



Minister Lindiwe Zulu

EXECUTIVE AUTHORITY STATEMENT

The *National Development Agency Act of 1998* enjoins the National Development Agency (NDA) to, primarily, contribute towards the eradication of poverty and its causes through: supporting civil society organisations to carry out interventions that are aimed at meeting communities' development needs, in addition to strengthening their institutional capacity to deliver the required development. It is on the premise of this profound and unbounded mandate that the NDA derived the 2022/23 Annual Performance Plan (APP).

As part of government's comprehensive response to COVID-19, the NDA innovated locally-responsive interventions. Among these I may mention the enlisting of the services of volunteers in different communities throughout the country. Also worth mentioning is the implementation of the targeted gender-based violence programme through civil society organisations (CSOs) due to the Criminal Assets Recovery Accounts (CARA) funds. The CARA funds are a practical demonstration of how social innovation partnerships can be targeted to benefit communities that acquire them.

2022/23 is the year in which the innovative spirit that the NDA engendered over the past two years needs to be expressed in more ways towards ensuring that the plight of poverty, inequalities and unemployment at the community-level is effectively attended to. In view of the considerable scope of the mandate of the NDA, it is prudent that this Agency should deepen its partnerships by targeting

development finance institutions (DFIs) locally, on the African continent, in the global South and globally. Equally important is the need to create population-beneficial relationships with research institutions, as well as private sector partners. Whilst learning from countries of the global South that succeeded in significantly reducing poverty in living memory, now the NDA has the rare opportunity to influence and implement our country's poverty alleviation trajectory.

During the State of the Nation Address, President Cyril Ramaphosa instructed that, "We are working together to revitalise our economy and end the inequality and injustice that impedes our progress". Further to that, the President reiterated the need for all of government to plan, budget and implement programmes and interventions through the District Development Model.

Needless to mention, in the year ahead the NDA is expected to increasingly contribute to the eradication of poverty in communities through forming intentional linkages between its programmes and economic participation benefits. This should be done pursuant of the *Economic Reconstruction and Recovery Plan*, as well as the realisation of the proposals of Putting South Africa to Work. Thus, in the NDA, South Africa has real hope of improving the social and economic prospects of the majority of South African citizens towards a common prosperity.

Consistent with the need to develop a

comprehensive social compact, the work of the NDA should be driven through an effective people-public-private-civil-academic-multilateral partnership framework. Correctly understood, in the current context, this deepens how CSOs are understood and situated relative to our collective investments to reconstruct our society and economy for our shared recovery.

In order to achieve the priorities that are outlined in this APP, the NDA needs to undergo a fundamental turnaround so that it is internally-configured and positioned properly, to take advantage of the macro-level shifts and transformations for the benefit of communities. While the NDA is strongly pivoting towards promoting and enabling communities' economic participation, its programmes will be implemented as part of the integrated social development portfolio.

To this end, I will be monitoring and supporting the NDA closely to ensure that this APP is implemented and achieved this year.

I present the 2022/23 Annual Performance Plan of the National Development Agency to you.

A handwritten signature in black ink, reading "Lindiwe Zulu".

Hon. Ms Lindiwe Zulu, MP
Minister of Social Development

Date: 12 September 2022



Mr Bongani Magongo

ACCOUNTING AUTHORITY STATEMENT

The Interim Accounting Authority of the NDA oversaw the development and finalization of the NDA Annual Performance Plan (APP) for the 2022/23 financial year. The APP substantiates the NDA's established strategic objective of mobilizing and capacitating CSOs to effectively collaborate with government and private business to increase economic activity, generate jobs and provide essential social services in deprived communities. The 2022/2023 APP builds on the Key Performance Indicators (KPIs) of the previous financial year, confirming the established focus of the NDA on economic activity, job creation and social service delivery in deprived communities. In the previous financial year, the Board had expressed concern with the level of irregular, fruitless and wasteful expenditure. This focus continues with a KPI to reduce the non-compliance in irregular, fruitless and wasteful expenditure by 80% in 2022/2023, ultimately eliminating it in the 2024/25 financial year.

The Interim Accounting Authority is also pleased to announce that the NDA is in the process of finalising a Turnaround Strategy. The initiative stems from the call from the National Treasury for National Public Entities to strengthen their financial and strategic sustainability in the midst of a decreasing fiscal account of South Africa. The NDA took this opportunity to critically and honestly assess its mandate, purpose, contribution and methods. In the process, the NDA confirmed the critical role of CSOs in reviving the economy and developed a clear vision for mobilizing resources and capacitating CSOs to combat the scourge of unemployment and poverty.

Key elements of the strategy include:

- Assessing the economic potential of deprived communities and developing innovative approaches and partnerships to stimulate economic activity and job creation.
- Accessing the full regulatory, financial and executive might of all government departments and agencies that are invested in poverty eradication and job creation.
- Actively engaging the private sector to convert deprived communities' economic potential into sustainable industry that provides these deprived communities with income and reduce their dependency on welfare.
- Retaining the focus on improving CSO service delivery through training and other capacitation interventions.
- Implementing an NDA Strategic Partnership Model that formalises engagement with all government departments and agencies as well as private sector operators that can contribute to economic activity within targeted communities

The NDA envisages to raise R35 million for CSOs by the end of the 2022/23 financial year. Central to the strong and formal partnership efforts between the government, CSOs and private sector, is the NDA Strategic Partnerships Model that will be developed in the 2022/2023 financial year, as part of the Turnaround Strategy implementation. The NDA will target a modest number of 3000 work opportunities in 2022/2023 with ambitions to escalate this once the new strategy and its associated processes are

embedded. While recognising that stimulating economic activity is of paramount importance, the NDA will still retain its focus on capacitating CSOs to provide more and better social services to their constituencies with the resources mobilised on their behalf. To this end, the NDA will target the capacitation of 2000 CSOs in 2022/2023.

In Programme 3, the NDA plans to conduct and finalise research publications that will directly impact policy development, through hosting 5 formal dialogues with a clear view of influencing policy that could assist CSOs in their efforts to stimulate economic activity, job creation and social service delivery.

I would like to personally thank the Minister of Social Development, Hon. Lindiwe Zulu, for the continued guidance and leadership during the development of the APP for 2022/2023. 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.

Bongani Magongo
Interim Accounting Authority
Date: 12 September 2022



OFFICIAL SIGN-OFF

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 2022/23 financial year.

Ben Morule
Senior Manager: Strategic
Management

Reekeletseng Hlapolosa
Executive: Corporate Services

Simon Baloyi
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Bongani Magongo
Interim Accounting Authority

Hon. Ms Lindiwe Zulu, MP
Minister of Social Development
Date: 12 September 2022

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PART A: OUR MANDATE

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 Agency Act, Act No. 108 of 1998 (as amended) 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:

1.1. 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 educational rights.



Figure 1: NDA's Legislative and Policy Mandates

PART A: OUR MANDATE

1.2. Legislative Mandate

1.2.1. National Development Agency Act

The NDA's mandate is derived from the National Development Agency Act, Act No. 108 of 1998 (as amended). 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 publication 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 development 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

1.3. 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).

1.3.1. NDP Vision 2030

The aim of the NDP Vision 2030 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).

The NDA aims to contribute towards social protection, nation-building and social cohesion through using Civil Society Organisations (CSOs) 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.

