



NDA

National
Development
Agency

ANNUAL

PERFORMANCE

PLAN

2021/22



The National Development Agency, like many government agencies and private sector organisations in the country, operate under difficult conditions due to the economic downturn brought about by COVID-19 and ensuing lockdowns. It is, however, very encouraging to see other countries demonstrating that the war against extreme poverty could be won. A case in point is that of China, which celebrated the end of extreme poverty at the end of February 2021, - this is the kind of situation that we would like to find ourselves in; as a country one day. That said, the NDA has a mandate to fulfil even during difficult times to empower the civil society sector so that one day, South Africa could also celebrate the end of extreme poverty.

The South African civil society sector, more so the newly established fledgling CSOs, need interventions that will enable them to be sustainable and contribute meaningfully to the development of our grassroots communities in a positive way. We cannot underestimate the role played by civil society organizations in ensuring that the voices of our communities reach government and that their basic human rights are met. The NDA plays a critical role in contributing towards shifting the country from the scourge of poverty towards poverty eradication.

The Agency will continue to follow the District Development Model in carrying out its interventions to ensure targeted interventions in rural and remote areas – in the language of the people – and in the identification of vulnerable groups, capacitation of CSOs, as well as the support provided to optimize the accessibility of services, resource allocation and to ensure intended outcomes are reached.

During the 2021/22 financial year, the NDA will continue to ensure that fruitless and wasteful expenditure is greatly reduced so that its limited resources benefit targeted communities. The Agency, in line with the digitization trend and the

4th Industrial Revolution, will develop an integrated portal that will provide a seamless approach when it comes to Information Management Systems that will make data on CSOs more accessible and as simple as a touch of a button.

The Agency will also be focusing on establishing effective public-private partnerships that will benefit CSOs and boost their development interventions, whilst creating the much-needed jobs at the same time. Now that we have reached lower lockdown restrictions, the NDA will increase the number of CSOs that will benefit from its capacity building programme from 300 in 2020/21 to 1800 in 2021/22.

The NDA uses its presence in civil society to facilitate certain interventions, create dialogues regarding community targeted issues as well as raise awareness regarding other social ills such as Gender-Based Violence and Femicide (GBVF). This trend will continue in the 2021/22 financial year as we are far from eradicating the scourge of GBVF.

Through its research arm, the NDA will continue to engage various stakeholders, from state organs, academia, business to the CSO sector, etc, in developing its research publications that are intended to provide a basis for development policy.

We will continue to work as the social development portfolio (DSD, SASSA & NDA) to ensure a sectorial approach towards planning, programming, and implementation of the sector interventions. This ensures that our programmes are undertaken in a complementary and efficient way to maximise chances of success in dealing with problems facing the social development sector.

My Department will be closely monitoring the NDA to ensure that all programmes are delivered as detailed in this document.

EXECUTIVE AUTHORITY STATEMENT



A handwritten signature in black ink, reading "L. Zulu" and "Lindiwe". The signature is written in a cursive style.

Hon. Ms Lindiwe Zulu, MP
Minister of Social Development
Date: 15/03/2021

The Board of the NDA oversaw the development and finalization of the NDA Annual Performance Plan (APP) for the 2021/22 financial year. The NDA continues to implement its strategic objectives with the sole purpose of eradicating poverty and playing an integral part in capacitating Civil Society Organisations (CSOs).

The 2021/2022 APP has therefore been streamlined and consolidated into clear, concise, and deliberate Key Performance Indicators (KPIs) that will ensure the successful implementation of the annual targets. The KPIs in the APP have been reduced to 12 from the initial 19. The NDA made a concerted effort to align the KPIs to that of the Department of Social Development (DSD), the Minister's Performance Agreement with the President of the Republic and the Mid-Term Strategic Framework.

The Board has expressed concern with the level of irregular, fruitless and wasteful expenditure and has taken note of management's undertaking to finalise the outstanding matters in accordance with the Framework on Irregular Expenditure of the National Treasury. This effort has also found expression in the APP, by way of a KPI to reduce the irregular and fruitless and wasteful expenditure by 80% in the first year and ultimately 100% in the 2023/24 financial year.

Furthermore, the Board oversaw the initiation of the process of developing a Turnaround Strategy of the NDA. The initiative stems from the call from the National Treasury for National Public Entities to, start being financially and strategically sustainable amid a decreasing fiscal account of South Africa. The NDA, therefore, seeks to rebrand, redesign the NDA in the following manners, amongst others:

- Reviewing the strategic objectives and Mandate of the NDA, this may include legislative and policy review of the National Development Act.

- Designing a Funding Model (revenue generation) to enable the NDA to be financially independent without a grant of the National Treasury.
- Reviewing of the current business environment and organisational culture of the NDA.
- Integrating of ICT infrastructure and systems with the DSD portfolio to promote a sharing and cohesiveness of services within the sector.
- The development of a Turnaround Strategy of the NDA has been articulated in the APP and will be completed by the end of the 2021/22 financial year.

The NDA envisages to raise R20 million by the end of 2021/22 financial year, which will directly benefit CSOs. We seek to strengthen partnership efforts between the government and CSOs and plan to have an approved Partnership Framework document to be fully implemented by the 2023/24 financial year. The NDA has targeted to create 500 job opportunities through the funding and development of CSOs in impoverished communities and to capacitate 1800 by the end of the 2021/22 financial year.

In Programme 3, the NDA plans to conduct and finalise research publications that will directly impact policy development. We will continue to conduct engagements and dialogues with strategic external stakeholders, to be able to continuously contribute meaningfully to policy development and focus.

I would like to personally thank the Minister of Social Development, Ms. Lindiwe Zulu, for the continued guidance and leadership during the development of the APP for 2021/2022. The honourable Minister's continued support and leadership is appreciated and will be crucial in steering the NDA towards charting a path to emancipate the people of South Africa from poverty.

ACCOUNTING AUTHORITY STATEMENT



A handwritten signature in black ink, reading "Zamandlovu Ndlovu". The signature is stylized and written in a cursive-like font.

Zamandlovu Ndlovu
Board Chairperson
Date: 12/03/2021

OFFICIAL SIGN-OFF



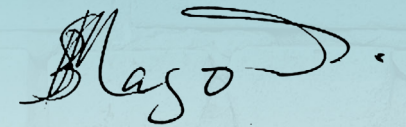
Hon. Ms Lindiwe Zulu, MP
Minister of Social Development
Date: 15/03/2021

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the National Development Agency under the guidance of Honourable Minister Lindiwe Zulu.
- Takes into account all the relevant policies, legislation and other mandates for which the National Development Agency is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the NDA will endeavour to achieve over the period 2021/22 financial year.



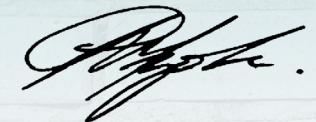
Lerato Dhlamini
Acting Corporate Services Executive



Bongani Magongo
Research Development Executive



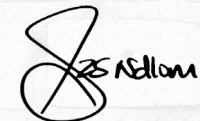
Karen Muthen
Chief Financial Officer



Thamo Mzobe
Chief Executive Officer



Ben Morule
Strategic Management



Zamandlovu Ndlovu
Acting Board Chairperson

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PART

A



NDA

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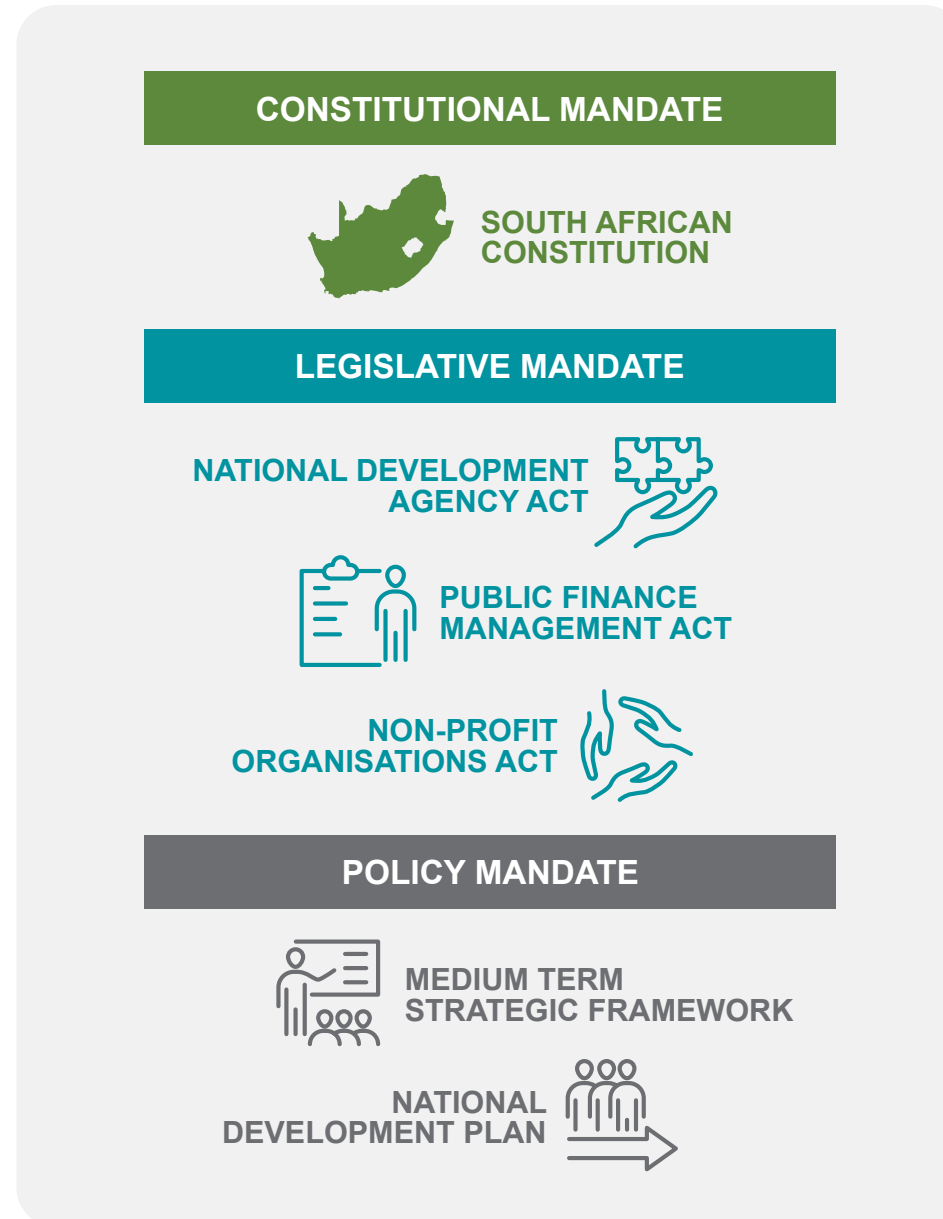
PART A: OUR MANDATE

1 Updates to the relevant legislative and policy mandates

The National Development Agency (NDA) is an agency of government that reports to Parliament through the Department of Social Development. The NDA is classified as a public entity under schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999), and was established in November 1998 by the National Development Act, 1998 (Act No. 108 of 1998) (NDA Act) as government's response to the challenge of poverty and its causes in South Africa.

