OCCASIONAL Papers

Government's social development response to children made vulnerable by HIV/AIDS:

Identifying gaps in policy and budgeting

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[1] It was whilst working on research for this paper that Lerato Kgamphe passed away unexpectedly in Johannesburg on 13 December 2004. The paper was developed out of Lerato's research and I want to say a big thank you to Lerato. We miss you. Thank you also to Shaamela Cassiem, Teresa Guthri, Sonja Giese and Julia Sloth-Nielson for commenting on the paper and to Deborah Ewing for editing. The ideas in this paper have also been influenced by and benefited from a consultative workshop jointly convened by ACESS, Idasa CBU and SANAC in Cape Town on 30 August 2005 on government's policy framework, budget and coordination efforts for children made vulnerable by HIV/AIDS.

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Introduction

> *Sizwe looks after his dying mother and two sisters in a mud-block house north of Durban. He left school last year when his mother was sent home from hospital to die because her bed was needed by someone who might recover. He can't go back to school because there is no money to buy food or to pay for school fees. Sizwe sends his sisters off to beg for mealie meal from a neighbor who sometimes helps out. He leaves his mother sleeping while he makes his third trip of the day to fetch water from the standpipe. When he returns his sisters are waiting with a packet containing a cupful of mielie meal. Sizwe makes a fire while the older girl rocks the toddler to stop her crying. The mother sleeps between bouts of coughing. It is nearly time. Tomorrow he will visit the lady from the burial society to see if he can get help preparing for the funeral. Sizwe is a ten year old boy living in one of the richest countries in Africa, under one of the finest constitutions in the world, but he has no rights.*[2]

South Africa is one of the countries in the world most affected by HIV/AIDS. (Richter, 2005:1). According to figures released by the Department of Health in 2005, an estimated 6.29-6.57 million people were HIV positive in 2004. (BBC report). This is out of population of about 41 million. The gender imbalance in HIV infections is striking, with many more women infected then men. (Children's Institute, 2003:2). There is no sign as yet that the epidemic is abating. (Richter, 2005:1).

South Africa is home to approximately 17.7 million children. (Budlender *et al* 2005). Even without HIV/AIDS, the interplay of factors such as the high level of poverty, unemployment, neglect, abuse, violence and drug dependence ensure that a large proportion of South Africa's children live in difficult circumstances, can be classified as vulnerable and are in need of support.

There are gaps in understanding of the impact of HIV/AIDS on children in South Africa[3]. However, no one disputes that HIV/AIDS has had (and will continue to have) the effect of increasing the number of vulnerable children and of compounding the difficulties experienced by those who are already in need of assistance. The generally accepted definition of a child in South Africa is that in the Constitution - a person between the age of 0 and 18 years. This is the definition used here.

How HIV/AIDS is affecting vulnerability among children

HIV/AIDS produces and compounds different forms of vulnerability among children. First, children are being made directly vulnerable by infection (mostly caused by mother to child transmission) and related ill-health[4]. The number and proportion of infections due to child abuse is increasing. (Van Niekerk, personal correspondence 2005).

Secondly, HIV/AIDS is causing vulnerability among children by leaving them orphaned. Based on calculations of the Actuarial Society of South Africa (ASSA), there are roughly 1 million children in South Africa who have lost a mother (maternal orphans) and around 2.13 million who have lost a father. (Giese, 2004:2-3). It is estimated that about half of all orphaned children have lost parents due to AIDS-related mortality. (Richter, 2005:1). Projections derived from the ASSA models predict that by 2015, in the absence of any major treatment or behaviour change, roughly 3.05 million children under 18 will be maternally orphaned and 4.51 million paternally orphaned the majority of deaths being AIDS related. (Giese, 2004:4). The

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[2] Adjusted from Ewing, 2000 cited in Giese, 2002:60-6.

[3] See Bray, 2004 for an overview of the challenges regarding research on the impact of HIV/AIDS on childhood vulnerability and development.

[4] In 2002 it was estimated that 91 271 babies became infected with HIV through mother to child transmission (Giese, 2004:2). It is not as yet known how this number is being reduced with the implementation of government's anti-retroviral programme aimed at preventing mother to child transmission.

vulnerability associated orphan-hood and the child's need for care and support services – including socio-economic and psycho-social – begins long before the death of a parent(s)[5].

Some of the children orphaned due to HIV/ADS find themselves living completely without family support, on the streets or in institutions. Others live – at least for a period – in child-headed households. Their biggest challenge is persistent hunger, followed by a range of other poverty-related concerns, including: the struggle to pay school-fees; lack of school uniforms and other clothing; lack of money for transport and health care; inadequate housing; and insufficient warmth. (Sloth-Nielsen 2004: 23). A large proportion of children in child-headed households do not attend school. (*ibid*). While the number of children living in these circumstances is large and growing, as a percentage of the total number of orphaned children, it is very small. The majority of orphans are absorbed into families in their communities. Most are living in kinship care and have been informally fostered. For example, Rosetta Heunis, project manager of God's Goldern Acre in KwaZulu Natal (2005 in personal correspondence) relates that "grandmothers are taking care of up to 15 children (with only an old-age pension as an income)". Other children have been formally placed in the care of foster parents by the Children's Court. The extent and depth of poverty in South Africa is such that most of the children absorbed into families and communities are being taken care of by primary caregiver(s) who, even if they have access to a child support grant (CSG) for some of the children in their care and pension do not have access to sufficient resources to meet the household's basic needs. In many of these households the twin impact of HIV/AIDS and poverty have created a situation that is so desperate that strategies such as getting into debt, depending on neighbours for food and sending children out to work have to be employed simply to try and put food on the table. Hunger and malnutrition are constant threats and attendance at school is often a luxury. (Meintjes *et al* 2003, Giese *et al* 2003, Giese 2004, Heunis 2005 & Giese 2005). In the words of Giese (2004:3):

> "Contrary to popular perception, the majority of children who have been orphaned in South Africa are not without adult care, support, supervision or socialisation. They…are being cared for by relatives, many of whom live in impoverished households within poor communities".

Whether orphaned children struggle any more than other children in the household in such circumstances of poverty and therefore have a need for special measures of assistance is a critical question from a policy perspective and one that is at present the focus of much debate.[6]

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[5] Research repeatedly demonstrates the vulnerability of children living with terminally ill adults and siblings and the way in which the illness in the household impacts on children's access to services, child responsibilities for household chores, care giving and income earnings (Giese, 2004:3). It is estimated that the number of children living with a parent or parents that are sick with AIDS is around 500 000 (*ibid*).

[6] Meintjes *et al* (2003) argue that there is no rational argument for offering orphans living in families in affected by poverty income support that is of a higher value to that given to children with their biological parents in the household. Ardington and Case (2004 and Mail & Gaurdian 2005) have produced research which suggests that there may be reason to design special measures for such children. This is because their research flags discrimination in access to resources within the household. It also shows that in such households it is less likely for orphans to be enrolled in school and when in school they lag behind children of the same age. With the spotlight so much on social assistance and other poverty related interventions for vulnerable children (including those made vulnerable by HIV/AIDS), little attention has been given to the question of what special psycho-social interventions are required for orphans and other children made vulnerable (OVC) by HIV/AIDS. Heunis (2005) also suggests that the situation and practice within many families is such that orphans are worse off than most vulnerable children. In her words: "Orphans taken in by extended families are some times used as slaves, do not have the benefit of education and are the last to eat".

The state's duty to assist all vulnerable children

Both the law and morality demand that all vulnerable children in South Africa – including the growing number of children experiencing vulnerability due to HIV/AIDS – gain access to care and support services that ensure their development is not compromised by their harsh environment. There is a legal obligation on the state, imposed via the comprehensive cluster of child specific rights afforded children in Section 28 of the Constitution and the broader child rights framework in South Africa to take measures to ensure assistance for vulnerable children. Children made vulnerable by HIV/AIDS have since 1998 been given a great deal of attention, relative to other categories of vulnerable children, in the donor and domestic development debate. Whilst the attention to developing measures to assist this category of vulnerable children is commendable, the response developed to provide for their rights must not diminish action to assist other categories of vulnerable children. These include: children living on the streets; children of refugees; children who are trafficked; children who due to deep poverty at the household level are without access to basic goods and services (such as early childhood development and health care); children who suffer abuse and neglect; child offenders; children living in institutions; and children dependent on substances.

Purpose, structure and scope of paper

This paper analyses the policy and budget action of one government department – social development – in relation to assistance for children made vulnerable by HIV/AIDS. It describes the policy and budgetary measures of the department as well and identifies gaps in them. It also makes some recommendations about actions for addressing the gaps. The policy and budget analysis is presented within the context of the child rights and domestic legal framework governing social development service delivery to vulnerable children in South Africa.

While action targeting children made vulnerable by HIV/AIDS is a special interest throughout the paper, a lot of the description of social development policy and budget action relates to measures to assistance vulnerable children in general. Moreover, the gaps identified in the policy and budget action for children made vulnerable by HIV/AIDS for the most part apply to measures to assist all vulnerable children. This is because the social development department approach has been, quite rightly for the most part, to mainstream measures to assist the category of vulnerable children made vulnerable by HIV/AIDS within the broader set catering for all vulnerable children.

The paper comprises four sections, followed by a conclusion. Section one explains the service delivery role of the social development department in relation to caring for children made vulnerable by HIV/AIDS. Section two sketches the child rights and legal context underpinning social development service delivery to vulnerable children. Section three provides an overview of the policy framework developed to coordinate and guide social development service delivery to children made vulnerable by HIV/AIDS and identifies its shortcomings. It covers three broad programme categories – social assistance, social welfare services and action to facilitate more coordinated and effective service delivery for children orphaned or otherwise made vulnerable by HIV/AIDS. Section four focuses on budgeting for service delivery to children made vulnerable by HIV/AIDS. It explains how the public budgets allocated for social development interventions to assist children made vulnerable by HIV/AIDS are determined, highlights the funding crisis that has built up over the years, raises the problem of pinpointing funds allocated to and spent on services for children made vulnerable by HIV/AIDS, provides an overview of trends in

relevant programme budgets over the period 2004/05-2007/08 and raises concerns about the trends that have emerged. The conclusion contains some recommendations about the type of action social development departments need to undertake in order to build social development policy and budgets that are more capable of ensuring adequate care for the millions of children who are living in desperate circumstances and are in dire need of seeing their rights realised.

1. Role of social development departments

The role of the national and provincial departments of social development is defined in the in the Constitution (Act 108 of 1996) as well as in the White Paper for Social Welfare: *Principles, guidelines, recommendations, proposed policies and programmes for developmental social welfare in South Africa*. (Ministry for Welfare and Population Development 1997). The latter is the umbrella policy developed to transform and guide social welfare provision. (Follentine, 2004:1). Social development is defined in the White Paper as "an integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people" (Ministry for Welfare and Population Development, 1997:4,7). The White Paper calls for a shift in service delivery, away from the traditionally employed welfare approach towards a developmental approach.[7] In 2000 the name of the national department was changed from Ministry of Welfare and Population to National Department of Social Development in order to reflect the paradigm change from welfare to social development. Most of the nine provincial departments followed suit. The mission of social development is put forward in the White Paper as "to serve and build a self-reliant nation in partnership with all stakeholders through an integrated social welfare system which maximises its existing potential, and which is equitable, sustainable, accessible, people-centred and developmental" (*ibid*).

The task of social development departments is to provide a comprehensive package of social development services (previously welfare services) to people who, due to factors such as disability, poverty and HIV/AIDS, are vulnerable and in need of assistance. Welfare service delivery (now called social development) is a functional area of concurrent national and provincial competence in the Constitution, which means that responsibility is shared between national and provincial social development departments (see Schedule 4 of the Constitution). The Constitution also calls for national and provincial government to facilitate the development of local government capacity to assist in social welfare / development delivery. (Schedule 4 part B and 155.6(a)&7)). "Child care facilities" appears in the list of "local government matters" set out in Part B of Schedule 4 in the Constitution. The white paper identifies two main branches of social development services: social security and social welfare. In terms of relative responsibility, it affords the national department responsibility for development of policy and monitoring implementation and the nine provincial departments the responsibility to finance and deliver social assistance and social welfare service programmes.

Defining social security (including social assistance)

The social security branch of social development services is generally well understood. It is defined in the White Paper as covering "a wide variety of public and private measures that provide cash or in-kind benefits or both, first, in the event of an individual's earning power permanently ceasing, being interrupted, never developing,

[7] The welfare approach is generally understood to focus on interventions that are clinical, symptom-led, prescriptive and fragmented. This approach works primarily at the individual level and tends to create dependencies. By contrast, a developmental approach to social welfare emphasises integrated, multi-pronged interventions that build self-reliance and foster participation in decision-making at individual, family and community level. As Loffell (2005 in personnel correspondence) points out, there are at present debates in progress as to whether the shift is away from `welfare' as such, or away from archaic forms of practice towards forms which are properly contextualised and are consistent with the values and goals of our human-rights based democracy. These debates also have to do with the ways in which the work of the social welfare sector supports the broader development agenda of the country as a whole.

or being exercised only at unacceptable social cost and such person being unable to avoid poverty and secondly, in order to maintain children" (*ibid*:40).

Four elements are identified within the social security package: private savings, social insurance, social assistance and social relief. *Social insurance* includes, for example, joint contributions by employers and employees to pension or provident funds, or insurance covering unexpected events and/or contributions paid by government and private companies to cover accidents at work. *Social assistance* refers to non-contributory benefits paid by the state to groups such as people with disabilities, children whose caregivers pass an income-based means test or people who are unable due to ill-health to earn income. *Social relief* includes short-term measures to tide over people in need when they face a particular individual or community crisis. Arguably, social assistance is the measure in the social security package that is most significant for children made vulnerable by HIV/AIDS. In this paper, only the social assistance part of the social security package is studied.

Defining social welfare services

The social welfare service branch of social development is plagued by definitional problems and its scope is poorly understood. (See Follentine 2004 and Streak & Poggenpoel 2005). A loose definition offered by Loffell is that social welfare services implemented with the developmental paradigm are all services designed to enable vulnerable and marginalised persons, groups and communities to meet their needs and achieve their potential (2005, personal correspondence). The implicit definition of social welfare services in the White Paper, and that used in this paper, is all those services – excluding social security and research – delivered by departments of social development to support, empower and fulfil the rights of vulnerable South Africans as well as to help prevent vulnerability.. The kind of services that traditionally form part of this area of work for vulnerable children include, to name but a few examples: interventions (including children's court services) where children are subject to or at risk of abuse, neglect or exploitation; the running of children's homes; the provision of early childhood development; adoption services; services to provide assistance to children living and/or working on the street; family re-unification and counselling services; services for children living in child-headed households; and foster care placement.

The current restructuring of the provinces' social development role

The institutional arrangement for social development is currently undergoing major restructuring. This comes in the wake of a decision by Cabinet to centralise social grant administration and budgeting[8]. To this end, a new agency, called the South African Social Security Agency (SASSA) came into effect in November 2004 and began operation on 1 April 2005.[9] The capacity of the agency to administer grants and estimate social security budgets is still being built and the details of the

[8] SASSA was established in response to difficulties experienced by most provinces in finding sufficient funds in their total budgets to meet demand for social grants and ensuing litigation against the state for failure to pay grants. Growing demand for grant payments and hence funds to support payment since 1998, has been driven the implementation of new social assistance programme – the Child Support Grant (CSG) - the extension of already existing programmes to more beneficiaries, as well increases in the value of all grants. There is fear that ballooning social assistance payments may also have been driven in part by some fraud and inefficiency in the system, particularly in respect of the disability grant (National Treasury, 2004a).

[9] The South African Social Security Agency Act (Act no. 9 of 2004) provides for: "the establishment of the South African Social Security Agency as an agent for the administration and payment of social assistance;…the prospective administration and payment of social security by the Agency and the provision of services related thereto; and…for matters connected therewith."

regulatory framework ironed out (National Treasury, 2005a:404). As an interim arrangement, in 2005/06 provinces retain the responsibility for delivering social assistance programmes. However, they are no longer responsible for funding social assistance out of provincial revenue. Instead, a conditional grant, disbursed by National Treasury through the National Department of Social Development (DSOD) has been created for provinces to use to pay grants and associated administration costs (*ibid*). A new programme titled 'social assistance' has been created within the national DSOD to administer the social assistance conditional grant and guide the development of SASSA (*ibid*:402).

Recent addition of responsibility to facilitate coordinated action

In 2002 DSOD was given an added responsibility to lead the development of a structure to facilitate integrated and coordinated action by all actors – government and non-government – to guarantee the rights of children affected by HIV/AIDS (National Department of Social Development, 2005a:2). To facilitate this role, DSOD set up the National Action Committee for Children Affected by HIV/AIDS (NACCA). NACCA is a non-statutory, inter-sectoral body formed to coordinate services and activities relating to 'children infected and affected by HIV/AIDS'. It consists of representatives of government departments, including the NPA[10], national civil society organisations, and donors. In 2004/05, a sub-programme titled Coordinated Action for Orphans and Vulnerable Children was created within the HIV/AIDS directorate in the DSOD, to carry out this new function. This sub-programme directs the work of NACCA and works together with many donors, including UNICEF.

Summing up on the role of social development departments

To sum up, DSOD is critical for children who are vulnerable due to HIV/AIDS and/or other factors, in that it has the responsibility for leading policy development to coordinate and guide social assistance and social welfare service provision, as well as for leading the development and implementation of a framework to facilitate more integrated and coordinated service delivery. It is also important because it manages conditional funding (see section 4 below) transferred by National Treasury to provinces for helping to finance the implementation of the Home and Community Based Care (HCBC) programme, one of the most important social welfare service programmes for children made vulnerable by HIV/AIDS.

Provincial social development departments are important for children in need of assistance due to HIV/AIDS impacts because they are for the moment still responsible for actually delivering social grant payments (if only temporarily). In addition, they are important because they have responsibility for financing – with a little bit of help from National Treasury via the HCBC conditional grant – the delivering of the full spectrum of social welfare services targeted at vulnerable children and their families.

Social workers employed directly by provinces deliver some of the welfare services currently provided to vulnerable individuals, including children and families affected by HIV/AIDS. However, it is important to note at the outset the significant role of the not for profit organisations (NPOs) in social development service delivery to vulnerable children. In most provinces over half of the delivery of social welfare services to vulnerable children (in rand terms) is conducted by NPOs, including Non Governmental Organisations (NGOs), Community Based Organisations (CBOs) and Faith Based Organisations (FBOs) (Streak 2005, forthcoming). The delivery of social welfare services by the Non Profit Organisations (NPOs), which includes statutory

[10] National Programme of Action for Children in South Africa, in the Office of the Presidency, which is designed to lead monitoring of implementation of child rights.

work, is financed partly via transfers to NPOs from social development department social welfare service programme budgets.

