

Parliamentary

Assessment of the status of the implementation of the National Development Plan - 2030

Budget
Office



Minister section
fiscal Bill

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Introduction

- Parliament oversees the performance of government
- The South African Parliamentary Budget Office (PBO) has been established in terms of an Act of Parliament to assist Parliament
- The PBO offers independent and objective advice and analysis to the Finance and Appropriations committees
- The PBO assists other committees (on request), the Speaker of the NA and the Chairperson of the NCOP
- Part of the PBO's mandate is policy analysis
- Our current policy analysis work focuses on the implementation of the National Development Plan (NDP)
- The aim is to identify the obstacles to implement the NDP and to monitor the progress on the targets set

Background to the NDP

- Several economic, social and governance challenges led to the development of a NDP for South Africa
- The NDP provides proposals and actions from which 14 outcomes were derived
- Medium Term Strategic Frameworks (MTSFs) provide detailed 5-year implementation plans:
 - All plans of government institutions should align to the MTSF
 - Incorporation into the existing activities of departments
 - Based on inter and intra governmental cooperation
- The Programme of Action report provides the progress on the implementation of the MTSF

Progress on the implementation of the MTSF

Outcome	% achieved 2014/15	Number of Targets	Targets achieved	% achieved 2015/16
Outcome 1: Quality Basic Education	37%	59	15	25%
Outcome 2: A Long and Healthy Life for All South Africans	45%	55	23	42%
Outcome 3: All people in South Africa are and feel safe	29%	76	19	25%
Outcome 4: Decent employment through inclusive economic growth	45%	96	33	34%
Outcome 5: A skilled and capable workforce to support an inclusive growth path	52%	61	23	38%
Outcome 6: An efficient, competitive and responsive economic infrastructure network	46%	28	5	18%
Outcome 7: Comprehensive rural development and land reform	0%	39	19	49%
Outcome 8: Human Settlements	13%	26	13	50%
Outcome 9: Responsive, accountable, effective and efficient developmental local government system	64%	26	16	62%
Outcome 10: Protect and Enhance Our Environmental Assets and Natural Resources	29%	62	32	52%
Outcome 11: Create a better South Africa, contribute to a better and safer Africa in a better world	44%	40	29	73%
Outcome 12: An efficient, effective and development-oriented public service	39%	46	27	59%
Outcome 13: An inclusive and responsive social protection system	40%	7	2	29%
Outcome 14: Nation Building and Social Cohesion Alignment and Progress	42%	59	22	37%

Analysing the Programme of Action Report

Is this a true reflection of progress on the implementation of the NDP?

- Technical challenges
 - Quality of the performance indicators and targets
 - Quality of the performance reporting on targets
 - Incomplete reporting
 - High number of performance indicators and targets
- Management challenges
 - Change in strategic direction
 - Lack of funding
- External challenges (labour action)
- Reflects progress on the targets set for the entire 2014-2019 MTSF

Analysing the 2014-2019 MTSFs

Does the 2014-2019 MTSF of government reflects the actions and objectives/targets outlined in the NDP?

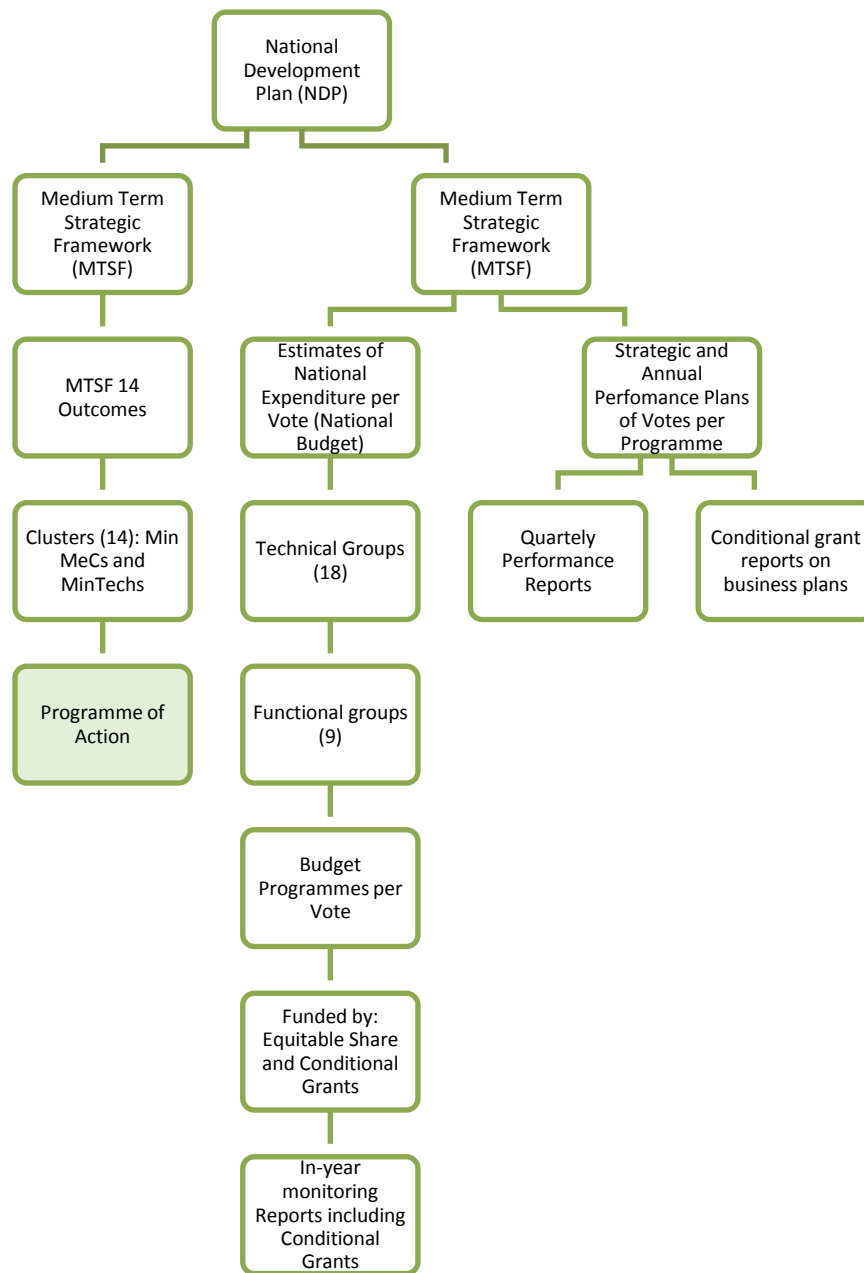
- A comparison of the actions and targets, identified in the NDP with the key actions in the 2014 – 2019 MTSF showed a degree of alignment
- Shortcomings were identified
 - Specific objectives/targets not reflected in the 2014-2019 MTSF were identified for inclusion in the next or following 5-year implementation plans
- Actions and targets are the responsibility of a cluster of departments