The NDA plays a critical role in contributing towards shifting the country from the scourge of poverty towards poverty eradication. Through the Act and various policies, the NDA contributes to – but is not limited to – the advancement of economic development, social cohesion, access to basic human rights and skills development. This contribution of the NDA supports the National Development Plan (NDP) 2030 outcomes for a greater and better South Africa.

The diagram below presents a non-exhaustive list of the legislative and policy mandates of the NDA that will be discussed further:



2 Constitutional mandates

The NDA strategic intentions and objectives are guided by the requirements of Chapter 2 of the Constitution of the Republic of South Africa. Chapter 2 of the Constitution outlines the Bill of Rights which sets out the fundamental rights of all South Africans, including the right to dignity and the right to equality. The Bill of Rights also states when rights may be limited.

The NDA-legislated mandate requires the NDA to contribute towards poverty eradication and its causes, thus responding to the Bill of Rights to affirm the rights to health care, food, water, social security, children and education rights.

Figure 1: NDA's Legislative and Policy Mandates

PART A: OUR MANDATE

3 Legislative mandate

National Development Agency Act

The NDA's mandate is derived from the National Development Agency Act, 1988 (Act No. 108 of 1998). In terms of the Act, the primary objective of the NDA is to contribute towards the eradication of poverty and its causes by granting funds to CSOs for the purposes of:

- (a) carrying out projects or programmes aimed at meeting the development needs of poor communities; and
- (b) strengthening the institutional capacity of other CSOs involved in direct service provision to poor communities.

The secondary objects of the NDA in terms of the Act are-

- (a) to promote-
 - (i) consultation, dialogue and sharing of development experience between CSOs and relevant organs of State; and
 - (ii) debate on policy development
- (b) to undertake research and publica-

tion aimed at providing the basis for development policy.

Further, the agency is required to implement programmes that respond to the following areas of responsibilities:

- (1) The NDA must -
 - (a) Act as a key conduit for funding from the Government of the Republic, foreign governments, and other national and international donors for developmental work to be carried out by civil society organisations.
 - (b) Develop, conduct and co-ordinate policy relevant to its objects referred to in section 3.
 - (c) Contribute towards building the capacity of CSOs to enable them to carry out development work effectively; and
 - (d) Create and maintain a database on CSOs, including, but not limited to, the scope and subject matter of their work and their geographical distribution, and share the information in that database with relevant organs of State and other stakeholders.

- (2) The NDA may –
 - (a) Grant money from its funds –
 - (i) in accordance with such criteria and procedures as the NDA determines; and
 - (ii) with due regard to the NDA's primary object referred to in the NDA Act to any CSO for any project or programme that an organisation intends to undertake or is undertaking.
 - (b) Make recommendations with regard to legislation and policies directly or indirectly constraining effective development in the Republic.
 - (c) Exercise and power conferred by any other provision of this Act; and
 - (d) generally, do everything which is necessary to achieve its objects referred to in Section 3.
- (3) Any grant in terms of subsection (2)
 - (a) to any civil society organisation may not be distributed to its members or office bearers except as reasonable compensation for services rendered.
- (4) Any civil society organisation to which a grant is made in terms of subsection (2)(a) must submit to the NDA-
 - (a) audited financial statements regarding the use of that grant at the intervals and in the form prescribed by regulation in terms of section 13; and
 - (b) in respect of each financial year of the organisation, a comprehensive, narrative report containing-
 - (i) an analysis of every project or programme in respect of which that grant is made and a description of all other activities of the organisation; and
 - (ii) an audited financial report not later than the date prescribed by regulation in terms of section 13.
- (5) Any grant in terms of subsection (2) (n) must be sufficient to defray the expenses which the civil society organisation in question will have to incur in order to comply with subsection (4).

PART A: OUR MANDATE

4 Policy Mandate

The NDA's functions are guided by the National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF), Sector Plans and the United Nations Sustainable Development Goals (SDGs).

4.1 NDP 2030

The aim of the NDP is in line with the NDA's mandate. The NDP aims to reduce inequality and eliminate poverty by 2030. The NDP is grounded on six (6) pillars, which outlines objectives to be achieved by 2030 and the intended outcomes. From the 13 outcomes, the NDA contributes towards seven (7):

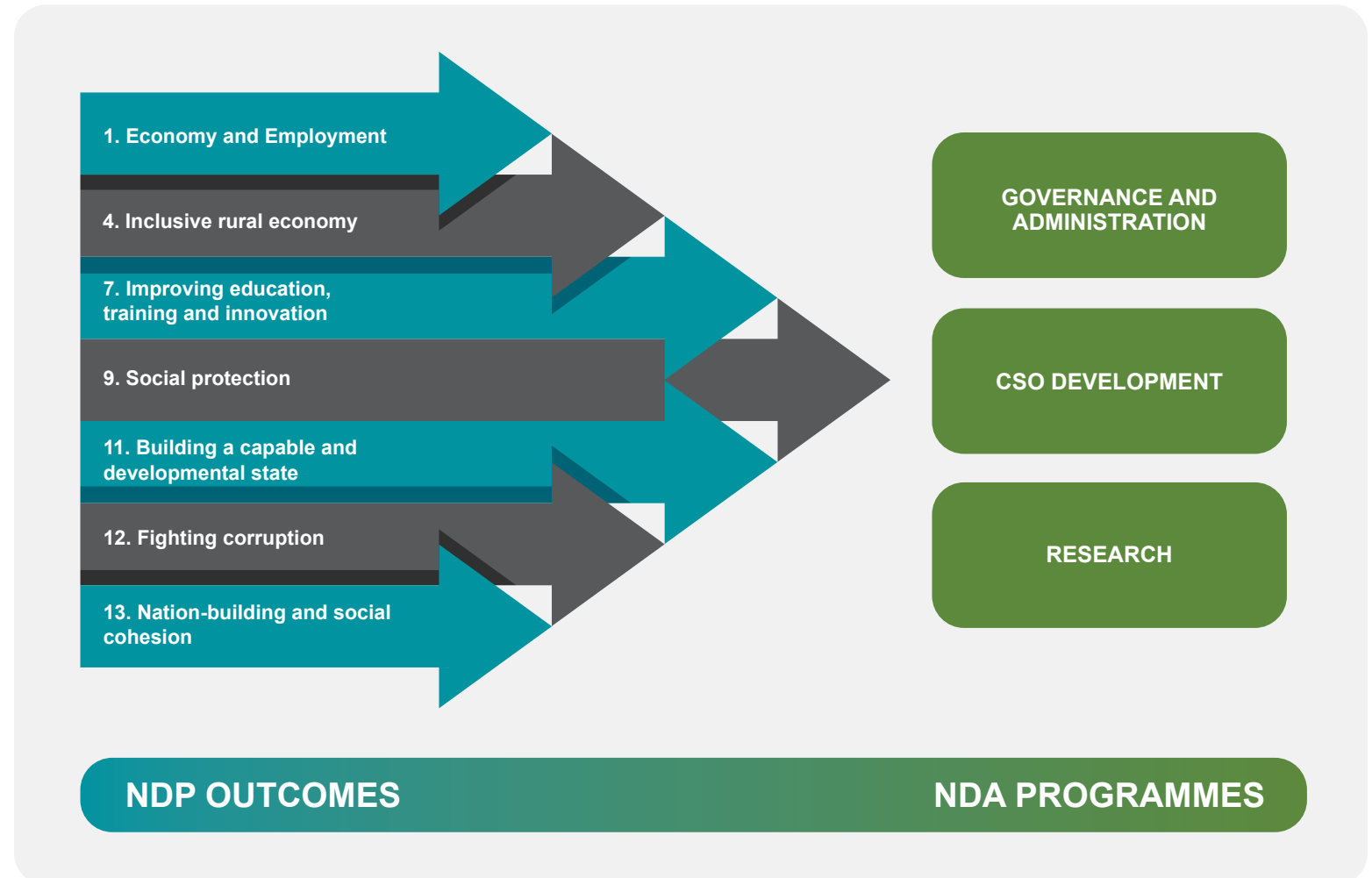


Figure 2: NDP Outcomes and NDA Programmes

PART A: OUR MANDATE

The NDA aims to contribute towards social protection and nation-building and social cohesion through using Civil Society Organisations (CSO's) as a mechanism to access and develop communities. The NDA uses its presence in civil society to facilitate certain interventions, create dialogue regarding community targeted issues, as well as raise awareness regarding other social ills such as Gender-Based Violence (GBV).

As per the District Development Model, the NDA will use targeted interventions in rural and remote areas – in the language of the people – and in the identification of vulnerable

groups, capacitation of CSOs as well as the support provided in order to optimize the accessibility of services, resource allocation and ensure intended outcomes are reached.

The NDA also contributes towards, economy and employment and inclusive rural economy which are addressed through CSOs, as well as through the development of strategic partnerships with other organisations.

Through engaging various stakeholders, – state organs, civil society constituencies, research institutions, higher education and training institutions and business – developing

research publications that contribute to development policy and practice and capacitation of CSOs operating in various sectors, the NDA will contribute towards improving education, training and innovation in the country.