Finally, before going on to the description of the child rights and legal framework, a note of caution needs to be made about the narrow focus of the paper on the social development department within government. The focus on social development department policy and budgeting in relation to children made vulnerable by HIV/AIDS is not a signal that other departments do not have policy and budgetary obligations. To the contrary, a range of other departments have to assist the department of social development in developing a comprehensive set of measures to ensure the well-being and rights of children affected by HIV/AIDS. For example, the national and provincial departments of health have a critical role to play via policy and budgeting for the HCBC programme, the programme to prevent transmission of HIV from mother to child and the programme to roll-out anti-retroviral therapy to infected children and their care-givers in need of treatment.

2. The legal context for child rights

2.1 Child rights framework and associated state obligations

Constitutional rights and state obligations

The Constitution (Act 108 of 1996) which is the supreme law of the land in South Africa includes a progressive Bill of Rights (BOR). This affords *everyone*, including children, a comprehensive cluster of civil, political and socio-economic rights. In addition Section 28, which defines a child as a person under the age of 18 years, affords *children* a separate cluster of rights. These are the rights to:

- a name and a nationality from birth;
- basic nutrition, shelter, basic health care services, and social services;
- registration at birth (and by implication a right to a name);
- family care, parental care or appropriate alternative care;
- protection from maltreatment, neglect, abuse or degradation;
- protection from work and work practices that undermine child well-being;
- appropriate treatment when in conflict with the law;
- have his/her best interest taken into account in every matter concerning the child.

Within the cluster of rights afforded *everyone,* the following are most noteworthy in the context of socio-economic rights:

- the right to *have access to* social security, including appropriate social assistance (Section 271c);
- the right to a basic education (Section 291a).

Children's constitutional socio-economic rights are drafted in a way that is different from the socio-economic rights afforded everyone. The rights afforded everyone are framed as *access to* rights and set certain limitations on what is expected of government. For instance, everyone's right of access to health care, food, water and social security in Section 27 is combined with the obligation that "the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights". This is not the case in the formulation of the child-specific socio-economic rights in Section 28, or the right to basic education afforded children and adults in Section 29(1a): here, the state's delivery obligation is not subject to any limitations and the rights are not *access to* rights. The constitutional rights afforded everyone and specifically children are coupled with state obligations. The Constitution obliges the state to "respect, protect, promote and fulfil" constitutional rights (Section 7(2)).

Creamer argues (2002 and 2004) that the different formulation of children's socio-economic rights in the Constitution translates into a higher level obligation on the state to deliver the section 28 socio-economic rights afforded to children and the right to basic education in section 29. Moreover, that this implies that a higher standard of reasonableness review (see below) would be used by the Constitutional Court in assessing state programmes directed at giving effect to these rights. (See *ibid*, Coetzee & Streak, 2004, Liebenberg 2004). The way that the implementation clause of the Children's Bill is phrased (Section 75 see below) also suggests a higher level of obligation on the state to give effect to socio-economic rights of children. Instead of qualifying implementation of the social rights covered in the Children's Bill with the clause used to quality the socio-economic rights of everyone in the Constitution, it is stated in section 4(2) that:

> "Recognising that competing social and economic needs exist, organs of state in the national, provincial and where applicable, local spheres of government must, in the implementation of this Act, take reasonable measures to the maximum extent of their available resources to achieve the realisation of the objects of this Act". (Republic of

South Africa, Children's Bill, as reintroduced in the National Assembly as a section 75 Bill).

The Constitutional Court has been cautious about intruding into the policy design and financing realms of the executive and legislative branches of the state when adjudicating claims against the state for non delivery of constitutional soico-economic rights[11]. (See Liebenberg 2004). This caution is illustrated for example, by Judge Yacoob's statement in *Grootboom* that:

> "the precise contours of the measures to be adopted are primarily a matter for the legislature and executive" (Constitutional Court 2000:41).

The Constitutional Court jurisprudence on socio-economic rights thus far has concentrated on non-delivery of the rights afforded everyone in section 26 and 27. Only a little guidance has been forthcoming from the Constitutional Court about the nature of the state's obligation to fulfil children's special socio-economic rights. The statements thus far have confirmed that:

- government must take positive measures to fulfil the soico-economic rights of children and their families, and children's rights must be read in conjunction with the rights afforded everyone;
- there is a primary obligation on parents to meet children's needs;
- where parents cannot meet children's needs the state has a duty to help parents and their children through designing and implementing reasonable programmes;
- there is a direct obligation on the state to provide services to meet the needs of children living without adult care. (Liebenberg, 2004:3).

As Liebenberg (2004:6) aptly points out, "the real question remains: how should the constitutional commitment to children's socio-economic rights guide government policy?" Her answer, based on the jurisprudence thus far in the Constitutional Court, is that the State's constitutional duty to ensure these rights should operate on the following four interrelated levels:

1. It should influence the adoption of particular programmes catering to all the basic needs of children who are especially vulnerable for example those living without adult care-givers.
2. Children's particular circumstances and needs should both be 'mainstreamed' in general anti-poverty programmes, for example the consideration should be given to both in the Expanded Public Works Programme (EPWP, see below).
3. The fact that the consequences for children of suffering a deprivation of basic needs are particularly severe should inject (in the spirit of Creamer's argument) a sense of urgency in the State's response. In practice this means that the State must adopt and implement programmes that will ensure that children's basic needs are met as a matter of priority and at an accelerated pace.
4. The Court's reluctance to define basic standards for service provisioning in relation to the rights should not deter the executive and parliament from doing so. To the contrary, there is a duty on the executive and parliament, to engage with the challenge of defining the service delivery basket and attendant norms and standards, informed by civil society and information from people working with children in need on the ground.

[11] For the Court's approach to interpreting government's obligation to implement socio-economic rights afforded in the Constitution see for example, the following court cases: *Government of the Republic of South Africa and Others v Grootboom and Others*, 2000, CCT11/00; *Minister of Health and Others v Treatment Action Campaign and Others* (1), 2002 CCT8/02; and *Khosa and Others v Minister of Social Development and Others; Mahlaule and Another v Minister of Social Development and Others*, 2004, CCT12/03.

A final important point to note about constitutional rights of children in this context relates to the principle of equality in Section 9 of the BOR. Section 9 says:

"(1) Everyone is equal before the law and has the right to equal protection and benefit from the law
(2) Equality includes the full and equal enjoyment of all rights and freedoms. To promote the achievement of equality, legislative and other measures designed to protect or advance persons, or categories of persons, disadvantaged by unfair discrimination may be taken
(3) The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth". (Republic of South Africa, 1996).

As was pointed out by Sloth Nielsen (in commenting on this paper), the concept of equality in the Constitution is the substantive, not formal one. Moreover, this means that the Constitution includes the possibility for the State, on the basis of special disadvantage, to design special measures for children affected by HIV/AIDS (including orphans absorbed into families in poor communities).

United Nations related child rights and obligations

In addition to the child rights and associated state obligations flowing from the Constitution, there are child rights and state obligations that flow from the South African government's ratification of United Nations treaties. The South African government ratified the Convention on the Rights of the Child (CRC) in 1995. This obliges the state to implement a comprehensive set of rights that are similar to those in the Constitution but go beyond them in some instances and are usually grouped into survival, development, protection and participation rights.

Four CRC articles are particularly relevant in this context. (Giese *et al*, 2003:267 and Sloth-Nielson 2004:6). These are:

- **Article 9**, which says that the child has a right to live with his or her parents unless this is deemed to be incompatible with the child's best interests.
- **Article 18**, which recognises that although "parents and legal guardians" have primary responsibility for the upbringing of their children, State parties must render appropriate assistance to "parents and legal guardians" in meeting these responsibilities.
- **Article 20**, which calls for "special protection and assistance by the State…(when a child is deprived of)…his or her family environment" (*ibid*).[12]
- **Article 4,** which stipulates that "State Parties shall undertake all appropriate legislative, administrative and other measures for the implementation of the rights recognised in the present Convention. With regard to economic, social and cultural rights, State Parties shall undertake such measures to the maximum extent of their available resources and where needed, within the framework of international co-operation".

The South African Government has a duty to report to the United Nations Committee that monitors implementation of the CRC. In interpreting the rights afforded children in the Constitution, courts of law in South Africa, including the constitutional court, have to draw on the CRC and the insights of the UNCRC committee.

[12] The idea that it is best for children to grow up within a family environment (if necessary with support from the state (and other actors), captured in the three articles above is a key principle in the CRC. Save the Children, in a recent publication titled *Last Resort* (2004) also advocates strongly that it is absolutely critical for children to live in institutional care only as a last resort.

2003 saw the UN CRC committee prepare a general comment (No 3 of 2003 entitled 'HIV/AIDS and the rights of the child') affirming the rights of children made vulnerable by HIV/AIDS and offering some principles to inform governments' response to HIV/AIDS related vulnerability among children. (Sloth-Nielsen, 2005:73). The comment calls for formal recognition in law of the phenomenon of child-headed households. It also asserts the centrality of the four general principles that inform the interpretation of the CRC, and are the pillars of the CRC: (Sloth Nielson, 2003:75).

- **Article 2** - The right to non-discrimination (Here the General Comment stresses that girls are disproportionately affected by the spread of HIV/AIDS and that states should consider this in policy design).
- **Article 3** - The right of the child to have his/her best interests taken account of as a primary consideration.
- **Article 6** - The right to survival and development.
- **Article 12** - The right to have his or her views respected.

The comment makes the following suggestions for the design of a strategy by government to assist children made vulnerable by HIV/AIDS (Sloth-Nielson, 2005):

- Implement mutually reinforcing prevention, care, treatment and support programmes;
- Make health services more responsive to the needs of persons below 18 years and in particular adolescents[13];
- Provide essential antiretroviral drugs;
- Design strategy for orphaned children in a way that tries, as much as possible, to keep siblings together, put orphaned children in the care of relatives (or at least in the care of the community of origin) and use institutional care as a last resort, only when family based care and community care is not available.

In 2001, the South African government signed the United Nations General Assembly Special Session on Children (UNGASS) Declaration of Commitment on HIV/AIDS. This UNGASS declaration sets out internationally agreed upon commitments regarding HIV/AIDS. The following three articles in the declaration in particular obliged the South African government to take action to ensure assistance for children in need of care due to HIV/AIDS. (Children's Rights Centre, 2004:11).

- **Article 65,** which called on member states to develop national policies and strategies by 2003 and to implement them *by 2005*. These were to build and strengthen the capacity of governments, families, and communities to provide a supportive environment for orphans and children infected and affected by HIV/AIDS. They were to include: providing appropriate counselling and psychosocial support; ensuring children's enrolment in school and access to shelter, good nutrition, health and social services on an equal basis with other children; protecting orphans and vulnerable children from all forms of abuse, violence and exploitation, discrimination, trafficking and loss of inheritance.
- **Article 66,** which required governments to ensure non-discrimination – through the promotion of an active and visible policy of destigmatisation of children orphaned or made vulnerable by HIV/AIDS – and full and equal enjoyment of all human rights.
- **Article 67,** which urged the international community, particularly donor countries, civil society, and the private sector to complement effectively national programmes for supporting children orphaned or made vulnerable by HIV/AIDS, particularly in the countries of high risk, and to direct special assistance to sub-Saharan Africa.

[13] The requirements for enhanced health service delivery suggested include services that are accessible, affordable, confidential, non-judgmental, do not require parental consent, and do not discriminate. (Sloth-Nielsen, 2005).

Regional commitments

There are also obligations on the state in South Africa to take measures to assist children made vulnerable by HIV/AIDS that flow from government's ratification of the African Charter on the Rights and Welfare of the Child (ACRWC). The rights in the Charter largely mirror those in the CRC but they are phrased in a way that is more in tune with African context (Giese et al 2003:268). The Charter reinforces the state's obligation to ensure, to the maximum extent possible, children's survival, protection and development (Article 5), while recognising that the family is the "natural unit and basis of society" (Article 18). The Charter specifically says that states "shall ensure that any child who is parentless, or who is temporarily or permanently deprived of his or her family environment…shall be provided with alternative family care, which could include, among others, foster placement or placement in suitable institutions for the care of children". (Sloth-Nielsen, 2004).

The difficult nature of the rights fulfilment challenge

The extent to which vulnerable children's rights are threatened and the adequacy of measures to protect and advance their rights need to be spotlighted in policy and budget debates. Government must be held accountable to the international legislative and policy commitments it has made. At the same time the difficult nature of the challenge government faces in developing policies and budgets to give effect to all children's rights in the context of HIV/AIDS must be acknowledged. The task is difficult for the following reasons:

- First, the need is so great relative to service delivery capacity.

- Second, the rights and associated obligations afforded vulnerable children require further interpretation[14] and the setting of norms and standards so that they can be implemented by the social development departments.[15] As will be seen in section 3, below, there is insufficient guidance on the basket of social welfare services that children are entitled to and on the norms and standards for providing these.

- Third, the realisation of children's inter-dependent rights requires coordinated programming, budgeting and service delivery across a wide range of departments in government, and effective partnership with the non-governmental sector, which has traditionally had the comparative advantage in terms of understanding the needs of children and the best models of service delivery.

- Fourth, social welfare services have a long history of government under-funding and social development and their non-governmental service delivery partners continue to struggle with insufficient financial and human resources (NACOSS, 2004; Streak & Poggenpoel, 2005; and Kanage 2005 in personal correspondence).

[14] In interpreting the rights afforded children in the Constitution, the state needs to draw on international and regional children's rights instruments such as the CRC and the ACRWC.

[15] On the issue of the need to clarify further the scope and content of children's rights see Creamer 2002; Bentley 2003; and Coetzee & Streak 2004. Bentley (2002:2) explains the importance of clarifying the nature of the entitlements given to children, as follows: "It is difficult to deliver something if you don't know what it is. If asked to deliver for example, a piece of furniture, you would need to know its size, measurements, weight, and if it could be broken into separate pieces, before you could decide on the best method to deliver it. This is analogously true of the enforcement of human rights. In addition, we can't measure how well we have done our job of delivering something, if we don't know what it is, or indeed what it is for."

- Fifth, there is insufficient awareness of and advocacy on the duty of all state actors to give children a first call on society's resources and prioritise measures for vulnerable children in policy development and budgeting. In the context of the reality that state resources available for service delivery are limited relative to competing claims, this translates into too few resources being allocated for building better plans and budgets to support children made vulnerable by HIV/AIDS and other factors.

2.2 Law governing social development service delivery

Legal framework governing social welfare service provision

The law pertaining to delivery of social welfare services to vulnerable children, including those who are vulnerable partly or wholly due to HIV/AIDS impacts, is in a state of flux. This is due to a process of law reform that has been underway since 1997 and which is not yet complete.

Until the finalisation of the Children's Bill, the Child Care Act (No 74 of 1983) together with the Child Care Amendment Act (No 96 of 1996), and its regulations and guidelines, remains the only child-specific piece of legislation guiding social welfare service delivery to vulnerable children (National Department of Social Development, 2005:27). The Act provides for the establishment of Children's Courts and the appointment of Commissioners of Child Welfare; procedures and processes for social workers to investigate alleged abuse and neglect and define a child to be "in need of care"; removal of children from a particular environment and placement of children "in need of care" into foster care, institutional care and adoption. (National Department of Social Development, 2005:27). The current legislation is generally acknowledged to have many inadequacies and the development of a new legal framework needs to be completed as a matter of urgency. How far has the process come?

The Children's Bill, drafted by the South African Law Commission (SALC) and submitted to the national DSOD in December 2002, suggested far-reaching changes to the Child Care Act. These included a special set of measures to assist children living in very difficult circumstances (such as on the streets and in child-headed households); broaden the scope of the law to include measures to prevent abuse and neglect, and to actively supporting caregivers to care for their children; and to require government, led by the national DSOD, to develop a comprehensive national framework to guide and coordinate all service delivery to vulnerable children. (Proudlock, 2003 cited in Giese *et al* 2003:281). The SALC Bill was substantially changed by government and then introduced into parliament – in two parts, Section 75 and Section 76[16] – for debate. The changes to the Bill raised many concerns from a child rights perspective. Hence, a Children's Bill Working Group was developed, led by the Children's Institute, to engage with the parliamentary committee tasked with finalising the legislation, to ensure that the final version of the Bill is in line with what children need and their rights entitle them to.

After eight months of debate and work by the social development parliamentary committee, with much input from the Children's Bill Working Group, Section 75 of the Bill was passed in the National Assembly on 22 June 2005. For the most part, the Working Group was pleased with the final outcome of debate on Section 75, which "introduces provisions and systems that will greatly advance our country's capacity to protect our children". (Jamieson & Proudlock, 2005:1). The Bill will require Social

[16] Section 75 Bills are those deemed not to affect the provinces, in terms of Section 75 of the Constitution and Section 76 Bills are those that do affect the provinces, in terms of Section 76 of the Constitution.

Development and many other departments (such as Justice) to allocate more in the way of human and financial resources for ensuring adequate social welfare service provision for children.

A number of the provisions in the Bill are most positive from the perspective of realizing the rights of children in the context of HIV/AIDS. These are summarised below (see Proudlock & Jamieson 2005).

First, the objects clause of the Act states that:

> "The objects of this Act are – a) to promote the preservation and strengthening of families; b) to give effect to the following constitutional rights of children, namely – i) family care or parental care or appropriate alternative care when removed from the family environment; ii) social services; iii) protection from maltreatment, neglect, abuse or degradation; iv) that the best interests of a child are of paramount importance in every matter concerning the child; c) to give effect to the Republic's obligations concerning the well-being of children in terms of international instruments binding on the Republic" (Republic of South Africa, Children's Bill, 2005a).

This objects clause is positive in that whereas in the past the Child Care Act was not written from a child rights perspective, the Children's Bill introduces a child rights approach in law and clarifies that there is law obliging social development and other departments to design services to give effect to the social and civil rights listed in the Children's Bill.

Second, as already pointed out above, Section 4(2) of the Bill obliges government departments to take reasonable measures to the maximum extent of their available resources to achieve the realization of the Act (and hence the rights in it). This supports the argument that there may be a higher level obligation on the state to deliver vulnerable children's socio-economic rights – including those of children who are vulnerable due to HIV/AIDS impacts – than that in relation to the socio-economic rights of everyone who is vulnerable.

Third, Section 4(1) of the Bill, which is also on implementation responsibilities, calls on government to develop measures that will ensure effective inter-departmental co-ordination in delivery of services to give effect to children's rights to social services, protection, family care, parental care and appropriate alternative care. It states:

> "This Act must be implemented by organs of state in the national, provincial and where applicable, local spheres of government subject to any specific section of this Act and regulations allocating roles and responsibilities, in an integrated, co-ordinated and uniform manner". (Republic of South Africa, Children's Bill, 2005a).