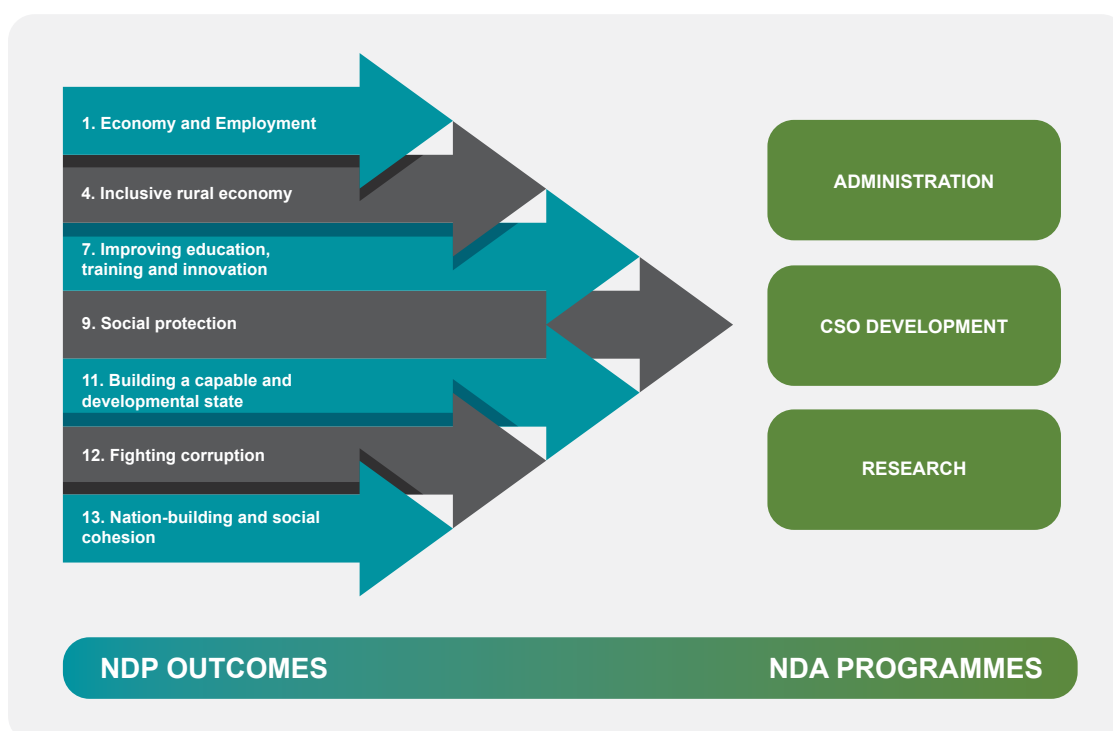


Figure 2: NDP Outcomes and NDA Programmes

PART A: OUR MANDATE

1.3.2. 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:

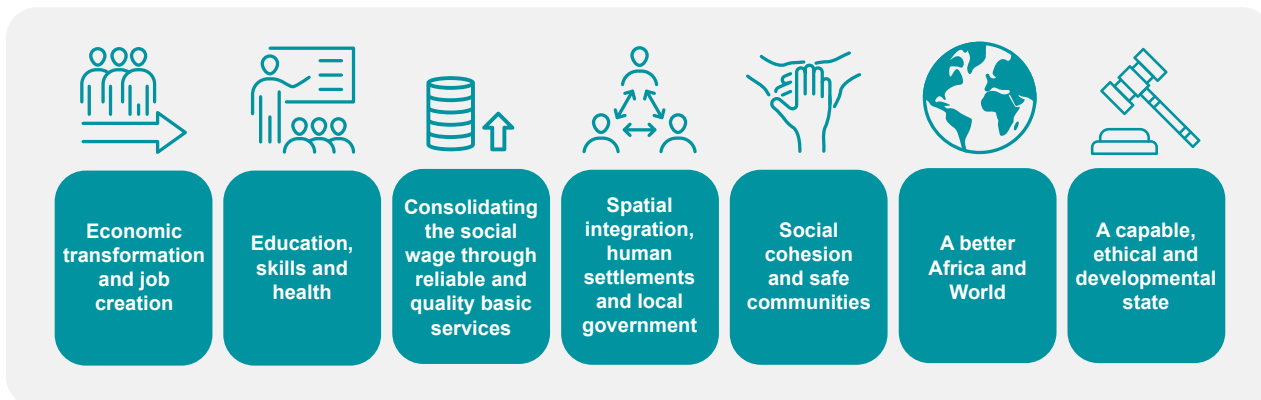


Figure 3: MTSF 7 Priorities

1.3.3. Sector Plans

The Department of 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 following outcomes are outlined in the sector plans:

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 poor 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 poor communities.

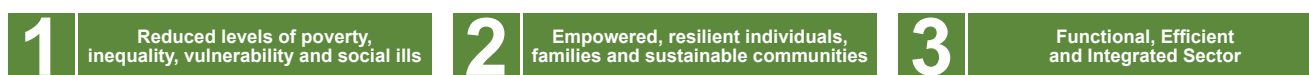


Figure 4: Sector Outcomes for 2020 – 2025

PART A: OUR MANDATE

1.3.4. 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 effectiveness is grounded on having a shared and common purpose and goal in planning and implementing their programmes and interventions. The strategic intent of the portfolio approach is to also create the linkages and integration requirements with other government departments and agencies, the private sector, and civil society sector to harness resources and focus on improving the quality of life of a South African citizen at 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 building a better South African.

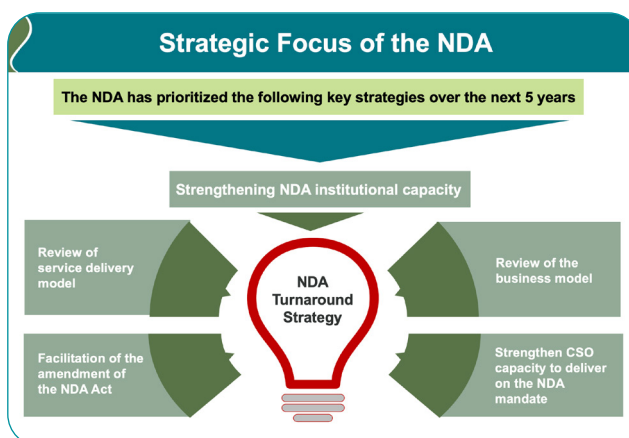
The approach will ensure that the social development sector builds strong, reliable and efficient partnerships with the civil society sector and empower this sector to contribute effectively in building a better South Africa. The social development sector will also learn how to effectively work with the civil society organisations at local level on how to respond to service delivery challenges and 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 Africa we all want to live in. The social development portfolio aims to create an effective ecosystem in the sector to improve coordination, integration, maximising quality of outcomes and impacts to ensure that potential in people to live a better and sustainable livelihood is achieved.

We note that social development cannot occur without economic development. It is this economic development aspect that NDA's new Turnaround Strategy recognises and intends to contribute towards.

2 Updates to Institutional Policies and Strategies

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



3 Updates to Relevant Court Rulings

There are no updates on any court rulings.



PART B: OUR STRATEGIC FOCUS

4 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 adverse 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 organisation operates in and the conditions of its internal environment.

4.1. The Turnaround Strategy

The 2022/23 APP has been developed whilst the NDA has not completed its Turnaround Strategy, which was necessitated by a need to reposition itself following years of below par performance and subsequent lack of impact of its service delivery interventions. Although the NDA is still in the process of finalizing the Turnaround Strategy, there are already emerging recommendations, which include, but are not limited to the following:

- The NDA needs to redefine its target audience to maximize impact on both jobs and sustainable economic activities for the poor communities.
- The NDA needs to configure its business operation model and programme design to focus on creating employment opportunities and business activities for poor communities, thus impacting on poverty.
- The NDA needs to work through partnerships to increase its financial and non-financial resource base to fund and strengthen CSOs working in poor communities.
- The Turnaround Strategy is indicating that NDA needs to invest in resource mobilization from all sectors of the economy, including international funders – a robust funding model that does not rely on the government allocation is likely to sustain the NDA and its developmental programmes.
- To attract funding from third party sources, the NDA would need to package programmes that benefit communities and impact on poverty and unemployment.

- Modernization and innovations on systems would improve the NDA performance and efficiencies and would increase the coverage of its programmes.
- The NDA would need to improve its branding and communication to the public and stakeholders.

This APP should therefore be seen as a transitional plan seeking to bridge the gap between the current service delivery model and the model already emerging from the Turnaround Strategy. The 2022/23 financial year will serve as a basis to lay a firm foundation for the full scale implementation of the Turnaround Strategy in future years. The NDA will realise part implementation of the Turnaround Strategy through the review of the ICT Strategy and Architecture, the revision of the current Organisational Structure and the development of the Strategic Partnership Model. All these will be developed in alignment to the business model proposed by the Turnaround Strategy.