The NDA will also contribute towards building a capable and developmental state. This will be achieved through the optimization of the organisation's processes which includes the implementation of the ICT masterplan. Through running a clean administration and developing internal frameworks that ensure good governance the NDA will enable the fight against corruption.

4.2 Medium Term Strategic Framework (MTSF)

The NDP has been divided into 5-year components with the MTSF as an implementation and monitoring tool. In the attainment of the 2030 goals, the MTSF identifies the priorities to be undertaken during the five (5) year strategic period. The NDA's 2020/21 – 2024/25 strategy is also informed by the MTSF and contributes towards the 7 priorities:

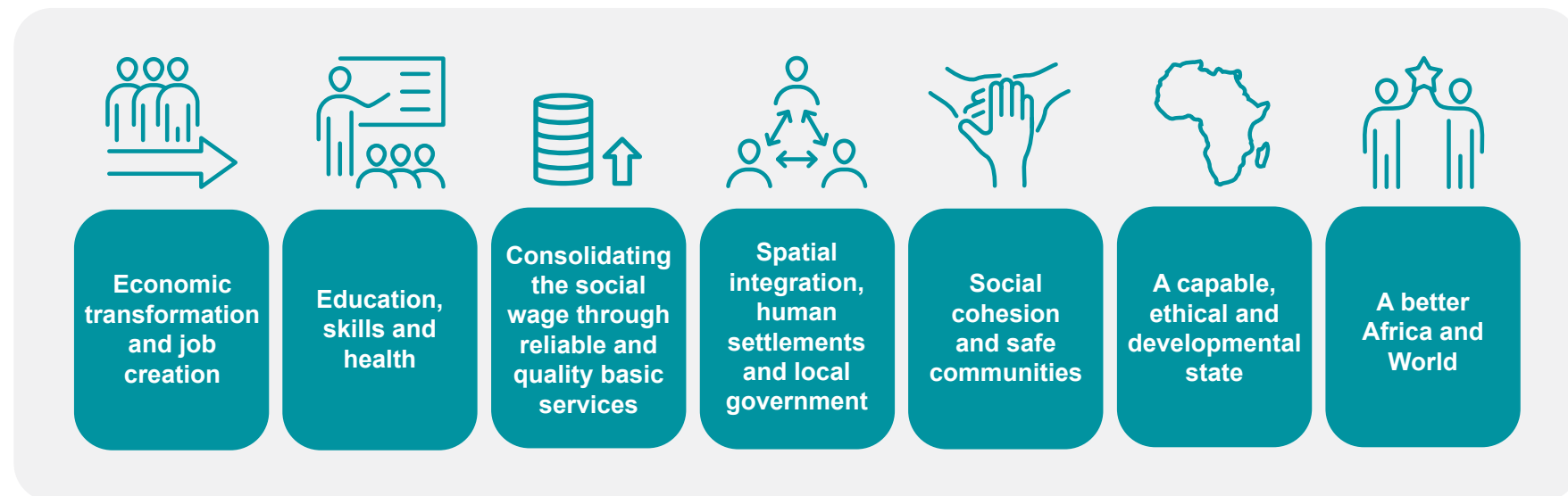


Figure 3: MTSF 7 Priorities

PART A: OUR MANDATE

5 Institutional Policies and Strategies over the five-year planning period

Sector Plans

The revised framework for Strategic Plans and Annual Performance Plans states that the National Department of Social Development (DSD) carries the following five (5) key functions:

- a) Coordinate the development and review of sector-specific plans.
- b) Coordinate the standardisation of indicators for the sector.
- c) Coordinate the development and review of provincial uniform budget programme structures in line with the National Treasury Framework.
- d) Assessment of Strategic and Annual Performance Plans of their provincial concurrent function departments and all entities reporting to it.
- e) Information on concurrent functions across all spheres of government.

Social Development focuses on the need to “put people first” in development processes, hence the Social Development Sector promotes social inclusion of the poor and vulnerable by empowering people, building cohesive and resilient societies, and making institutions accessible and accountable to citizens.

The Social Development Sector Strategic Plan is the plan for which the National Minister of Social Development (a concurrent function department) in consultation with Provincial MECs (of Social Development) as well as other DSD entities agree on the impacts, a set of outcomes and outputs, which must be achieved by the Social Development sector. This guides the Strategic Plans, Annual Performance Plans, and Operational Plans of the entire portfolio and sector.

The sector plans to guide the strategic direction of the entire sector.

The NDA's role in the sector is to enable the achievement of the sector outcomes through its strategic direction. In order to achieve outcome 1 (reduced levels of poverty, inequality, vulnerability and social ills) and outcome 2 (empowered, resilient individuals, families and sustainable communities) the NDA will utilise CSOs as a vehicle to implement programmes aimed at meeting the most critical development needs of impoverished communities. By capacitation, empowerment and engagements with CSOs, the NDA will enhance the ability of CSOs to serve the communities they are located in, in meaningful ways that contribute towards the reduction of poverty levels and create sustainable communities. A functional, efficient and integrated sector (outcome 3)

will be achieved through the NDA's cooperation with the sector and strategic partnerships within the sector aimed at benefitting CSOs, with the ultimate beneficiaries being individuals served by these CSOs.

The NDA has designed its strategic plan to enable the organisation to collaborate and coordinate its development with the Department of Social Development and the South African Social Security Agency to contribute effectively towards alleviating poverty in impoverished communities.

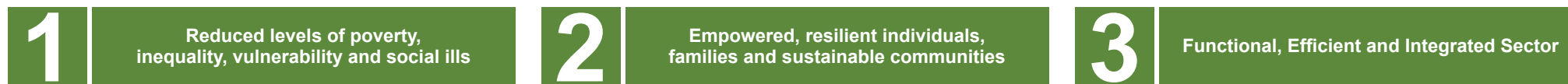


Figure 4: Sector Outcomes for 2020 – 2025

PART A: OUR MANDATE

Social Development Portfolio Approach

The social development sector (DSD, SASSA & NDA) has adopted a sectorial approach towards planning, programming and implementation of the sector interventions. The portfolio approach's effectiveness is rooted in having a shared and common purpose and goal in planning and implementing their programmes and interventions. The strategic intent of portfolio approach is to further create the linkages and integration requirements with other government departments and agencies, the private sector, and the civil society sector – harnessing resources and focusing on improving the quality of life for a South African citizen at a community level. It starts with a common and shared strategy development and shared outcomes and impact measures. This allows the sector to identify how they each contribute and shape, ultimately building a better South African.

The approach will ensure that the social development sector builds strong, reliable and efficient partnerships with the civil society sector and that they empower this sector to contribute effectively to building a better South African. The social development sector will also learn how to effectively work with the civil society organisations at local level on how to respond

to service delivery challenges and the needs of South Africans. The portfolio approach allows the department and its agencies to have combined strategic interventions that provide an overarching direction on bridging the gap between welfare and developmental services to the public. The outcome for both of these functions is creating a South African we want residing in a South Africa we all want to live in. The social development portfolio aims at creating an effective ecosystem in the sector to improve coordination, integration, maximising the quality of outcomes and impacts, ensuring that the potential in people to live a better and sustainable livelihood is attained.

District Development Model

In the State of the Nation address (2019), the President, indicated that Government will have to undertake improved coordination and cooperation in planning and implementation ensuring the effective implementation of the seven priorities. Consequently, the District Development Model was adopted in 2019 by the government. The District Development Model was endorsed by the President's Coordinating Council in November 2019 and requires planning and implementation that is spatially focused on a district level. The model is geared towards improving integration between national, provincial, local government and other

organs of state in the in the implementation of governmental budgets and programmes. Focusing on implementation at a district level will allow for better monitoring and the timely delivery of remedies of failures at a local government level and ensure development is carried out collectively with civil society at the grassroots level.

For service delivery, the model requires the targeting of the youth, women, people with disabilities, vocational training and labour-intensive programmes, the review and/redesign of incentives for small businesses, the community work programme, training and skills development and the analysis of vulnerable groups, services offered and capacitating small businesses. The aim of this is to bring service delivery to the heart of communities and harness the uniqueness of resources existing at a district level, enabling communities to develop, uplift themselves out of poverty and to become self-sustaining. Ultimately, reducing the dependency on state resources.

To summarise the District Development Model consists of 44 Districts plus eight (8) Metros and the model provides an institutional and territorial approach for intergovernmental planning coordination resulting in a Singular (One) Plan for each of the above mentioned 52 areas. Each plan will serve as an intergov-

ernmental, intragovernmental and social compact by providing for long- and medium-term strategic plans, as well as short term operational plans. The plans will provide the demographic and district profile, which will include amongst others, multi-dimensional poverty index, skills audit, social capital index, health index, inequality, service delivery index and stakeholder analysis; governance such as, technical support capacity with cooperative, civil society and spheres reach; financial; integrated service provisioning; infrastructure engineering; spatial restructuring and economic positioning. This will include, economic opportunity mapping and local economic development through cooperative development.

There are opportunities for the NDA to engage with the District Development Model through generating research work and hosting policy dialogues, to guide intervention efforts at district level and to further enhance coordination for poverty eradication.

PART A: OUR MANDATE

Sustainable Development Goals

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, is a global agenda consisting of 17 Goals aimed at eradicating poverty, protecting the planet, and ensuring that humanity enjoys peace and prosperity. It appreciates that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.

The NDA has prioritised the following key policies and strategies over the next five (5) years:

- Amendment of the NDA Act
- NDA Turnaround Strategy
- Review of service delivery model
- Strengthen CSO capacity to deliver on the NDA mandate
- Review of the business model
- Strengthening NDA institutional capacity

6 Updates to Relevant Court Rulings

There are no updates on any court rulings.