This is positive in that currently, a major reason why many children in need do not get the services they require is insufficient co-ordination between the seven or so government departments (spanning national, provincial and local government levels) who need to work together for effective service provision. The Bill does not oblige government to develop an umbrella policy to ensure such co-ordination or say what system must be put in place. However, at least it does oblige the state to develop structures to ensure effective co-ordination. This is a step in the right direction.[17] It is generally understood that national DSOD will have the responsibility for leading the coordination of policy, programming and service delivery to give effect to the Children's Act.

[17] The Children's Bill Working Group is to campaign for it to be legislated in the regulations that an appropriate mechanism, such as an inter-sectoral committee, be established to guide the process of developing appropriate co-ordination.

Fourth, the Bill, in Section 150(1) re-defines the categories of children in need of care and protection in a way that says that only orphans without any visible means of support, rather than orphans per se are vulnerable: "A child is in need of care and protection if the child – a) has been abandoned or orphaned and is without any visible means of support" (*ibid*). In addition, Section 150(2) states that a child found in any of the following circumstances may be a child in need of care and protection and must be referred for investigation by a designated social worker in terms of 155(2): a) a child who is a victim of child labour; an unaccompanied foreign child; a child who is a victim of trafficking; a street child; and a child in a child-headed household. (*ibid)*. This is positive in that it deals with the false assumption that all orphans are in need of protection and support. Also, because it should stimulate the employment and financing of more social workers to extend the outreach of service delivery to the categories of children listed in section 155(2) who are known to be very much at risk and to face difficulties in accessing care and protection.

Finally, the Bill closes the loop-hole on back-door inter-country adoptions. Provision in the Bill will imply that any application for guardianship or rights to remove a child from the country will now be regarded as inter-country adoption and will have to go through a well regulated procedure.

A problem area that remains is that the Bill does not incorporate the recommendation, made by the Children's Bill Working Group and most of the members on the Social Development Portfolio Committee, that guardianship applications be heard in the Children's Court. Thus, guardianship remains the exclusive jurisdiction of the High Court. This is a major problem in that it makes it very difficult for many caregivers to protect the property rights of orphans in their care. (*ibid*).

A team of experts has been appointed by DSOD to cost the Children's Bill and highlight potential litigation risks. The costing should be complete by the end of April 2006. As part of the process, government officials are being trained to estimate medium-term expenditure framework budgets from the Bill's provisions. (Barberton, 2005).

Section 75 of the Children's Bill will probably be passed by the National Council of Provinces by the end of 2005 (*ibid*:6). Once this is signed into law by the President and the costing process has been completed, the Section 76 Bill will be tabled in Parliament. This is likely to happen in March 2006 but it will probably take at least a year before it is passed. The two sections will then be merged into a single Children's Act.

A final point to note about the Children's Bill process (social welfare service law for children) is that the law reform process has been made more difficult by the absence of an umbrella policy for guiding social welfare service delivery to vulnerable children. (Proudlock, 2005; Van Niekerk, 2005; and Loffell, 2005 in personal correspondence).

2.3 Law governing social assistance service delivery

The Children's Bill does not include provisions relating to children's right to social assistance and payment of social grants. This is because provisions relating to social assistance for children are covered in the Social Assistance Act, 2004 (Republic of South Africa, 2004b) and related regulations.

The Social Assistance Act, 2004 provides for: "the rendering of social assistance to persons;…the mechanism for rendering of such assistance;…the establishment of an inspectorate for social assistance; and…matters connected therewith". Informed by

the policy stance on social assistance (see below), the Act, in Section 4, makes provision for the following grants to be made available:
a) a child support grant;
b) a care dependency grant:
c) a foster child grant:[18]
d) a disability grant:
e) an older person's grant;[19]
f) a war veteran's grant;
g) a grant-in-aid.

The provisions in the Act relating to the establishment of an inspectorate for social assistance and functions of the inspectorate, an institution that is independent for the SASSA and DSOD, are most encouraging. If implemented effectively, they have the potential to assist children who do not see the benefit of their entitlement to social assistance due to abuse of the grant by the person receiving it for them. Together, the Social Assistance Act, 2004 and South African Social Security Act Agency Act, 2004 represent a step forward in that they put in place a legal framework that is conducive to a more efficient delivery of social assistance. (Sloth Nielsen, in commenting on the paper).

[18] The Foster Child Grant is most commonly referred to as the Foster Care Grant, even in many government's policy documents and guidelines. However, in the legal documentation it is called the Foster Child Grant. This is the name for the grant used in this paper.
[19] This grant is most commonly referred to as the State Old Age Pension. The older person's grant is the name used in this paper.

3. Policy and its shortcomings

This section describes the policy put in place to guide social development service delivery to children made vulnerable by HIV/AIDS and highlights shortcomings in it. Section 3.1 covers social assistance policy, section 3.2 deals with social welfare service policy and section 3.3 discusses policy to facilitate coordinated service delivery.

3.1 Social assistance

> `Government's social security net is under severe strain…(and)…Government's aim is to reduce dependence on social grants, and deepen the capacity of households and communities to meet their basic needs through normal participation in the economy and collective civil society endeavours'. (National Treasury, 2004b:5).

3.1.1 Description of social assistance policy

There is no one up-to-date document that sets out clearly the policy stance of government towards providing social assistance to all the different categories of vulnerable children or plans to develop programmes to realise all children's right to social assistance.[20] The policy has to be pieced together by speaking to government officials, reading the Social Assistance Act, 2004 and its attendant regulations, and considering the descriptions of eligibility criteria for grants in a plethora of service delivery guidelines that have been developed by the national DSOD. The latter include the *National Guidelines for Social Services to Children Infected and Affected by HIV/AIDS* (2002) and *Guidelines for Establishing Home/Community-Based Care & Support Programmes* (2003).[21]

The policy stance on social assistance to children made vulnerable by HIV/AIDS needs to be seen together with the policy on social assistance to vulnerable adults and children in general.

Social assistance for vulnerable adults

Government's current policy stance is to offer grants to the following categories of adults who are identified as vulnerable in the White Paper: older people, people with disabilities that prevent them earning an income; and war veterans. The following grants are designed to give effect to this policy (Republic of South Africa, 2004b:8-12):

i. a disability grant, which is paid to adults with disabilities that render them unfit to earn an income;
ii. an older person's grant, which is paid to a women who has attained the age of 65 years and a man who has attained the age of 60 years subject to a means test;
iii. a war veteran's grant; and

[20] A vision of DSOD plans for social assistance provision to the vulnerable population in general was found in the literature review in the social development chapter of National Estimates of Expenditure for 2005. (National Treasury 2005a:404). This says, "Priorities for policy work in the coming years are: a comprehensive social relief policy framework for different interventions and service delivery options for addressing short-term shocks to households and communities; and further assessing options for establishing a comprehensive social security system, encompassing both contributory mechanisms (social insurance) and non-contributory mechanisms (social assistance)".

[21] The policy can also be pieced together from studying the sections on social development in the annual national and provincial budget documentation as well as the annual Medium Term Budget Policy Statement.

iv. a grant-in-aid, which is for a person in such a physical or mental condition that he or she requires regular attendance by another person.[22]

There is no grant for people between the ages of 18 and 60 (women) and 18 and 65 (men) who do not have disabilities of sufficient severity that they undermine their capacity to earn an income. This means that the approximately 8.4 million people who are unemployed in South Africa (Streak and Van der Westhuizen 2004) and struggling to earn an income have no right to social assistance.

- Currently government's policy position – which seems to be informed a great deal by National Treasury - is against developing a programme to offer income support to all economically vulnerable adults. Two main reasons are put forward to defend this position.

  The first is that the state cannot afford this option. In this regard government (most notably Treasury) highlights the tremendous growth in beneficiary numbers of social assistance programmes, driven primarily (but not only) by the introduction of the child support grant since 1998, and attendant crowding out by social assistance of other areas of developmental spending.[23]

- The second reason given is that it is better for government to concentrate scarce resources on programmes that can help people climb the ladder out of poverty rather than gives social assistance, which the government argues encourages dependency (*ibid* and Benjamin, Deputy Social Development Minister, 2005).

Government's resistance towards extending social assistance to all adults in need is at odds with the recommendations made in 2002 by a Committee, known as the Taylor Committee, set up by the Minister of Social Development to recommend reform of the social protection system. The Committee, led by Professor Vivien Taylor, recommended, on the basis of rights as well as costs and benefits, that government implement a two-phase plan to deliver everyone's right to social assistance. Phase I involves immediate extension of the child support grant (CSG) to children of all ages (see National Department of Social Development, 2002b: 2002:82), to be completed by beginning 2006. In addition it recommended that children also be provided with a range of other, non-income benefits to ensure realisation of their socio-economic rights. Phase II involves the introduction in 2006 of a basic income grant (BIG) to all adults. The Committee proposed that the second phase plan be complete by 2015.

Government's response has thus far been positive but falls far short of the committee recommendations. It has involved an extension of the age of eligibility for the CSG from 0-7 to 0-14 in a phased fashion. Initially, when the CSG was first introduced it was for children aged 0-6. From 1 April 2003 children aged 7-8 were included in eligibility. From 1 April 2004 children 9 and 10 became eligible and from 1 April 2005 children aged 11, 12 and 13 became eligible for the CSG. Government thus still has a long way to go in terms of meeting the requirements of the Constitution and recommendations of the Committee.

The policy stance on providing grants to vulnerable children

[22] In addition, the social relief of distress grant is paid on a short-term basis to people affected by crisis.

[23] For example, in the *National Estimates of Expenditure* in arguing against further extension of social assistance government points out that "social assistance grant transfers have grown from around 2% of GDP in 2000/01 to more than 3% of GDP in 2004/05…(and are)…are expected to reach 3.5% of GDP in 2005/06" (National Treasury, 2005a:403).

The policy is currently that children, together with older people and people with disabilities are vulnerable group deserving of social assistance with the exclusion – peculiarly – of children aged 14-18. As already indicated, three grant programmes – the CSG, foster child grant (FCG) and care dependency grant (CDG) – are designed to assist vulnerable children. Which grant a child receives is determined by the eligibility criteria and administration procedure set out in the Social Assistance Act, 2004 and its associated regulations.

CSG purpose and eligibility

The CSG is a poverty-relief grant designed to help the primary care giver provide for the basic needs of the child. The present value of the grant is R180 per month. A person is eligible to apply for the CSG for a child if he/she: is the primary care giver (PCG) of a child under the age of 14 years and passes the means test set out in the social assistance regulations. The means test is aimed at ensuring that the grant is received by poor families who require financial assistance in order to meet the basic needs of the child[24]. The caregiver of the child for whom the grant application is being made also needs to supply his/her identity document, the birth certificate of the child, proof of income and, where applicable, a marriage certificate (Giese *et.al*, 2003:282). The caregiver does not need to be the biological parent; he/she simply needs to have proof that he/she is the primary person providing for the daily needs of the child.[25] The law allows for a person aged 16 or older, who takes the main responsibility for meeting the daily care needs of a child, whether or not the person is related to the child, to receive the CSG on behalf of the child (Sloth-Nielson, 2004:24). A caregiver may apply for a CSG grant for any number of her/his biological children. However, the maximum number of non-biological children that the grant may be applied for by a primary caregiver is six. DSOD is not advocating actively for extension of the age of eligibility for the CSG to children between 14 and 18 years. Instead, it is focusing on how to develop more sustainable income-earning opportunities for youth and families struggling due to poverty (Benjamin, Deputy Minister of Social Development, Goedgedacht Forum Debate, June 11 2005).

FCG purpose and eligibility

The FCG is designed to provide assistance to children who have been defined as "in need of care" (due to abuse and/or neglect) and placed in the custody of foster families by the Children's Court in terms of the Child Care Act. The grant was initially designed to complement child protection services. The present value of the grant is R560 per month, R380 more than the CSG. This creates an incentive for non-biological caregivers of orphans to seek the FCG rather than the CSG. A foster parent is eligible for the foster child grant if the child is placed in the custody of a foster parent in terms of the Child Care Act (Act No.74 of 1983). A foster parent qualifies for a foster child grant regardless of such foster parent's income or citizenship status. (Republic of South Africa, 2005b:8).

CDG purpose and eligibility

The CDG is designed to provide support for caregivers caring for children with physical and mental disabilities, who are living at home in their families. The present value of this grant is R780. A person is eligible for this grant if he/she is a parent, PCG or foster parent of a child who requires and receives permanent care or support services due to his or her physical or mental disability. A person is not eligible for the grant if the child is cared for on a 24 hour basis for a period exceeding six months in an institution that is funded by the State. (Republic of South Africa, 2004b:10). The

[24] Currently the means test is as follows: The caregiver and child qualify if they live in: (i) An urban area in a formal dwelling and the personal income is below R9 600 per annum or in an informal dwelling and the personal income is below R13 200 per annum; or a rural area in a formal or informal dwelling and the personal income is below R13 200 per annum.

[25] Proof can be supplied through, for example, a sworn affidavit.

combined annual income of the applicant and his or her spouse after all the deductions referred to in the social assistance regulations have been made must not exceed an amount determined by the Minister of Social Development by notice in the Gazette. (Republic of South Africa, 2005b:8). For the purpose of this grant, a child who requires and receives permanent home care is defined as a child between 1 and 18 years (*ibid*). There is no policy direction on whether children chronically sick with HIV/AIDS can access the grant.

Coverage of child grants

Around 6.1 million (or 35%) of South Africa's approximately 17,7 million children (Budlender *et al* 2005), are currently beneficiaries of one of the three grants. If one accepts a poverty rate of 65% for children, the most generally accepted estimate, (see Streak & Coetzee 2004), then this means that about 53% of children living in poverty are in receipt of grants. Appendix 1 provides data on child beneficiaries for the three grants, by province, in May 2005 as well as in May 2003 and 2004. For obvious reasons the data does not allow identification of the proportion of child beneficiaries who are in need due to the impact of HIV/AIDS. There has been very rapid growth in all three of the child grants over the recent past. Between April 1999 and May 2005, the growth in child beneficiaries at the national level is 16 667% for the CSG, 270% for the FCG and 208% for the CDG. Taking the shorter period, May 2003 to May 2005, the growth rate in child beneficiaries is 97%, 79% and 39% respectively with substantial variations across provinces in the growth of beneficiaries. It is important to flag here that in the absence of a proportional increase in the number of social workers and magistrates, the high growth rate in the number of FCG implies ballooning caseloads for social workers and magistrates processing foster child grants. Appendix I also illustrates the number of children aged 0-13 benefiting from the CSG relative to the number *eligible* for the grant as recently estimated by Budlender *et al* (2005). The take-up rate at the national level is about 65% at present.

Social assistance policy for children made vulnerable by HIV/AIDS

Which grants caregivers of children made vulnerable by HIV/AIDS should apply for is not sufficiently clear. In particular, there is confusion about which grant caregivers of orphans absorbed into households affected by poverty should apply for.

From the outline of social assistance available for vulnerable children in documents such as the *National Guidelines for Social Services to Children Infected and Affected by HIV/AIDS,* it appears as if the policy is for children made vulnerable by HIV/AIDS to be treated exactly as other vulnerable children. (National Department of Social Development 2002a). In other words, for caregivers of children made vulnerable by HIV/AIDS (including orphaned children) to apply for the grant relating to the child's need (poverty, abuse/neglect or severe disability) and receive it if they pass the eligibility and administrative criteria set. According to this line of reasoning – which seems to emerge at times in government documents – the primary caregiver of a child made vulnerable by HIV/AIDS (including orphaned children and those living in child headed households) who is so disabled or sick that they are in need of full-time home care should apply for the CDG. The caregiver should apply for a CSG if there is a struggle to meet the children's socio-economic needs due to poverty. Only those primary caregivers who have been made foster parents by the Children's Court after children have been classified in need of care by social workers should apply for and receive the FCG.

However, the practice seems to be quite different and policy makers seem to be quite aware of the difference. In practice, the many primary caregivers of orphans who are struggling to meet the basic needs of their children (biological and non-biological) are not applying for the CSG. Instead, they are approaching social workers and the

Children's Court to have children classified in need of care, and are then applying for and receiving the FCG (Briede, M. 2005, Loffell, J 2005 and Van Niekerk, J. 2005). In the words of Sloth-Nielsen (2004:36):

> `Helping to arrange foster placements and access to the foster care grant appears to be the main response by social workers to children orphaned by HIV/AIDS.'

There is no official policy signal from DSOD about why children who are orphaned and in need due to poverty in foster families should apply for and receive the FCG (instead of the CSG). However, in personal correspondence a number of officials state that the practice should continue and is encouraged by government officials because the value of the CSG is insufficient to help foster parents meet the needs of orphans in their care. However, due to the scale of need, this tends to 'clog up' the system, as Sloth-Nielson points out (*ibid*).

3.1.2 Shortcomings in the social assistance policy

A number of shortcomings/concerns emerge from the overview of government's social assistance policy to provide for the needs and rights of children made vulnerable by HIV/AIDS. These are listed in bullet form below.

- The first is the confused policy and practice of children living in households affected by poverty (but not having suffered abuse and neglect and not in need of child protection services) applying for and receiving the FCG instead of the CSG. This practice is extremely problematic for four reasons. First, it is extremely time intensive and costly (relative to the cost of administering the CSG) for social workers and Children's Court Commissioners. Second, in the context of the dire shortage of social workers and magistrates in children's courts in the country (see Streak & Poggenpoel 2004, NACOSS 2004 and *Mail & Guardian* 2005), this policy has translated into unmanageable caseloads for social workers, backlogs of cases in the Children's Court and chaos in the child protection system. The effect of this practice on the time of social workers is so bad that children who are in desperate need of social worker services to be protected from abuse and related suffering are simply being left without any help (Van Niekerk, 2005 and Giese et al 2003; Meintjes et al 2003 and 2004; Sloth-Nielson 2003 & 2004). Third, the practice, as argued by Budlender and Meintjes (2003 & 2004) seems unfair. Why should children who are orphaned *and living in similar circumstances of poverty* to children with biological parents receive a grant from the state that is of a higher value? Fourth, it is a concern because it seems to be hiding another key policy shortcoming - inadequate income assistance measures for the care-givers of vulnerable children.