The 2022/23 NDA APP will focus on increasing funding to CSOs programmes that are creating job opportunities and sustainable livelihoods. The NDA, in collaboration with CSOs will thus create 3000 job opportunities, these opportunities will be derived from:

- Youth to be recruited to work with CSOs under the Presidential Stimulus Package;
- Unemployed UIF beneficiaries to be enrolled in the venture creation programme funded by UIF;
- NDA grant funded cooperatives and income generation projects approved in the 2021/22 financial year
- 9 pilot sites to be funded by NDA and third parties funding mobilised during the implementation of the APP by the stakeholder and partnership programme of the NDA.

The capacity building interventions will be provided with stakeholders on organizational management and technical training to improve the quality of services and sustainability of the CSOs supported by the NDA. The research programme of the NDA will focus its work in 17 producing outputs that will support policy making to ensure that CSOs, government and the private sector engage on policy reforms that will promote community based interventions, including creating an enabling environment for CSOs to positively contribute to fighting poverty and reducing unemployment.

4.2. External Environmental 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 outcomes;

4.2.1. Civil Society Sector Analysis

The civil society sector is often referred to as the third sector which operates outside of the state and 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 organisations, such as:

- 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 a number of 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 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 level.
- Increasing number of NGO umbrella bodies mushrooming across the country as a result of dissatisfaction with the existing umbrella bodies who would have been custodian of the interest of the sector.

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 recognises that the 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 required 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.

PART B: OUR STRATEGIC FOCUS

4.2.2. Overview of Poverty in South Africa

According to President Cyril Ramaphosa, poverty is defined as: *“The inability of individuals or households to attain sufficient resources to satisfy a socially acceptable minimum standard of living.”*

While there are multiple sources of poverty, the United Nations (UN) highlights the central role played by unemployment and underemployment in poverty levels. Unemployment and underemployment lies at the core of poverty. For the poor, labour is often the only asset they can use to improve their well-being. Hence the creation of productive employment opportunities is essential for achieving poverty reduction and sustainable economic and social development. It is crucial to provide decent jobs that both secure income and empowerment for the poor, especially women and younger people.

4.2.3. Poverty Causes and Impacts

The table below details the causes of poverty and their impact on communities.



Cause of Poverty	Impact
Unemployment	This may result in no income to purchase food, other products and services.
Marginalisation of communities	This may result in people not having a political and economic voice.
War and violent crime	This may threaten the lives and safety of citizens, and may deter investment.
Malnutrition	This may result in reduced wellness and may subsequently impact education.
Inadequate healthcare	This may result in reduced wellness and may subsequently impact education.
No access to clean water, sanitation & healthcare	This may result in increased sickness and decreased productivity of the workforce.
Poor education	This may result in inadequate skills and marketability of the workforce.
Inadequate electricity	This may result in lower economic productivity and may deter investment.
Inadequate road, rail and harbour infrastructure	This may result in lower economic productivity and may deter investment.
No savings	This may result in citizens lacking the ability to absorb economic shocks, such as the COVID-19 pandemic.

PART B: OUR STRATEGIC FOCUS

4.2.4. Role Players in Addressing Poverty

Private sector businesses, CSOs and government need to work as an integrated team to address poverty in distressed communities. The figure below depicts the various role-players involved in addressing poverty, and the interactions amongst them.

As can be seen in the figure above, private South African-based businesses receive infrastructure services from government. These businesses may create jobs in distressed communities, and may provide support to CSOs

in the form of funding and capacity building services. Government organisations, including state-owned enterprises (SOEs), provide infrastructure to be used by distressed communities, private businesses, and civil society organisations. Additionally, government organisations provide social services and grants to distressed communities, and provide funding and capacity building services to CSOs. Lastly, CSOs utilise the infrastructure provided by government, as well as funding and capacity services provided by government and private sector businesses, to create jobs and deliver services within distressed communities.

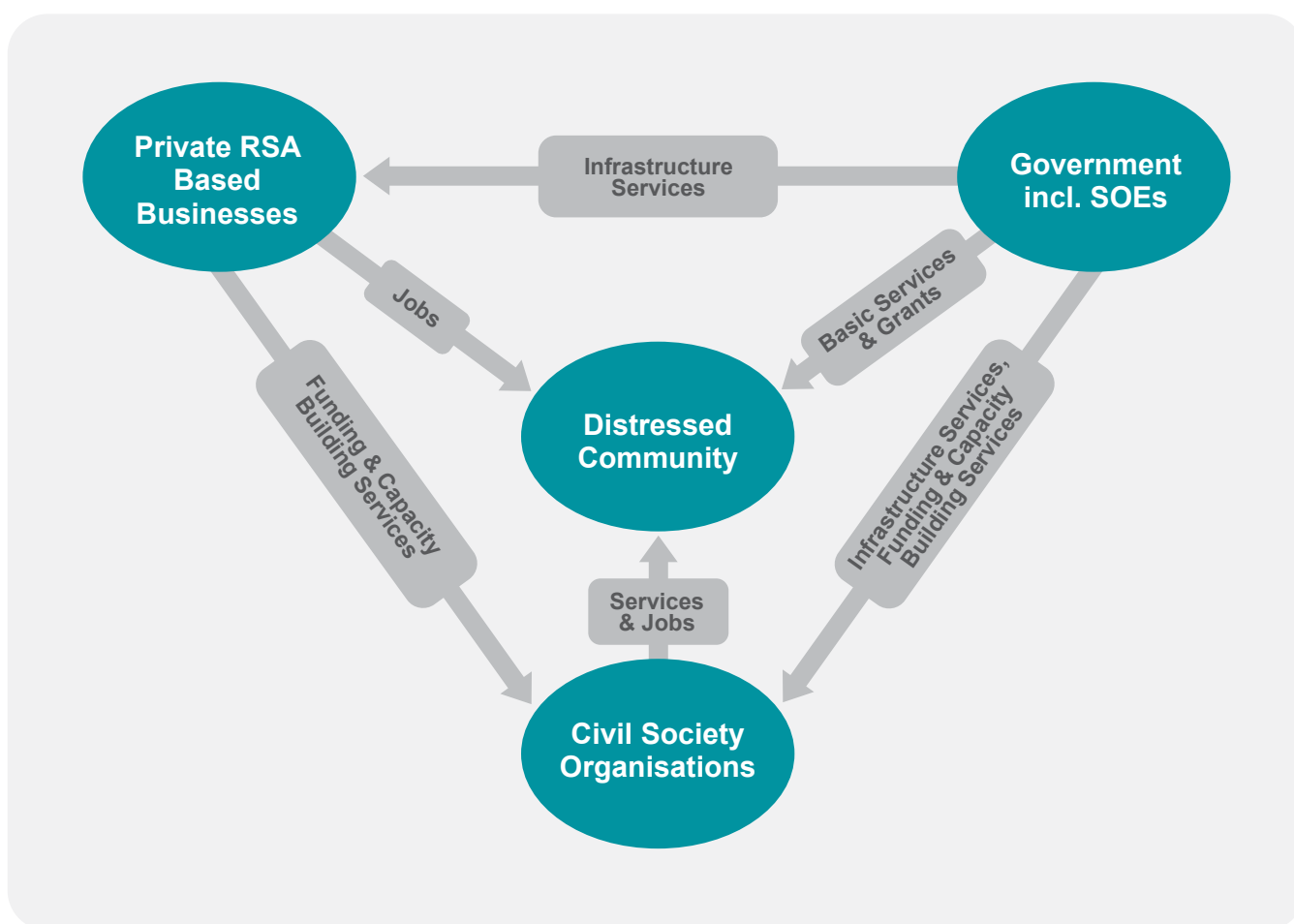


Figure 5: Role-players in Addressing Poverty

4.2.5. Macroeconomic Analysis

This section provides an overview of South Africa's GDP growth, the ability of government to expand social welfare, and a PESTLE analysis.

4.2.6. Inadequate GDP Growth

Since 2008, South African companies' sales growth, reflected as GDP growth, has not kept pace with workforce growth, and hence resulted in growing unemployment. The number of unemployed persons increased by 3.5 million in

PART B: OUR STRATEGIC FOCUS

the last year, resulting in an unemployment rate of 34.4% (Stats SA, 2021). Subsequently, South Africa's unemployment rate surged to the highest on a global list of 82 countries monitored by Bloomberg (South Africa Unemployment Rate Rises to Highest in the World, 2021). In the period from 2008 to 2021, despite the 5.3% GDP growth, unemployment rate has increased by 57.1%.

