



Centre for Early Childhood Development

P O Box 2363
Clareinch
7740 South Africa

20 Rosmead Avenue
Claremont
7708 South Africa

Ph: (021) 683 2420 **Email:** cecd@iafrica.com **Website:** www.cecd.org.za **Fax:** (021) 683 5838

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

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Dear Minister Zulu
Minister of Social Development
Private Bag X672, Pretoria, 0001

The Department of Social Development to urgently pay ECD workers from the President's ECD Employment Stimulus Relief Fund

On 05 February 2021, the Department of Social Development (DSD) launched the early childhood development (ECD) Employment Stimulus Relief Fund with the clear intention that “all types of ECD services (registered, conditionally registered or unregistered), including centre and non-centre based services can apply for this relief funding” and called on the ECD sector to “stand together to ‘Leave no ECD Behind’”. On 12 February, DSD further communicated that a Project Management Office had been established to drive coordination and project management so that, among other things, “the **stimulus package reaches those who need it most**, and that it helps to ensure the sustainability of the ECD sector”.

On 15 February, we sent an open letter to you, Minister Zulu, expressing our deep concern that the application process and implementation of the Presidency's ECD stimulus package is, contrary to the Presidency's and your Department's intention, excluding the majority of South Africa's ECD workforce, being the most vulnerable ECD workers operating informal unregistered ECD services in the poorest communities. We further highlighted in detail the many practical and technical issues experienced by ECD principals, managers and owners desperately trying to apply for the ECD stimulus package through the online Govchat process (the relief fund application for all ECD services) and the Central Supplier Database (CSD) registration process (an additional application process required for unfunded ECD services) – these processes proved to be overly technical, cumbersome and exclusionary in nature.

On 19 February (the initial closing date of applications for the ECD stimulus package), DSD announced that the application deadline had been extended by a week until 26 February 2021 and that a new web-form (replacing the Govchat process) would be made available in different languages to assist with the application process, allowing applicants to save and update their applications. We welcomed the one-week extension, but providing the ECD sector with more time to apply for the ECD stimulus package without significantly changing the inherently exclusionary application process still meant the relief fund would not reach “those who [arguably] need it most”.

Despite intentions, the way in which DSD made the ECD stimulus package available to ECD workers in South Africa inevitably denied the most vulnerable ECD principals, managers, teachers, cooks and other staff access to this relief fund. Although an extra week to apply for funding was given, DSD continued to only provide access to such funds via an online application platform, requiring that (i) ECD services must have a bank account in the name of the ECD centre or programme; (ii) unfunded ECD services must register on the CSD system; (iii) currently closed ECD services must agree to re-open within sixty days of receiving the funds; and (iv) unregistered ECD services must agree to register or indicate their intention to register.

These exclusionary criteria and conditions (raised in detail in our letter sent to you on 15 February 2021) ultimately excluded South Africa’s poorest ECD workforce who (i) do not have access to internet or data; (ii) do not have access to a computer or laptop; (iii) do not have sufficient computer literacy to complete this complex online application; (iv) operate on a cash basis or have a bank account in an individual’s name; and/or (v) cannot re-open without further financial support to cover operational costs, for example, to put the necessary personal protective equipment (PPE) in place, buy food for children, and pay for electricity and water, as the ECD stimulus package only provides financial support to pay ECD staff members.

Many of the ECD principals and managers who were able to start the application process struggled to successfully register on the application platform because it is complex and overly technical. On 26 March 2021, we developed a [survey](#) on the ECD stimulus application asking for feedback from ECD principals and managers on the ground who tried to apply for the relief fund. As at 30 March 2021, four days after the survey went live, we received responses from 1085 ECD principals/managers across all nine provinces. A total of 55% of the survey respondents stated that one of their biggest difficulties faced in registering for the ECD stimulus package was the technical problems with the application platforms.

DSD would have known that it was near impossible for the majority of South Africa’s ECD workforce to apply for the ECD stimulus package without assistance from people specifically trained to use the application system, hence training was provided to social service organisations (SSOs) contracted to assist ECD workers with these applications. The Centre for Early Childhood Development offered our support as a SSO.

