Public Finance in the Digital Era
Use cases for **DPI** (cSRD grant)

20 November 2024

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Presentation Outline

Context

Value of Identification & Data in DPI context

Current Status of DPI Landscape – Social Assistance Programme

Challenges

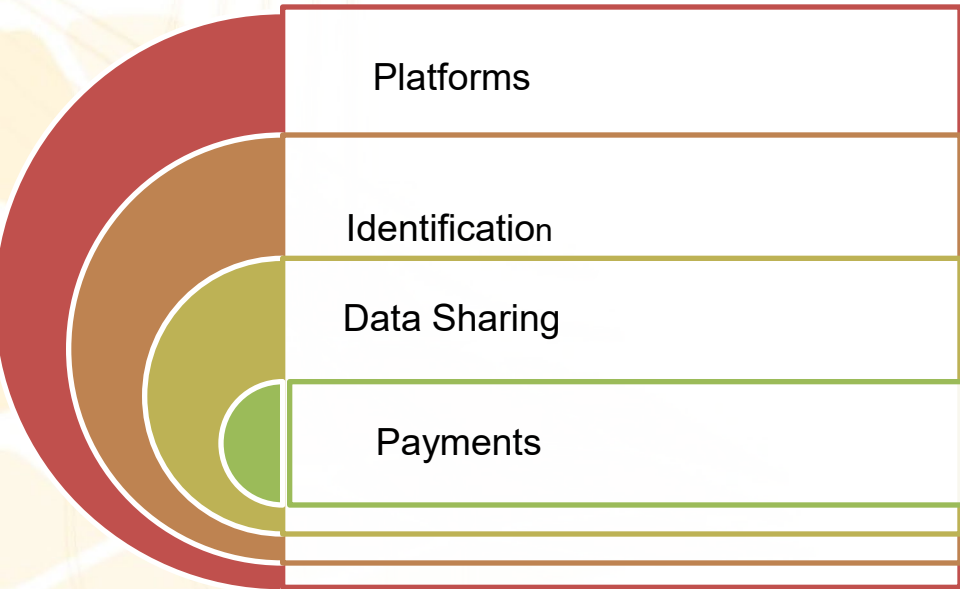**Key Enables for SASSA Use Case Success**

Context – key to the SASSA Social Assistance Programme

Platforms

Identification

Data Sharing

Payments

- **Platforms** = How do the applicants access the services with ease

- **Identification** = How do we correctly identify the applicants who have applied for services

- **Data Sharing** – how do we test or verify if there are other sources of income not disclosed

- **Payments** = How do we transfer funds and how do clients access this funds once transferred

Note: Identification is key in accessing the South African G2P Programme . Most services operate on the principle of No id , No access to services

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Value of Identification & Data in DPI context

What were we solving for?

45% of the population lived under the poverty line (Stats SA). The poorest 10 percent of the population live on an average monthly income of just R352 per month

Table 1: Mean monthly per capita income by population decile, in February 2020 Rands

Decile	1	2	3	4	5	6	7	8	9	10
Monthly Income	R352	R603	R829	R1,127	R1,497	R1,983	R2,737	R4,107	R7,473	R25,214

Covid-19 was expected to impact unemployment and underemployment informal workers

Informal employment constituted 30% of total employment in the country

Since lockdown, respondents to the Stats SA Covid 19 Survey, reported that hunger increased from 4.3% to 7.0%

Note : Key to the above was the ability of the South African Government to identify everyone who was affected

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DPI Opportunity in our context

24 March 2020	• March 2020 – President of the country announced nation-wide lockdown
21 April 2020	• President announced a new Social Relief of Distress financial support for South Africans
30 April 2020	• Minister of Social Development announced measures to implement the interventions
09 May 2020	• The Regulations governing the Covid19 Social Relief of Distress (SRD) financial support are published
11 May 2020	• Minister of Social Development launches the grant
15 May 2020	• SASSA pays its first clients for the SRD R350 grant with a newly developed online electronic system