The NDA has endorsed the following outcomes over the next five (5) years:

OUTCOME	OUTCOME INDICATOR	FIVE-YEAR TARGET
Good Governance	Effective systems in place to achieve good governance	Clean audit
	Amendment of the NDA Act	Amended NDA Act
Establish effective public private partnership modalities to effect development goals	Revenue generated through strategic partnerships	R500 million
Self-sufficient and self-reliant communities	Strengthen Civil Society mechanisms/formations towards achieving NDP goals	Strategically position and embed capacity building model for South Africa
	Fund strategic poverty eradication initiatives	80% disbursement of funds raised from strategic partnerships
Influencing development policy through thought leadership	Develop a research agenda for improvement of NDA work	Research agenda

PART B



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PART B: OUR STRATEGIC FOCUS

7 Updated Situation Analysis

The NDA is a Schedule 3A government entity with the primary mandate of contributing towards poverty eradication. The NDA exists within a global and national context and one such global reality, which has affected the work of NDA as well as having a significant impact on its operating environment is the Covid-19 global pandemic. The current prognosis is that the pandemic will have long-term reverse effects on national priorities and the National Development Plan goals. The triple challenges continue unabated and are further exacerbated by the impact of Covid-19 on the poor and vulnerable. The situational analysis provides an overview of the external environment the organization operates in and the conditions of its internal environment.

7.1 External Environment Analysis

The objective of the external environmental analysis is to ascertain how changes in the operating environment impact on the NDA and influence its overall trajectory. Accordingly, the analysis has three (3) sections, which are:

(1) Civil Society Sector Analysis;

- (2) An overview of poverty in South Africa;
- (3) A macroeconomic analysis with an emphasis on economic growth, unemployment, the Fourth Industrial Revolution and South Africa's education outcome.

7.1.1 Civil Society Sector Analysis

The civil society sector is often referred to as the third sector which operates outside of the state and of market. It is an important stakeholder in the development of any country, particularly one like South Africa which seeks to deepen democracy through the promotion of access to resources by its citizens. Within the civil society sector, there are various types of civil society organisations¹:

- Development orientated organisations
- Welfare orientated organisations
- Social justice organisations
- Cooperatives and other non-profit but income-producing organisations

The common thread holding all the different

types of civil society organisation is their promotion of public and/or social good, to varying degrees.

In the past ten (10) to fifteen (15) years, the civil society sector has deteriorated in its effectiveness to support development discourse in South Africa. The civil society sector is faced with several problems which have led to the funding crisis the sector faces.

In the development of the NDA business case, the following problems the civil society sector faces were identified:

- The sector is fragmented and lacks coherence to present a convincing development agenda and programmes to advance local development.
- The sector has been shifted to the periphery regarding the influence on policy and active citizenry, thus making it weak as a key player in formulating national policies on social and economic development agenda.
- The sector is unevenly balanced due

to lack of skilled human resources, access to financial resources and demonstration of effective programmes at the community level.

- The majority of organisations in this sector are in a survival mode. This has made them prone to accept any funding – regardless of organisational alignment – and resources to maintain their survivalist nature, as opposed to create and expand development programmes at the local level².
- Increasing number of NGO umbrella bodies mushrooming across the country due to the dissatisfaction from the existing umbrella bodies who would have been custodian of the interest of the sector.

¹ *The South African Civil Society Information Service*

² *NDA Environmental Scan Report, 2015*

PART B: OUR STRATEGIC FOCUS

The NDA is driven to move the civil society sector towards a common goal and has extensively invested in understanding the challenges faced by the civil society sector through dialogue sessions held throughout all provinces in 2019. The coexistence of the civil society sector and the state organs is fundamental in fighting poverty, unemployment and inequalities. The state and the private sector recognise that civil society sector is the most influential sector for debating public discourse and should, therefore, be included in community development programmes and initiatives.

There is a need from the sector to demonstrate the impact and beneficial contribution it makes towards development of poor communities across the country, which is one of its key challenges that the NDA assists the sector with achieving through the capacitation of CSOs and grant funding as well as other initiatives the organisation carries out in collaboration with CSOs.

7.1.2 Overview of poverty in South Africa

Poverty is defined as the inability of individuals or households to attain sufficient resources to satisfy a socially acceptable minimum standard of living³.

The following are various characteristics which determine poverty⁴:

1. Individual – age (the younger an individual the more vulnerable to poverty they are), gender, sector of employment, formal education (lower educational attainment), religion and culture.
2. Community – Access to key services and infrastructure and access to public goods
3. Household – household size (larger households), dependency ratio (number of dependents in relation to providers), total value of household assets, gender of head (women led households are more prone to poverty), ages of household members, maximum education attained by any individual.
4. Regional – climate shocks (in the case of South Africa climate shocks such as floods and droughts), governance and management (management of poverty alleviation resources), availability of land (land for subsistence farming) and its quality and access to market and services.

The characteristics of poverty are observed

within the four (4) existing types of poverty in South Africa. These are, *situational poverty* which is temporary and arises as a result of a crisis or loss; *generational poverty* which occurs when there are at least two generations which have been born into poverty - children who are born into poverty are likely to suffer from poverty into adulthood; *urban poverty* occurs in metropolitan areas with a population size of at least fifty thousand people, the urban poor deal with a complex aggregate of chronic and acute stressors; and *rural poverty* which occurs in areas with populations below fifty thousand people or underdeveloped areas that are segregated from towns, cities and new developments⁵.

Socio-economic factors are the main causes of poverty in South Africa. Factors such as unemployment, education level, gender disparities, income and household size affect poverty levels. South Africa being one of most inequitable and unequal countries in the world with the richest 20% accounting for more than 61% of overall consumption is indicative of the extent of the poverty challenge the country is facing. The Gini-Coefficient stood at 0.69 in 2018 - its highest since 1994⁶ - this is an indicator that economic inequality remains a challenge even in post 1994 South Africa. The unemployment rate remains high and is at 30.8% by the third quarter of 2020. National

job creation interventions have been met with challenging macroeconomic conditions.

In 2020, approximately 55.5% (30.3 million) of South Africans are living on less than R992 per month, while a total of 25% (13.8 million) are experiencing food poverty. Growth in GDP per capita has been nil since 2014 and negative in real terms, which indicate that people are not getting wealthier and directly affects the poverty reduction goals of the country.

Between 2011 and 2015 poverty worsened despite the South African government, international bodies and civil society organisations efforts to mitigate the escalating crisis. The most notable contributing factors to the rising poverty levels are poor responsiveness of poverty reduction policies and programmes; and worsening economic conditions⁷.

In lieu of the escalating poverty crisis, a money-metric measure - the National Poverty Lines (NPLs) Index was developed with the primary purpose of: Providing insight when

³ S Ramphoma, *Interdisciplinary Journal*, 2014

⁴ World Bank, 2005

⁵ Jesse, 2006

⁶ World Bank, 2018

⁷ ODI Working Paper 258

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developing targeted developmental policies and programmes towards vulnerable groups and, contributes towards knowledge production for policy development and reform in poverty reduction and eradication⁸. The NPL is constituted by the Upper-Bound Poverty Line (UBPL), Lower Bound Poverty Line (LBPL) and Food Poverty Line (FPL), as depicted below in per person per month in Rands.

The NPLs were constructed using the cost-of-basic-needs approach and contain both food and non-food components of household consumption expenditure⁹.

- **Food poverty line (FPL) – R585** (in April 2020 prices) per person per month. This refers to the amount of money that an individual will need to

afford the minimum required daily energy intake. This is also commonly referred to as the “extreme” poverty line.

- **Lower-bound poverty line (LBPL) – R840** (in April 2020 prices) per person per month. This refers to the food poverty line plus the average

amount derived from non-food items of households whose total expenditure is equal to the food poverty line; and

- **Upper-bound poverty line – R1 268** (in April 2020 prices) per person per month. This refers to the food poverty line plus the average amount derived from non-food items of households whose food expenditure is equal to the food poverty line.

Inflation-adjusted National Poverty Lines (2008 - 2018) per person per month in rands

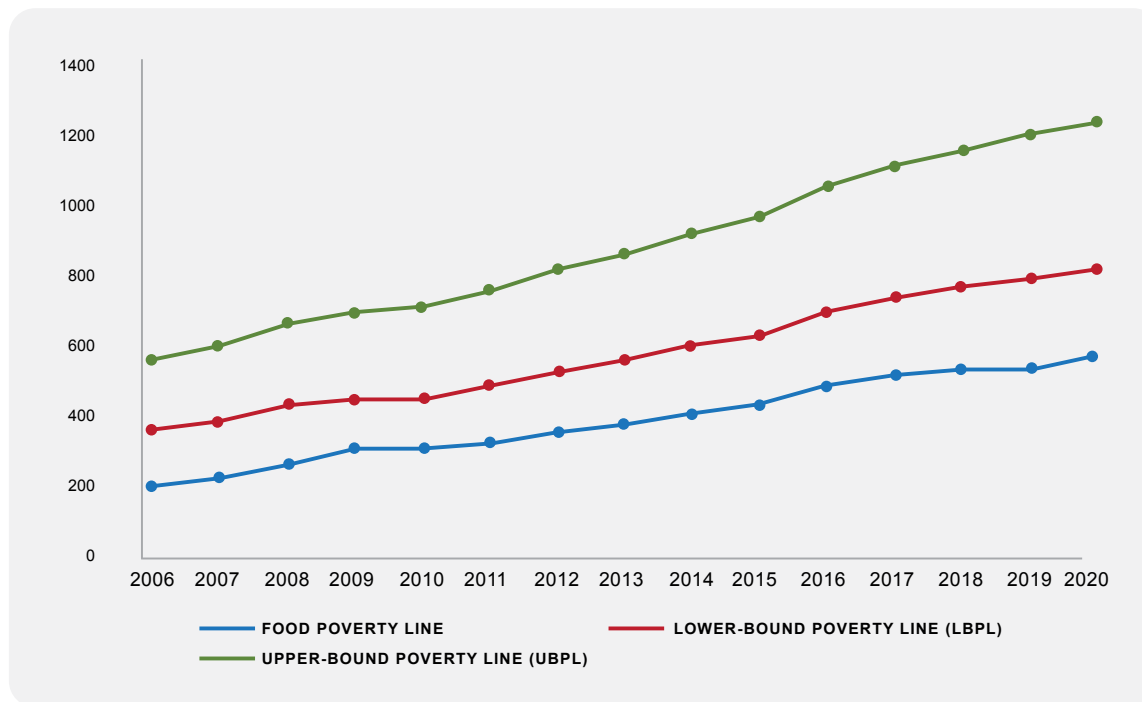


Figure 5: National Poverty Lines

The rise in the NPL, particularly the FPL implies an increase in cost of living. FPL is affected by several factors such as changes in the prices of goods and services (a result of the increased VAT rate⁵), the rising cost of poverty eradication which refers to the cost of lifting the poor’s consumption expenditure to the poverty line, and increased inequality in expenditure distribution among the poor¹⁰.

