measures those departments will take to ensure that the resources they have, are spent well towards the Plan.

Noting that according to this input R1.4 billion is not ‘new money’, and that there are not R1.6 billion in adjustments to the budget for combating GBVF, can the President claim that this year’s budget has been reprioritised to address this National Emergency? **The explanation that 1.4 billion of the funds is in existing budgets raises a red flag – if it is money that is already allocated in the ordinary business of departments, and if departments have largely failed in that ordinary business to effect any meaningful change in the GBVF status quo, what are the extraordinary measures that are being taken at this time?** Given the many years of struggle by civil society organisations in challenging the ways in which departments allocate and spend money to essential services, we require clear information from departments on what the measures are that will ensure that inefficiencies in spending are addressed. **This information - which Treasury officials have indicated they have, via their engagements with the departments - has not yet been made available to the public and is required now.**

Consolidated, detailed budget information is required. In order to assess the allocations and monitor the spending against them, we require detailed consolidated budget information on the Plan in a single document. Currently, consolidated information regarding the budgets for the Emergency Plan are publicly available in the document prepared by the Gender-Based Violence and Femicide Interim Steering Committee titled; ‘Emergency Response Plan on Gender-Based Violence and Femicide in South Africa: Emergency Response Action (ERAP) October 2019.’ The figures in this document total at just over 1.1 billion, indicating that there is a more recent document with the reported 1.6 billion that is not yet publicly available. The information in the document is largely helpful, but does not provide detail regarding allocations for specific departments and or information on specific programmes and line items.

We require that the Treasury provide a breakdown of the funds, as per the structure of the documents currently provided by the Gender-Based Violence and Femicide Interim Steering

Committee but with additional information on how the figures provided per intervention area are further divided between different spheres of government, the different departments responsible and under which line items for those departments the allocations can be found.

In terms of the GBVF Emergency Plan, we note that some of the specialized services, such as Thuthuzela Care Centres, are to be funded by **international donor funds**. We also note the Plan's encouragement of private sector investment towards this priority area. While we understand the need to access and utilise any resources possible to enable the required services, **these services can be characterised as essential (for example, post-rape support and counselling), and, as such, cannot be dependent on the good will of donors or the private sector..** This approach will also, in all likelihood, disadvantage communities that have low commercial presence, which will especially be felt at the local level in urban-poor and rural areas. **We require an indication of the Treasury's plans to integrate the costs of these services into its budgeting of government revenue.**

A major concern relating to all allocations and adjustments linked to the GBVF Emergency Plan and indeed budgets for GBVF services in general is the question of **from where adjustments are made. It is critical that funds allocated to other high priority areas are not reduced in order to fund the GBVF Emergency Plan.**

Department of Police

We note the increased performance in anti-crime campaigns that resulted from the political priority being given to GBVF, these five reported anti-crime campaigns during the first half of the year (thus above the annual target for three) account for the increase of R4.9 million in spending by the Department. We welcome these additional activities by the SAPS however, **we are curious to understand why they have cost as much as they have; the amount is high and suggests that these were five large national interventions?**

Given that the police personnel in visible policing and detective services is so critical to crime prevention and response, and especially to combatting GBVF, **we are concerned that there are no increases proposed to the compensation of employees budget**, at the same time, we are pleased to note that this line item has not been reduced in any way.

Instead, R64.4 million is moved from the Police budget to the National Prosecuting Authority (NPA). While we wholeheartedly support increased resources for prosecutions, particularly those relating to GBVF, we are concerned that weaknesses in detection services capacities need to be addressed. This indicates to us that there is no budgeted strategy to increase the number or quality of detectives at this time. As will be noted below, while the DoJCD reports on fantastic conviction rates, this is based only on the number of cases prosecuted; it does not take into account the overwhelming majority of cases that are reported to the SAPS, where failures at the reporting and investigations phases result in the cases not making it to the NPA for consideration. **To address access to justice in GBVF cases, it is critical that the SAPS provide a clear budgeted plan to increase the reporting and detection rates for GBVF through addressing shortages and challenges with personnel, so that a higher proportion of cases are referred to the NPA for prosecution.**

Amongst the unspent funds - amounting to R700 million in goods and services for detective services - it appears that R442.7 million of this is based on underspending on the forensic science laboratories⁴⁸, which has a direct link to the failures in DNA testing services for GBVF cases. While the SAPS report an increase in delivery of crime kits to police stations to address the shortages, this should result in an

⁴⁸ 2019 AENE pg. 212

increased demand for forensic science laboratory services and thus, **we expect to see the underspending in this area arrested in the 2020 ENE.**