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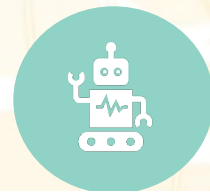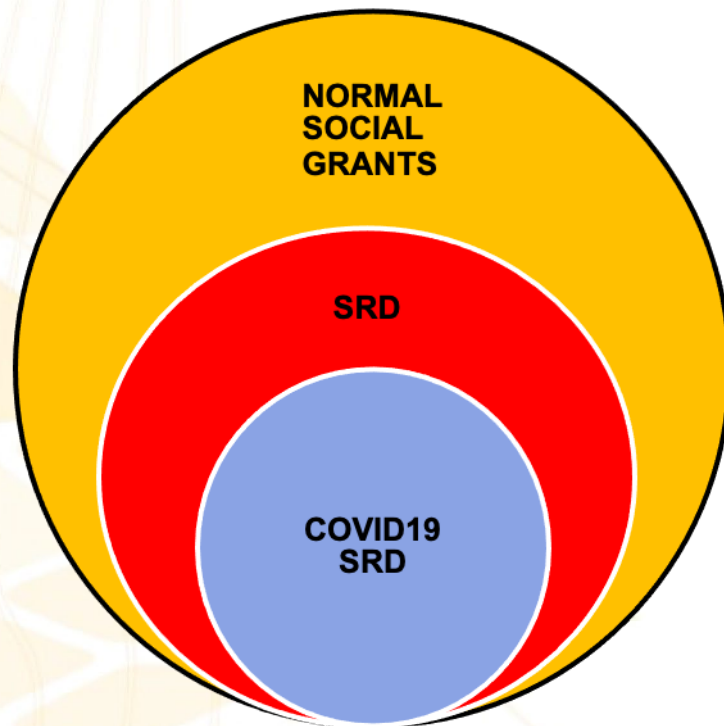SOUTH AFRICAN SOCIAL SECURITY AGENCY

Virtual Access Channels – Covid19 SRD

WhatsApp

Website

Chatbot

Email

Current Status of DPI – Social Assistance Programme

Social Grants Landscape in a Nutshell

- **Normal Social Grants** = Older persons, Disabled, Children Grants.

- **Social Relief of Distress (SRD)** = Assistance issued in case of a Disaster which may include none financial means of support.

- **Covid19 Social Relief of Distress** = introduced in 2020, issued in cash and the monthly benefit is capped to a predetermined amount

Social Grants Disbursed

Grant Type	Number Of Approved Beneficiaries – October 2024
Old Age	4 114 993
Care Dependency Grant	171 488
Child Support Grant	13 235 309
Disability Grant	1 064 011
Foster Child Grant	277 820
War Veteran	9

Note : *Our ability to process this payments monthly is highly dependent on the strategic relationship we have with the Ministry of Home Affairs ,Public and Private Institutions in South Africa – identification of applicants & verification of life and means/ employment prior to transfer of benefits*

Monthly Data Processing – Special SRD Grant

Pay-period	Total Applications	Total Approved
March 2024	16232908	9345681
April 2024	16401868	9124741
May 2024	16575038	9443679
June 2024	16673900	9224457
July 2024	16768753	9278500
August 2024	16846992	9277571
September 2024	16928540	9212850

Strategic Partners

Enabling Strategic partners

- Department of Home Affairs*

- PERSAL (Government Personnel Salaries)

- Government Employee Pension Fund

- Department of Correctional Services

- National Student Financial Aid Scheme

- South African Revenue Services

- Unemployment Insurance Fund

- Banks through Banking Association of South Africa

- Central Bank & National Treasury

- Risk mitigation Institutions

Note : *Key to this partnerships for data sharing and verification is API's that uses an ID Number as a unique identifier of each applicant

Challenges

Challenges:Implementation stage

Multiple clients using a single cellphone number to apply
- ✓ Up to 400 clients on one number
- ✓ Ownership identification is an issue
- ✓ Problematic for communication purposes and mitigation of fraud

Procurement Turnaround times in Government too cumbersome for this type of interventions.
- ✓ Impacting on operationalization efforts

Payment of clients through Mobile Cellphones / e-wallets
- ✓ Matching the client to the cellphone number (Condition by Minister of Finance requirement)
- ✓ Poor identification controls for allocation of sim cards by MNO's
- ✓ Challenges with accessing the Mobile Operator Databases
- ✓ E-wallet ecosystem in the country not as mature and popular like in the rest of the continent

Identification and the need to ascertain validity of the clients
- ✓ Digital Identification infrastructure not yet in existence

Need for centralized Database
- ✓ Other Government Departments and related stakeholders reluctant to share their data due to other laws which created phobia amongst entities
- ✓ Inclusion / exclusion errors due to data purity

Challenges …cont

Digital exclusion

Clients not having bank accounts or cellphone devices

- ✓ It is a fact all social grants recipients receive their benefits in a bank account, but there is still a margin of clients without an account
- ✓ Majority of the population now have some communication devices of their own, it remains a concern that most clients use devices not registered in their names but that of a relative, etc