- The second is the large gap in income support for unemployed able-bodied adults. The extent and depth of poverty makes it very difficult for household members absorbing the growing number of orphans to provide them with the care they need and to which they are entitled by their rights. In the words of Rosetta Heunis, project manager for God's Goldern Acre in KwaZulu Natal: "Extended families do not have the financial resources to care for more orphans". Much progress has been made in extending the right to social assistance and this must be acknowledged. It is estimated that by March 2006 there will be around 11.1 million beneficiaries – 2.1 beneficiaries of the SOAP, 1.5 million beneficiaries of the DG and 7 million beneficiaries of the CSG (National Treasury, 2005a:414). This is compared to only 2.42 million in April 1998 (National Treasury 2003:104). However, there are about 8.4 million unemployed people, the majority of which live in poverty. The gap in social assistance for adults would not be such a huge problem if government had in place plans for more effective and large scale income-generating programmes or if the prospects of rapidly reducing the

structural unemployment crisis were good. However, research suggests that structural unemployment will remain well above 20% for a long time and the proportion of those who need income support benefiting from income-generating programmes and programmes such as the Expanded Public Works Programme (EPWP) will remain small relative to need (see Streak & Van der Westhuizen 2004 and McCord 2004). This means that in most of the households in which children affected by HIV/IADS are absorbed it will continue to be very difficult financially to provide adequate care for children.

- The third shortcoming is the age limitation of 14 in the eligibility criteria for the CSG. This is a real problem in that there is a desperate need for the grant amongst 15-18 year olds and it is older children's right to receive social assistance.

- The fourth shortcoming is the absence of any consideration of the special needs of children suffering from chronic illness due to HIV/AIDS infection and impacts.

- The fifth shortcoming is failure of the income means test used to decide eligibility of caregivers for the CSG to take into account the number of children supported by the caregiver. To qualify for the grant on behalf of a child, the caregiver's income needs to be below a certain amount *regardless of how many children are dependent on that caregiver*. This introduces discrimination against children in need living in larger households. It also creates a perverse incentive for families to take in orphans, including those orphaned due HIV/AIDS impacts (Ewing, 2002).

- The sixth shortcoming is that the administrative procedures for accessing grants make it difficult for children younger than 16 years, who are living in child-headed households where there is no child older than 16 years, or on the street, to access their right to social assistance.

- The seventh concern is that in the context of the insufficiency of other measures of support to assist poor families suffering from the value of the CSG is insufficient.

3.2 Social welfare service policy and shortcomings

3.2.1 Description of social welfare service policy

To describe the policy framework governing social welfare service delivery for children made vulnerable by HIV/AIDS, three levels of policy need to be considered: Policy governing provision to the vulnerable population in general; policy on provision to vulnerable children; policy on provision to children who are vulnerable due to HIV/AIDS.

Policy guiding social welfare service delivery to vulnerable individuals

The White Paper is supposed to serve as the primary guide to social welfare / development provision. It put forward the following principles to guide transformation of social welfare service delivery (*ibid*: 49 – 50):

- **Principle 1** is a focus on poverty in service delivery and on integrating poverty interventions. This includes linking social development department interventions with other government department initiatives.
- **Principle 2** is an emphasis on strengthening family life and advocating for vulnerable individuals to be assisted in the broader context of their family environment. Attached to this is a statement that priority should be given to those *without* families or households.

- **Principle 3** is a call for social work to adopt a life-cycle approach, taking cognisance of the changing needs of families and individuals over time.
- **Principle 4** is the adoption of a developmental approach in service design and delivery. (The precise meaning of this is left rather vague.[26]).
- **Principle 5** is the need for service delivery to be based on *comprehensive*, generic, family-centred, community-based models that apply the developmental approach. This involves achieving a better balance between rehabilitative, protective, preventative and developmental interventions. The problem identified by the authors of the White Paper is that too little attention has been focused on the preventative and developmental type interventions. (The White Paper however recognises the importance of all these types of interventions).
- **Principle 6** calls for consultation in design of social welfare policies.
- **Principle 7** calls for citizen participation in development.
- **Principle 8** acknowledges the reality of fiscal constraints. It commits all parties to an understanding that the social welfare service vision is to be "implemented progressively" (*ibid*:50).

A key policy message put forward in the White Paper is a desire by government to nurture the partnership between government and the non-governmental service delivery sector and to bring previously disadvantaged NGOs and CBOs more into the system.

One of the most problematic features of the social welfare system raised in the White Paper is under-funding of social welfare services. This is presented in part as a result of crowding out by social security spending:

> "The social security component amounts to 88% of the welfare budget…While there have been significant increases in social security expenditure, the [social] welfare assistance and services component of the welfare budget has remained static and inadequate…Welfare services are inadequately funded. The government's contribution to welfare services (excluding social security) is far smaller than that of the formal welfare sector and the informal welfare sector, i.e. the NGOs and CBOs, which are not state subsidised," (Ministry for Welfare and Population Development, 1997:35).

While under-funding by government of social welfare services is highlighted as a major problem, little is offered in the White Paper to deal with the funding crisis. (See Streak & Poggenpoel 2005:15). All that is suggested in this regard are the following:

- Welfare services should receive a bigger slice of the total social development budget.[27]
- A shift should be made away from calculating payments to non-governmental agencies based on a (not-costed) per capita amount for social workers and a per

[26] The document simply states that social welfare strategies and programmes should "ensure that all people have adequate economic and social protection, and have access to welfare programmes which will promote development". It also notes that the developmental approach calls for innovative strategies to be designed for vulnerable individuals and families to increase their capacity to earn a living through employment-creation, skills development, access to credit and where possible, by facilitating a transition from informal to formal employment (cited in Follentine 2004:5). No examples are given of such 'innovative strategies'. The question is also left hanging how such programmes would be linked to the employment-generation and empowerment programmes of other departments.

[27] However, there is no principle put forward on how the resource pie should be divided between social security and social welfare services. Subsequently, the department adopted a proportional policy goal of 80% for social security and 20% for social welfare services (Smith 2004 & Follentine 2004 cited in Streak & Poggenpoel, 2005:15).

capita amount for residents of residential facilities. Programme-based financing should be introduced, linked to outputs and the principles of transformation.

- The government should finance statutory programmes, including related services and facilities, and alternatives such as family placements and supervised community-based options. Moreover, that appropriate and affordable criteria, norms and standards for the delivery and funding of statutory services should be established and such financing should then be phased in over a five year-period within the limits of government resources (Ministry for Welfare and Population Development, 1997:38).

Subsequent to the White Paper, the national department of social development released two documents aimed at clarifying financing policy for social welfare service delivery to the vulnerable population. In 1999 it released the *Financing Policy for Developmental Social Welfare Services* (Government Gazette March 1999); then, in 2004, *Policy on Financial Awards to Service Providers*. (National Department of Social Development 2004a). This latter document was accepted by Cabinet in late 2004 and provinces were instructed to implement it. (See Streak & Poggenpoel 2005:21). The two policy statements are remarkably similar and echo the White Paper. According to people involved in both policy development processes, the primary reasons for the 2004 policy statement were to highlight the need to speed up transformation in funding[28] as well as to package the message of the 1999 document in a more accessible way (see *ibid*: 21).

The two financing policy documents reassert the principles for social welfare service transformation put forward in the White Paper. In addition, they re-affirm that government officials should adopt a *programme*-based approach, informed by consideration of programme inputs, outputs and outcomes, when deciding how much to fund non-governmental service providers. There is no principle statement that non-governmental organisations be funded 100% of the cost of delivering statutory social welfare services. The financing policy statements do not go any further than the White Paper with proposals to ensure an increase in the state's allocation to social welfare services or to deal with the funding crisis in the non-governmental sector. There is no information available that quantifies the size of the financial crisis undermining social welfare services delivery to vulnerable children but that there is a crisis is clear from information supplied by child welfare organisations and the National Coalition of Social Workers (see Streak & Poggenpoel, 2005).

Little is known about the extent to which the 1999 and 2004 financing policies have been implemented. It is generally understood that there has been little change in the sense of moving from per capita to programme funding (Streak & Poggenpoel 2005). Currently DSOD is trying to set research in motion to shed more light on the extent of implementation of the 2004 financing policy in provinces as well as on the size of the service delivery gaps to be filled in relation to the different categories of services. (Barberton in personal correspondence).

As pointed out in section 1, the package of developmental social welfare services advocated for in the White Paper is not well conceptualised and understood by policy makers and implementers, with obvious negative implications for planning, budgeting and service delivery. This is partly because until very recently, national and provincial departments of social development have concentrated on social assistance and paid

[28] The 2004 document is in particular critical of the slow pace in transferring more government funds to previously disadvantaged service delivery agencies and areas. For example, it states that: "Community-based emerging organisations, which are often best placed and have the potential to render services to the marginalized poor and especially rural communities, are still largely excluded from financing or inadequately financed (National Department of Social Development, 2004a:6).

insufficient attention to defining the different categories of services, developing attendant norms and standards and building budgets based on understanding service delivery gaps. In December 2004, DSOD released the second draft of a document titled the *Service Delivery Model for Developmental Social Services – Second Draft*. In this, DSOD offers some clarification about what constitutes the basket of social welfare services vulnerable individuals require (see National Department of Social Development 2004b and Streak & Poggenpoel, 2005:23-26). It also offers a general description of norms and standards. However, the norms and standards are still too broad to inform effective budgeting based on rigorous costing as well as effective service delivery (*ibid*).

The most recent policy development in the domain of social welfare service delivery to the vulnerable population, announced in the Finance Minister's presentation of Budget 2005, is adjustment upwards of salary scales for government social workers, particularly for senior social workers. This is to help attract and retain more and better social workers in government. Thus far, no policy direction has been forthcoming from government on how to deal with the problem of social workers leaving non-governmental agencies for government (or overseas) due to the inability of the former to pay salaries on a par with government salaries. From conversations with government officials, the unofficial policy on this appears to be for government to rely on donors (international and from the local business community) to make available more funds for non-governmental agencies to attract and retain social workers.

Policy guiding social welfare service delivery to vulnerable children

The policy guiding social welfare service delivery for vulnerable children is piecemeal, scant and incomprehensive. Some policy direction comes from the White Paper and a couple of other policy documents. However, there is as yet no one policy document that has the status of being an up-to-date umbrella policy to integrate, coordinate and guide the delivery of social welfare services to children. It follows that there is insufficient guidance on what the basket of services provided to different vulnerable groups should be, and attendant norms and standards.

White Paper guidance

The White Paper identifies children, especially those that live in particularly difficult circumstances, as a key priority. The following groups of children are identified (*ibid*:51-54):

- Children from birth to 36 months;
- Pre-school children aged 3 to 6 years who, because of poverty and/or other factors, have insufficient access to early childhood development services;
- Children requiring out-of-home care;
- Children with disabilities;
- Children with chronic diseases, including HIV/AIDS;
- Children who are abused and neglected;
- Children on the streets;
- Children engaged in labour that decreases their well-being;
- Children abusing substances;
- Children of divorcing parents; and
- Children suffering from insufficient nutrition.

A call is made in the White Paper for a rights-based approach to social welfare service delivery. A very general (and insufficient) description of the basket of social welfare services that needs to be provided to vulnerable children is offered. The

document flags the need for further policy development to flesh out service categories and norms and standards for social welfare service delivery to vulnerable children. (See Streak & Poggenpoel, 2005:15).

The Transformation of the Youth and Child Care System Guidelines

The second relevant policy document in the domain of social welfare service delivery for vulnerable children is the *Policy on the Transformation of the Youth and Child Care System* of 1996, which deals broadly with what it calls `the child and youth care system'. The guidelines were developed by the Inter-Ministerial Committee (IMC) on Young People at Risk. This body was established in May 1995 to resolve problems arising from the uncoordinated release of awaiting trial children in May of that year (South African Law Commission 1998).

In keeping with the White Paper, the financing policies and draft service delivery model, this policy calls for service delivery to children at risk in the context of the family and community. The child and youth care system is defined as one that provides residential and/or community services to young people and the families of young people who are at risk of placement away from home, who have been placed in any form of residential care or who may be in trouble with the law. The policy document describes the following four levels of social welfare service intervention that need to be offered for vulnerable children:

1. **Prevention**: These programmes and services aim to prevent problems that may impact negatively on the development of, or place at risk, the young person, family or community. Prevention could be achieved through a range of strategies including formal education, or school-based child and youth development programmes. The document flags the need to re-orientate law and practice to introduce a new focus on prevention. It argues that prevention and early intervention services were not given adequate attention in the past.
2. **Early intervention**: This category includes school-based support services, diversion programmes, parent support programmes, intensive family preservation services, early childhood education, differentiated foster care programmes and programmes aimed at enhancing community participation in matters relating to the protection and development of children.
3. **Statutory services**: These include the services provided by the children's court and juvenile criminal court. The document draws attention to the need for reform in this regard, *inter alia* with respect to training and the capacity of personnel, more effective partnerships between the justice and social development departments and possible community participation in children's court matters.
4. **Continuum of care**: This group of services comprise a managed strategy of care for children removed from their families and placed in residential care facilities, including group homes, correctional facilities, secure care facilities, shelters, places of safety, reform schools, children's homes and schools of industry. The policy stresses the importance of aftercare and re-integration.

National Policy Framework and Strategic Plan for Prevention and Management of Child Abuse, Neglect and Exploitation

The second policy document providing guidance for social welfare service delivery to vulnerable children is the *National Policy Framework and Strategic Plan for the Prevention and Management of Child Abuse and Neglect* (National Department of Social Development 2004b). This was finalised in 2004 after a 10-year process involving government and the non-governmental sector. The policy statement, which is currently before Cabinet, covers actions to help "enable government and civil society to work together in protecting all children from all forms of abuse, neglect and exploitation" (*ibid:viii)*. The approach advocated is "accessible, integrated, coordinated, multi-disciplinary and inter-sectoral" (*ibid*:ix). The aims of the document

are: to reduce the incidence of child abuse, neglect and exploitation in South Africa; and to ensure that cases of abuse, neglect and exploitation are managed effectively so as to prevent further maltreatment of the children concerned and to promote the healing of these children, their families and communities (*ibid*).

The process of this document's formulation led to the creation of the National Child Protection Committee (an inter-governmental and sectoral committee), which was heavily involved in the development of the policy. The committee has also set up committees / forums on the ground to help identify vulnerable children (Van Niekerk, 2005). This committee has been tasked with developing a simple model for service delivery from the policy framework. The plan is then to use this as the basis for service delivery. The committee has also been tasked with: costing implementation of the strategy; finding out the number of children in the system; developing norms and standards; developing appropriate mechanisms for the outsourcing of services to NGOs; and developing a strategy for addressing training needs and service conditions of personnel in all the sectors with child protection responsibilities.

The policy statement is generally accepted as having the potential to serve as a useful guide to improving social welfare service delivery to vulnerable children (Loffell 2004 cited in Streak & Poggenpoel 2005:28). However, it does not cover *all* the service categories under social welfare services that are required by children in need. It is hence not a substitute for an umbrella policy framework for guiding programming, budgeting and service delivery to all vulnerable children in the social welfare service domain. For example, the policy document does not address delivery of early childhood development for very young children in need, or services for children vulnerable due to substance abuse.

Policy guiding social welfare service provision to children made vulnerable by HIV/AIDS

Since 1998, driven by the increasing impact of the HIV/AIDS pandemic and donor interest, improving service delivery to children made vulnerable by HIV/AIDS has emerged as a particular concern in the national department of social development. This is reflected in the convening of many conferences and workshops aimed at understanding how HIV/AIDS is undermining child well-being (see Department of Social Development 2005a) and gaining views on how policy and programming should respond to the impact of HIVAIDS on children. The concern is also reflected in the special guidelines for social service delivery to children made vulnerable by HIV/AIDS, released in 2002, and three programme initiatives largely aimed at improving service provision for children made vulnerable by HIV/AIDS (Kanage, 2005 and de Beer, 2005). The policy stance towards social welfare service delivery is outlined below via a brief description of the content of the 2002 guidelines and the other three social development programme initiatives targeted mainly at assisting children made vulnerable by HIV/AIDS.

The National Guidelines for Social Services to Children Infected and Affected by HIV/AIDS

According to the document, the aim of the guidelines is to support and strengthen affected families, communities and children by "providing them with information on the services and other options available to government to meet the needs of children" (National Department of Social Development, 2002:1). The document summarises, very generally, the different social development services on offer to *all* vulnerable children and provides advice about how affected children can go about accessing them. It covers alternative care options, how to report child abuse and neglect, social assistance and community-based care and support models (*ibid*:3-10). The guidelines are designed for anyone (including volunteers, NGOs, CBOs and government officials) who is delivering services to children who are infected and

affected by HIV/AIDS. The guidelines signal that government's policy stance is not to provide children made vulnerable by HIV/IADS with any special new services, but rather to improve access to the services offered to all vulnerable children.

The Social Development Home/ Community Based Care and Support Initiative

The first social development programme initiative that is designed primarily for children made vulnerable by HIV/AIDS and is indicative of policy is the social development component of the Home/Community-Based Care and Support (HCBCS) programme. In 2000, the National Departments of Health, Social Development and Education jointly launched the three-legged *National Integrated Plan for Children Affected and Infected by HIV/AIDS* (NIP)[29], of which one programme leg was the HCBCS programme.[30] The two components of the HCBCS programme are as follows. First, a set of health interventions comprised of services targeted at providing care for terminally ill caregivers in HIV-affected households. And second, a set of social development interventions targeted at identifying vulnerable members of affected households – particularly children – as well as facilitating access to services that will make the affected members less vulnerable. The goal of the NIP is stated as "to ensure access to an appropriate and effective integrated system of prevention, care and support services for children infected and affected by HIV/AIDS" (cited in Streak 2002).

Essentially, the aim of the HCBCS social development set of initiatives is to help identify children in need of assistance due to HIV/AIDS and link them with services that can help ensure that they remain cared for in their families, or at least in their community of origin. HCBCS can thus be seen as a programme that tries to build a better link between children in need and services on offer, as well as a programme to give effect to the principle of allowing children to grow and develop in family environments rather than institutions.

The policy approach of government has been not to propose one model for social development service delivery under the HCBCS programme (Streak, 2002 and National Department of Social Development 2003) but to offer a range of possibilities for service delivery organisations to adopt and adapt. In 2003, DSOD developed *Guidelines for Establishing Home/Community-Based Care & Support Programmes*. These focus on providing practical advice to assist non-governmental organisations to set up and successfully monitor HCBCS programmes. The guidelines emphasise income-generating projects and food gardens as key in the package of services to be provided by HCBCS programmes. Facilitating access to grants is also emphasised as a short-term intervention (National Department of Social Development, 2003:38).

For the HCBCS initiative to work well in providing adequate and support for children, the following three things are critical. First, buy-in and participation from affected

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[29] The NIP is associated with the HIV/AIDS STD Strategic Plan for South Africa (2000-2005) released by the National Department of Health in 2000 (Giese et al, 2003:270). This is a "broad national strategic plan designed to guide the country's response to the epidemic…It is a statement of intent for the whole country, both within and outside government" (Department of Health, 2000:1 cited in *ibid*). The Strategic Plan outlines four priority areas for action to reduce the impact of HIV/AIDS. These are the following: prevention; treatment, care and support; research, monitoring and evaluation; and human and legal rights. The goals of the treatment, care and support component of the strategy are to: provide treatment, care and support services in health facilities; provide adequate treatment, care and support activities in communities; and develop and expand the provision of care to children and orphans. To facilitate realisation of the latter goal, the NIP was developed.