4.2.7. Ability of Government to Expand Social Welfare

Government's ability to expand Social Welfare is constrained by the lack of sufficient income, as illustrated below.

During the Medium Term Budget Policy Statement held on 11 November 2021, Minister of Finance, Enoch Godongwana noted that SA has R4 trillion of debt. He went on to say, "Incurred debt-service costs will become the largest portion of spending from next year. These debt service costs are non-discretionary – in other words, we cannot avoid paying them." Debt-service costs are expected to rise to R365.8B in 2024/25. This is higher than the health and police services budgets. The figure below compares South Africa's gross loan debt to its GDP.

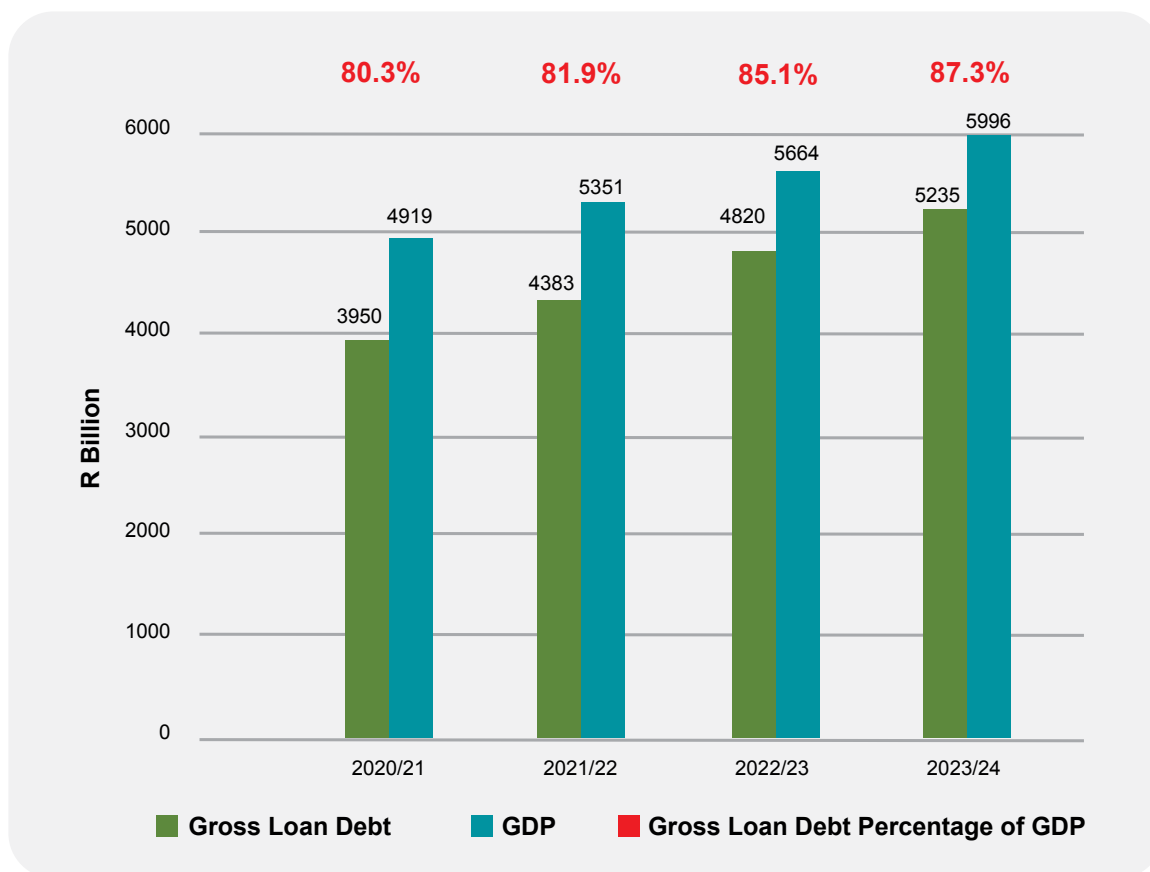


Figure 6: Gross Loan Debt vs GDP

PART B: OUR STRATEGIC FOCUS

For further context, the figure below depicts the Government's debt-service costs compared to NDA's budget. Notably, debt-service expenses are over 1,068 times greater than the NDA's budget.

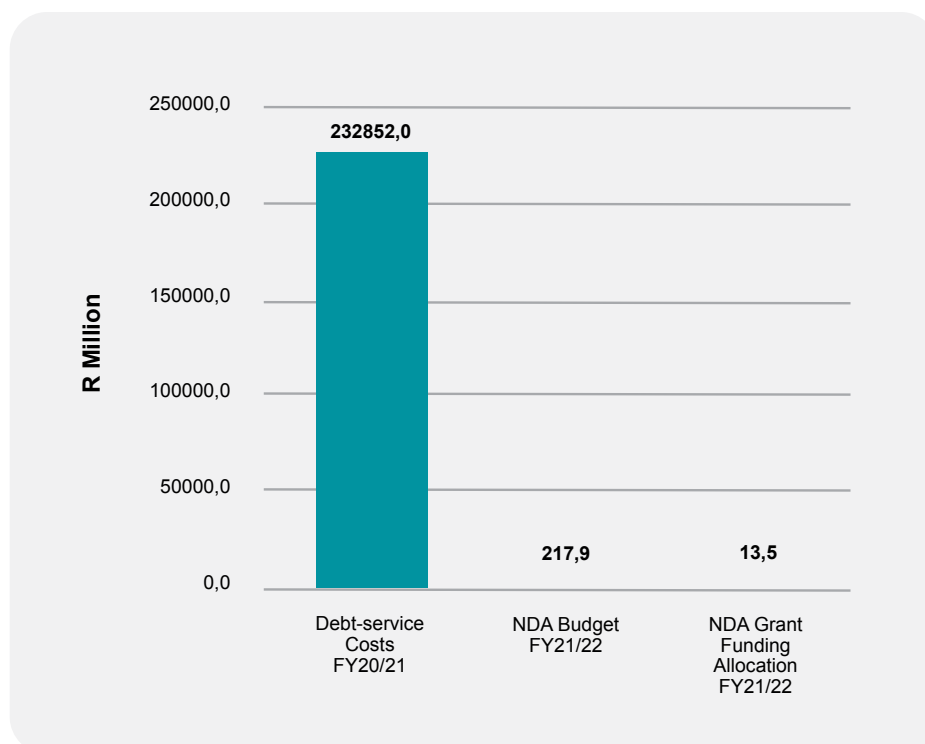


Figure 7: Government Debt-service Costs vs NDA Budget

The Government has been running on a budget deficit since 2008 and has accumulated crippling levels of debt. The remedy to the budget deficit is the same as the remedy to unemployment, and that is increased sales by South African based enterprises.

Increased sales growth will increase tax revenues which can be used to pay off the loans. At present, debt service costs are the fastest growing expense item for National Treasury. Unless tax revenues can be increased, National Treasury will continue to reduce other forms of spending, most notably Government employee wages and discretionary grants.

4.2.8. PESTLE Analysis

This section provides an analysis of the Political (P), Economic (E), Social (S), Technological (T), Legal (L) and Environmental (E) factors pertaining to the NDA.

4.2.9. Political

The recent local elections saw record low voter turnout which saw the ANC dropping below 50% for the first time since the advent of democratic elections. Popular theories as to why, include general disillusionment with self-serving and corrupt politicians, dismay at poor service delivery including load-shedding, short lead-time between announcement of the election and the election itself, as well as COVID-19 infection concerns.

The ANC support fell from 62% during the first democratic national elections to 45% in the November 2021 local elections. That is a drop of 17% and represent a seismic political shift. While the ANC lost ground, its opponents did not make any gains either. The full impact of the ANC's loss of dominance will still need to be seen, but coalitions as a rule do not lend themselves to the incisive decisions required to reverse the current socio-economic decline.