⁸ The NPL is adjusted on an annual basis and is informed by updated data on the Consumer Price Index (CPI).

⁹ StatsSA, National Poverty Lines, 2020

¹⁰ StatsSA 2017

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As a result of escalating poverty there will be an increase in social services demand as more people will require government assistance. This increasing need directly impacts the demand for the NDA's services and results in added pressure on the NDA's resources.

The NDA is mandated with contributing towards eradicating poverty and implementing programmes that address the root causes of poverty, to mitigate their impact. The increasing demand for NDA services should be considered in interventions formulation as well as the multifaceted nature of poverty. These interventions need to factor in the shrinking government fiscus faced.

Poverty eradication or elimination initiatives need to be approached with the consideration of the multidimensionality of poverty. The approach to measuring poverty has been broadened to include social disadvantage, vulnerability, and powerlessness. However, despite the broadened approach to measuring poverty, when it comes to practicalities of poverty measures and profiling, they are still anchored on a money-metric approach¹¹. This requires the NDA to lean on the money-metric analysis.

The impact of Poverty

Poverty impacts health, educational attain-

ment and widens economic gender disparities in the following manner:

- Health - poverty increases the risks of becoming infected with chronic illness. While these diseases are not caused by poverty, they worsen existing poverty and ruin a household's economic prospects. Through working with CSOs and partnering with other stakeholder that specifically target health outcomes of poverty the NDA can create greater impact
- Education - there is a high risk of educational underachievement for children living in low-income circumstances. Children from poor families are prone to hunger, irritability, headaches and other illnesses which may hamper educational progress. There is a greater possibility that children from poor families will drop out of school at an earlier age. The NDA through its ECD programmes contributes to the mitigation of the impact of poverty on education.
- Widening gender disparities - poverty has a strong gender

dimension. The GHS found that income poverty in South Africa remained a gender issue, with 57% of women in 2015 living below the UBPL and 37,9% of female-headed households.

The NDA will be able to address the impact of poverty more extensively through grant funding and capacity building of CSOs.

7.1.3 Macroeconomic Analysis

The following macroeconomic analysis aims to explore how changes in various macroeconomic factors affect the NDA's operating environment and subsequently the organisation's capability to fulfil its mandate.

The section will highlight how weak economic growth, rising unemployment and educational outcomes contribute to the triple crisis – with a focus on poverty. Furthermore, this section will analyse government's response to poverty as well as underscore opportunities the NDA can explore in the fulfilment of its primary mandate of contributing towards poverty eradication.

South Africa is one of the world's largest producers and exporters of gold, platinum, and other natural resources. It has well-developed financial, legal, communications, energy, and

transport sectors, as well as the continent's largest stock exchange. However, falling commodity prices, a weakening Rand, weakening trade balances, rising unemployment and policy implementation challenges have slowed economic growth considerably.

South Africa's economy grew by an annualized 66.1 percent in the third quarter of 2020, recovering from a record 51.7 percent slump in the April-June period. That was the strongest pace of expansion since at least 1993, with manufacturing, trade and mining being the biggest drivers of growth following the easing of COVID-19 lockdown restrictions. Despite the rebound, the economy is still 5.8 percent smaller than it was at the end of 2019. Higher unemployment, deterioration in human development and increasing poverty levels continue to reign supreme due to COVID-19.

The shortfall forces a reprioritisation and reallocation of expenditure based on various considerations, including the needs of society. Poverty eradication is a priority area that Government has committed to addressing, thus reinforcing the important role that the NDA is required to play as a Government entity.

¹¹ NDA Environmental Scan

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7.2 Internal Environment Analysis

The internal environmental analysis is aimed at discussing several key points that will underpin the turnaround strategy of the NDA. The ultimate Key Performance Indicators for the 2021/2022 financial year and beyond will be defined in accordance with the points discussed hereunder. The APP therefore represents a draft whose focus is to detail the strategic elements for consideration going forward.

Covid-19 impact on NDA

The 2020 calendar year has had an impact of epic proportions across the globe. The enormity of the Corona Virus has seen colossal changes across public, private and civil society operations. The concerted global response to the pandemic from its onset has been one of prioritising resources towards healthcare in a bid to lessen the envisaged impact on humanity. The overall impact on developing countries was catastrophic as these countries are largely faced with a myriad of developmental challenges competing for limited budgetary resources. South Africa's response to the pandemic was no different. The President of the Republic of South Africa, Mr Cyril Ramaphosa, announced an economic stimulus

package to the value of R500 billion to elevate the country from the economic abyss imposed by Covid-19. The pressure on the fiscus has built up to a point where expectedly, large scale budget cuts are being implemented across the government to fund the economic recovery plan, healthcare initiatives and social protection efforts, amongst others.

The NDA has not been spared the ravaging wrath of Covid-19. The proposed budget cuts will see the NDA surrender R20,924 million from its 2021/22 budget allocation which will leave it with a transfer amount of R215,970 million, which is slightly above the 2019-20 funding level of R212,30 million. Inclusive of interest income, the total budgeted funds available for implementation in the 2021/22 financial year amounts to R217,907 million. The seeming gap between the NDA's budgetary allocation and its immense responsibility of contributing towards poverty eradication has been further exacerbated by the harsh reality of the triple challenges of poverty, inequality and unemployment widen significantly beyond pre-Covid-19 recorded levels. The NDA recognises the opportunities afforded by this global crisis and hereby seeks to reposition and reinvent itself to be a force to be reckoned with in pushing back the frontiers of poverty and its debilitating effects on South Africa and its already poverty-stricken rural



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communities. The turnaround of the NDA will be underpinned by the following key priorities and focus areas in the short to medium term:

- Business Turnaround, inclusive of audit turnaround measures
- Financial Sustainability of the NDA
- Strategic Partnerships
- Digitisation and System Integration
- Community and Economic Development
- Evidence based research and evaluation

Business Turnaround

The NDA has since the 2016/17 financial year, received an unqualified opinion with findings for the Annual Financial Statements and a disclaimer on performance information. The NDA management has reflected on the measures to be put in place to halt this worrying trend. In direct response to the apparent stagnation, the NDA will develop a fully-fledged business turnaround strategy which will guide the NDA on a road to recovery. The NDA will focus on the development and implementation of the following elements which will constitute the business turnaround strategy:

- Standard Operating Procedures
- Compliance Management Frame-

work

- Performance Information Management Framework
- Performance Information Management System
- Consequence Management Framework
- Policies
- Audit Implementation Plan

It is envisaged that the development and subsequent implementation of these procedural documents will result in the NDA being able to arrest its current trajectory. Through this effort, historical irregular, fruitless and wasteful expenditure which constitutes a large portion of the current balance will be reduced drastically. At the same time preventative initiatives will be implemented to curb the ever escalating IFW expenditure.

The finalisation of the performance information management system is crucial to improving the audit outcome on predetermined objectives. Along with the SOP's and the Performance Information Management Framework, the conclusion of the performance information management system will prove useful for collection, collation, storage and retrieval of performance information for management reporting and audit purposes. These set of frameworks will seek to return the NDA to the

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basics as it strives to define and spell out the applicable standard requirements for planning and reporting on key performance indicators.

Financial Sustainability of the NDA

The imminent budget cuts are proof that the NDA cannot depend solely on the allocation from the fiscus. Section 4 of the NDA does empower the NDA to raise funds for the furtherance of development work in communities. The NDA will therefore earnestly focus its efforts on the development of a Revenue Generation Model which will encapsulate and detail the alternative funding sources and the various plausible strategies to be employed to raise funds from these identified sources in order to lessen dependency on the National Treasury allocation.

The NDA led by the department will embark on the review and enhancement of the NDA mandate as part of the turnaround project. Aligned to the anticipated new mandate it will be the revised business model to ensure end to end implementation of the Act. The key consideration for the revised business model will be the required skills and capacity for its full implementation. The audit of the current skills will therefore be crucial in determining the gap between the current and the future skills. The

organisational structure will inevitably have to change in alignment to the revised business model. The finalisation of the organisational structure will be embedded in business process reengineering to ensure fit for purpose structure with clearly defined functional responsibilities for the implementation of the NDA mandate.

The ongoing sustainability of the NDA relies heavily on the optimisation strategies to maximise productivity and eliminate duplications across a range of functional responsibilities in the organisation and across government. The optimisation process will also be characterised by cost saving initiatives in a bid to prioritise resources towards long term sustainable plans that add lasting value in the mandate of the NDA. Through continuous planning and realignment of processes, the NDA will on an ongoing basis redirect resources towards areas of high community impact.

Strategic Partnerships

The Revenue Generation Model will be anchored in strong and sound partnerships in strategic sectors of the economy. Amongst others, the NDA will pursue partnerships with the Organised Business Formations such as Business Unity South Africa (BUSA), Solidarity Fund and the Jobs Fund in order to estab-

lish high yielding collaborative partnerships in the fight against poverty. Within the ambit of the Inter-Governmental Relations framework, the NDA will seek to establish lasting partnerships across the three spheres of government with regards to coordination of community-based development efforts as espoused in the District Development Model. To this end, the NDA will pursue the Department of Co-operative Governance and Traditional Affairs on the formalisation of the NDA coordination role. The NDA will also consider employing cross referral strategies with several funding agencies such as the NLC and SEDA, where unsuccessful applicant CSOs can be referred to NDA for further capacitation. This strategy will not be limited to these agencies only, it will be replicated within the Social Development portfolio where NPOs that have been deregistered will be trained by the NDA to a point of compliance and re-registration by the DSD.

The fulfilment of the secondary mandate of the NDA depends largely on sound research which is able to stand academic scrutiny and is of developmental relevance for use by the NDA in particularly and the rest of government in general. The NDA will thus expatiate partnerships with research institutes, institutions of higher learning and expert government organisations such as StatsSA in pursuit of ground-breaking research on the pertinent

issue of poverty and other research areas of developmental interest. The partnerships will extend to other exploratory areas that we have not ventured into before, such as TVET colleges. The partnership with TVET colleges will result in assimilation of vocationally skilled students into income generating CSO formations that can participate effectively in the economy.