[30] Four programmes were initially developed, but two – HCBCS and Community Outreach – were soon merged. The two additional programmes are strengthening voluntary counselling and testing (VCT); and life skills and HIV/AIDS education in primary and secondary schools.

communities, including volunteers and paid workers in non-governmental agencies. (Giese *et al*, 2003:272). This is because the DSOD's role is largely limited to providing finance and policy guidance and advice. The actual care is provided by foster parents who absorb children and / or volunteers, social workers and auxiliary social workers who render services to children. Second, the success of the initiatives is critically dependent on adequate funding and training being forthcoming from the state and/or other sources for the volunteers, foster parents and other workers. Third, success is also dependent on effective monitoring systems to prevent abuse.

In 2002/03, DOH and DSOD conducted a rapid appraisal of HCBCS. The report showed that a large number of service providers had risen to the challenge and were providing services. Typical services that emerged as being provided to children under HCBCS projects included social grants; food parcels; child care; HIV/AIDS training; health care: life skills; poverty relief vouchers; and referrals (National Departments of Health and Social Development, 2003:24-25). At the same time, the appraisal revealed that there was a need to strengthen the social development component of the HCBCS initiative, which was by far the more active aspect in most HCBCS initiatives. It is in this context that the two subsequent initiatives designed to assist children made vulnerable by HIV/AIDS must be seen. (de Beer in personal correspondence 2005).

The Community-Based Multi-Purpose Centre Initiative

In 2003, DSOD conceptualised the multi-purpose centre initiative, the second major effort targeted primarily at assisting children made vulnerable by HIV/AIDS. To advocate for this, and assist in implementation DSOD released *Guidelines for Establishment of Community-Based Multi-Purpose Centres*. These outline procedures for NGOs, CBOs and anyone else involved in HCBCS to set up multi-purpose centres in the affected community. The objectives of these centres are stated in the guidelines as to provide a range of services to affected children (and adults) including meals, food gardens, child care, bereavement counselling, voluntary counselling and testing services, assistance with application for social grants, provision of home-based care and socialisation (National Department of Social Development 2003c:7).

The Child-Care Forum Initiative

In 2004, the child care forum initiative was developed and advocated for through the release of *Guidelines for Establishment of Child Care Forums*. This describes the purpose of the forums as to introduce an extra 'tool' for communities to use to deal with the HIV/AIDS pandemic and its impact on children. The forums can form part of a HCBCS programme, can stand on their own, or can be the starting point for establishing a HCBCS programme (National Department of Social Development, 2004c:1). While the idea is for the forums to be facilitated by DSOD and NGOs, they depend very much on community driven structures (*ibid*:8). Even the precise nature, role and responsibilities of the forums are left to each community to decide upon in the light of available resources and needs. The mission of child care forums is "mobilization of communities for early identification of children and families in need [so] as to provide comprehensive care (ie physical, emotional, social and economic and spiritual), which is sensitive to culture, religion and value systems in order to maximize the quality of life of orphaned and vulnerable children" (*ibid*). The most comprehensive view of the set of services envisaged for child-care forums is provided in the outline of strategies proposed in the *Policy Framework for Co-ordinated Action for Orphans and other Children made Vulnerable by HIV/AIDS*. (See below). This includes the following:

- Activities that enable community members to talk more openly about HIV and AIDS and its impact in order reduce stigma and discrimination
- Recruiting foster parents

- Community income-generation projects to assist vulnerable households
- Processes to ensure that the capacity of primary caregivers, community members and volunteers is built to respond to the different needs of children;
- After-school care and holiday programmes;
- Use of community-based day care facilities for young children to provide respite for their caregivers. (National Department of Social Development, 2005:44).
- Promotion and strengthening of links between community-based responses to orphaned and other children made vulnerable by HIV/AIDS with prevention, treatment and care programmes, including strengthening links with the programme to prevent transmission from mother to child;
- The provision of community-based multi-purpose centres.

Linking of HCBC services to the expanded public works programmes

Finally, before highlighting the shortcomings in the policy governing social welfare service provision to children made vulnerable by HIV/AIDS, the recent policy decision to try to link HCBCS service delivery to employment creation through the Expanded Public Works Programme (EPWP) needs to be mentioned.

The EPWP was launched in May 2004. Its goal is to provide government spending on temporary jobs (one million in the first five years of the programme or 200 000 per year (Streak & Van der Westhuizen 2004). The purpose of this job creation is three-fold: to provide temporary income (and hence short-term poverty relief); to provide needed public goods and services, at required standards (with the help of private sector implementation capacity); and to increase the potential for participants to earn an income by providing work experience, training and information related to work opportunities, further education and training, as well as small, medium and micro-enterprise development.

Employment under the EPWP is governed by the *Learnership Determination for Unemployed Workers* and the *Code of Good Practice for Special Public Works Programmes*. The code involves a number of measures, such as employers setting wage rates locally (at levels that avoid attracting workers away from permanent employment), reduced obligations for employers (including no UIF payment) and task-based payment (*ibid*). These conditions only apply if the workers are entitled to training and are employed for a maximum of 24 months in a five-year cycle. All work opportunities are therefore combined with skills training or education of the kind that will increase the ability of participants to earn an income once they exit the programme. The Department of Labour and the Sector Education Training Authorities (SETAs), have a critical role to play in the programme in that they are responsible for coordinating the training and skills development that will be important for enhancing the long-term income-earning capacity of beneficiaries. The following exit strategies for beneficiaries have been identified (the second last of which is vague):

- Employment with a new employer;
- Further education and training;
- Self-employment;
- Ongoing employment with the same employer at normal conditions of employment;
- Being a better equipped work-seeker; or
- Learnerships and other longer term skills programmes.

Social programme spending has been identified as one of four types of spending for job-creation and training through the EPWP.[31] This includes spending on volunteers

[31] The other three areas are: Infrastructure spending (of which the provincial and municipal infrastructure grants are *currently* the primary vehicles – it is hoped that in future more funds will be provided through the equitable share and other municipal infrastructure spending);

who are trained as child and youth care workers and community care workers to deliver early childhood development services, and auxiliary social and community workers to deliver other services to children. The development of the social sector part of the EPWP plan – led by DSOD with input from DOH and DOE – has been slow and this has undermined budget allocations and implementation. While logistics are being ironed out with regard to accredited training materials and implementation procedures, progress has been made and a plan now exists[32]. The accredited learnership material for community development workers and child and youth care workers is being finalised and provinces are coming up with implementation plans (Kghothadi, 2005). Apparently, stipends are already being paid to workers delivering services to children in some provinces and training (using provincially developed materials) has begun. The plan is to pay workers – formally volunteers – with level 1 and 2 training R500 per month, with level 3 training R750 per month and with level 4 R1000 per month. Fast-tracking implementation and taking the project to a decent scale is now critically dependent on the finalisation of the relevant training materials at a national level, as well as provinces finding and allocating more resources (*ibid*).

3.2.2 Shortcomings in the social welfare service policy framework

A number of shortcomings emerge in the social welfare policy framework. These are listed below.

- First, there are a cluster of concerns that can be grouped together as shortcomings in the HCBC initiative. In this regard, number one is insufficient emphasis on income generation measures to make the initiative effective. This is a serious shortcoming as in the context of deep poverty care givers struggle to provide adequate care for children. Number two is that whilst the idea of creating income and extending care for children through the EPWP is commendable, it is not clear why the payment of stipends will not act as a disincentive to volunteerism. Number three is inadequate attention to monitoring in the HCBC framework. The final concern is that there appears to be insufficient acknowledgement of the role of residential facilities in ensuring adequate care of need. Whilst it is preferable to keep children in their families and communities of origin, there are large numbers of children who, due to the HIV/AIDS epidemic and other factors (including substance abuse), require residential care. The neglect of funding of residential facilities over the recent past and emphasis on HCBCS has caused a problem in that now there are far too few facilities (Loffell, 2005 and Briede 2005). According to a Children's Court Commissioner, the policy shortcoming means that it is extremely difficult for magistrates to find facilities for children who urgently require them due to behavioural, disability, substance abuse or other factors that prevent them from being placed in kinship or foster care. (Goedgedacht Forum Debate, 11 June 2005).

- A second shortcoming in the social welfare service policy framework is the weak financing policy to support service delivery for vulnerable children (including those made vulnerable by HIV/AIDS). The two financing policies[33] do not produce

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Public environmental programme spending (for example, *Working for Water*); and General government expenditure on goods and services that provide the work experience component of small enterprise learnerships.

[32] See the EPWP Social Sector Plan 2004/05-2008/09 prepared jointly by the Department of Social Development Department of Education and Department of Health.

[33] The non-governmental sector has been very critical of both the 1999 and 2004 financing policy document. The weaknesses identified by the sector include (see National Coalition of Social Services – NACOSS 2004): i) Concern that programme funding leaves it very much up to the discretion of department officials how much to fund different organisations every year – without warning about changes in levels of funding. Linked to this uncertainty about how to

any convincing plans about how to make available sufficient resources for state and non-governmental delivery of the linking-up initiatives – HCBCS, CCF and CMPC – or the other social welfare services (statutory and other) that must accompany them. This is a fatal flaw, as without more funding – informed by the costs of services required – the policy ideas will remain on paper, bringing little relief for children that are so desperately in need.

- A third shortcoming is insufficient clarification on the service categories and content of the social welfare service delivery basket that should be delivered to children made vulnerable by HIV/AIDS (as well as those made vulnerable by other factors). Norms and standards are inadequate. Linked to this shortcoming is the absence of an umbrella policy framework to guide social welfare service delivery and coordinate services and service providers.[34]

- Finally, a weakness in the policy framework is that the plethora of different policy documents and programme initiatives do not seem to talk to each other sufficiently. For example, it is not made sufficiently clear how the child care forum initiatives should relate to the HCBCS social development initiatives, how the work of the child protection committees will interact with both of these or how the multi-purpose centres fit in with both of these. The lack of clarification is a problem because it raises the potential for duplication of services and confusion on the ground about who should do what – with the risk of no one doing anything. It is also not clear how the different categories of workers proposed in the different documents are to relate to each other.

3.3 Coordinated action

The national DSOD has developed one policy statement in relation to its responsibility for creating inter-governmental and sectoral action to realise the rights of children in the context of the HIV/AIDS epidemic. This is the *Policy Framework for Orphans and Other Children Made Vulnerable by HIV and AIDS in South Africa: Building a Caring Society Together*, which is still in draft form. A first draft of the framework was developed by the Children's Rights Centre, under instruction from NACCA and the National Department of Social Development. This was finalised and

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ensure sufficient funding for social welfare services, particularly statutory social welfare services delivered with the assistance of non-governmental organisations; ii) Insufficient acknowledgement of the financial crisis undermining service delivery in non governmental agencies and the problem of there being too few social workers in this sector due to the inability to match government social worker salaries; iii) Insufficient details on the nature of the services that need to be (and will be) funded by government, how much it would cost to deliver them, and the funding gap that needs to be filled by government and private funding. In the words of NACOSS (2004) there are "…no details on who will be funded…what will be funded, parameters of funding for various services etc…The details are apparently left entirely to provinces to work out with no national norms at all". Linked to this, the policy lacks a commitment in principle to the costing of services according to set minimum norms and the financing of NGOs on the basis of these costs (Ibid); vi) Concern that without a clear plan for increasing the total amount of funding to social welfare services (informed by norms and standards and related costing of service delivery gaps) the emphasis on preventative services will cause difficulties in meeting the rising demand for statutory services.

[34] It appears from considering the outline of its social welfare service priorities in the *National Estimates of Expenditure 2005* that DSOD is quite aware of the need for more clarity around norms and standards for social welfare service delivery, and costing of baseline norms and standards. This is identified as one of the priorities, alongside fast-tracking the expansion of HCBCS to children and households affected by HIV/AIDS but there is no indication of how adequate funding for this is to be ensured (National Treasury, 2005a:404).

submitted in November 2004[35]. The department subsequently made substantial adjustments to the framework and released a third draft of the document for comment in March 2005. The third draft version of the framework is the one described directly below before shortcomings in it are pointed out.

3.3.1 Description of policy framework for coordinated action

According to the actual policy document, the purpose of the framework is to:

> "Promote an enabling environment for more effective delivery on the existing commitments to orphans and other children made vulnerable by HIV/AIDS at legislative, policy and programmatic levels" (*ibid*).

This purpose is reiterated in the minutes of a meeting hosted by the National Department of Social Development in June to add more refinement to the six strategies of action proposed in the framework (see below). According to the minutes the objectives of the framework are to:

- ensure coordination of service delivery to orphaned and other vulnerable children (coordination should look at all levels);
- enhance the impact of policies; and
- provide an over-arching framework to support stakeholders, including government and civil society to implement services.

About a third of the framework is devoted to providing an overview of child rights obligations, laws and policies governing service delivery to children made vulnerable by HIV/AIDS. There is more about the obligations that flow from international child rights obligations than on domestic legal processes and laws. The piecemeal nature of the domestic law and policy governing all government service delivery to vulnerable children emerges from the lengthy overview but it is not highlighted as a problem. Rather, it is simply stated that South Africa has a "rich tapestry of laws and policy". As Van Niekerk points out (2005a), there is no analysis of how implementation difficulties and funding constraints have undermined implementation of this rich tapestry of policies in place for vulnerable children (including those made vulnerable by HIV/AIDS).

Identification of role-players that need to work together

The framework identifies the following role players that need to work together for effective provision of services if children's rights are to be protected and fulfilled:

- The plethora of government departments with service delivery responsibilities[36];
- Civil society stakeholders (national and provincial non-governmental organisations involved in capacity building, advocacy and research, and direct service delivery NGOs, FBOs and CBOs);

[35] See *Orphans and Other Vulnerable Children Policy Framework for South Africa: Building a Caring Society Together*, November 2004. The DSOD version is rather different from CRC version. The key differences being a greater emphasis in DSOD's version on drawing in business resources and a deletion of a section in the CRC version on policy and programme shortcomings.

[36] The departments mentioned are: The Presidency and in particular the Office of the Rights of the Child; DSOD; Department of Education; Department of Justice; Department of Health; Department of Home Affairs; Department of Agriculture; Department of Housing; Department of Provincial and Local Government; Department of Public Works; Department of Correctional Services; Department of Trade and Industry; Department of Labour; South African Policy Services; Department of Sport and Recreation; Department of Transport; Department of Water Affairs; Department of Foreign Affairs; House of Traditional Leaders.

- Donor organisations;
- The media; and
- The business sector.

There is a very brief description of the role to be played by each. Critically, this is informed by *current* policy and programme design in government. From the description, a great deal of overlap emerges between the responsibilities of different players, which of course highlights the importance of developing a coordination policy document and institutional arrangements.

The proposed mechanism to enhance coordination

The central policy message of the policy framework is that better coordination and mobilisation of resources (human and financial) is critical in the struggle to assist children made vulnerable by HIV/AIDS. To mobilise the different role-players and improve coordination, the department of social development proposes that NACCA, led by DSOD, become the leading institution. It is proposed that NACCA will facilitate better coordination by working at four levels - national, provincial, municipal and district level. The policy statement does not explain how NACCA will play the role required but it does set out the following objectives of the NACCA coordination structure at every level (National Department of Social Development 2005a:13):

- To promote coordination between the different role players (what this means is left hanging);
- To promote information regarding issues and programmes to realise the rights of orphans and other children made vulnerable by HIV/AIDS;
- To promote collaboration between different role players to improve services and programmes that will ensure that the rights of orphaned and other children made vulnerable by HIV/AIDS are realised;
- To facilitate commissioning of relevant research;
- To advocate for the needs and rights of children made vulnerable by HIV/AIDS to be treated as a priority;
- To mobilise resources for the implementation of the policy framework.

The call for a rights-based approach to programming and the principles for service provision

The policy framework calls for all role players to adopt a "rights-based approach to programming". This is interpreted as a holistic, integrated approach that addresses prevention, care, treatment, protection and rehabilitation or recovery and impact mitigation (National Department of Social Development, 2005b:43). In addition, the following nine principles are put forward to guide programming in the provision of effective care, support and treatment, and the development of the coping capacities of affected households and communities.

- **Principle 1** – Coordinated action at all levels.
- **Principle 2** – Encompassing monitoring and evaluation in programme design.
- **Principle 3** – Designing sustainable and long-term development programmes that are age-appropriate and respond to individual needs of children and caregivers.
- **Principle 4** – Focusing on the most vulnerable children in prioritising interventions.
- **Principle 5** – Acknowledging and strengthening the caring and economic capacities of families through community-based mechanisms, with particular attention to supporting primary caregivers.
- **Principle 6** – Prolonging and supporting improved quality of life of primary caregivers.
- **Principle 7** – Training and empowering older children made vulnerable by HIV/AIDS and primary caregivers with knowledge and skills in running income-generating activities.

- **Principle 8** – Giving attention to redefining gender roles and addressing gender imbalances to deal with the fact that a disproportionate amount of the burden of HIV/AIDS impacts falls on girls and women.
- **Principle 9** – Community participation, ownership and empowerment in programming (including involvement and empowerment of children).

Proposals for strategies of action to improve service delivery

The framework calls for the following six strategies to be implemented together by all role players in order to improve service delivery to children made vulnerable by HVI/AIDS.

Strategy 1 - Strengthen and support the capacity of families to protect and care for orphans and other children made vulnerable by HIV/AIDS.

Strategy 2 - Mobilise and strengthen community-based responses for the care, support and protection of orphans and other children made vulnerable by HIV/AIDS.

Strategy 3 - Ensure that legislation, policy strategies and programmes are in place to protect the most vulnerable children.

Strategy 4 - Ensure access to essential services for orphans and other children made vulnerable by HIV/AIDS.

Strategy 5 - Raise awareness and advocacy to create a supportive environment for orphans and other children made vulnerable by HIV and AIDS.

Strategy 6 - Engage the business community to play an active role in supporting the plight of orphans and children made vulnerable by HIV/AIDS.

The first five strategies are exactly the same as those advocated for in a framework developed by the United Nations and its partner organisations titled *The Framework for the protection, care, and support of orphans and vulnerable children living in a world with HIV and AIDS*. UNICEF stated that the purpose of the framework was to "provide guidance to donor nations and the governments of affected countries on how to respond to the urgent needs of children affected by HIV/AIDS" (UNICEF 2004:75).