4.2.10. Economic

The economy in South Africa is suffering from record high unemployment figures, resulting from low gross domestic product (GDP) growth being unable to match the high workforce growth. In the period since 2008 only 1,1 million new jobs have been created while 4 million new people joined the workforce, leading to a 60% growth in the unemployment rate in this period.

Compounding the challenge is a debt-to-GDP ratio of 68% and annual debt service cost growth of 13% effectively preventing the government from hiring new people, issuing more grants or spending on large public works programs. On the contrary the government, under direct pressure from creditors, is expected to reduce the public wage bill and discretionary grants.

This pressure to rationalize service delivery, reduce headcount and discretionary grants will impact most departments, state-owned-enterprises and agencies, including the NDA, as well as the Department of Social Development.

In order to reduce this headcount and grant reduction pressure, GDP will need to grow dramatically to generate the tax revenues needed to pay back the government debt and also maintain the government employee headcount and grant budgets.

In order to achieve GDP growth, South Africa needs to attract investors to build the new factories, mines, farms and tourist destinations that are needed to grow the economy and reduce unemployment. Unfortunately, South Africa is not viewed as an attractive investment destination by the global investment community, with all three major ratings agencies rating South Africa as non-investment grade.

South Africans have increased their off-shore equity holdings by R2 trillion over the last 5 years while South African corporates sit on a cash pile of over R1 trillion that they too are refusing to invest in South Africa right now. Foreign investors will not invest if people with the deepest understanding of local conditions, namely South Africans,

The biggest obstacle to growing the economy is Eskom's combination of high debt levels, poor implementation of the Medupe and Kusile power stations and their dependence on an old fleet of poorly maintained power stations. The newly approved ability to generate and sell up to 100 mega-watts without obtaining a license is hoped to decentralize electricity provision and spur industrialization.

Poor rail and harbour capacity is another key impediment to growth, with South Africa being unable to fully exploit the COVID-19 commodities boom. Unable to raise capital on its own, Transnet will be forced to take on private equity investors. These will demand levels of efficiency, technical proficiency and corruption-free procurement that will also spur economic growth.

Crime is another impediment to economic growth with Rio Tinto closing its Richards Bay Minerals (RBM) plant due to the murder of one of its managers. RBM was a major tax-payer in KZN up to that point and the murder was against the back-drop of criminal elements attempting to extort money from major corporates. Similar extortion pressures are being faced by mining companies attempting to establish their own solar power stations, specifically Gold Fields.

Municipal corruption and poor service delivery is also deterring investment, with Clover's decision to leave Lichtenburg due to water disruptions, electricity disruptions and potholes being the highest profile example in recent times. As a major economic engine in Lichtenburg the departure of Clover will leave many unemployed people in its wake.

The NDA, as well as other departments, state-owned-enterprises and agencies will all remain under pressure to do more with increasingly less funding from National Treasury. Future financial viability will inevitably be linked to the ability to establish good relationships with private investors and corporations as well as aggressive GDP growth.

Ultimately, the communities that the NDA serve have to be put on a road to revenue generation and employment as they can no longer depend on government for subsistence.

4.2.11. Social

The provision of social services to the public has also been negatively impacted by the combination of ever decreasing government resources and service quality being unable to address the needs of a growing population.

In the period since 2008 South Africa's GDP, which determines tax revenues, has grown by only 11,9% (in Dollar terms) while its population grew by 21,2%. Further compounded by corruption and inadequate technical competencies, social service delivery in general have suffered while poverty increased.

A 2015 OECD study on education found that South Africa finished second from bottom, in 75th place. In the Pisa rankings, the country failed to reach the top 40 for either reading or math.

COVID-19 compounded the situation with 1.2 million South African children dropping out of school in 2020 and a further 500,000 in 2021. Another challenge is the poor physical infrastructure, especially in rural areas. According to the 2017/18 National Education Infrastructure Management System (NEIMS) Report, 269 schools in South Africa lacked electricity, 8,702 schools had pit latrines, 7,816 South African schools were without piped water and 37 schools had no sanitation whatsoever.

Poor education outcomes are further compounded by food insecurity, poor housing and water supply, with the IPC stating that 16% of the population analysed in 2020 faced acute food insecurity, StatsSA stating that 14,75 million people reside in informal settlements in 2017 and PMG stating that 14,1 million people lacked access to safe sanitation and reliable water in 2021.

While resources have been limited, municipal leadership also managed to waste and inappropriately direct vast amounts of money. In the 2019/2020 financial year only 27 out of 257 municipalities received an unqualified audit outcome while R26-billion of local government's expenditure was classified as "irregular", meaning that this money was spent in a manner that did not comply with laws and regulations. A total of R3.47-billion was lost in fruitless and wasteful expenditure.

Public healthcare provision remains very poor with state expenditure on healthcare being an extremely modest R62,5 billion. This is roughly equal to the size of the private healthcare industry, with private healthcare only serving 15% of the population. Lack of resources aren't the only problem though. Quality healthcare data is central to reducing healthcare costs. A recent report by the Medical Research Council highlighted the poor state of hospital administrative systems with about 40% of hospitals assessed being unable to produce discharge records.

The clearest indication of the threat posed by government debt is the fact that the annual debt service cost of R232 billion already exceeds the R195 billion budgeted towards the monthly payment of 18 million social grants. Next financial year it is estimated to be R363bn.

The cumulative effect of all these social challenges is a highly distressed population in need of improved basic social service delivery.

The inability to provide these will continue to have negative effects on both investments as well as the political fortunes of both the local and national governments.

For the NDA, the decision on which communities to support will become ever more challenging as the need is greater than ever but the resources will become more constrained. It will also make it harder for the NDA to make a material impact given the general decline of government services.

The implication for the distressed communities is however the same as the economic situation, they need to start generating revenue to purchase goods and services that are no longer forthcoming from government.

4.2.12. Technological

Some of the largest beneficiaries of COVID-19 were the manufacturers, suppliers and users of digital technologies which enabled the economies of the world to continue operating in the face of physical lockdowns.

The technologies that saw large scale adoptions and investment include remote working, online purchasing and

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services, advanced technologies including artificial intelligence in operations and decision making, modern customer relationship management applications, cloud hosting, near shoring and outsourcing, and new final mile delivery services.

It is becoming increasingly affordable to use solar generated electricity, with Eskom being able to purchase solar generated electricity from some independent power producers at a lower cost than purchasing raw coal. While this might be temporary due to China's ban on Australian coal imports, the long-term downward trend in solar generation and lithium ion battery costs provides alternatives to Eskom power, thus enabling industrialisation even in remote areas.

Blockchain allows for accurate accounting across multiple businesses in value chains that are traditionally subject to high fraud and theft risk, allowing the establishment of industries in communities not traditionally thought off as bankable.

3D printing is leading to a quantum reduction in product research and development costs and also allows small batch manufacturers to enter markets only occupied by major manufacturers in the past.

Online learning is also causing a quantum drop in training and education costs and allowing people that cannot access world class education institutions to access world class learning content at a fraction of the cost. This can bring whole sections of society into the mainstream economy at very low costs.

Agriculture is also benefitting from a large array of technological innovations that enable higher yields for less experienced farmers, increasing the relative value of land ownership. These include soil and water sensors, weather tracking, satellite imaging, radio frequency identification, vertical farming, aquaculture, genetic engineering, hydroponics and urban agriculture; all have the potential to transform subsistence farmers into commercial farmers in the context of co-operative structures.

All the above-mentioned technologies have the potential to plug distressed communities into global supply chains, in particular when partnered with established corporates that

have established export distribution channels.

4.2.13. Legal

Finance Minister Enoch Godongwana acknowledged that the country has increasingly become unattractive to investors, citing never-ending red tape as the common deterrent. He said there needs to be a move to remove the regulatory burden that comes with investing in the country for an increase in the appetite for investment.

The Red Tape in question refers to a large array of requirements ranging from exchange controls, licensing, corporate social responsibility, employment equity, mandatory training etc. This is especially important for SMMEs as they employed 70% of people in South Africa prior to COVID-19, and generally don't have the resources or technical skills for the regulatory burden. Success in rolling back regulations will encourage South African to start investing again which in turn will start to attract foreign investors.

