



**NATIONAL LOTTERIES COMMISSION**

a member of **the dti** group



# REPORT ON COVID-19 FUNDING

## SEPTEMBER 2021

## 1. PURPOSE

The purpose of the report is to update the Honourable Minister of the Department of Trade, Industry and Competition (dtic) on the allocation of resources for COVID – 19 relief programmes to qualifying beneficiaries.

## 2. EXECUTIVE SUMMARY

The NLC contribution to COVID – 19 relief program was in three-fold. The first two interventions were implemented in the first quarter of the 2020/21 financial year while the third intervention overlapped to the third quarter of the 2020/21 financial year. In line with Section 2A (3) of the Lotteries Act No 57 of 1997 as amended and the approved Pro-Active Funding Policy, the Commission approved urgent or unplanned macro pro-active funding of **R50 Million** for fight against COVID-19 as per the engagement with the dtic. The NLC transferred the committed funds directly into the Solidarity Fund as announced by the President. In addition to the above, the NLC approved micro pro-active funding of **R10 Million** for basic and essential hygiene goods, food parcels and cooked meals to assist the most vulnerable groups. The funds were allocated to fifty-four (54) organisations across the country that assisted in the distribution of basic and hygiene goods throughout the country.

Further analysis on the ground revealed that many Non-Profit Entities (NPEs) were at a brink of collapse as a result of nation-wide lockdown. Most of the NPEs across all the sectors were not categorised as an essential service which automatically meant that they ceased operation when the President announced the nation-wide lockdown. In light of the above, the NLC approved further funding of **R150 Million** to assist NPEs to stay afloat during this challenging times.

### 3. ROLL-OUT OF THE COVID – 19 RELIEF PROGRAMME

#### 3.1 Funding to Solidarity Fund – R 50 Million

In line with Section 2A (3) of the Lotteries Act No 57 of 1997 as amended and the approved Pro-Active Funding Policy, the Commission approved urgent or unplanned macro pro-active funding of **R50 Million** for fight against COVID-19 as per the engagement with the Department of Trade, Industry and Competition. The NLC transferred the committed funds directly into the Solidarity Fund as announced by the President. The reporting for this funding will be in terms of processes set out by the fund.

#### 3.2 Funding for basic and essential hygiene goods – R 10 Million

The NLC approved **R 10 Million** for the provision of basic and essential hygiene goods to vulnerable communities in the country. The NLC appointed fifty-four (54) organisations across the country to assist in the implementation of the project. The Business Development Department (BDD) conducted a monitoring and evaluations exercise to determine the impact of the funding.

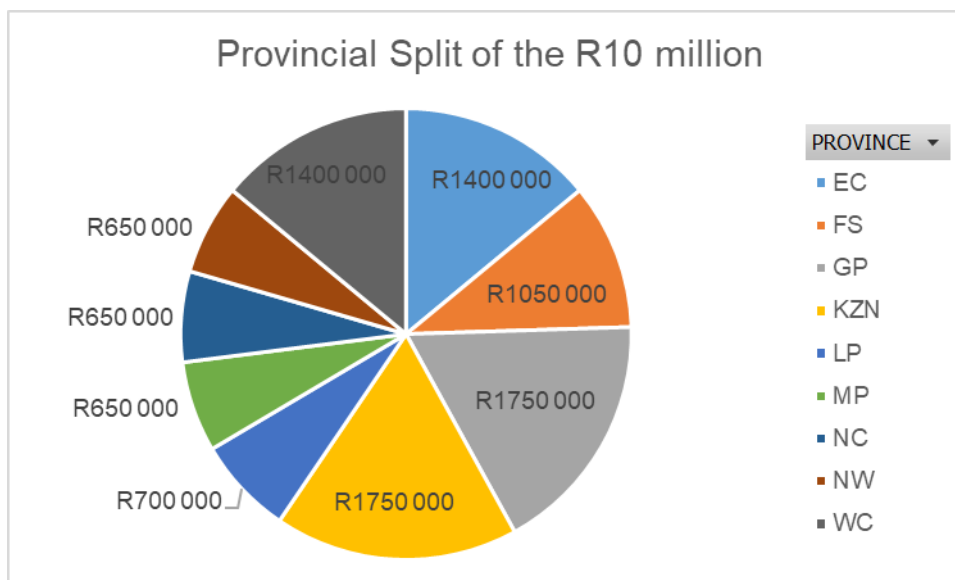


Figure 1: Provincial Split of the R10 million

The evaluation of the project indicated that the relief fund had a significant impact on the lives of the vulnerable and provided much needed relief on their daily lives. The 54 organisations that were funded managed to distribute food parcels to around thirteen thousand, one hundred and seventy-seven (**13 177**) households with an average of five (5) people per household which translated into sixty-five thousand, eight hundred and eighty-five (**65 885**) people who benefited. The funded organisations cooked meals through soup kitchens and fed about twelve thousand, three hundred and thirty-six (**12 336**) destitute people while a total of forty-two (**42**) shelters were supplied with essentials such as hygiene stuff, blankets, mattresses and general toiletries. The table below shows the provincial breakdown of the impact.

Province	Food Parcels		Number of people who benefited from Soup Kitchens	Shelters
	Number of Households	Number of people who benefited (average of 5 people per household)		
Eastern Cape	1 104	5 520	-	-
Free State	1 295	6 475	476	-
Gauteng	4 185	20 925	410	25
Kwa-Zulu Natal	1 191	5 955	-	8
Limpopo	1 000	5 000	-	-

Northern Cape	505	2 525	-	-
North West	850	4 250	-	-
Western Cape	2 757	13 785	11 450	-
<b>TOTAL</b>	<b>13 177</b>	<b>65 885</b>	<b>12 336</b>	<b>42</b>

The Audit and Risk Division provided assurance on the process followed in providing the COVID – 19 pandemic relief program and it concluded that controls were adequate and effective.

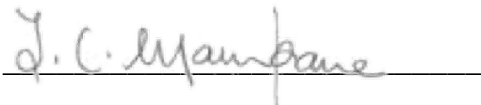
### 3.3 Funding for relief programs and operational costs for NPE – R 150 Million

Following the roll-out of the above two programmes, the NLC conducted an analysis on the state of the Non-Profit Entities (NPEs) during the pandemic. Further analysis on the ground revealed that many NPEs were at a brink of collapse as a result of nation-wide lockdown. Most of the NPEs across all the sectors were not categorised as an essential service which automatically meant that they ceased operation when the President announced the nation-wide lockdown. The NLC then approved further funding of **R 150 Million** to assist NPEs to stay afloat during this challenging times. The fund targeted mainly the operational cost of the organisations. In order to ensure that the approved funds yield the envisaged return, the funding was divided into two categories: (1) **R 100 Million** to fund operational cost for the qualifying NPOs and (2) **R 50 Million** for macro projects that will assist in cross-functional relief programme nationally. By the end of 2020/21 financial year, NLC had approved and disbursed **R 140 923 864,10**. The remaining balance will be disbursed in the current financial year as the pandemic is still on-going.

#### 4. CONCLUSION

The NLC has made available **R210 million** towards the fight against Covid-19. The NLC managed to allocate over **R200 million** of the available funds. The pandemic is still ongoing and the NLC will assess after the financial audit how to utilise the available funds in the fight against the Covid -19 pandemic.

#### 5. APPROVAL



Mrs TCC Mampane

Commissioner

Date: 7 September 2021