A very general set of actions is outlined in relation to each of the strategies. These are tentative because the department is still refining and developing the actions (Kanage 2005 and de Beer 2005). Appendix II presents the actions proposed in relation to each strategy. A critical point about the actions as they stand, in the third draft version of the document, is that they offer little guidance on what is needed to develop policies and programmes and improve implementation – even in relation to social development policy and programming. So, for example, under strategy 3, the set of recommended actions does not include a description of what policy and progamming gaps need to be filled – it simply calls for various actions to uncover the gaps. This is surprising in light of the research that has been conducted on the issue, which has highlighted the many gaps that need to be filled.[37] Moreover, this approach is in contrast to the original document developed by the Children's Rights Centre, which highlighted programme and policy gaps in various areas – including social development, health and education – and advocated specific actions to fill them. (See Children's Rights Centre 2004).

Proposals for resources and monitoring

The framework ends with a section that stresses the importance of monitoring and gathering resources (human and financial) for effective implementation. NACCA is tasked with monitoring implementation. There are no estimates offered for the amount of extra funding and resources required to implement the framework in different provinces or municipalities. There is not even a budget given for the role of

[37] See for example the study conducted by Giese et al in 2003 for the National Department of Health and Ewing 2002.

DSOD and NACCA. Social workers, community caregivers, and all involved in child care forums, are identified as critical for implementing the strategy. There is a very brief mention of the idea of training child care forum workers through a 12-day training curriculum developed by NACCA. There is also mention of planned training for community caregivers, using the Departments of Social Development and Health's training linked to the National Qualification System (NQ3). Unfortunately, how this will be financed via the EPWP is not made clear.

3.3.2 Shortcomings in the coordination policy framework

The framework is encouraging in that better coordination and mobilisation of resources within and outside government is critical for improving service delivery to children living in desperate conditions due to HIV/AIDS impacts. If NACCA gains the support and buy-in from different role-players, and develops a coordination role that reduces duplication of services, promotes more integrated service delivery and generates more resource mobilisation for service delivery, much progress will be made. However, there are three shortcomings in the framework that raise concern about the potential for NACCA to lead such a process.

- The first is the lack of a comprehensive birds-eye view of how all the parallel processes on policy, programming and identification of vulnerable children and coordination fit together, and will fit together in future (Van Niekerk, 2005). It is not clear how the NACCA initiative for coordination of service delivery to children made vulnerable by HIV/AIDS relates to other initiatives to coordinate service delivery for vulnerable children, or how the NACCA process will pull them together. For example, it is not clear how the work of NACCA relates to the National Child Protection Committee or the National Plan of Action in the Office of the Presidency. Or, with reference to coordination on the ground, how the work of the child care forums relates to that of the child protection committees.

- The second shortcoming is lack of a clear outline of how NACCA is to set up the coordination structures at the four different levels and what the associated costs of implementation are.

- The third is insufficient clarity about the extent of support for the NACCA led plan from other quarters in government and from civil society organisations, which are so important for effective service delivery. Included in this concern is lack of clarity about how the final changes in the document were negotiated with the CRC team that developed the initial framework.

In addition, the document fails to address the gaps in programming and policy that require filling in order for children to receive the services that they require and to which they are entitled. The framework should, in line with the CRC initial document, have been informed by the research on current gaps in programming and policy and advocated strongly for addressing these gaps – even if only in relation to social development policy and programming. The policy framework also seems detached from experience in the field on progress and challenges in rolling out services to children in need. The policy framework and its chances for rapid success could have been made a lot stronger if the strategies and action plans were related to the experience that has been gathered about the best practices for delivery and the obstacles that need to be overcome. It is worth quoting at length the section in initial draft of the Orphans and Other Vulnerable Children Policy Framework for South Africa, developed by the Children's Rights Centre, on titled "Assessment of service delivery gaps and areas of strengthening" in Social Development:

> "While the social security system contributes greatly to poverty alleviation, a number of categories of children do not receive these benefits. These include child-headed

households, children living on the streets, children over the age of 11 (now 14), children living just above the poverty line, children with moderate disabilities, and those with severe disabilities who attend school. Furthermore, there is no support, aside from emergency assistance, for vulnerable adults…With regard to social (welfare) service delivery, current services are not easily accessible to large numbers of children, especially those in rural areas, as well as those requiring specialised counselling and support. Further, the identification of vulnerable children is not done systematically: there is no single database that can be used to plan, deliver and monitor adequate services to children…The non-profit sector makes a major contribution to the provision of welfare services, although few of these organisations receive state support. Furthermore, it is difficult for NGOs, CBOS and FBOs to access funding from government, partly because there is no uniform mechanism that is used by government departments and funding agencies." (Children's Rights Centre, 2004:45).

4. Social development department budgeting for children made vulnerable by HIV/AIDS

This section of the paper proceeds as follows. Section 4.1 explains how the public funding of the different social development interventions aimed assisting children made vulnerable by HIV/AIDS is organised. Section 4.2 describes the budget classification system used in government to report the budget allocations and spending of social development departments, and addresses the question of what the system does and does not permit in terms of tracking allocations and spending on service delivery. Section 4.3 uses the budget allocation and spending data to provide an overview of trends in relevant programme budgets from 2004/05 to 2007/08. It also highlights concerns that emerge from the budget trends. Section 4.4 covers the main points that emerge from the budget analysis.

4.1 Organisation of public funding to support social development service delivery to children made vulnerable by HIV/AIDS

The policy review revealed that social development interventions to assist children made vulnerable by HIV/AIDS are organised into four distinct yet inter-related programme measures. The organisation of public funding is based on this four pronged set of programme initiatives:

Public funding channel 1 - HCBC programme (including child-care forums and multi-purpose centre initiatives).

Public funding channel 2 - Enhanced coordinated action programme.

Public funding channel 3 – Child-specific social assistance programmes.

Public funding channel 4 - Social welfare service programmes.

Critically, the source of public funding for each of the four initiatives is different and the size of the budgets supporting the different programme initiatives is not determined by one process and set of decision makers. A brief overview of the source and determination of funding for each of the programme initiatives is provided below.

Source and determination of funding for HCBCS programme

Funding for the HCBCS programme (including for the multi-purpose centres and child-care forums) initiatives[38] comes from two main sources[39].

- The first source of funding is a conditional grant paid by National Treasury via DSOD to provincial social development departments for them to deliver these services. The first cluster of conditional grants was paid in 2000/01, when the programme was piloted (Streak 2002). National Treasury decides the value of the conditional grants based on its views about capacity to spend funds and

[38] Johanna de Beer, Deputy Director in the Coordinated Action Sub-programme of the HIV/AIDS programme in the DSOD verified that funding for the child care forums and multi-purpose centres at this stage comes from funds allocated for the social development component of the HCBCS programme initiative.

[39] We say two main sources as, theoretically, the EPWP funding should be a third important source of government funding for the programme but it is unclear how much this source is working. This is partly due to the fact that there is no explicit record of it in the relevant sections of provincial and national budget statements for 2005.

consideration of competing priorities. The total value of the conditional grants has increased over time. Critically, however, the increases, and their absolute values, have not been based on costing demand for the cluster of services delivered in each province.

- The second is allocations from provincial treasuries to provincial social development departments, from total provincial revenues. In each province, the total provincial revenue available for spending is made up of its 'equitable share' of the national pie (determined by the annual division of revenue process[40]) and its own provincial revenue (which is minimal). Again, and critical for understanding the problem of under-funding of service delivery to protect and care for children made vulnerable by HIVAIDS, the size of the total provincial allocations for HCBCS is not based on an estimated cost of the service delivery gap that needs to be filled to meet the demand for services, after taking into account the size of the conditional grant source of funding. How much is set aside from the total provincial revenue pots for HCBCS social development interventions to assist children in need is very much influenced by the level of planning and advocacy targeting social development officials. It is also affected by the power of officials who are lobbying for funds to be spent on other initiatives (including for other vulnerable groups) and by politics.

Since the inception of the HCBC programme in 2000/01, government's plan has been for the provincial source of funding to grow, relative to the conditional grant source and eventually for the former to replace the latter (Streak 2002).

Considering the source of and nature of the determination of budgets for HCBCS delivery, it becomes clear that there is no reason to expect sufficient money to be forthcoming annually from the public purse to support the level and quality of HCBCS social development interventions required by children in need.

Most of the money allocated to the HCBCS programme initiative is transferred to non-governmental service providers who actually deliver services. The latter also have to acquire money from donors and business to render the services required by children.

Source and determination of funding for enhanced coordinated action

Government funding for the programme to facilitate coordinated action (set up in 2004/05 at the national level) comes from the equitable share made available annually to the national sphere of government (see footnote 41 above). Again, it needs to be understood that, as at the provincial level, the budget process determining the size of resources flowing to the programme is a political one,

[40] Section 214(1) of the Constitution of South Africa requires "that every year an Act of Parliament (Division of Revenue Act) determine the equitable division of resources between the spheres of government and the horizontal division among provinces" (National Treasury 2004a:243). The division of national revenue between the three spheres is known as the vertical division. The decision about how to split total revenue between the three spheres of government is not determined by a formula based on the estimated costs of services to be delivered by each sphere. Instead, it is based on a consideration of past proportions, new policy and service delivery commitments in the different spheres and the capacity of the different spheres to spend effectively, as well as a fiscal policy decision about how much government can afford to borrow. The total revenue allocated to the provincial sphere is then divided horizontally among the nine provinces on the basis of a formula. The formula tries to factor in the estimated demand for services in each province, but it is not based on costing of service demand from zero. The formula that was used between 2000/01 and 2004/05 has recently been replaced due to the introduction of SASSA and the shift of social security funding away from provinces. The new formula was announced with the presentation of the 2004 *Medium Term Budget Policy Statement.*

informed by the relative power of the many different interest groups competing for equitable share funds. The policy priorities of the day – as handed down from Cabinet – also have a role to play. The better the planning and advocacy by social development, the greater is the chance of the programme receiving funds.

Source and determination of funding for the social assistance interventions

As explained in section 1 of the paper, the organisation of funding for social assistance delivery is being transformed. The start of the financial year 2005/06, on 1 April 2005, brought with it a new source of funding and a different process for determination of the child social assistance programme budgets.

Previously, the source of funding was provinces' total revenue, with the total amount allocated to each programme being based on estimated costs of paying the statutory grants. To estimate the costs, most provinces drew on a model developed by National Treasury for this purpose. Because of growth in demand (and perhaps also flaws in the data used for estimation) the trend over the recent past has been for provinces to under-budget for the payment of the social grants. Then, budgets would be topped up with supplements from National Treasury or at times grants would not to be paid (see Wehner and Streak 2003 and National Treasury 2003).

In 2005/06, the source of funding is a portion of national government's equitable share. And, as explained in section 1, a conditional grant has been created to carry the funds for the child-specific social assistance programmes (and other social assistance programmes) to provinces. The formula which is used to split revenue horizontally (i.e. across provinces) as well as the total size of provinces' equitable shares, have been adjusted accordingly (see National Treasury, 2005c). The conditional grant (divided into funds for paying grants to beneficiaries and paying social assistance administration costs of provinces) is being paid to a new programme, titled `Social Assistance', created in the national DSOD. This programme is transferring the money to the nine provinces for them to administer and pay the grants. The total amount of the budgets for payment of each of the types of grants has been determined by National Treasury officials using their model of demand for social assistance.

Source and determination of funding for social welfare services

The source of government funding for social welfare service provision to children made vulnerable by HIV/AIDS (as well as other vulnerable children and adults) is provincial revenue. This makes the process for the determination of the budgets for social welfare services similar to that governing the determination of the size of the allocations for the provincially funded part of HCBCS.

An important point about the determination of budgets for social welfare services is that they have traditionally not received sufficient attention in planning or priority in the budget process. As seen in section 3 above, as far back as 1997 this problem was highlighted in the White Paper. The reason usually given by government officials (including Social Development and Treasury) for this lack of priority is that the introduction of the CSG programme and increased demand for other grants left little in the total pot for other non-statutory social development responsibilities (see Follentine 2004 and Streak & Poggenpoel 2005). However, the ballooning of demand for statutory grants and associated budget requirements is not the only – or even the most important – reason. Far more important is that lack of clear policy guidance about the basket of social welfare services, and absence of norms and standards in relation to the different service categories, has hampered the development of the plans required to advocate for a fairer slice for this service domain (which includes statutory services!).

Whatever the cause, the result is problematic from the perspective of service delivery to realise the rights of vulnerable children – including those made vulnerable by HIV/AIDS. In the words of Jurgensen (2004), who recently completed a study of caring for children in the Amajuba District, services for children are few and far between. (See also NACOSS 2004, Streak & Poegenpoel 2005 and Barberton 2005). NACOSS (Ibid:3) offers a vivid description of the type of impact that the financial squeeze has been having on service delivery and on the people that services are designed to reach. It is worth quoting at length because it highlights why it is so critical to give social welfare service a higher priority in government policy development, planning and budgeting. It also highlights the need to ensure a more adequate flow of funds to organisations that deliver the social welfare services so critical for the protection and advancement of basic rights:

> "…The lack of adequate funding impacts very seriously on communities and means that many, many children, often AIDS orphans, are 'stuck' in the judicial system. The children and their carers are kept in poverty as there are insufficient social workers to undertake the necessary statutory work to ensure that children are placed in foster care. NGOs report backlogs of …cases of foster care applications requiring investigation. For example, one organization right now has a backlog of more than 1 400 such cases that is increasing at a rate of almost 100 additional cases per month. For 15 years this organization has requested the provincial department for additional funding and has now been able to obtain funding from an overseas funder for ONE social worker for two years. This social worker will be used for intake as the current 2 social workers are overloaded with dealing with cases of abuse and neglect. In fact, one worker had 8 removals of abused children in one week. Similar examples can unfortunately be cited throughout the country."

4.2 Budget classification system and what it allows for tracking funding for children made vulnerable by HIV/AIDS

The budget classification system for social development undermines comprehensive tracking of all the public monies allocated to and spent on social development interventions for children made vulnerable by HIV/AIDS. For two of the four programme intervention channels, the money allocated to and spent on children made vulnerable by HIV/AIDS can be tracked comprehensively – HCBCS and coordinated action. In the social assistance spending stream, it is impossible to identify and track the funds flowing to children made vulnerable by HIV/AIDS. This is because there is no sub-programme breakdown based on different vulnerabilities (including vulnerability due to HIV/AIDS impacts). In the social welfare service spending stream, the situation is even less clear – only allocations and spending that benefit all vulnerable individuals can be identified; there is no break-down of the proportion of the funds flowing to children, let alone to children made vulnerable by HIV/AIDS. Of course, the latter is quite understandable because, for ethical and logistical reasons, it would be extremely difficult to collect information in the field on the proportion of vulnerable children that gain access to services due specifically to HIV/AIDS impacts.

This creates a dilemma: in trying to shed light on trends in budget allocations and spending to support interventions for children made vulnerable by HIV/AIDS, should one consider only the two programmes where funds flowing to this group of children can be tracked? Or should the trends in the social assistance and welfare service programme budgets also be looked at – even though the money flowing in these programmes is not all for the benefit of children made vulnerable by HIV/AIDS? The approach adopted below (in section 4.3) is to include consideration of the welfare service and social assistance programme budgets on the basis that any concerns that emerge about the trends in budgets in general will, in all likelihood reflect on service delivery for children made vulnerable by HIV/AIDS.

4.3. Trends in budget allocations and spending 2004/05-2007/08

4.3.1 The budget for facilitating coordinated action

Table 1 below illustrates the value of the budget in nominal terms (without adjusting for inflation) since the programme's inception in 2004/05 up until the end of the current medium term expenditure framework period (2005/06-2007/08). It also provides the real growth rate in the budget of the programme for the period 2005/06-2007/08[41].

Table 1: Budget for coordinated action programme – Total amount (R'000) and real growth (%) 2004/05-2007/08

	Adjusted appropriation 2004/05	Medium Term Estimates		
		2005/06	2006/07	2007/08
Total amount	436	1 422	1 505	1 580
Real growth		213	0.5	-0.3

Source: National Treasury 2005a:423 and own calculations

The budget allocated for the programme aimed at facilitating more coordinated and effective service delivery for children made vulnerable by HIV/AIDS is tiny. In 2005/06, it was only 0.0003% of total allocated for national department spending[42] . The programme received a huge real growth in its budget in 2005/06 but the budget of the programme is stagnant in real terms in the outer two years of the medium term.

4.3.2 Budgets for home- and community-based care and support

Consolidated funding for HCBCS

Table 2 below illustrates the combined conditional grant and provincial revenue allocations for HCBCS for the years 2004/05 to 2007/08, as well as the total estimated expenditure on HCBCS in 2004/05. It also shows the annual real growth trend in the total budget allocations for HCBCS for the period 2005/06-2007/08.

Table 2: Size of combined conditional grant and provincial HCBCS budgets (R'000) and real growth in these budgets (%), 2004/05-2006/07

	Allocation	**Estimated Expend.**[43]	**Medium term estimates**						
			2005/06			**2006/07**		**2007/08**	
	2004/05	**2004/05**	**Total**	**Gr.**[44]	**Gr.**[45]	**Total**	**Gr.**	**Total**	**Gr.**
Eastern Cape	7089	7089	21579	192.1	192.1	21759	-4.2	22296	-2.6
Free State	15745	17306	26161	59.4	45.0	32047	16.3	32848	-2.6

[41] For all the real-growth rate calculations in this document the CPIX inflation figures presented in Budget Review 2005 have been used (National Treasury 2005c) with 2004/05 serving as a base year.
[42] In 2005/06, consolidated national department spending is estimated at R417 819 226 000. (National Treasury 2005a:v).
[43] It needs to be stressed that these estimates of expenditure are from the provincial budget statements, which were released in early March 2005. As such they are very much estimates because they could not have included actual spending information for the last month of the financial year.
[44] This column shows the growth rate if the allocation for 2004/05 is used.
[45] This column shows the growth rate if the expenditure data for 2004/05 is used.

Gauteng	10315	35849	21994	104.6	41.1	22066	-4.7	22708	-2.2
KwaZulu-Natal	12773	8742	25187	89.2	176.5	25272	-4.7	25990	-2.3
Limpopo.	7901	27647	15135	83.8	-47.4	22345	40.2	34688	47.4
Mpumalanga.	10456	12238	20619	89.2	61.6	20688	-4.7	21275	-2.3
Northern Cape	3930	4605	7750	89.2	61.5	7776	-4.7	7997	-2.3
North West	9270	9893	17253	78.6	67.3	17766	-2.1	17596	-5.9
Western Cape	5721	5721	10864	82.2	82.2	10689	-6.5	10689	-5.0
RSA	83200	129090	166542	92.1	23.8	180408	2.8	196087	3.2

Source: Provincial estimates of expenditure 2005.

