



# Centre for Early Childhood Development

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## An open letter to the Minister of Social Development, Ms Lindiwe Zulu

15 February 2021

Dear Minister Lindiwe Zulu

**Urgent request to extend the deadline for applications to the Presidency's ECD Employment Stimulus Relief Fund currently due by this Friday 19 February, and to include informal unregistered ECD services in the rollout of this relief fund.**

During the State of the Nation Address, President Cyril Ramaphosa made it clear that the "Presidential Employment Stimulus is one of the most significant expansions of public and social employment in South Africa's history" and that "[t]hese programmes are about real lives and real livelihoods".

As a committed ECD organisation of 26 years standing, the Centre for Early Childhood Development is deeply concerned that the implementation of the Presidency's ECD Employment Stimulus Relief Fund, said to be a significant historic rollout and aimed at "real lives and real livelihoods" is in fact excluding the majority of South Africa's ECD workforce, being ECD workers operating informal unregistered ECD services.

The ECD stimulus package must be paid out in less than two months, before the financial year ends and the deadline for applications from ECD workers ends in five days (with only a two-week window having been available for applications to be made). We therefore address this letter to you with legitimate urgency highlighting the exclusionary criteria and conditions of the ECD stimulus package, so that the Department of Social Development can ensure the most vulnerable ECD workers in the poorest communities are included in this emergency relief funding before it is too late.

## Exclusionary nature of the Presidency's ECD Employment Stimulus Relief Fund

1. ECD workers are given two weeks to apply for the ECD stimulus package. This is not enough time as will be made abundantly clear in the points below. There are five days left. We need an extension on the application deadline beyond this Friday, 19 February. An additional two weeks are requested, pushing the deadline to Friday, 5 March 2021.
2. The vast majority of the ECD workforce on the ground is not aware of the rollout of the ECD stimulus package and the fast-approaching deadline. There is a lack of effective communication to the people who should benefit from this emergency relief fund.
3. The ECD stimulus application process uses a digital application platform and only online applications can be made. This excludes those who do not have access to internet or a computer/laptop, or do not have computer literacy. People are struggling to complete the application process using their phones. In addition, data is expensive. The application process is currently only free for MTN users; this should be extended to all cellular networks.
4. The application process is only in English and uses terminology that is unfamiliar and difficult to understand for the vast majority of South Africans.
5. The requirement to have a bank account in the name of the ECD centre/programme excludes the majority of ECD services that operate on a cash basis or have a bank account in an individual's name. Having a bank account in the name of the ECD centre/programme is not a requirement for registration as a partial care facility with DSD, so it is illogical to have it as a requirement for this process.
6. The requirement that currently unopened ECD services must agree to re-open within sixty days of receiving the funds, failing which there will be sanctions imposed by provincial DSD is not reasonable. Given that all funds received must be used to pay ECD workers, the ECD stimulus package does not provide financial support to operate or open the ECD service. ECD centres/programmes will still need money to put the necessary PPE in place, buy food for children, pay for electricity and water et cetera.
7. The requirement that unregistered ECD services must agree to register or indicate their intention to register should not be included. Why is registration stipulated as a condition to receiving emergency relief funding? What is the purpose of this ECD stimulus package?
8. The limit of 4 staff members for ECD centres and 1 staff member for non-centre based ECD programmes to determine the funding per centre/programme is far too little. If there are 8 staff members at an ECD centre, then each staff member only gets R2 235 ( $4 \times R4470 \div 8$ ), and if there are 3 staff members at a non-centre based ECD programme, then each staff member only gets R1 490 ( $R4470 \div 3$ ), bearing in mind that this stimulus package is supposed to be income support for 6 months and that some ECD workers have not received any form of income for 11 months.

9. When the number of applications exceeds the funding available, a process of prioritisation will be used; this is problematic. In this case, ECD programmes that are registered and/or participated (unregistered) in the Vangasali identification process that operate in the poorest wards will be prioritised. What about unregistered ECD centres and programmes that operate in the poorest wards but are not on the Vangasali database? Will they not be prioritised? If the ECD centre or ECD programme correctly applies for this stimulus relief, with all relevant documentation and information, their lack of taking part in the Vangasali campaign should not exclude them (as it was not a legal requirement to take part in the Vangasali campaign).
10. The current ECD stimulus package of R496 million (according to DSD's media statement on 5 February 2021) is insufficient. You announced on 30 July 2020 that the President's economic stimulus package will be allocating R1.3 billion to the ECD sector, where is the outstanding R804 million?
11. According to DSD's media statement on 5 February 2021, the ECD principal/owner is responsible for paying their ECD workers. Therefore, ultimate payment to the ECD workforce is based on a trust relationship between the principal/owner and their staff. How do the ECD workers know that their principal/owner has received the funds and they should be paid? How can ECD workers hold their principal/owner accountable and what are the reporting channels in the event of non-payment?
12. The requirement for unfunded ECD services to be loaded on the Central Supplier Database (CSD) is complicated, inappropriate and unnecessary. The ECD stimulus package is emergency relief funding. There is no reason for ECD workers to be part of a supplier database to access relief funding.