Throughout the application process, there was poor and delayed communication on the ECD stimulus package that adversely affected applications made by ECD workers. A few instances worth mentioning are summarised below:

- On 03 February, SSOs were invited to join training on the online application process scheduled to take place on 05, 09 and 12 February. The ECD stimulus package was launched on 05 February and the due date for applications was initially set for 19 February. This meant that providing SSOs with crucial training as late as 12 February to assist ECD workers with the online application system was far too late given that it was one week before the initial deadline for applications.
- On 12 February at 14:14pm, SSOs were invited to join a Zoom meeting on “how to apply for ECD stimulus” to be held at 14:30pm the same day. Giving SSOs 16 minutes’ notice is not sufficient notice to attend an information session covering Govchat and CSD demonstrations.
- On 22 February, SSOs were invited to Q&A sessions with National Treasury on the CSD registration process. The sessions were to take place on 23, 24 and 25 February from 09:00 to 11:00. Many SSOs had scheduled to assist ECD centres during this time and given the short notice, had to decide whether to attend this three-hour Q&A or rather assist principals and managers queuing at their offices. We attended the Q&A session on 23 February, which was very informative. Information shared at this Q&A was vital to completing CSD registrations accurately so that bank account details would be successfully verified, but this was communicated far too late. **Two weeks from the launch of the application process and three days before applications were due to close, we received information that if received at the start of the application process, would have led to more applications being successful and saved a struggling ECD sector the time and money that had been unnecessarily wasted in this process.**

Moreover, there was an overwhelming amount of challenges experienced with CSD registrations that simply cannot be ignored. As further explained below, issues with the CSD system were as a result of the CSD registration being an inappropriate requirement in the first place for unfunded ECD services to access the relief funding, with a lack of clear, consistent and timeous communication to the ECD sector about CSD-related matters.

From the very beginning, the CSD help guide did not include a section detailing how to fill out the “bank” tab even though the bank section is the most critical part of the application process because all bank details had to be verified for ECD workers to receive the ECD stimulus funding. There was no clear, upfront communication informing the ECD sector on how precisely the bank details needed to be completed.

It was only through trial and error that the sector realised that there is a very specific way in which the bank section needed to be completed in order for the CSD application to be verified. For example, banking details

needed to be copied exactly according to a bank confirmation letter so if the account holder's name appeared in capitals on the bank confirmation letter then the name had to be written in capitals on the CSD bank tab. It was not indicated that if there was an apostrophe in an ECD centre's name, then when filling out the name of the account holder (i.e. the ECD centre's name), a space should be left instead of inserting an apostrophe because the CSD system does not accept apostrophes (and other special characters) on the bank tab (a technicality no one could have known).

On the ground, ECD principals/managers and SSOs assisting the ECD sector, completed the bank tab using their discretion, often inserting details from bank statements and hand-written bank details because ECD principals/managers and SSOs were not informed that bank confirmation letters had to be obtained and used. Since no guidance was given regarding the level of specificity when inserting bank details, most of the CSD applications failed. This placed huge pressure on applicants and SSOs as the CSD applications needed to be redone, which meant that applicants needed to return to their SSOs, taking more time away from their ECD programmes that were already functioning with minimal staff (as some staff members had to be let go because of insufficient funds) and paying unnecessary transport costs. We found the same individuals returning to our office for assistance three or four times. The information shared with the ECD sector was wholly insufficient and we think deliberate at this point.

In addition, there was mass confusion around whether ECD principals/managers could apply for the ECD stimulus package as sole proprietors. The majority of ECD centres and programmes operate as sole proprietors and are recognised as such by law, and the CSD system itself provides "sole proprietor" as an option for applicants to select on its identification tab. However, on 12 February, we received communication that "with regard to the identification page using a sole proprietorship as a supplier type, DSD will not be paying out anyone with a sole proprietorship so people need to not have that as an option otherwise they will have a CSD number, but then DSD won't be able to pay you out. So, for the supplier type, you need to have either NPO or voluntary association which is part of the unincorporated body of persons or a CIPC".

Based on this late communication, it was recommended to ECD centres that sole proprietors open up bank accounts as voluntary associations. Many ECD centres that had already completed their applications then went to the bank (using more money for transport), set up an alternative bank account (some paid up to R500 for this purpose) and then returned to their SSO to re-apply on the CSD registration process and adapt their Govchat application accordingly. In terms of our survey, 27% of the 1085 survey respondents stated that one of their biggest difficulties faced in registering for the ECD stimulus package was setting up a suitable bank account. A total of 29% of respondents stated that they spent money on this process.

Then, on 23 February (more than two weeks since the launch of the application process and three days before the extended application closing date), we attended a Zoom meeting on the CSD registration process where the same person who warned the ECD sector that “DSD will not be paying out anyone with a sole proprietorship” informed those in attendance that sole proprietors would be accepted. This incorrect information around sole proprietors caused confusion and panic in the ECD sector, resulting in further time and money wasted by ECD principals, owners and managers. More clear and direct communication from official government channels was needed during this time.