As can be seen from the data in Table 2, there is a noteworthy positive trend in the size of budget allocations for HCBCS in all provinces between 2004/05 and 2005/06. Eastern Cape and Gauteng in particular reflect very strong real growth in budget allocations for HCBCS.

In the table, the real growth in the budget based on both allocations and expenditure for 2004/05 is calculated. The growth rate using the allocation data is faster for most provinces. This signals the second noteworthy trend in the budget data – over-expenditure in 2004/05. With the exception of KwaZulu Natal – in which only 68% of the funds made available for HCBCS social development initiatives was spent in 2004/05 – all provinces either overspent or spent exactly the amount of their consolidated HCBCS budgets: Eastern Cape and Western Cape spent 100% of their funds; Free State spent 109%; Gauteng 347%; Limpopo 349%; Mpumalanga 117%; Northern Cape 117%; and North West 106%. There is an up-side and down-side to the over-expenditure trend in 2004/05. The up-side is that it signals that provinces have developed capacity to scale up social development HCBCS interventions. The negative side is that it is reflective of the funding shortage relative to need in the provision of HCBCS services.

The final noteworthy trend, and one that is a cause for concern, is the real decline in the size of HCBCS funding in most provinces in 2006/07 and 2007/08. This alarming trend appears in all provinces except Free State (2006/07) and Limpopo (2006/07 and 2007/08).

Shares of conditional grant and provincial revenue funding for HCBCS

What is the relative share of conditional grant and provincial revenue funding of the social development department HCBCS initiatives? And how is it set to change over time? Table 3 provides data to answer these questions.

Table 3: Share of conditional grant in total HCBCS funding (%), 2004/05 – 2007/08

	Allocation	Medium term estimates		
		2005/06	2006/07	2007/08
	2004/05			
Eastern Cape	100	65	64	65
Free State	62	74	61	61
Gauteng	100	92	92	92
Kwa Zulu Natal	100	100	100	100
Limpopo.	59	60	41	27
Mpumalanga.	100	100	100	100
Northern Cape	100	100	100	100
North West	100	92	90	93
Western Cape	54	56	57	59
RSA	84	83	77	73

Source: Calculated from data provided in 2005 Provincial Estimates of Expenditure.

Table 3 illustrates – disturbingly – that the overwhelming majority of funding for social development HCBCS initiatives was from the conditional grant source and while the

situation is set to improve somewhat over the medium term in 2007/08, provincial revenue remains a small contribution. Moreover, it illustrates that six provinces – Eastern Cape, Gauteng, KwaZulu-Natal, Northern Cape, Mpumalanga and North West –contributed no revenue to the programme in 2004/05. And, looking beyond 2004/05 into 2005/06 and the outer years of the MTEF period, even though Eastern Cape, Gauteng and North West begin to make some contribution through provincial revenue, – KwaZulu-Natal, Mpumalanga and Northern Cape are still not expected to contribute any provincial revenue for HCBCS.

Trends in conditional grant source of funding for HCBCS

Table 4 spotlights the size and real growth trend in the conditional grant source of funding for social development HCBCS initiatives. The data in Table 4 illustrates that conditional grant funding for HCBCS initiatives received a huge boost in 2005/06. The large boost is probably in part due to provinces showing a better capacity[46] to spend funds allocated through this grant. As is recorded on the National Treasury website, in 2004/05 the problem of under-spending conditional grant funds allocated to the HCBCS was replaced, in the majority of provinces, by 100% expenditure (Gauteng, KwaZulu-Natal, Western Cape and Limpopo) or over-expenditure (Northern Cape 117%; Mpumalanga 116%; and North West 105%). Only Eastern Cape and Free State under-spent on the grant. Moreover, in both cases the problem was marginal with 98.2% and 94.6% of the conditional grant spent respectively.

Table 4: Conditional grant budgets for HCBCS – Total amount (R '000) and real growth (%) 2004/05-2007/08

	Allocation	Estimated Expend.	Medium term estimates						
			2005/06			2006/07		2007/08	
	2004/05	2004/05	Total	Gr.[47]	Gr [48]	Total	Gr.	Total	Gr
Eastern Cape	7 089	6 962	13 979	89.2	92.7	14 026	-4.7	14 424	-2.3
Free State	9 825	9 297	19 374	89.2	99.9	19 439	-4.7	19 991	-2.3
Gauteng	10 315	10 315	20 341	89.2	89.2	20 409	-4.7	20 988	-2.3
KwaZulu-Natal	12 773	12 773	25 187	89.2	89.2	25 272	-4.7	25 990	-2.3
Limpopo.	4 634	4 634	9 138	89.2	89.2	9 169	-4.7	9 429	-2.3
Mpumalanga.	10 456	12 198	20 619	89.2	62.2	20 688	-4.7	21 275	-2.3
Northern Cape	3 930	4 605	7 750	89.2	61.5	7 776	-4.7	7 996	-2.3
North West	8 070	8 536	15 914	89.2	78.9	15 967	-4.7	16 420	-2.3
Western Cape	3 088	3 088	6 089	89.2	89.2	6 110	-4.7	6 283	-2.3
RSA	70 180	72 408	138 391	89.2	83.4	138 854	-4.7	142 797	-2.3

Source: Republic of South Africa, Division of Revenue Bill 2005 for medium-term allocation estimates and National Treasury website for 2004/05 allocation and expenditure estimates.

Of grave concern, in light of the need for scaling up of home- and community-based care initiatives to protect children's rights, and apparent unwillingness of provincial treasuries to allocate substantially more to the HCBCS programme in the outer two years of the MTEF, is the declining real growth trend in conditional grant budgets for HCBCS that emerges in 2006/07 and 2007/08.

Provincial revenue source of funding for HCBCS

The size and real growth trend in the provincial revenue source of funding for HCBCS initiatives of social development departments is spotlighted in Table 5[49].

[46] Since the inception of the HCBCS conditional grant there were capacity problems undermining spending. See Hickey et al 2003 and 2004 for information on the trend in spending relative to allocations over time.
[47] This column shows the real growth rate based on the allocation data for 2004/05.
[48] This column shows the real growth rate based on the expenditure data for 2004/05.

Table 5: Social development department provincial budgets for HCBCS – Total (R'000) and real growth (%) 2005/06 – 2007/08

	Allocation	Medium term estimates					
		2005/06		2006/07		2007/08	
	2004/05	Total	Gr.	Total	Gr.	Total	Gr.
Eastern Cape	0	7 600		7 733	-3.3	7 872	-3.3
Free State	5 920	6 787	10.0	12 608	76.4	12 857	-3.1
Gauteng	0	1 653		1 657	-4.8	1 720	-1.4
KwaZulu-Natal	0	0		0		0	
Limpopo.	3 267	5 997	76.1	13 176	108.6	25 259	82.0
Mpumalanga.	0	0		0		0	
Northern Cape	0	0		0		0	
North West	1 200	1 339	7.0	1 799	27.5	1 176	-37.9
Western Cape	2 633	4 775	74.0	4 579	-8.9	4 406	-8.6
RSA	13 020	28 151	107.5	41 554	40.1	53 291	21.7

Source: Calculated using the provincial estimates of expenditure 2005 and Division of Revenue Bill for 2005.

The real growth in the provincial revenue source of funding is faster in each of the three years of the MTEF than the real growth in consolidated provincial conditional grant HCBCS funding (illustrated in Table 4 above). However, and critically, the real growth is off extremely small provincial revenue budgets for 2004/06 and in six provinces the provincial revenue-based budgets for HCBCS were zero in 2004/05.

An important point to note about the data in Table 5 is the very different performance across provinces in providing provincial revenue to supplement the conditional grant funding for social development HCBCS interventions. The most dismal provincial performance is in KwaZulu-Natal, Mpumalanga and Northern Cape, where there is a zero contribution of provincial revenue in 2005/06 and no change to this situation in subsequent years. Limpopo and Free State emerge as the star performers in allocating provincial revenue for the purpose of delivering home- and community-based care and support services. Western Cape and Eastern Cape still have very small provincial revenue based budgets for HCBCS but they are also doing better than the other provinces.

4.3.3 Budgets for child social assistance programmes

The total value and real growth in the consolidated budgets of the nine provinces' child social assistance programmes is presented in Table 6 below. In Appendix III, the total value and real growth rates are illustrated by province.[50]

Table 6: Consolidated budgets for the three child social assistance programmes, total value (R billion) and real growth (%), 2004/05-2007/08

	Allocation	Estimated Expend.	Medium term estimates

[49] The total amount of provincial revenue funding for HCBCS social development interventions has been discovered by deducting the conditional grant allocation from the HCBCS HIV/AIDS line item recorded in Programme 4 in provincial estimates of expenditure for 2005.

[50] They also show the proportion of the allocations made for the programmes in 2004/05 that was spent.

			2005/06			2006/07		2007/08	
	2004/05	2004/05	Total	Gr.[51]	Gr.[52]	Total	Gr.	Total	Gr
CSG	10.47	11.26	14.02	28.4	19.47	16.07	8.82	17.2	1.95
FCG	1.42	1.65	2.04	37.2	18.63	2.37	10.40	2.71	8.38
CDG	0.69	0.81	0.93	29.6	10.54	1.03	5.29	1.11	4.78
Total	12.60	13.73	17.00	29.51	18.84	19.48	8.81	21.11	2.88

Source: Tables 7-9 below and own calculations.

What are the significant trends that emerge from the budget data?

The first noteworthy trend is rapid real growth in the size of the child support grant budgets over the next three years. Table 6 shows that it is projected that the cost of paying the CSG to beneficiaries will rise over the MTEF, from R14.0 billion in 2005/06 to R17.2 billion in 2007/08. The growth in the total budget for the FCG – the second most expensive of the three grants – is also rapid and the total cost of the grant is set to rise from R 2.0 billion in 2005/06 to R 2.7 billion.

The second noteworthy trend is over-expenditure of budget allocations in 2004/05. (See Appendix III). With the exception of Gauteng, all provinces either spent exactly their CSG budgets or more than their CSG budgets in 2004/05. Most provinces (six out of nine) spent very much more than the total initially allocated for the FCG and Limpopo and Eastern Cape, in particular, struggled with the problem of demand being greater than the amount of money allocated. Only one province, Northern Cape, underspent on the budget allocated for payment of the CDG and the majority of provinces overspent (six of nine). This signals that estimates of effective demand (and hence costs) of the child-specific social assistance grants are still shaky and there may be a need for additional funds to be allocated.

While the total amount allocated for delivering all three child-specific programmes together is large, at R17 billion in 2005/06, it is small relative to the total amount of revenue raised nationally and distributed across the three spheres of government - R417,8 billion in 2005/06 (Republic of South Africa, 2005:24). Total child social assistance payments work out at 4.0% of the total revenue to be distributed for expenditure in 2005/06 and 4.2% of the total that it is estimated will be distributed in 2007/08 (ibid and table 6). Appendix IV offers a costing of extending the CSG to children aged 14-18 who pass the current means test. Assuming that the value of the payment remains R180 and administration costs are 10% of the total value of grant payments, the cost of extending the CSG to children who are 14-18 and pass the current eligibility test would be about R3.4 billion. This would mean that instead of being R21.1 billion in 2007/08 the total cost of child social assistance would be R24.5, or 4.9% of the total revenue to be distributed between the three spheres of government.

4.3.4 Government[53] budgets for social welfare service delivery

Table 7, below, shows the budget allocations for 2004/05-2007/08 for the social welfare service programmes combined in each of the nine provinces, as well as the estimated expenditure for the two social welfare service programmes combined in 2004/05. In addition, it presents real growth rates in the social welfare service budget allocations for the three years of the MTEF (2005/06, 2006/07 and 2007/08). As

[51] This column shows the real growth rate based on the allocation data for 2004/05.
[52] This column shows the real growth rate based on the expenditure data for 2004/05.
[53] An up-coming paper by the children's budget unit reports on the size of the budgets made available by the provincial social development departments to non-governmental social welfare service delivery organisations.

was pointed out above, it is impossible to pull out the spending and allocations only on social welfare services for children and these budgets thus are those for service delivery to all vulnerable individuals, including children.

A most welcome strong, positive real growth in social welfare service delivery budgets emerges in 2005/06. Limpopo in particular sees a very large real expansion. Only in one province is there a negative real growth trend in the funding made available for social welfare services between 2004/05 and 2005/06. This is Gauteng. The shrinkage in the funding is of tremendous concern in light of the desperate need for services and the fact that organisations rendering services to children have inadequate funding. (Loffell 2005 in personal correspondence and Barberton *et al* 2005).

The positive real growth trend in funding for social welfare service delivery continues into 2006-7 in all provinces except Western Cape, where the contraction in the budget by 4.1% in real terms is surprising and worrying. Another concern is that, in general, the rate of real growth in budgets in 2006/07 is slower than in 2005/06. Looking ahead to 2007/08, a concerning trend emerges in social welfare service budgets: in six out of nine of the provinces, real growth is set to be negative!

Table 7: Provincial budgets for social welfare services – Total amount (R '000) and real growth (%) 2001/02-2007/08

	Allocation	Estimated Expend.	Medium term estimates						
			2005/06			2006/07		2007/08	
	2004/05	2004/05	Total	Gr.[54]	Gr.[55]	Total	Gr.	Total	Gr.
Eastern Cape	379361	361009	4246	11 7.4	12.8	474822	6.2	516673	3.3
Free State	274065	270313	295493	3.4	4.9	326413	4.9	335503	-2.3
Gauteng	556749	586518	485930	-16.2	-20.4	533538	4.2	529252	-5.8
KwaZulu-Natal	572413	457778	668031	12.0	40.0	719285	2.2	754432	-0.3
Limpopo.	199282	246415	270216	129.4	152.0	297842	4.6	310355	-1.0
Mpumalanga.	152368	175412	180092	13.4	-1.4	333621	75.9	339235	-3.4
Northern Cape	113038	102877	126984	7.8	18.4	138291	3.4	149463	2.6
North West	201145	210535	243715	16.2	11.0	282910	10.2	313864	5.3
Western Cape	412458	415819	486684	13.2	12.3	491147	-4.1	499424	-3.4
RSA	2860879	2826676	3181756	10.0	13.8	3597869	7.3	3748201	-1.0

Source: Provincial estimates of expenditure for 2005 and own calculations

To reflect on the extent to which social welfare services are set to rise in priority, Table 8, below, illustrates the share of social welfare service budget allocations out of the total allocated for social development in each of the provinces, for 2004/05 and the MTEF period. Table 9 illustrates the share of social welfare service budget allocations out of the total allocated for spending on all services in provinces. Note that the total allocated for spending on social development and all services in provinces includes the conditional grant allocations (in all three years) for social assistance.

Table 8: Provincial social welfare service budgets as a proportion of provincial social development budgets (%), 2004/05 and 2005/06

	2004/05[56]	2005/06	2006/07	2007/08
Eastern Cape	4%	4%	4%	4%
Free State	9%	7%	7%	6%

[54] This column shows the growth rate if the allocation for 2004/05 is used.
[55] This column shows the growth rate if the expenditure data for 2004/05 is used.
[56] The calculation is based on the budget allocations for 2004/05, not the estimated expenditure.

Gauteng	10%	6%	6%	6%
KwaZulu-Natal	6%	5%	5%	5%
Limpopo	3%	4%	4%	3%
Mpumalanga[57]	3%	3%	5%	4%
Northern Cape	10%	8%	8%	8%
North West	5%	5%	5%	5%
Western Cape	9%	10%	9%	9%
RSA	6%	5%	5%	4%

Source: Provincial estimates of expenditure for 2005 and own calculations

Table 9: Provincial social welfare service budgets as a proportion of provincial budgets[58] (%), 2004/05 - 2007/08

	2004/05[59]	**2005/06**	**2006/07**	**2007/08**
Eastern Cape	1.24%	1.19%	1.23%	1.25%
Free State	2.18%	2.03%	2.08%	1.98%
Gauteng	1.83%	1.45%	1.44%	1.32%
Kwa Zulu Natal	1.51%	1.47%	1.44%	1.39%
Limpopo	0.82%	0.97%	0.98%	0.95%
Mpumalanga[60]	1.16%	1.19%	2.01%	1.88%
Northern Cape	2.51%	2.48%	2.43%	2.44%
North West	1.32%	1.44%	1.54%	
Western Cape	2.25%	2.35%	2.19%	2.10%
RSA	1.53%	1.48%	1.53%	1.60%

Source: Provincial estimates of expenditure for 2005 and own calculations

The data reveal that, judging from the budget plans, the share of social welfare services in total social development spending is actually set to decline further in most provinces. Looking at the provinces together, the share is to move from 6% to 4%.

For all provinces together, the share of social welfare service allocations out of the total budget falls slightly between 2004/05 and 2005/06 from 1.53% to 1.48% and then rises marginally to 1.60% in 2007/08[61]. However, and of concern in light of the general acknowledgement that social welfare services are critically under-funded, there is only marginal movement upwards in the provinces where the trend is positive, and in four provinces (Free State, Gauteng, KwaZulu-Natal and Northern Cape) the share of social welfare services in total revenue actually declines over the period 2004/05-2007/08. This suggests that provinces are still not giving sufficient attention to increasing budget allocations for social welfare services in the budget process.

[57] In Mpumalanga, the department of social development and health are merged, with the implication that the statistic for this province is biased downwards.
[58] The budget size used is the amount reported in the provincial budget summary of provincial estimates of expenditure as total provincial receipts.
[59] The calculation is based on the budget allocations for 2004/05, not the estimated expenditure.
[60] In Mpumalanga, the department of social development and health are merged, with the implication that the statistics here show social welfare services as a proportion of the budget allocation for health and welfare service delivery.
[61] There may be a little distortion in the result for 2007/08 due to the absence of data on total provincial revenue for 2007/08 in the North West provincial estimates of expenditure.

4.3.4 Concerns about public funding of social development initiatives for children made vulnerable by HIV/AIDS

The budget analysis uncovered a number of concerning trends from the perspective of developing budgets that can support service delivery to meet the needs and rights of children made vulnerable by HIV/AIDS. These are listed below.

- The first is that aside from for child social assistance programmes, the programme budget amounts are not based on estimated costs of service delivery. This means that there is no reason to expect the size of the budgets for the coordinated action, HCBCS and other social welfare service programmes to be sufficient to meet demand.

- The second is that there is no estimate in budget statements of the extent to which the size of budgets (in 2005/04 and allocated for 2005/06) for the different interventions – coordinated action and social welfare service delivery (including HCBCS initiatives) – fall short of what is required. This undermines effective advocacy to close the funding gap (by drawing in more public and private sector funding).

- The third is that budget statements forecast a declining real growth trend in public funding of the coordinated action and HCBCS programme initiatives in 2006/07 and 2007/08.