The first and largest regulatory relaxation impacting the economy is the ability to self-generate up to 100 mega-watts of electricity without licenses. This has the potential to spur economic growth, including in remote communities. Internationally there is also established conventions for earning carbon credits that can be leveraged. A large part of distressed communities' revenue generation will need to come from SMMEs as well as large corporates.

4.2.14. Environmental

The two main environmental drivers that are relevant for distressed communities are the opportunities that arise out of the need to reduce carbon emissions as well as the water and land pollution. The need to reduce carbon emissions presents a potential revenue opportunity while the deteriorating water quality situation is a potential constraint and opportunity.

4.3. Internal Environmental Analysis

The internal environmental analysis is aimed at discussing a number of key points that will underpin the Turnaround Strategy of the NDA. The ultimate Key Performance Indicators for the 2022/2023 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.

4.3.1. COVID-19 impact on NDA

The 2021 calendar year continued to have 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.

Since the President of the Republic of South Africa, Mr Cyril Ramaphosa, announced an economic stimulus package to the value of R500 billion to lift 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 government to fund the economic recovery plan, healthcare initiatives and social protection efforts, amongst others.

4.3.2. 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 is currently developing 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 Framework
- 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 rising IFW expenditure.

The finalisation of the performance information management system is crucial to improving the audit outcome on predetermined objectives. Along with the SOPs 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 sets of frameworks will seek to return the NDA to the basics as it strives to define and spell out the applicable standard requirements for planning and reporting on key performance indicators.

4.3.3. Financial Sustainability of the NDA

The imminent budget cuts are proof that NDA cannot depend solely on the allocation from the fiscus. Section 4 of the NDA Act 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 of Social Development, has embarked on the review and enhancement of the NDA

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mandate as part of the Turnaround Strategy project. Aligned to the anticipated new mandate will be the revised business model to ensure end-to-end implementation of the Act. A 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 future skills. The organisational structure may have to change in alignment to the revised business model. The finalisation of the organisational structure will be embedded in business process re-engineering to ensure a 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.

4.3.4. 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 establish 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 Cooperative Governance and Traditional Affairs on the formalisation of the NDA coordination role. The NDA will also consider employing cross referral strategies with a number of 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 NDA in particular and the rest of government in general. The NDA will thus expand 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.

4.3.5. Digitisation and system integration

The NDP Vision 2030 states 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 digitisation are:

- **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

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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 CSOs 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 significantly 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.

4.3.6. SWOT Analysis

This section provides an analysis of the NDA's Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T).

Strengths

- National footprint
- Presence in marginalized communities not served by other institutions
- Experience in implementation as opposed to only disbursing funds
- Long term community focus, insights and relationships
- Existing community of CSOs that can be leveraged for revenue generation
- Existing legislation allowing it to expand its scope of activities

Weaknesses

- Lack of differentiation in the demographics being served by CSOs being supported by the NDA
- Lack of differentiation in the value propositions of the CSOs being supported by the NDA
- Inability to leverage mandate to source funding from other government departments

- Limited political sponsorship
- Lack of continuity, regular turnover at Board and EXCO level
- Poor reputation and brand for making a difference
- Internal divisions, poor morale and operational inefficiencies

Opportunities

- Leveraging its mandate to crowd in investment from a variety of different state and non-state actors to enable economic activity and job creation in marginalized communities.
- Obtain Treasury goodwill by transforming into an organization that provides the government with a high economic return on resources directed to the NDA.
- Leveraging its network and experience in collective structures as a vehicle for revenue generation.
- Pro-active promotion of marginalised communities with specific assets and potential for economic activity and job creation.

Threats

- Being defunded by Treasury
- Being discontinued in totality

4.3.7. Social and Economic Development

4.3.7.1. 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.

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4.3.7.2. 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. In 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 programmes or projects work should have been assessed for intervention needs and compliance with registration requirements, financial management record, accountability, capacity to implement and have a sustainability plan to ensure that the organisation will have the potential to grow and be sustainable. The NDA has to ensure that these organisations are supported and continuously developed through capacity building, resource mobilisation and sustainability interventions.

In addition, CSOs 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 and 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 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 the following sectors for its grant funding support:

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

4.3.7.3. Income Generation Programme

The South African political and socio-economic landscape is still characterised 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 build capabilities of people, grow 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 conceptualised 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

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will take into account 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 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), brick-making, arts and craft, tourism, bakery, and some hydroponics. Generally, these enterprises require a low skills base. Consequently, impoverished communities with very little expert knowledge could access these sectors and generate employment and income for themselves to improve 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

4.3.7.4. 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 centre. 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 the lead and responsibility for the mobilisation and allocation of sufficient human, financial and other resources to implement the national ECD programme.

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

4.3.7.5. 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 and cause of poverty and inequality.

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:

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- Improved access to food through social protection and development programmes/ 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 programmes; 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 being inculcated in the 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 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.

4.3.7.6. 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 informative debates on how the state achieves its goals on these priorities.

As much as COVID-19 has come with its own challenges, it has also come with exploring 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 platform engagements and discussions have opened access to information to wider population and different stakeholders affected by development policy formulation and outcomes. The NDA will invest in the latest technology to build stable and accessible platforms to engage in debates and dialogue in development policy. This technological advancement will result in huge savings for the organisation associated with huge cost of accommodation, transportation and catering associated with contact sessions. Building on the success of the virtual engagements, the research and evaluation programmes will be re-purposed to operate within and post the COVID-19 environment.

The NDA will leverage relationships with CSOs for better understanding and participation of the civil society sector, positioning this sector as key drivers of thought leadership in development policies, especially policies that are aimed at poverty eradication, decreasing unemployment and creating a resilient and sustainable South Africans. 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 on 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 the continuous processes for monitoring by 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 business process thus improving reporting.



PART C: MEASURING OUR PERFORMANCE

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5 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 (2021/22)	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Good governance	Irregular, fruitless and wasteful expenditure report	Percentage (%) reduction of non-compliance resulting in IFW expenditure reported	New indicator	New indicator	80%	80%	80% reduction of non-compliance resulting in IFW expenditure reported	90% reduction of non-compliance resulting in IFW expenditure reported	100% reduction of non-compliance resulting in IFW expenditure reported
	ICT Strategy and Architecture	ICT strategy and architecture aligned to NDA business model approved and implemented	New indicator	New indicator	New indicator	New indicator	Approval and implementation of ICT strategy and architecture aligned to NDA business model	Implementation of ICT strategy and architecture aligned to NDA business model	Implementation of ICT strategy and architecture aligned to NDA business model

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Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2021/22)	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Effective strategic partnerships, to effect development goals	Revised organisational structure	New organisational structure aligned to NDA business model approved and implemented	New indicator	New indicator	New indicator	New indicator	Approval and implementation of new organisational structure aligned to NDA business model	Implementation of organisational structure aligned to NDA business model	Implementation of organisational structure aligned to NDA business model
			New indicator	New indicator	New indicator		Approval of NDA Strategic Partnership Model aligned to NDA business model	Implementation of NDA Strategic Partnership Model aligned to NDA business model	Implementation of NDA Strategic Partnership Model aligned to NDA business model

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Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Percentage (%) reduction of non-compliance resulting in IFW expenditure reported	80% reduction of non-compliance resulting in IFW expenditure reported	20% reduction of non-compliance resulting in IFW expenditure reported	45% reduction of non-compliance resulting in IFW expenditure reported	60% reduction of non-compliance resulting in IFW expenditure reported	80% reduction of non-compliance resulting in IFW expenditure reported
ICT strategy and architecture aligned to NDA business model approved and implemented	Approval and implementation of ICT strategy and architecture aligned to NDA business model	As-Is IT Architecture review report produced	ICT Strategy and To be IT Architecture design produced	ICT Strategy and IT Architecture approved by Board	ICT Strategy and IT Architecture Implemented
New organisational structure aligned to NDA business model approved and implemented	Approval and implementation of new organisational structure aligned to NDA business model	Report on the alignment of the current organisational structure to the NDA Business Model	Proposed organisational structure aligned to NDA business model presented to key stakeholders	Board approval of organizational structure aligned to NDA business model	Report on implementation of approved organisational structure
NDA Strategic Partnership Model aligned to NDA business model approved	Approval of NDA Strategic Partnership Model aligned to NDA business model	To-Be Business Architecture in line with NDA Business Model	Detailed business processes and contracts agreed	Development of partnership guidelines	NDA Strategic Partnership Model approved by the Board