The CSD system is not mobile friendly, which not only caused frustration in the ECD community, but it meant that in the short three-week time frame, the majority of ECD centres would need to be assisted by an SSO due to a lack of access to computers or laptops, or because they do not have sufficient computer literacy. We repeat that the CSD registration process is also only in English and uses terminology that is unfamiliar and difficult to understand for the vast majority of South Africans.

On 16 February (three days before the initial closing date for applications), we were informed that the CSD system undergoes maintenance after 19h00 on most days and that this may be the reason many ECD principals and managers were receiving pop-up messages stating “Service error. Please contact your administrator”. Not only was this pop-up message incorrect as it should have stated that the CSD system is down for maintenance, but it created mass confusion in the sector where people were frantically trying to fix the “error” or trying to find out who their “administrator” could be. To have the CSD system (which is a compulsory process for unfunded ECD services) be offline after hours is shocking and totally unacceptable given that the majority of ECD principals and managers only have time after work hours to complete this lengthy application process. With dwindling numbers of staff as a result of insufficient funds to pay salaries, most ECD principals and managers could not take time off away from children to complete the stimulus application process.

On 22 February (more than two weeks since the launch of the application process and four days before the extended application closing date), we were informed that many bank account verifications were failing because on the bank tab, when it asks if an identification number is linked to the bank account, “no” must be selected unless an NPO number or CIPC number is linked to the bank account and that “identification number” does not refer to a personal ID number as many SSOs and applicants naturally assumed. How was the ECD sector supposed to know that identification number linked to the bank account does not refer to the principal’s ID number considering that in most cases the principal (as a sole proprietor) opened up the bank account?

Clearly, many bank verification failures arose due to insufficient information-sharing at the start of launching the application process. We were informed that the CSD registration process had to be used for bank verification purposes, however, there was poor communication around bank-related matters. What's worse is that the CSD registration is the most technical part of the entire application process yet, unlike the Govchat process, there were no individuals that actually assisted with the CSD process via the prescribed CSD helpline or the specified email address to deal with the issues that arose throughout the application process. We attempted to call the helpline provided for CSD queries in various provinces, but to no avail. We emailed the email address provided for CSD issues but never received a response. Furthermore, the Govchat helpline could not assist with specific issues or bank verification failures experienced in the CSD registration process.

It is important to note that CSD registration only needed to be completed by ECD services that do not receive a subsidy from DSD, which are the overwhelming majority of ECD centres, are the poorest and have minimal access to the technology needed to apply for the ECD Employment Stimulus Relief Fund. In fact, many unregistered ECD centres gave up on the application process as it became too costly to constantly call or return to SSOs with their never-ending challenges, travel to and from the bank, buy data to access the application process online¹, etc. Indeed, in our survey alone, 14% of respondents could not complete the application at all. With this additional CSD requirement for unfunded ECD services being so complicated and technical, was there ever actually hope that these ECD services, who "need it most", would be able to successfully complete the application process?

This begs the question: why was CSD registration included as part of the application process to access the ECD stimulus package in the first place? We reiterate that the requirement for unfunded ECD services to be loaded on the Central Supplier Database was complicated, inappropriate, unnecessary and in our view, deliberate. The ECD stimulus package is emergency relief funding and there is no reason for ECD workers to be part of a supplier database to access once-off relief funding. ECD services subsidised and regularly funded by DSD are not even registered on the CSD system.

On top of the multitude of challenges experienced with the CSD registration process, the new "web-form" platform was launched on 24 February, with applications due to close on 26 February, to replace the Govchat process. This web-form was made available in English, Afrikaans and Tswana (three languages that are not the mother-tongue languages of the majority of South Africans or of the ECD workforce). The web-form also included a section asking for bank account details which was not included in the Govchat process. The CSD registration process was still required for unfunded ECD services.

¹ Indeed, a total of 44% of the respondents in our survey stated that data/internet costs were a significant challenge in their application process.

The decision to change the relief fund application form from the Govchat process to the web-form in the last two days of applications being open confused many in the ECD sector causing unnecessary panic. ECD principals, owners and managers that completed their applications on the Govchat process now had to update their applications on the web-form. In order to do this, applicants needed their specific reference number that was indicated at the end of their Govchat application. However, applicants were not informed that they needed to keep this reference number – the Govchat process was not editable and it did not track a person’s application status, so there was no reason for an applicant to take note of their Govchat reference number. The only reference number which the ECD sector was informed was important was the CSD reference number. Even though Govchat reference numbers could be obtained from the Govchat helpline, many applicants were unaware that they could access their Govchat reference numbers by calling the helpline. Fortunately, ECD principals, managers and owners started receiving smses with their Govchat reference number in order to update their applications on the web-form.