Cyber Security
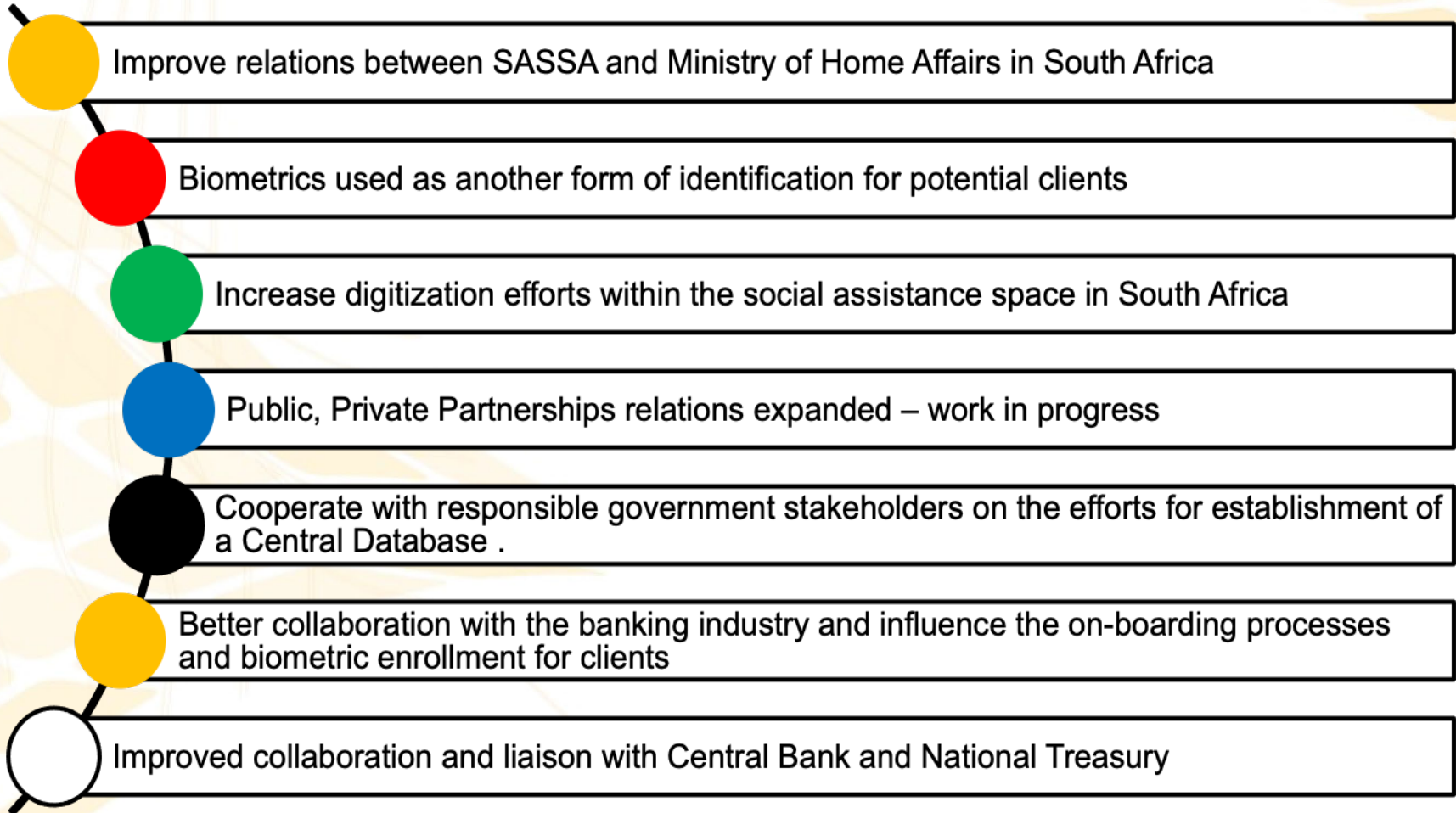
- ✓ As digitization landscape increases, cyberattacks become more common and sophisticated and corporate networks grow more complex, SASSA continues to explore and implement variety of cyber security to mitigate corporate cyber risk.

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Key Enablers for SASSA Use Case Success

- Improve relations between SASSA and Ministry of Home Affairs in South Africa

- Biometrics used as another form of identification for potential clients

- Increase digitization efforts within the social assistance space in South Africa

- Public, Private Partnerships relations expanded – work in progress

- Cooperate with responsible government stakeholders on the efforts for establishment of a Central Database .

- Better collaboration with the banking industry and influence the on-boarding processes and biometric enrollment for clients

- Improved collaboration and liaison with Central Bank and National Treasury

TOGETHER, We can improve public services through DPI