PART C: MEASURING OUR PERFORMANCE

Programme 1: Administration - Resource Considerations

Key Expenditure items	2022/2023	2023/2024	2024/2025
Marketing & Communication Costs	1 072 400	1 841 877	1 924 209
Consulting and Professional Fees	5 644 648	3 818 140	3 659 571
IT costs	7 050 500	7 369 057	7 698 454
Stakeholder management	450 000	-	-
Audit Fees	4 738 273	5 009 626	5 233 556
Printing and Stationery	1 090 709	992 823	1 037 202
Telephone & Faxes	177 194	198 445	207 315
Repairs and Maintenance	1 115 381	1 559 578	1 629 291
Seminars, Workshops	385 000	208 840	218 175
Operating leases	10 466 028	12 038 466	13 015 616
Municipal Rates and Taxes	2 336 517	3 418 794	3 571 614
Relocation of offices	300 000	336 517	351 560
PPE & office sanitisation	150 000	380 000	-
Travel & Accommodation	4 652 560	3 801 619	3 971 551
Capital Expenditure	1 022 100	868 941	907 783
Board & Committee remuneration	1 100 779	1 138 417	1 189 304
Miscellaneous Expenses	2 560 214	1 703 113	1 779 242
Employee Costs	62 126 010	66 195 828	69 154 781
Total Programme allocation	106 438 313	110 880 081	115 549 226

PART C: MEASURING OUR PERFORMANCE

Explanation of planned performance over the medium-term period

The NDA will give effect to the outcome of “Effective strategic partnerships, to effect development goals” by developing a Partnership model, 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.

Outcome	Key Risks	Risk Mitigation
Good Governance	Non-compliance with regulatory requirements and legislations Failure to appoint a new Board within stipulated timeframes	<ul style="list-style-type: none"> Develop and implement a compliance management process and regular reporting of compliance to oversight structures Engage the appointing authority to expedite the process of appointing the new Board on time
Effective strategic partnerships, to effect development goals	Lack of enthusiasm from strategic partners to commit resources	<ul style="list-style-type: none"> Develop strong value proposition for all stakeholders Develop detailed NDA Strategic Partnership Model and processes

PART C: MEASURING OUR PERFORMANCE

PROGRAMME 2: CIVIL SOCIETY ORGANISATIONS 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 (2021/22)	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Sustainable CSOs that provide development services to deprived communities and demographics	Resources Mobilised	Rand value of resources raised from NDA partnerships to fund CSO development interventions	R147m	R55m	R100m	R20m	R35m raised from NDA partnerships	R45m raised from NDA partnerships	R55m raised from NDA partnerships
	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	2000	500	3000 work opportunities created	600 work opportunities created	650 work opportunities created
	Empowered CSOs that are able to address poverty	Number of CSOs capacitated to strengthen their institutional capacity	New indicator	New indicator	300	1800	2000 CSOs capacitated	2500 CSOs capacitated	3000 CSOs capacitated
		Percentage disbursement of funds for grant funding	New indicator	95%	95%	95%	95% of funds disbursed	95% of funds disbursed	95% of funds disbursed

PART C: MEASURING OUR PERFORMANCE

Outcomes, Outputs, Performance Indicators and Targets

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2021/22)	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
	Pilot report	Reviewed CSO development interventions piloted in one district per province aligned to District Development Model	New indicator	New indicator	New indicator	New indicator	Piloting of reviewed CSO development interventions in one district per province in line with the District Development Model	Rollout of NDA CSOs district development model interventions	Rollout of NDA CSOs district development model interventions

PART C: MEASURING OUR PERFORMANCE

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Rand value of resources raised from NDA partnerships to fund CSO development interventions	R35m raised from NDA partnerships	R4m raised from NDA partnerships	R18m raised from NDA partnerships	R28m raised from NDA partnerships	R35m raised from NDA partnerships
Number of work opportunities created as a result of CSO development interventions	3000 work opportunities created	500 work opportunities created through NDA funded development interventions	1500 work opportunities created through NDA funded development interventions	2500 work opportunities created through NDA funded development interventions	3000 work opportunities created through NDA funded development interventions
Number of CSOs capacitated to strengthen their institutional capacity	2000 CSOs capacitated	200 CSOs capacitated	1000 CSOs capacitated	1600 CSOs capacitated	2000 CSOs capacitated
Percentage disbursement of funds for grant funding	95% of funds disbursed	10% of funds disbursed	50% of funds disbursed	80% of funds disbursed	95% of funds disbursed
Reviewed CSO development interventions piloted in one district per province aligned to District Development Model	Piloting of reviewed CSO development interventions in one district per province in line with the District Development Model	Selection of Pilot sites for implementation of reviewed CSO development interventions	Pilot sites results report for selected 3 districts produced	Pilot sites results report for selected 3 districts produced	Pilot sites results report for selected 3 districts produced

PART C: MEASURING OUR PERFORMANCE

Programme 2: CSO Development - Resource Considerations

Key Expenditure items	2022/2023	2023/2024	2024/2025
Mobilisation and formalisation	3 967 102	2 226 648	2 326 179
CSO's Institutional Capacity Building	5 233 063	4 143 285	4 328 490
Resource mobilisation	195 000	160 499	167 673
Grant Funding	14 000 000	11 280 195	12 087 216
Digitisation	1 500 000	-	-
Monitoring and support of CSOs	3 066 174	1 507 188	1 574 559
Compensation of employees	76 877 231	81 212 661	84 842 867
Total Programme Allocation	104 838 571	100 530 475	105 326 983

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 the key outcome of creating sustainable CSOs that provide development services to deprived communities and demographics.

The NDA's core development outcome, 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 work 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.

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Effective strategic partnerships, to effect development goals	<p>Strategic</p> <ul style="list-style-type: none"> • Potential insufficient funding to implement development programmes • Sustainability of projects • Donor agendas <p>Operational</p> <ul style="list-style-type: none"> • Misuse of funds by CSOs 	<ul style="list-style-type: none"> • Develop and implement Turnaround Strategy and business case
Sustainable CSOs that provide development services to deprived communities and demographics		

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 (2021/22)	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Appropriate development policy through thought leadership	Research publications	Number of research publications produced to provide a basis for development policy	New indicator	New indicator	New indicator	3	3 research publications produced	4 research publications produced	4 research publications produced
	Evaluation reports	Number of evaluations conducted to inform programme design and implementation	New indicator	New indicator	New indicator	3	3 Evaluations Conducted	3 Evaluations Conducted	3 Evaluations Conducted
	Dialogue reports	Number of dialogues held with external stakeholders to inform development policy	New indicator	New indicator	New indicator	5	5 dialogues held with stakeholders	5 dialogues held with stakeholders	5 dialogues held with stakeholders

PART C: MEASURING OUR PERFORMANCE

Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of research publications produced to provide a basis for development policy	3 Research Publications produced	Project Plan and Methodology for research studies	Research publication on Economic Transformation and Job Creation	Research publication on Skills developments in Interventions in strengthening the Institutional Capacity of the CSOs	Research publication on the role of CSOs as Peacemakers during the civil unrest in South Africa
Number of evaluations conducted to inform programme design and implementation	3 Evaluations conducted	Project Plan and Methodology for evaluation studies	Outcome Evaluation conducted on the NDA Funded Income generation Projects	Evaluation conducted on the NDA implemented CARA programme	Performance Evaluation conducted on the NDA funded Social Service Projects
Number of dialogues held with external stakeholders to inform development policy	5 dialogues held with stakeholders	Dialogue on the Requirements for transforming the civil society in South Africa	Dialogue on the COVID-19 Responses to Food and Nutrition Security on Vulnerable Population Groups in South Africa	Dialogue on the policy disjuncture between Economic Transformation and Job creation in South Africa	Dialogue on the Sustainable Food Value chains as a pathway out of poverty Dialogue on skills development interventions in strengthening the institutional capacity of the CSOs

PART C: MEASURING OUR PERFORMANCE

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.