Digitisation and system integration

The NDP 2030 state that *the institutional arrangements to manage the information, communications and technology (ICT) environment need to be better structured to ensure that South Africa does not fall victim to a “digital divide”*. Digital transformation is therefore not an option but a must for organisations operating in the 21st century. Information and Communications Technology should be the lifeblood of all organisations, especially in the advent of COVID-19 which has brought about the need for all organisations to digitise their services for business continuity and uninterrupted service delivery. The NDA needs to ensure a secured ICT environment and seamless connectivity for the success of the digitisation project. Two significant benefits can emanate from digitization are:

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- **Increased Productivity** - The automation of services will allow the NDA stakeholders ability to share, collaborate, exchange, access to accurate information in seconds, reducing the turnaround time, and further increasing the efficiency in the NDA.
- **Cost effectiveness** - The Development Officers will easily be able to work remotely and reduce reliance on manual and expensive processes, for an example, the cost of printing can be exorbitant, and it involves additional costs like equipment management, paper records maintenance and cost of space. Digitisation will ensure that more and more employees are able to operate outside the office whilst still delivering on NDA obligations. This could potentially lead to the reduction of costs associated with office space.

Central to the digitisation of NDA work is the automation of current internal NDA process as well as external services to the CSO's in line with the approved NDA ICT Masterplan. At a service delivery level, the work of the NDA is largely contact based and has suffered signifi-

cantly due to hard lockdown travel restrictions imposed by Covid-19. In order to extend the reach and coverage of NDA service delivery focused programmes, the NDA will focus on digitising and automating its services, beginning with the capacity building programme. The automation of the capacity building programme will serve as a springboard to total digitisation of NDA services. The NDA will explore a shared services model within the social development portfolio in order to leverage on existing ICT infrastructure within the portfolio.

Social and Economic Development

District Development Model

The President in announcing the District Development Model decried the lack of coordination and cooperation in planning and implementation of government development efforts on the ground. There are many stakeholders at various spheres of government who render services at community level without proper coordination resulting in haphazard implementation. The essence of the District Development Model is to improve integration between national, provincial, local government and other organs of state. The NDA, therefore, will play a more active and pivotal role in coordinating development partners and bridging the gap

between the communities and all developmental stakeholders, including government, that provide services at local level.

Grant Funding

Grants are defined as non-repayable funds or products disbursed by one party (grant makers), often a government department, corporation, foundation, or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. In order to receive a grant, some form of "Grant Writing" often referred to as a proposal or an application is required.

The NDA grant funding approach to CSOs is aimed at developing the organisations to ensure they have capacities (human and financial) to deliver quality services, attract more funding based on their performance records. Through the grant funding process, the NDA will report on the number of CSOs funded and the amount of money granted to CSOs. On a long term, the NDA will through outcome evaluations seek to measure developmental change brought about by the grant funding.

All organisations funded through NDA funding for implementing programme or projects work should have been assessed for intervention needs and compliance with registration re-

quirements, financial management record, accountability, capacity to implement and have a sustainability plan to ensure that the organisation will have a potential to grow and be sustainable. The NDA must ensure that these organisations are supported and continuously developed through capacity building, resource mobilisation and sustainability interventions.

In addition, the CSO must comply with the following in respect to the NDA granted funds:

- CSOs must not distribute to its members or office bearers any parts or portions of the grant, except in cases for compensation of employees;
- Granted funding to CSOs must include funding to defray expenses would be required to comply with the funding requirements such as audited financial statements or annual financial reports;
- Granted funding to CSOs must cover not less than 20% and not more than 25% of the total grant earmarked for supporting administrative requirements to support implementation of the project or programme, the administrative

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expenses must be also audited and presented in the financial statement or annual financial report;

- Submit audited financial statements regarding the use of that grant at the end of each financial year whilst the grant is active and or at the end of the funding period;
- Submit a comprehensive, narrative report containing an analysis of every project or programme in respect of which that grant is made and a description of all other activities of the organisation.

CSOs funding will be provided to organisations that contribute to the improvement of the quality of life in a community including those that assist the poor and the vulnerable such as women, the elderly, youth and children.

The NDA will prioritise but not be limited to the following sectors for its grant funding support:

- Early Childhood Development, through registered NPOs
- Income Generation, through Co-operatives
- Food and Nutrition Security, through NPOs and Co-operatives.

Early Childhood Development

The Government of the Republic of South Africa (GRSA) has prioritised Early Childhood Development (ECD). The National Development Plan: Vision 2030 (NDP) charts the developmental vision for South Africa, calling for the writing of a new story that places Early Childhood Development at its epicentre. The plan maps the most strategic route for attaining its goals. It recognises the two essential building blocks as (1) improved levels of employment and (2) improved quality of education, both of which are in turn fundamentally linked to massively increased access to Early Childhood Development.

The NDP recognises quality ECD services, especially for the most vulnerable, as a sustainable way of ensuring the optimal development of children, their resultant educational success and improved employment prospects – in short, as a key lever to overcoming the apartheid legacy of poverty and inequality.

The NDP thus prioritises increased public investment to secure universal enjoyment of ECD in South Africa. The solution lies in the government taking lead and responsibility for the mobilisation and allocation of sufficient human, financial and other resources to implement the national ECD programme.



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The NDA funding supports the implementation of ECD through:

- Expanding coverage of services in underserved areas;
- Focusing on poorer and more vulnerable children, namely children living in poverty, children with developmental delays/difficulties and children with disabilities
- Improving the quality of service provision to ensure compliance with legally prescribed safety and quality assurance norms and standards
- ECD centres infrastructure upgrades
- Provision of Learning and Support Teaching Materials

Income Generation Programme

The South African political and socio-economic landscape is still characterized by significant levels of poverty, unemployment and inequality. In response to these challenges, the government has developed and adopted the National Development Plan (NDP) as a blueprint to eliminate poverty and reduce inequality by 2030. In summary, the NDP seeks to

invigorate the capabilities of people, develop an inclusive economy, enhance the capacity of state and promote leadership and partnership throughout society.

Despite the ongoing critical political debates around the macro-economic framework and the growth trajectory of the country, there is demonstrable consensus that the NDP provides a plausible plan for addressing the triple challenges of poverty, unemployment and inequality.

Therefore, the current NDA programming on income generation or enterprise development can still be conceptualized within the priority sectors for growth and development as encapsulated by the myriad of present government policies, including the NDP.

In identifying programmes for income generation, the NDA should consider a number of factors that impact on the general macro economy in the country. The NDA has invested significant resources in income generating projects that seek to create alternative or complementary income streams and employment for poor households in pre-determined localities.

The income generation programmes and projects that the NDA has funded to date include

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mostly “traditional sectors” that either required limited capital input (comparatively) and/or a low skills base. These projects included amongst others sewing, primary agriculture (crop & livestock), brickmaking, arts and craft, tourism, bakery, and some hydroponics. Generally, these enterprises require a low skills base. Consequently, impoverished communities with extraordinarily little expert knowledge could access these sectors and generate employment and income for themselves to elevate their living standards.

The objective of the income generation programme is:

- To facilitate the creation of income streams and job opportunities for poor people in identified localities to promote their participation in the mainstream economy;
- Provide support to income generation projects that have already received grant funding from the NDA, have fully complied with their contracts and reporting requirements, and are showing good prospects for success.

The programme will provide funding to the following sub-sectors:

- Agricultural activities
- Arts and culture
- Tourism
- Manufacturing
- Services.

Food and Nutrition Security (FNS) Programme

The National Development Plan (NDP), Vision 2030, provides a plan for the reduction of poverty and inequality in the next 15 years. A key element of both poverty and inequality is food security: it is both a consequence of poverty and inequality as well as a cause.

To realise the objectives of the NDP, South Africa approved its Food and Nutrition Security Policy to ensure the availability, accessibility and affordability of safe and nutritious food at national and households’ levels to its citizens.

The NDA will prioritise the following outcomes for its FNS programme:

- Improved access to food through social protection and development programs/ schemes: This outcome will ensure improved food availability, affordability and accessibility through adoption of

broad-based and inclusive approaches. This will be realized through promotion of market access; income generating activities and infrastructure development; improving of access to social grants; targeting; irrigations schemes; feeding programs; smallholder food production support; community works program; community and institutional gardens; self-reliant and diversified food production; rural development and mainstreaming of gender and youth.

- Improved health, nutrition and hygiene: This outcome will ensure improved health and nutrition status and hygiene have been inculcated in daily practices of South Africans. This will be achieved through improved food utilization; safe storage, handling, preparation and distribution of food in feeding programmes; fortification of staples; nutrition awareness and promotion of healthy lifestyle.
- Establishment of food value chains for improved rural economies: This outcome focuses on the promotion of rural food value chain supply in

order to ensure better market access for both subsistence and small holder producers. This is envisaged through establishment of agro-processing and distribution of commodities including; contractual markets, synchronization of production and demand, processing and packaging of commodities and agro-logistic support.

Evidence Based Research and Evaluation

As per its secondary mandate, the NDA has produced research reports that inform dialogues and engagements on development policies of priority areas of the state. Accurately understanding and taking decisions on matters of public policy is paramount. Evidence-based decision making is the key to unlock structural problems surrounding policy making and programming. Research is one tool that provides evidence policy and decision making for effective and efficient governments. The government priorities for the 6th administration need to be anchored on evidence-based policies through research and public debates. The National Development Agency, through its secondary mandate, has a duty to generate evidence that can lead to

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informative debates on how the state could achieve its goals on these priorities.

As much as COVID-19 has come with its own challenges, it has also come with the exploration of opportunities for research to provide evidence on broader issues that have seen policy failures at different levels of policy formulation and implementation. The use of evidence-based research outcomes and engagements with broader stakeholders has changed irreversibly as virtual platforms engagements discussions has open access to information to the wider population and different stakeholders affected by the development policy formulation and outcomes. The NDA will invest in the latest technology to build stable and accessible platforms to engage in debates and dialogues in the development policy. This technological advancement will result in immense savings for the organisation associated with huge cost of accommodation, transportation and catering associated with contact sessions. Building on the success of the virtual engagement, the research and evaluation programmes will be re-purposed to operate within the COVID-19 environment and post COVID-19 environment.