The R3.6 million reported as unspent under the Civilian Secretariat for Police, due to vacant posts has a direct impact on the GBVF Emergency Plan, as the Civilian Secretariat has, among its duties, the role of monitoring SAPS compliance with the Domestic Violence Act. At this point in time, problems at police station level remain profoundly problematic and often result in women and gender non-conforming people who do attempt to get assistance from SAPS according to the Act, being denied the protections and justice that the Act requires. **Given the well documented and significant problems with SAPS compliance with the DVA, it is critical that the Civilian Secretariat underspending not affect this critical work.**

The Department of Justice and Constitutional Development (DoJCD)

To start, as alluded to in the section on the Department of Police, **the DoJCD reporting on conviction rates for GBVF related crimes and those processed through the Thuthuzela Care Centres (TCCs) creates a very misleading picture.** These conviction rates are only of cases that make it to trial. Rates of convictions against the number of cases reported to the SAPS are closer to 5%. While it is correct for the DoJCD to provide these statistics, it is not correct that they do not contextualise the information they provide. Furthermore, in addition to the failures at the SAPS level, which affect the number of cases that are referred to the NPA, the DoJCD fails to report on the numbers of cases that are referred to the NPA but in which a decision is taken not to prosecute. **Thus, these statistics result in a false sense of success across the criminal justice system with regard to GBVF performance and dangerously divert attention from the necessity for programmes and budgets that can address the problems 'downstream'.** Reporting on TCCs successes is valuable as it indicates that investments into this model can work, however we note that only a small proportion of GBVF cases are processed through the TCCs.

The DoJCD reports R90 million in compensation to employees being unspent⁴⁹. It is not clear which employees this affects but it remains a cause for further questions and potential concern. **As such, we request that your Committees establish the reason for this underspending from the Department.** While the reduction in allocations to 'buildings and other fixed structures' by R344.8 million (from R855.6 million to R510.8 million) and in the 'machinery and equipment' by R106.3 million (from R354 million to R247.8 million) might be presented as a 'necessary' reduction, the implementation of sexual offences courts requires spending in both of these categories. **We therefore require information on how this spending is being managed in the face of these cuts. The Department has also reported that in 2018/19 the target of implementing CCTV equipment could not be met due to 'a lack of budget'.⁵⁰ Further information from the Department is required in this regard.**

Noting the repeated reports from the NPA regarding the prosecutorial vacancies, **the increase of R25.7 million (from R3 486.3 million to R3 512 million) in the compensation of employees in the NPA (Programme 4) is positive.** To affect change in the quality of prosecutions in GBVF related matters, we would like to see that this increase is linked to an increase of experienced prosecutors. Given the limited funds for compensation of employees, there is great value to quality prosecution services that protect survivors from secondary victimisation. **This entails ensuring that those funds are allocated to senior prosecutors who have the necessary qualities for and expertise in addressing GBVF matters**

⁴⁹ 2019 AENE, pg. 195

⁵⁰ Parliament. 2019. Gender-Based Violence and Femicide: Overview of lead departments, programmes and budgets. 19 November 2019. Pg. 21

as well as to the number of ordinary prosecutors. The transfer of skills and increased accountability, resulting from strong leadership on these issues, has a positive impact across relevant prosecutions.

The Budget Justice Coalition thanks the Committees for the opportunity to submit our inputs and engage further in relation to the submission.

ABOUT THE BUDGET JUSTICE COALITION

Visit: <https://budgetjusticesa.org>

The purpose of the **Budget Justice Coalition** (BJC) is to collaboratively build people's participation in and understanding of South Africa's budget and planning processes. We do budget advocacy to mobilise the power of the people to ensure that the state advances social, economic and environmental justice that meets people's rights, quality of life and dignity in a developmental, equitable and redistributive way.

The BJC is a voluntary coalition of civil society organisations. The BJC is not a stand-alone organisation, but a coalition of organisations.

The founding member organisations include: the Public Service Accountability Monitor, Section 27, Alternative Information and Development Center (AIDC), Equal Education, Equal Education Law Centre, Children's Institute, Studies in Poverty and Inequality Institute, Institute for Economic Justice and the Dullah Omar Institute.

The Steering Committee of the Budget Justice Coalition is currently comprised of representatives from the following organisations:

- Alternative Information and Development Centre

- Dullah Omar Institute, Women and Democracy initiative
- Equal Education
- Institute for Economic Justice
- Oxfam South Africa
- Public Service Accountability Monitor
- Rural Health Advocacy Project
- Section 27
- Studies in Poverty and Inequality Institute