

**26 JANUARY 2023**

## **NPO REGISTRATION NO LONGER REQUIRED FOR ECD PROGRAMMES TO BE ELIGIBLE TO RECEIVE THE ECD SUBSIDY**

This communication serves to notify that the Department of Basic Education (DBE) will not require ECD programmes to be registered as non-profit organisations (NPOs) as a requirement for eligibility to receive the ECD subsidy.

The DBE recognises that a wide range of ECD providers is needed to ensure more children have access to quality ECD services. Currently, one of the eligibility criteria for ECD programmes to receive the ECD subsidy is not-for-profit registration. However, NPO registration does not add additional assurances regarding the use of the subsidy, and it is obstructive to the goal of expanding towards universal access to ECD, especially for the poorest children.

The DBE is of the view that the NPO registration imposes an additional administrative burden on ECD programmes, and may be inappropriate for the structure of many organisations operating in the sector. ECD programmes deliver a public good and should be eligible to receive state subsidies if they are registered or conditionally registered in terms of the Children's Act and are serving eligible children.

NPO registration does not add additional assurances regarding the use of the subsidy. The controls introduced by the service level agreements that are signed by all subsidised ECD programmes are stricter than those required by NPO registration and thus NPO registration is redundant as a requirement to receive the ECD subsidy. The DBE has therefore decided to drop the eligibility criterion that ECD programmes need to also be registered as an NPO. The DBE believes that this decision will bring immediate relief to the overly burdensome bureaucratic processes in the ECD sector and will allow for an increase in access to the ECD subsidy by vulnerable children.

Provinces are responsible for the registration of ECD programmes, as well as the payment of the ECD subsidy. The Minister of Basic Education has therefore written to the Members of the Executive Council responsible for Education in the provinces to inform them about this decision and to request their support in the implementation of the decision within their departments.

### **Which ECD programmes are eligible to receive the ECD subsidy?**

Subsidies can be paid to any type of ECD centre and non-centre based ECD programme as long as it is registered or conditionally registered in terms of the Children's Act.

#### **Media Enquiries:**

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## Which children are eligible to receive the ECD subsidy?

Children attending the ECD programme are eligible for the subsidy if they are in receipt of a Child Support Grant (CSG), or eligible for the CSG based on the CSG means test gazetted in a particular year.

## Applying for an ECD subsidy

ECD programmes that are registered or conditionally registered in terms of the Children's Act and serving eligible children should contact their Provincial Department of Education to find out how and when to apply for the ECD subsidy. Subsidies are awarded to eligible programmes in line with available funds. Eligibility to receive the subsidy therefore does not guarantee that the programme will be awarded a subsidy.

## What to do if the programme is already registered as an NPO?

ECD programmes that are already NPOs or that wish to become NPOs may still do so. Being an NPO means that it's easier to get funding from companies and individuals. But thanks to a recent decision by the Department of Basic Education, it is no longer required before you can receive the ECD subsidy.

## ISSUED BY THE DEPARTMENT OF BASIC EDUCATION

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