The NDA will leverage relationship with CSOs for better understanding and participation of the civil society sector in position this sector as

key drivers of thought leadership in development policy, especially policies that are aimed at poverty eradication, decreasing unemployment and creating a resilient and sustainable South African. This will be achieved through continuous engagements and dialogues with various stakeholders, such as government, civil society, private sector, academic and research institutions and publishing research that is in line with the development needs of the country.

The lack of results-based monitoring and evaluation has curtailed the NDA's ability to report accurately on outputs, outcomes and the impact of interventions. The lack of effective systems and technologies with rapid continuous collection of information by implementers, collation and verification of reportable information has resulted in inaccurate and unreliable information. Compounded is the lack of adherence to continuous processes for monitoring by the NDA programmes, thus making it difficult and too costly to measure outcomes and impact overtime based on routine data collected by programmes. The improvement indicated above of integrated IT systems and business process will enhance the area of M&E and integrate the M&E tools in the integrated business process thus improving reporting.



PART C



NDA
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Development
Agency



PART C: MEASURING OUR PERFORMANCE

8 Institutional Programme Performance Information

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Purpose: This programme will focus on promoting and maintaining organisational excellence and sustainability through effective and efficient administration that includes performance, employee wellbeing, cost containment as well as brand enhancement and recognition. These will be achieved within a sound governance and administration environment.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2020/21)	Medium-term targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Good governance	Irregular, fruitless and wasteful expenditure report	Percentage (%) reduction of cumulative balance of IFW expenditure reported in the prior year Annual Financial Statements	New indicator	New indicator	New indicator	80%	80%	90%	100%
	Integrated Information Management System	Integrated Information Management system developed	New indicator	New indicator	New indicator	New indicator	Integrated Portal developed	Asset Management Module implemented (ERP)	Knowledge Management system developed

PART C: MEASURING OUR PERFORMANCE

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2020/21)	Medium-term targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
	Skills Audit Outcome implemented	Percentage (%) of Skills Audit recommendations implemented	New indicator	New indicator	New indicator	New indicator	30%	60%	100%
	Turnaround Strategy	Approved Turnaround Strategy	New indicator	New indicator	New indicator	Draft Turnaround Strategy	Revised NDA strategy approved	Implementation of the revised strategy	Implementation of the revised strategy
Establishing effective public private partnership modalities to effect development goals	Partnership Model	State and CSO Partnership model developed	New indicator	New indicator	New indicator	New indicator	Approved Partnership Model	Implementation of the partnership model	Implementation of the partnership model

PART C: MEASURING OUR PERFORMANCE

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Percentage (%) implementation of Consequence Management in relation to IFW cases	80%	20%	40%	60%	80%
Integrated Information Management system developed	Integrated Portal developed	Business and Functional Requirements Specification Approved	Database design Approved	System/App developed and Tested	System/App deployed
Percentage (%) of Skills Audit Recommendations implemented	30% of Skills Audit Recommendations Implemented	10%	20%	25%	30%
Approved Turnaround Strategy	Revised NDA strategy approved	Consultation sessions with NDA stakeholders on the Turnaround Strategy	Turnaround Strategy approved by the Board	Revised Strategic Plan aligned to the Turnaround strategy approved by the Board	Revised Strategic Plan aligned to the Turnaround strategy approved by the Executive Authority
State and CSO Partnership model developed	Approved Partnership Model	Research study on state and CSO partnership model conducted	Consultation sessions held with social partners	Development of guidelines for implementation of the Partnership Model	Partnership Model approved by the Board

PART C: MEASURING OUR PERFORMANCE

Programme 1: Administration - Resource Considerations

Key Expenditure items	2021/2022	2022/2023	2023/2024
Marketing & communication	1,040,413	1,086,191	1,135,069
Consulting & professional fees	5,304,292	5,865,028	3,456,968
IT costs	7,258,972	7,437,113	7,771,783
Audit fees	4,802,400	5,013,706	5,239,322
Printing & stationery	885,212	924,161	965,749
Telephone & faxes	182,700	155,861	162,875
Repairs & maintenance	1,158,011	1,208,963	1,263,366
Seminars, workshops & conferences	350,000	158,041	165,153
Operating leases	12,200,000	13,915,946	15,307,541
Municipal rates & taxes	3,147,548	3,286,040	3,433,912
Relocation of offices	200,000	104,400	109,098
Travel & accommodation	3,500,000	3,268,516	3,415,599
Office set-up/ re-design costs	400,000	208,800	218,196
PPE & office sanitisation	814,532	0	0
Capex	800,000	835,200	872,784

PART C: MEASURING OUR PERFORMANCE

Key Expenditure items	2021/2022	2022/2023	2023/2024
Board remuneration	952,161	994,056	1038,789
Other costs (miscellaneous)	2,003,371	2,091,519	2,185,637
Employee costs	60,404,842	63,062,656	63,173,861
Total Programme allocation	105,404,454	109,616,196	109,915,702

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Good Governance	Non-compliance with regulatory requirements and legislations	<ul style="list-style-type: none"> • Develop and implement a compliance management process
	Failure to appoint a new Board within stipulated timeframes	<ul style="list-style-type: none"> • Engage the appointing authority to expedite the process of appointing the new Board on time
Establishing effective public private partnership modalities to effect development goals	Non-cooperation of stakeholders	<ul style="list-style-type: none"> • Strengthening of Inter-Governmental Relations • Develop and implement stakeholder management framework and strategy

PART C: MEASURING OUR PERFORMANCE

PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

Purpose: This programme will focus on elevating the NDA to become the lead coordinator of development initiatives, in its pursuit of becoming the Premier Development Agency in the country. This programme will also focus on creating effective poverty eradication impact through utilising key mechanisms and channels of poverty eradication, including but not limited to support of CSOs.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2020/21)	Medium-term targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Self-sufficient and self-reliant communities	Resources Mobilised	Rand value of resources raised to fund CSO development interventions	R61.7m	R147m	R55m	R100m	R20m	R35m	R50m
Establishing effective public private partnership modalities to effect development goals	Increased work opportunities created as a result of CSOs development interventions	Number of Work opportunities created as a result of CSO development interventions	New indicator	New indicator	New indicator	2000	500	550	600
	Empowered CSOs that are able to address poverty	Number of CSOs capacitated to strengthen their institutional capacity	New indicator	New indicator	New indicator	300	1800	2000	3000
		Percentage disbursement of funds for grant funding	--	--	95%	95%	95%	95%	95%

PART C: MEASURING OUR PERFORMANCE

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Rand value of resources raised to fund CSOs development interventions	R20m	R5m	R10m	R15m	R20m
Number of Work opportunities created as a result of CSOs development interventions	500	100	250	400	500
Number of CSOs capacitated to strengthen their institutional capacity	1800	180	900	1500	1800
Percentage disbursement of funds for grant funding	95%	95%	95%	95%	95%

PART C: MEASURING OUR PERFORMANCE

Programme 2: CSO Development - Resource Considerations

Key Expenditure items	2021/2022	2022/2023	2023/2024
CSO Engagement & support	2,899,353	3,234,224	3,423,188
CSO Capacity building	3,814,558	3,982,399	4,161,607
Resource mobilisation	147,765	0	0
Grant Funding	13,500,000	14,094,000	14,094,000
CSO Digitisation (licencing)	4,000,000	0	0
Project monitoring & support	3,346,444	1,891,957	1,977,095
Employment costs	74,527,164	77,806,359	77,806,359
Total Programme allocation	102,235,284	101,008,940	101,462,249

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

Programme 2 is the core programme of the NDA's operations. It is the programme that implements the organisations' development activities. Programme 2 has two key outcomes: (1) establishing effective public private partnership modalities to effect development goals and (2) building self-sufficient and self-reliant communities.

The first outcome focusses on establishing effective public private partnership modalities to effect development goals. The NDA will give effect to this outcome by developing a Strategic Partnership Framework, which will guide the NDA's efforts in Resource mobilization and stakeholder engagement. The NDA will coalesce different development stakeholders towards implementation of Integrated Development initiatives, using synergies and economies of scale to ultimately reduce the level of poverty in South Africa.

The second outcome focusses on the NDA's core development outcome, which is to create self-sufficient and self-reliant communities through focused interventions. In order to do this, the NDA through its outputs will strive towards increasing job opportunities, increasing CSO income and empowering CSOs through focused development interventions in the areas of capacity building and grant funding. The outcome of self-sufficient and self-reliant communities will be achieved should the outputs be successfully achieved, which will in turn contribute to achieving the sole impact of reduced levels of poverty in South Africa.

The 2021/22 targets set for three of the five indicators have changed significantly compared to the 2020/21 financial year targets. This change is attributable to the debilitating effects of Covid-19 on the NDA's performance environment. Firstly, the NDA reduced the target for resource mobilisation to R20 million, as a direct result of the current economic climate and the apparent reprioritisation of resources towards fighting the virus by NDA funders. Secondly, in the advent of Covid-19, the NDA exponentially increased the target for work opportunities primarily due to the implementation of the Volunteer programme which comes to an end in March 2021. As a result, the target had to be reduced significantly to 500 in alignment to the cessation of the Volunteer Programme. Lastly, the capacity building programme is largely a contact-based programme which was set on the basis of lockdown travel restrictions imposed across the country. The increase of the target to 1800 was premised on the assumption that the travel restrictions will be eased as the pandemic is kept under control. Furthermore, the NDA intends to digitize the process going forward, so it is expected that the number of CSOs capacitated will increase from 2021/22 onwards.

PART C: MEASURING OUR PERFORMANCE

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Self-sufficient and self-reliant communities	<ul style="list-style-type: none"> • Potential insufficient funding to implement development programmes • Inability to implement NDA mandate 	<ul style="list-style-type: none"> • Establish resource raising/funding Committee to drive resource raising initiatives • Develop and implement turnaround strategy and business case
Establishing effective public private partnership modalities to effect development goals		

PART C: MEASURING OUR PERFORMANCE

PROGRAMME 3: RESEARCH

Purpose: This programme will focus on development policy research and NDA programmes evaluative studies to be used to inform programme planning and policy development and debates in the social, economic and development sectors of the economy. The outcome is to inform national development policy debates and engagements on issues relating to development and poverty alleviation in general. It will also produce publications and standards for effective best practice in the development sector to promote sharing of lessons and good practice.