From 05 March, ECD centres were notified of their staff verification failures. There was no mention prior to this message that staff details would be verified by a “system” or how precisely this section needed to be completed. For example, SSOs and ECD principals/managers did not know that the full names of the ECD staff, including their second names as per their ID book, needed to be populated on the Govchat (and then later the web-form) platform, failing which staff members would not be successfully verified. This information should have been communicated to the sector at the start of the application process.

The web-form had its own technical glitches. In an attempt to update staff members’ details for verification purposes, many principals/managers deleted the current staff details off their application with the intention of re-adding those staff members with the revised details, but the web-form would not allow applicants to re-add staff members, because the web-form system identified this action as wanting to submit a new application and the due date for applications had closed. In this way, ECD principals/managers unintentionally applied for fewer staff members to receive the relief funds.

DSD did not need to make the process as complicated and technical as it was. This, simply put, made the much-needed funds inaccessible for ECD workers in informal unregistered ECD centres and programmes. In fact, the overall application process was so complex that many ECD principals were financially exploited when people (outside of the service providers earmarked to assist ECD centres with their applications) offered to complete their applications at a cost; some principals and managers being charged R500 per application. We are of the view that DSD did this deliberately to limit the number of applications.

The application process itself should have been inclusionary, fair and appropriate for its intended purpose. We struggle to comprehend how DSD publicised that the stimulus package would also target unregistered

ECD services and intended to reach “those who need it most”, yet set up an application process that made this once-off financial relief unattainable for the majority of ECD workers who operate unregistered ECD services.

Against all odds, the ECD sector came together with an incredible amount of energy and support, showing sheer resilience and determination, to ensure that ECD workers across the country could access the ECD stimulus relief funds. The ECD community heeded DSD’s call to “stand together to ‘Leave no ECD Behind’”. As a result thereof, on 12 March, DSD announced that after removing duplications they recorded 25 571 applications on the system which translates to 116 102 staff members who have been successfully registered on the system and will be part of the verification process.

Now, the ECD Employment Stimulus Relief Fund of R496 million was supposed to be paid to ECD workers by the financial year end on 31 March 2021 – this was last week. We have not heard of any confirmed ECD centre or programme that has received payment. We have been informed that the money has already been distributed to some of the provinces, but DSD has not made any announcement in this regard. We do not know how far DSD is with processing payments. We are deeply concerned that DSD will not pay ECD workers at this time, when relief is so greatly needed. This fear is shared by people on the ground, which can be seen by the fact that 82% of our 1085 survey respondents are worried that they will not get paid from the ECD stimulus relief fund.

Through this process, DSD gave principals, teachers and the rest of the ECD community a glimpse of hope only to leave them with despair. According to our survey, 53% of the 1085 survey respondents stated that receiving the ECD relief funds meant that they would now be able to “afford to buy food and basics” as they have not been paid during the Covid-19 pandemic; and 36% stated that receiving the ECD relief funds meant they could “supplement the small income” they received from their employment at an ECD centre/ECD programme. Moreover, in response to whether ECD principals/managers spent money applying for the stimulus package, of the 1085 respondents, 51% stated that they spent money on calls to get support with the application, 38% spent money on transport to get support with the application and travel to the bank and 29% spent money on opening a bank account. Only 18% of the survey respondents did not spend money in applying for the ECD stimulus. Many in the ECD sector have spent money to get financial support from the ECD stimulus relief fund, yet DSD missed its deadline to pay ECD workers last week Wednesday, 31 March 2021. The ECD workforce, by applying for the ECD stimulus relief fund, is expecting this money, and is in desperate need of payment. DSD cannot be such an uncaring government department to be silent on the matter, and allow this situation to continue indefinitely.

This is a disgrace. Government must be responsive to the people they govern. As a nation, we have to do better for South Africa's children.

We therefore demand that your Department urgently:

1. Confirms whether there has been a successful rollover of funds in all nine provinces so that DSD is able to make payments after its financial year-end deadline;
2. Given that the number of applications has exceeded the targeted 108 833 ECD workers, provides clarity on which ECD services will be prioritised; and
3. Pays ECD workers the currently overdue ECD employment stimulus relief funds.

Yours faithfully



Eric Atmore
Director



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