Programme 3: Research - Resource Considerations

Key Expenditure items	2022/2023	2023/2024	2024/2025
Research studies on government priorities	1 871 005	2 198 781	2 297 067
Dissemination of research studies	50 000	93 978	98 179
Knowledge Management	225 000	232 339	242 724
Monitoring & evaluation studies	1 552 070	1 662 953	1 737 287
Compensation of employees	6 294 469	6 572 685	6 866 484
Total Programme allocation	9 992 544	10 760 736	11 241 740

PART C: MEASURING OUR PERFORMANCE

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Appropriate 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 formal influencing model, processes, responsibilities and plans around formal dialogues
	<ul style="list-style-type: none"> Limited use of research and evaluation findings by stakeholders 	

Consolidated Budget by Programme for MTEF Period

Budget by Programme	2022/2023	2023/2024	2024/2025
Programme 1: Administration	106 438 313	110 880 081	115 549 226
Programme 2: CSO Development	104 838 571	100 530 475	105 326 983
Programme 3: Research	9 992 544	10 760 736	11 241 740
Consolidated Budget	221 269 428	222 171 292	232 117 950



PART D: TECHNICAL INDICATOR DESCRIPTIONS

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Indicator Title	Percentage (%) reduction of non-compliance resulting in IFW expenditure reported
Definition	Non-compliance refers to the total number of incidents of Irregular, Fruitless & Wasteful expenditure cases recorded and reported as at 2021/22 financial year
Source of Data	Irregular, Fruitless and Wasteful expenditure reports
Method of Calculation/Assessment	Number of IFW cases resolved in 2022/23 / Total population of IFW cases as at 2021/22
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 year to date
Report Cycle	Quarterly
Desired Performance	Reduced percentage of the non-compliance in irregular, fruitless and wasteful expenditure as at 2021/22
Indicator Responsibility	Chief Executive Officer (Supported by all Executives)

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	ICT strategy and architecture aligned to NDA business model approved and implemented
Definition	Review of the current ICT strategy and architecture to align it to the Business model, and subsequently seek approval by the Board
Source of Data	Programme Reports • Board Minutes
Method of Calculation/Assessment	Simple Count
Means of verification	<ul style="list-style-type: none"> • Programme Reports • Approved ICT strategy and architecture • Board Minutes
Assumptions	<p>Participation of stakeholders in the review process</p> <p>The Board will grant approval</p>
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	Approved ICT strategy aligned to the Turnaround Strategy
Indicator Responsibility	Executive: Corporate Services

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	New organisational structure aligned to NDA business model approved and implemented
Definition	A new organisational structure that is aligned to the Turnaround Strategy is developed and implemented upon approval by the Board
Source of Data	Turnaround Strategy • NDA Business Case • Board Approval Letter
Method of Calculation/Assessment	Simple Count
Means of verification	Approved organisational structure • Board Minutes
Assumptions	Resources will be available to implement the new organisational structure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	To foster efficiency and effectiveness in NDA's operations by implementing the new organisational structure that is aligned to the Turnaround Strategy
Indicator Responsibility	Executive: Corporate Services

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	NDA Strategic Partnership Model aligned to NDA business model approved
Definition	The KPI aims to develop a partnership model to guide partnership engagements between the NDA and development partners
Source of Data	<ul style="list-style-type: none"> • Programme reports • Approved NDA Strategic Partnership Model • Board Minutes
Method of Calculation/Assessment	Simple Count
Means of verification	<ul style="list-style-type: none"> • Programme Reports • Approved NDA Strategic Partnership Model • 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 the NDA and development partners
Indicator Responsibility	Senior Manager: Stakeholder Relations

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

Indicator Title	Rand value of resources raised from NDA partnerships 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 • Letters of commitment
Assumptions	Funders will provide the monetary value of the non-financial resources committed
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
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 CSO development interventions
Definition	Work opportunities refers to remuneration benefit derived from NDA or third party funded projects
Source of Data	<ul style="list-style-type: none"> • Programme monitoring report • Appointment Letters
Method of Calculation/Assessment	Simple Count
Means of verification	<ul style="list-style-type: none"> • Internal programme monitoring reports • Appointment Letters
Assumptions	CSO development interventions lead to the creation of work opportunities
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
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.
Source of Data	• Training monitoring reports • Attendance Register
Method of Calculation/Assessment	Simple Count
Means of verification	Training monitoring reports • Attendance Registers
Assumptions	Availability of CSOs for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
Report Cycle	Quarterly
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 in 2022/23 financial year to further their own development programmes. The KPI will report on disbursements in respect of the grants approved in 2022/23 financial year
Source of Data	Grant Funding Monitoring Report; Board Minutes; Grant Funding Agreements
Method of Calculation/Assessment	Total amount of funds approved for grant funding / Total budget for grant funding
Means of verification	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)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
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

Indicator Title	Reviewed CSO development interventions piloted in one district per province aligned to District Development Model
Definition	These are developmental initiatives funded and implemented through a pilot within the District Development Model approach (DDM)
Source of Data	Programme monitoring reports
Method of Calculation/Assessment	One pilot report per district per province
Means of verification	Pilot reports
Assumptions	Buy-in by stakeholders of the selected districts Availability of budget allocation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Non-Cumulative
Report Cycle	Quarterly
Desired Performance	To improve the standards of living for people selected to participate in the pilot projects that will be implemented through the DDM approach
Indicator Responsibility	Chief Operations Officer

PART D: TECHNICAL INDICATOR DESCRIPTIONS

PROGRAMME 3: RESEARCH

Indicator Title	Number of research publications produced to provide a basis for development policy
Definition	Research reports are study reports produced by the 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 publications are of accepted quality standards
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative year-to-date
Report Cycle	Quarterly
Desired Performance	Production of new body of information and knowledge informing effective social, economic and development policies and practice
Indicator Responsibility	Executive: Development Management & Research

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of evaluations conducted to inform programme design and implementation
Definition	Evaluation study is the documentation of programme facts indicating the performance of NDA programmes over the intervention term and they constitute the study methodology, findings, interpretation and recommendations on the overall NDA programmes performance.
Source of Data	<ul style="list-style-type: none"> • Evaluation Reports
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 year-to-date
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	Dialogue reports
Method of Calculation/Assessment	Simple Count
Means of verification	Policy dialogue 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 year-to-date
Report Cycle	Quarterly
Desired Performance	Increase the quality of NDA policy dialogues to influence the development policy and the use of evidence in the policy development process.
Indicator Responsibility	Executive: Development Management & Research

PART D: TECHNICAL INDICATOR DESCRIPTIONS

Annexure A: Amendment to the Strategic Plan

The NDA has made changes to the Strategic Plan 2020/21 – 2024/25. The changes effected in the Strategic Plan are not material enough to warrant the re-tabling of the Strategic Plan, hence the amendment to the Strategic Plan is being made through this Annexure.

The changes in *Part C: Measuring NDA's Performance* have been made primarily to refine and improve the measurability of the outcomes, indicators, baseline and targets in *Section 9.2. Measuring Outcomes*. It should be noted that 2 Outcome Indicators have been removed from the Strategic Plan on the basis that; 1. Amendment of the NDA Act is the competency of the Department of Social Development, whilst, 2. The Research Agenda has been fully achieved, the focus is therefore on disseminating the research outputs through formal dialogues.

The revised outcomes, outcome indicators, baseline and targets in the Strategic Plan are shown below:

Outcome	Outcome Indicator	Baseline	Five-Year Target
Good Governance	Effective systems in place to achieve good governance	Unqualified audit with findings	Unqualified audit without findings (Clean Audit)
		Interim Accounting Authority	Appointment of a permanent Board
Effective strategic partnerships, to effect development goals	Resources raised from NDA partnerships to fund CSO development interventions	R55m	R275m raised from NDA strategic partners
Sustainable CSOs that provide development services to deprived communities and demographics	Civil Society Organisations capacitated by NDA	New Indicator	3000 CSOs capacitated
	Disburse funds raised for CSOs to poverty eradication initiatives	New Indicator	80% of all funds raised for CSOs are disbursed to poverty eradication initiatives
Appropriate development policy through thought leadership	Formal development dialogues to promote changes to development policy	5 formal dialogues	20 formal development dialogues to promote changes to development policy



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