- The fourth is that social welfare services (including those for children) are critically under-funded and the budget data presented in the 2005 provincial budget statements predict that this situation will remain a problem into the medium-term. There is strong real growth in eight of the nine provincial budgets for social welfare services in 2005/06. However, Gauteng has a large real contraction in spending on social welfare services in 2005/06. Moreover, in 2006/07 the real growth trend loses some of its tempo and in 2007/8 the trend turns negative in six out of nine provinces. The data on the share of social welfare service budget allocations in total provincial budget allocations reveals that provinces are still, over the MTEF 2005/06-2007/08, not giving sufficient attention to the problem of under-funding.

- A fifth concerning trend to emerge from budgets is the small-scale contribution by provincial treasuries to the HCBCS initiative. We have seen that conditional grant funding in 2005/06 still constitutes the overwhelming majority of funding for HCBCS and while the share of provincial revenue is set to rise in the outer two years of the MTEF, the growth is slow. Moreover three provinces – KwaZulu-Natal, Mpumalanga and Northern Cape – are still not making any provincial revenue contribution and are not planning to change this over the next two years.

- A sixth negative trend and cause for concern is that conditional grant funding for HCBCS is set to decline in real terms in 2006/07 and 2007/08 (after strong real growth in 2005/06), despite provincial funding for HCBCS still being a trickle.

- A final concern is that there is no indication in the budget statements that the government is planning to set aside more funds for the child social assistance programme in order to pay for an extension of the grant to children age 14-18 years. This is despite the fact that such an extension would (assuming the current cost of the grant per child) cost only about R3.4 billion per year (0.8% of the total available in the national revenue fund for sharing across the three spheres of government).

Conclusion – Implied action for moving forward

This paper analysed social development policy and budgeting to assist children made vulnerable by HIV/AIDS in South Africa in the context of the prevailing legal and child rights framework. The policy shortcomings identified and concerns raised about budgeting generate some pointers for policy, advocacy, budget and research action that departments of social development need to take into account to build a policy and budgets that are more conducive for ensuring that children gain access to the integrated package of social development services they need and to which they are entitled.

On the policy and advocacy front, a general implication from the analysis is that DSOD should be more explicit about the shortcomings that still exist in the policy framework as well as more proactive in its approach to addressing policy and programming gaps. Budgets and service delivery for children made vulnerable by HIV/AIDS would greatly benefit if, instead of working within the current policy framework, DSOD drew on the rich tapestry of research already conducted on the subject, and advocated for and addressed the policy and programming shortcomings that are known to exist.[62] As recommended by the Children's Rights Centre, one place in which DSOD needs to clarify and highlight the gaps in policy as well as present its forward looking plan to address them, is in the recently developed *Policy Framework for Orphans and Other Children Made Vulnerable by HIV and AIDS in South Africa - Building a Caring Society Together.* The forward looking plan and list of gaps could easily be integrated into this policy framework, as it is still in draft form.

The policy gaps/shortcomings highlighted by the analysis in this paper suggest the following policy priorities that need to be addressed by DSOD.

i. Development of more extensive and effective measures to raise the income capacity of poor families and communities caring for children affected by HIV/AIDS. This could include for example an increase in the value and reach of different grants as recommended by the Taylor Committee. However, and in addition, there are various other possibilities, including speeding and scaling up delivery of the EPWP.
ii. Clarification of norms and standards in relation to the full basket of integrated social assistance and welfare services required by all vulnerable children, including those made vulnerable by HIV/AIDS. This process can obviously be informed by the Children's Bill process but finalisation of norms and standards cannot wait for the Children's Act as this will only be passed in 2007 (if things move according to plan).
iii. Establishment of a more effective monitoring system in relation to care being provided to children placed across the full range of care arrangements – i.e. including care provided by other children; kin; foster parents; adoptive parents and carers in residential facilities.
iv. Extension of the CSG to children age 15-18 and perhaps a dropping of the means test.
v. If there is no dropping of the means test, them at least an alteration of the criteria to take into account the number of children being cared for by the applicant.
vi. Clarification of procedure for mentors to be able to access social assistance for children living on the streets who are younger than 16 years, or who are in child-headed households where there is no child above 16 years.

[62] As explained earlier the body of research that highlights policy and budget gaps and points towards how these should be addressed includes: The Taylor Committee Research Report; Giese *et al,* (2003); Ewing, 2002; and Streak & Poegenpoel 2005.

vii. Adjustment of the financing policy for social welfare service delivery to amongst other things clarify government's responsibility to fully fund statutory services delivered to children via the NPO sector and develop mechanisms to make funding flows to different organisations in the NPO sector more certain and equitable.
viii. Adjustment of the criteria for the CDG to provide for the needs of children with chronic illnesses.
ix. Clarification of the purpose of the FCG and eligibility criteria for the grant.
x. The development of a policy document to govern social development service delivery to all vulnerable children (including those made vulnerable by HIV/AIDS) The content of this should be informed by the purpose of clarifying how the plethora of different sub-policy frameworks and programmes fit together, as well as how they should be coordinated by the different inter-governmental and sectoral committees set up to direct social development service delivery for vulnerable children (including NACCA, the National Child Protection Committee an the National Plan of Action Steering Committee). The plan should be developed in partnership with the non-governmental sector that is so important in the provision of services and which has knowledge about implementation duplication, hurdles and best practice.

On the budget front, a clear message to emerge from this paper is that social welfare services for all vulnerable children (including those made vulnerable by HIV/AIDS) are still not, receiving enough public resources. Moreover, it is absolutely imperative from a child-rights and morality perspective that policy and planning priorities are adjusted so that the many children who are desperately in need of social welfare services (including residential care and various social worker services) and income support have recourse to these services. What is required for more resources to flow for extending the reach of effective HCBC, residential and the other social welfare services required by vulnerable children?

i. It is not known how much services (in the different categories) are under-funded. Quantification of the size of the resource gap in relation to different service delivery categories should go a long way towards improving resource flows. This is because decent information on the resource shortfall (needs) will improve planning and the advocacy power of officials calling for resources in the budget process. In this regard, the costing of the Children's Bill is most positive. Once this is complete it needs to be used by provincial officials working with social welfare service budgets and must inform the resource allocation. At the same time there needs to be interrogation of the costing to establish and raise awareness about any relevant services left out of the costing process. (and hence under-estimation of resource needs).

ii. It will be no use increasing the size of social welfare service budgets without supplementary action to ensure that there is capacity in provinces and the NPO sector to spend the budgets effectively. In other words, skills development in the social development sector is critical for improving resource flows and service delivery. This will need to include building management capacity and employment and training of more social workers as well as other workers such as community development workers and child care workers.

iii. For more funds to flow for the delivery of desperately required HCBC and other social welfare services, awareness also needs to be build around the right of children to social services in section 28 of the Constitution and elsewhere. Greater acceptance of the obligation to give vulnerable children a first call in the budget process through absolutely prioritising allocations for social development

service provision to them will have a most positive impact in terms of releasing more resources for necessary service delivery.

Finally, the paper highlights a cluster of research areas that should be engaged with in order to provide information that will help build a more effective social development policy and budgetary framework for vulnerable children (including those made vulnerable by HIV/AIDS). The first is research on how the inter-governmental organisational set-up governing planning and budgeting for delivery of social welfare services to vulnerable children currently works and how it could be adjusted to make it more conducive to ensuring children receive the resources and services they required. The second is research on the relative roles of the NPO and government sector in financing and delivery social welfare services for vulnerable children. The third is research to shed light on when and how orphaned children are discriminated against in access to resources within poor households and services on offer from the state. Answering this question is critical to developing a clearer and more reasonable social assistance and welfare service policy for orphaned children. It is imperative that this is done as a matter of urgency, as social assistance needs to be provided to this category of children in a way that protects their rights but also eliminates the perverse effect of discrimination against non-orphans and clogging up of the child protection system.

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Appendix 1 – Child Support Grant, Foster Child Grant and Care Dependency Grant Child Beneficiaries

Table 1A: Child beneficiaries in receipt of CSG 31 May 2003, 30 May 2004 and 31 May 2005

Province	31 May 2003	3 0 May 2004	31 May 2005
EC	486027	768312	1048943
FS	165305	259029	349942
Gaut	361967	570706	710293
KZN	736448	1098890	1309537
L	462981	758673	970720
MPA	228202	376036	477370
NW	226985	367109	460410
NC	50839	74005	98160
WC	213149	274895	354672
RSA	2931903	4547655	5780047

Table 1B: Child beneficiaries in receipt of Foster Child Grant, 31 May 2003, 31 May 2004 and 31 May 2005

Province	31 May 2003	3 1 May 2004	31 May 2005
EC	27373	38479	52449
FS	15524	24341	32723
Gaut	19963	27550	34189
KZN	33937	47781	56516
L	10494	17833	24932
MPA	3779	7096	12318
NW	8181	13765	18558
NC	7552	8495	9224
WC	21644	23643	25542
RSA	148447	208983	266451

Table 1C: Child beneficiaries in receipt of Care Dependency Grant, 31 May 2003, 31 May 2004 and 31 May 2005

Province	31 May 2003	3 0 May 2004	31 May 2005
EC	12683	17825	19927
FS	2557	3181	3385
Gaut	7888	10391	11470
KZN	16593	20020	21017
L	6950	8711	9 618
MPA	3276	4157	4270
NW	4631	6421	6987
NC	1387	1807	2139
WC	5676	6243	6845
RSA	61641	78756	85658

Table 1D: Growth in child beneficiaries for three child grants by province May 2003-May 2005 (%)

Province	CSG	FCG	CDG
EC	115.8	91.6	57.1
FS	111.7	110.8	32.4
G	96.2	71.3	45.4
KZN	77.8	66.5	26.7
L	109.7	137.6	38.4
MPA	109.2	226.0	30.3
NW	102.8	126.8	50.9
NC	93.1	22.1	54.2
WC	66.4	18.0	20.6
RSA	97.1	79.5	39.0

Table 1E: Total number of child beneficiaries for the three child social assistance programmes, April 1999 and May 2005, and growth over same period

	Child beneficiaries		Growth in child beneficiaries
	April 1999	May 2005	April 1999-May 2005
Child support grant	34 471	5 780 047	16667.8%
Foster child grant	71 901	266 451	270.5%
Care dependency grant	16 836	85 658	408.7%
Total child grants	123 208	6 132 156	4877.0%

Source: Socpen data supplied by Jane Jooste, DSOD, for May 2005 beneficiaries, and National Treasury, Intergovernmental Fiscal Review 2003: 104, for 1999 beneficiary data.

Table 1F: Take-up rate for the CSG based on beneficiary data of 31 May and Budlender estimates of eligibility using the 2003 GHS and non-inflation adjusted means test

Province	Child beneficiaries	Eligible children 0-13	Take-up rate
RSA	5780047	8791705	65.7%

Source: Budlender et al 2005 and SOCPEN data supplied by Jane Jooste.

Appendix II – Strategies and attendant actions proposed in the Policy Framework for Orphans and other Children made Vulnerable by HIV/AIDS

Strategy	Proposed interventions
Strengthen and support the capacity of families to protect and care for orphans and other children made vulnerable by HIV/AIDS	- Identify vulnerable children and ensure access to appropriate services; - Enhance capacity of families and primary caregivers to provide psychological support and counselling to OVCs; - Identify and address special needs of child-headed households; - Ensure and support family succession planning and security of inheritance; - Ensure primary caregivers access treatment, care and support to prolong their lives; - Develop and strengthen young people's life and survival skills; - Improve and strengthen household economic capacity through socio-economic safety nets and food security.
Mobilise and strengthen community-based responses to the care, support and protection of orphans and other children made vulnerable by HIV/AIDS	Child Care Forums, in conjunction with relevant community leadership structures, are the primary mechanisms identified for achieving the following interventions and mobilising communities. - Ensure and support local leadership in responding effectively to the needs of vulnerable community members; - Mobilise communities for early identification of affected children and families; - Expand and improve community services for children and families, including child-headed households; - Ensure safe parks in communities;
Ensure that legislation, policy strategies and programmes are in place to protect the most vulnerable children	- Review and develop national policies and frameworks, strategies and plans, and enhance capacity of government to integrate and coordinate these to protect rights of OVCs; - Enhance government capacity to deliver quality services and to monitor implementation of policy and programmes; - Mobilise and ensure equitable distribution of resources to communities; - Ensure implementation of supportive legislative framework; - Provide protection and alternative care options for children without families; - Create linkages between programmes in the context of broader development and poverty alleviation strategies; - Monitor and evaluate the impact of HIV and AIDS on children; - Ensure access to basic services.
Ensure access to essential services for orphans and other children made vulnerable by HIV/AIDS	- Ensure birth registration for all children; - Strengthen and increase access to services for early childhood development; - Strengthen the capacity of those working with orphaned and other children made vulnerable by HIV/AIDS to provide appropriate services; - Ensure access to learning and education for OVCs; - Ensure access to health and nutrition services, and palliative care, including comprehensive treatment for HIV and AIDS, Tuberculosis (TB) and Sexually Transmitted Infections (STDs); - Ensure access to information and services on HIV prevention, including VCT; - Ensure access to safe water and sanitation; - Ensure adequate housing for primary caregivers and child-headed households; - Empower children through life skills programmes; - Ensure access to education through linkages; - Facilitate peer support at school.
Increase awareness and advocacy to create a supportive environment for orphans and other children made vulnerable by HIV/AIDS	- Facilitate and support activities that enable community members to talk more openly about HIV/AIDS and combat stigma and discrimination; - Raise awareness and encourage community responses to care for and support OVCs; - Facilitate the development of clear referral protocols, communication channels and other links among service providers; - Facilitate campaigns and interventions that use the media, and high-profile and other influential role models to demonstrate positive practices and attitudes to addressing HIV/AIDS, including support of people living with HIV/AIDS.

Engage the business community to respond to the plight of orphans and children made vulnerable by HIV/AIDS	The assumption here is that thus far business has had too little involvement. Greater involvement – financial resources and human expertise – is presented as critical for realising the Policy Framework's objectives. Interventions proposed are: - Business providing expertise and advice in management of OVC projects; - Encouraging business to send skilled staff to "volunteer" in government or NGO projects; - Provision of training by business to communities, NGOs and government; - Mentoring and coaching community leaders in management skills; - Allowing the use of company facilities for community meetings and training sessions; - Business providing legal advice and assistance; - Deployment of funding and financial grants to assist projects in becoming sustainable over time.

Source: National Department of Social Development, 2005a.

Appendix III – CSG, FCG and CDG programme budgets, total value (R'000) 2004/05 – 2007/08 as well as % allocation spent in 2004/05

Child support grant budgets, Total amount (R'000), 2004/05-2007/08 and % of allocation spent in 2004/05

	2004/05			Medium term estimates		
	Allocation	Estimated expenditure	% spent	2005/06	2006/07	2007/08
Eastern Cape	2012656	2113825	105	2545674	3078853	3334681
Free State	400396	634051	158	894887	1050237	1143208
Gauteng	1460927	1337353	92	1864315	2239651	2411648
KwaZulu-Natal	2365117	2770608	117	3287907	3688457	3949911
Limpopo.	1815803	1817246	100	2373182	2532219	2624308
Mpumalanga.	524527	627545	120	676395	696973	733656
Northern Cape	151012	195622	130	276747	319706	342733
North West	1060782	1073003	101	1283065	1549269	1716988
Western Cape	688162	697100	101	822925	915143	994922
RSA	10479382	11266353	108	14025097	16070508	17252055

Source: Provincial Estimates of Expenditure for 2005.

Foster child grant budgets – Total amount (R '000), 2004/05-2007/8 and % of allocation spent in 2004/05

	2004/05			Medium term estimates		
	Allocation	Estimated expenditure	% spent	2005/06	2006/07	2007/08
Eastern Cape	212616	309150	145	409714	490579	563622
Free State	148024	197603	133	244662	283474	323182
Gauteng	282522	215665	76	286546	336837	388926
KwaZulu-Natal	299747	375359	125	441480	492897	555145
Limpopo.	87191	150461	173	191015	228976	264018
Mpumalanga.	38140	48140	126	105470	140905	168566
Northern Cape	71133	63304	89	59519	64293	70909
North West	108730	124730	115	129840	150984	172340
Western Cape	181188	169188	93	175840	187235	205197
RSA	1429291	1653600	116	2044086	2376180	2711905

Source: Provincial Estimates of Expenditure for 2005.

Care dependency grant budgets – Total amount (R '000), 2004/05-2007/08

	2004/05			Medium term estimates		
	Allocation	Estimated expenditure	% spent	2005/06	2006/07	2007/08
Eastern Cape	136569	187409	137	224190	249346	272894
Free State	27016	34258	127	36838	40177	44250
Gauteng	70066	99189	142	110983	119463	129049
KwaZulu-Natal	186412	217933	117	244560	272876	303652
Limpopo.	89234	89234	100	105758	118034	131362
Mpumalanga.	32259	32509	101	46846	50286	54988
Northern Cape	22202	20086	90	22425	25868	29369
North West	71380	71390	100	75146	87681	99547
Western Cape	58926	62088	105	70955	75877	81972
RSA	694064	814096	117	937701	1039608	1147083

Source: Provincial Estimates of Expenditure for 2005.

Appendix IV – Cost of extending CSG to children age 14-18

Time	Eligible children (1)	Number to be paid / month (2)	Grant payment cost (3)	Admin cost (4)	Total cost
January	2 702 593	225216.083	40538895	4053889.5	
February	2 702 593	450432.167	81077790	8107779	
March	2 702 593	675648.25	121616685	12161669	
April	2 702 593	900864.333	162155580	16215558	
May	2 702 593	1126080.42	202694475	20269448	
June	2 702 593	1351296.5	243233370	24323337	
July	2 702 593	1576512.58	283772265	28377227	
August	2 702 593	1801728.67	324311160	32431116	
September	2 702 593	2026944.75	364850055	36485006	
October	2 702 593	2252160.83	405388950	40538895	
November	2 702 593	2477376.92	445927845	44592785	
December	2 702 593	2702593	486466740	48646674	
Year 1	2 702 593		3 162 033 810	3 162 03381	3 478 237 191

Notes: (1) The estimate of the number of eligible children is that of Budlender *et al*, which is determined from the 2003 General Household Survey assuming that the income threshold for the CSG is not adjusted for inflation over time.
(2) The number of children to be paid each month is based on the reasonable assumption that 1/12 will be put on the system in month 1 (January), 2/12 in month 2 (February) etc.
(3) The grant cost has been calculated for each month by multiplying the number of children in is estimated that need to be paid by the value of the CSG assumed to be R180.
(4) It has been assumed that the administration cost is 10% of the grant payment cost each month. The administration cost calculation is thus simply 0.1 multiplied by the grant payment cost for that month.
(5) The total cost for the first year (year 1) is simply that sum of the grant payment cost for the 12 months January to December and the administration costs for the 12 months January to December.