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2020/21)	Medium-term targets		
			2017/18	2018/19	2019/20		2021/22	2022/23	2023/24
Influencing development policy through thought leadership	Research publications	Number of research publications undertaken to provide a basis for development policy	New indicator	New indicator	New indicator	New indicator	3	3	4
	Evaluation reports	Number of evaluations conducted to inform programme implementation	New indicator	New indicator	New indicator	New indicator	3	3	3
	Dialogue reports	Number of dialogues held with external stakeholders to inform development policy	New indicator	New indicator	New indicator	New indicator	5	5	5

PART C: MEASURING OUR PERFORMANCE

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of research publications undertaken to provide a basis for development policy	3	0	1	2	3
Number of evaluations conducted to inform programme implementation	3	0	1	2	3
Number of dialogues held with external stakeholders to inform development policy	5	1	2	4	5

Explanation of planned performance over the medium-term period

Programme 3 will contribute to reducing the levels of poverty in South Africa, by focusing on influencing development policy through thought leadership. The outcome of the programme is to produce research and thought leadership that solely aims to influence development policy. There are 2 distinct outputs that directly contribute to the outcome. The first is to produce research outputs that shape policy development processes and outcomes, and the second one is to organise and conduct dialogue engagements to influence social, economic and development policies in South Africa. The influence on policy development and aligning industry practices to best practices will both directly impact the development of strategies and programmes aimed at reduction of poverty in South Africa.

PART C: MEASURING OUR PERFORMANCE

Programme 3: Research - Resource Considerations

Key Expenditure items	2021/2022	2022/2023	2023/2024
Research studies	2,178,147	2,470,963	2,582,156
Dissemination sessions	175,000	0	0
Knowledge management	213,905	209,039	218,446
Monitoring & evaluation studies	1,531,015	1,562,073	1,632,367
Employment costs	6,169,504	6,440,963	6,440,963
Total Programme allocation	10,267,571	10,683,038	10,873,932

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Influencing development policy through thought leadership	<ul style="list-style-type: none"> Limited involvement in facilitating engagement and debates between government, civil society and private sector on development policy 	<ul style="list-style-type: none"> Develop and implement stakeholder management framework and strategy
	<ul style="list-style-type: none"> Limited use of research and evaluation findings by stakeholders 	<ul style="list-style-type: none"> Host dissemination sessions to present research and evaluation findings to stakeholders

PART C: MEASURING OUR PERFORMANCE

CONSOLIDATED BUDGET BY PROGRAMME FOR MTEF PERIOD

Budget by Programme	2021/2022	2022/2023	2023/2024
Programme 1: Administration	105,404,454	109,616,196	109,915,702
Programme 2: CSO Development	102,235,284	101,008,940	101,462,249
Programme 3: Research	10,267,571	10,683,038	10,873,932
Consolidated Budget	217,907,309	221,308,174	222,251,883

PART D



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PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Indicator Title	Percentage (%) reduction of cumulative balance of IFW expenditure reported in the prior year annual financial statements
Definition	Cumulative balance refers to the total balance of the accumulated Unauthorised, Irregular, Fruitless & Wasteful expenditure as at 2020/21
Source of Data	Irregular expenditure reports
Method of Calculation/Assessment	Simple count
Means of verification	Irregular expenditure reports
Assumptions	The organisation is regularly audited and the outcome of the audit is accessible
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Reduced percentage of the cumulative balance of irregular expenditure as of 2020/21
Indicator Responsibility	Chief Financial Officer (Supported by Legal and HR)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Integrated Information Management system developed
Definition	Development an Integrated portal to digitise the CSO activities, which is part of phase 3 of the ICT Strategy
Source of Data	<ul style="list-style-type: none"> • Business and Functional Requirements Specification • Database design • User Acceptance Testing • Project signoff
Method of Calculation/Assessment	Approved documentation and deployed System/App
Means of verification	Approved System Documentations
Assumptions	The key users will be available for analysis stage (Requirement specification, testing and training)
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	Integrated platform for the digitization of CSO activities
Indicator Responsibility	Executive: Corporate Services

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Percentage (%) of Skills Audit Recommendations implemented
Definition	Cumulative balance refers to the 30% of Skills Development Plan of the accumulated from 100% of Skills Audit Recommended for implementation.
Source of Data	Skills Development Reports
Method of Calculation/Assessment	Simple count
Means of verification	Skills Development Reports
Assumptions	The periodization of the skills development activities will be pre-approved, aligned to the budget.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Skilful NDA employees to enable the implantation of the Turnaround strategy to improve service delivery.
Indicator Responsibility	Executive: Corporate Services

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Approved NDA Turnaround Strategy
Definition	The Turnaround Strategy is a comprehensive analysis of the state of NDA and its desired strategic trajectory.
Source of Data	NDA Turnaround Strategy
Method of Calculation/Assessment	Simple Count
Means of verification	Board Minutes; approved Turnaround Strategy
Assumptions	The consultation sessions are held and concluded in time. The key stakeholders participate fully and contribute to the discourse.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	Develop a new strategy that informs the NDA programme going forward
Indicator Responsibility	Chief Executive Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	State and CSO Partnership model developed
Definition	The KPI aims to develop an approved partnership model to guide partnership engagements between government and the CSO sector.
Source of Data	• Programme reports • Board Minutes
Method of Calculation/Assessment	Simple Count
Means of verification	• Internal programme monitoring reports • Board Minutes
Assumptions	The stakeholders will attend the consultation sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	To develop a partnership model that will improve collaboration between government and the CSO sector.
Indicator Responsibility	Chief Executive Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

Indicator Title	Rand value of resources raised to fund CSO development interventions
Definition	The KPI aims to mobilise and secure financial commitments from third parties towards supporting development initiatives implemented by civil society organisations.
Source of Data	• Funding agreements • Letters of commitment
Method of Calculation/Assessment	Aggregation of rand value commitments made by third parties
Means of verification	Signed Funding Agreements or Letters of commitment or E-mail correspondence
Assumptions	Funders will provide the monetary value of the non-financial resources committed
Disaggregation of Beneficiaries (where applicable)	• Government Sources • Corporate Sources • International Sources
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Secure financial resources from third parties
Indicator Responsibility	Chief Operations Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of Work opportunities created as a result of CSOs development interventions
Definition	Work opportunities refers to remuneration benefit derived from NDA or third party funded projects
Source of Data	Programme Monitoring Report; Appointment Letters
Method of Calculation/Assessment	Simple Count
Means of verification	Internal Programme Monitoring Reports
Assumptions	CSO development interventions lead to the creation of work opportunities
Disaggregation of Beneficiaries (where applicable)	• Women • Youth • People with disabilities
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Increase in work opportunities created
Indicator Responsibility	Chief Operations Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of CSOs capacitated to strengthen their institutional capacity
Definition	These are CSOs that have been trained on any of the training areas provided in CSO Management in order to strengthen their institutional capacity. The training is not limited to online workshops only; it also includes face to face training workshops.
Source of Data	Training Monitoring Reports that include the Attendance Register
Method of Calculation/Assessment	Simple Count
Means of verification	CSO Development system generated report
Assumptions	CSOs have means to access NDA online development interventions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Annual
Desired Performance	CSOs acquire necessary knowledge and skills that lead to effective management of their organisations and implementation of their programs.
Indicator Responsibility	Chief Operations Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Percentage disbursement of funds for grant funding
Definition	These are CSOs that have been grant funded to further their own development programmes.
Source of Data	• Grant Funding Monitoring Report • Board Minutes • Grant Funding Agreements • Financial Reports
Method of Calculation/Assessment	Total amount of funds approved for grant funding / Total budget for grant funding
Means of verification	Grant Fund Age Analysis Report
Assumptions	Grant funding process does not take longer than anticipated due to quality of the proposals; approval is secured on time to allow for timeous distribution to CSOs.
Disaggregation of Beneficiaries (where applicable)	• Women • Youth • People with disabilities
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	To provide financial resources to organisations for the furtherance of their developmental needs.
Indicator Responsibility	Chief Operations Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 3: RESEARCH

Indicator Title	Number of research publications undertaken to provide a basis for development policy.
Definition	Research Reports are study reports produced by NDA on several thematic areas and they are used to inform discourses around the development of policy by government on community development strategies and programmes.
Source of Data	Research publications
Method of Calculation/Assessment	Simple count
Means of verification	Research publications
Assumptions	Research Publication are of accepted quality standards
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Production of new body of information and knowledge informing effective social, economic and development polices and practice.
Indicator Responsibility	Executive: Development Management & Research

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of evaluations conducted to inform programme implementation
Definition	Evaluation Reports is the documentation of programme facts indicating the performance of NDA programmes over the intervention term and they constitute the study methodology, findings, interpretation, recommendations on the overall NDA programmes performance.
Source of Data	• Evaluation Reports • Programme concept documents • Programme information
Method of Calculation/Assessment	Simple count
Means of verification	Evaluation Reports
Assumptions	Evaluation Reports are of acceptable and quality standards
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Appropriate and desired evaluations that are used in informing NDA programme planning, design and implementation processes
Indicator Responsibility	Executive: Development Management & Research

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of dialogues held with external stakeholders to inform development policy
Definition	Dialogues are engagements held with external stakeholders to share, discuss and debate evidence-based information produced on social, economic and development that would inform policy development
Source of Data	Monitoring Reports
Method of Calculation/Assessment	Simple count
Means of verification	Policy dialogues, presentations and reports including recommendations
Assumptions	The NDA and its research collaborative partners will produce quality research outputs relevant to policy developments needs of stakeholders.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative
Report Cycle	Quarterly
Desired Performance	Increase quality of NDA policy dialogues to influence development policy and use of evidence in the policy development process.
Indicator Responsibility	Executive: Development Management & Research





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National
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National Development Agency

RP87/2021

ISBN: 978-0-621-49273-6

Title of Publications: National Development Agency Annual Performance Plan 2021/2022

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