Furthermore and more specifically, the govchat process (for all ECD services) and CSD registration process (an additional requirement for unfunded ECD services) are cumbersome, they are not user friendly and are overly technical, such that even ECD principals and owners who are able to apply for the ECD stimulus via this online platform experience a multitude of practical and technical issues, some of which have been listed below.

#### Specific issues with the CSD registration

1. It is only in English and uses terminology that is unfamiliar and difficult to understand, for example, the use of the word "commodities".
2. The OTP given often does not work.
3. The OTP given times out.
4. There are problems with uploading bank details. The system is rejecting valid bank details in the name of the ECD centre/programme without providing a reason.

5. This process is long and overly complex. There are thirteen different tabs to work through. People get stuck on different tabs and do not know how to continue with the process.
6. The tax tab is creating confusion. If you are not registered with SARS, then a red pop-up appears stating that you need to “contact SARS to obtain a valid tax clearance certificate before award”. People do not know that they can ignore this message and move on, so they stop the application process thinking they need to register with SARS (as the message indicates).
7. After working through all the tabs and the overview tab shows the process is complete, people still do not get a registration number at the end.
8. Even if it says you have been successfully registered on CSD and you receive a registration number, you must still keep checking your emails to make sure National Treasury does not email you to say your bank account has not been verified, which means that even though you have successfully registered, you might not get paid.

#### Specific issues with the govchat process

1. It is not user friendly. You cannot save as you go along, so if you get disturbed during the process (for example through load-shedding) then you have to start the entire process again.
2. It is not accepting the “M” reference number received from the CSD registration process. For example, one ECD principal tried 4 times using the copy and paste function, and it was still invalid.
3. After successfully verifying an email address on the CSD registration, govchat states the email is invalid.
4. Often times, without giving a reason, the system will not let you go to the next step. In particular, this issue is experienced at step 2.
5. Pop-up messages appear stating that you do not qualify without providing a reason.
6. It is time-consuming. For instance, when you have to fill in the staff details at step 7, it asks you to fill in details you have already completed, so applicants have to do it again even though the information is filled in. The system reads that certain fields are empty when they are filled in. When you go back a step to make the requested changes, nothing saves and you have to start again.
7. Even though you must fill in the details of all your staff members that will benefit from the funds, the system only accepts details of 4 staff members. When you try to fill in more, you cannot move onto the next step. This means that, for example, a principal might have asked for funding for 4 people but when the money comes in, it will be split by 10 staff members. When you submit a report on how the funds are used and the 4 staff members (stated in the application) sign that they received less because there are actually more staff members getting the money, is this acceptable from a monitoring perspective?

8. It has happened that when a funded ECD service clicked the option that it was receiving DSD funds, then a red pop-up appears saying that the application has been denied because they are funded by DSD. Does this mean that funded ECD centres/programmes cannot apply for this stimulus package, even though in reality they have not been receiving the subsidy for months and all communication from DSD has stated that ECD programmes receiving a subsidy can apply for this relief funding?

The statistics<sup>1</sup> on the ground are indicative of the above-mentioned complications. Out of 27 068 ECD principals/owners who have started the application process, only 7 343 people have successfully completed their applications. This demonstrates a completion rate of roughly 27%. This is not to mention the thousands of ECD centres and programmes who have not been able to start the application process.

What's worse is that the ECD stimulus package aims to pay 108 833 ECD workers, but only 35 794 ECD workers have been registered so far to receive this funding. This is shockingly low – with only 5 days left to register ECD workers onto the online system, only about 33% of the targeted ECD workforce is registered to receive this emergency relief funding.

In view of these facts, it is therefore clear that the current application process is exclusionary. Despite intentions, the process as it stands precludes ECD workers in informal unregistered ECD centres and programmes from accessing the much-needed funds. Simply put, this emergency relief funding will not reach those ECD workers for which it was intended and those in desperate need. The ECD community urgently needs an inclusive and fair rollout of the Presidency's ECD Employment Stimulus Relief Fund.

The first step (and by no means the last step) towards creating greater access to the Presidency's ECD Employment Stimulus Relief Fund is extending the application deadline beyond this Friday, 19 February. An additional two weeks are requested, pushing the deadline to Friday, 5 March 2021. Given the unnecessarily complex and onerous process, the current two weeks which were given is not sufficient for ECD workers to complete an online application. In fact, the majority of ECD principals/owners only have time to apply for this relief over the weekend because they are operating centres/programmes with reduced staff members as a result of not being able to pay salaries.

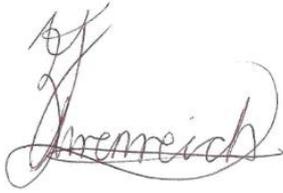
The overall application process is not fit for purpose. The ECD community calls on your Department to act now and impact "real lives and real livelihoods" as is intended.

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<sup>1</sup> Statistics as at 13 February 2021.

We hereby raise our concerns for your immediate response.

Yours faithfully



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Social Justice and Advocacy Manager



Eric Atmore

Director



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