Analysing the performance management systems of government

What other mechanism could Parliament use to oversee the implementation of the NDP?

- Well defined, implemented and regulated programme performance management system is in place
- Government financial and non-financial performance management system is designed to monitor and evaluate departmental or institutional performance
- Parliamentary Committees oversee the implementation of budgets and plans on a departmental level

Standard management reporting process



Analysing the alignment of the budget with the MTSF

Would oversight over the implementation of the budget on a departmental level ensure the implementation of the NDP?

- A comparison of the departments and institutions categorised within a budget function group with the departments responsible for the outputs of the 14 outcomes showed that:
 - These structures are not always comprised of the same departments or institutions
 - Actions taken by departments towards the implementation of the MTSF outcomes are not funded
 - The concern is that departmental budgets are categorised within a group without contributing to an outcome

Analysis of the integration of budgets with plans shows.....

14 MTSF OUTCOMES	MTSF outputs and Departmental budgets	Number of Departments
Outcome 1: Quality basic education	Outputs	3
	Budget	3
Outcome 2: A long and healthy life for all South Africans	Outputs	9
	Budget	1
Outcome 3: All people in South Africa are and feel safe	Outputs	9
	Budget	6
Outcome 4: Decent employment through inclusive economic growth	Outputs	21
	Budget	6
Outcome 5: A skilled and capable workforce to support an inclusive growth	Outputs	3
	Budget	1
Outcome 6: An efficient, competitive and responsive economic	Outputs	16
	Budget	4
Outcome 7: Comprehensive rural development and land reform	Outputs	18
	Budget	2
Outcome 8: Sustainable human settlements and improved quality of	Outputs	4
	Budget	5
Outcome 9: Responsive, accountable, effective and efficient developmental	Outputs	13
	Budget	4
Outcome 10: Protect and enhance our environmental assets and natural	Outputs	14
	Budget	2
Outcome 11: Create a better South Africa, a better Africa and a better world	Outputs	7
	Budget	2
Outcome 12: An efficient, effective and development oriented public	Outputs	9
	Budget	9
Outcome 13: An inclusive and responsive social protection system	Outputs	5
	Budget	4
Outcome 14: Nation building and social cohesion	Outputs	11
	Budget	2

Analysing the incorporation of the MTSF into Annual Performance Plans

Would oversight over the implementation of the annual performance plans on a departmental level ensure the implementation of the NDP?

- A comparison of the performance indicators in the MTSF with those presented in Annual Performance Plans (APPs) shows:
 - Between 16 and 48 per cent of MTSF performance indicators are included in APPs (preliminary)
- A comparison of the objectives in the MTSF with the purposes of budget programmes shows:
 - At this stage of the analysis only a few purposes needs to be reviewed or new programmes created to ensure integration/incorporation of the MTSF performance indicators

In Summary

- The MTSFs respond to the proposals of the NDP
- The Programme of Action Report shows slow progress on the implementation of the NDP
- Reporting on the NDP is outside of the standard reporting processes in government
- Challenges with intergovernmental planning and budgeting
- Slow integration of the NDP into standard planning and budgeting
- Suitability of budget programme structures for the integration of the NDP needs to be reviewed

The way forward

- The 2014 – 2019 MTSF
 - Technical challenges have been identified
 - Strategic challenges for achieving targets will be assessed before the end of the 5-year period
- The 2020 – 2025 MTSF
 - Technical quality and reporting must provide for proper oversight
 - Full incorporation into the existing processes of government

Thank You

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Methodology

- Compared targets achieved in the POA report with the total number of targets set
- Matching actions of the MTSF with the actions and targets proposed by the NDP executive summary
- Compared the departments categorised within the budget function groups with the departments contributing to the MTSF outcomes
- Compared the departments responsible for conditional grants with the budget function groups and the departments contributing to the MTSF outcomes
- Matching the MTSF performance indicators with the Annual Performance Plan programme performance indicators

Methodology

- The source documents used for the analysis include:
 - The Executive Summary - NDP 2030 - Our future - make it work, Chapters 3 to 15
 - The POA report for the different clusters
 - Medium Term Strategic Frameworks of the 14 outcomes (DPME)
 - The Medium Term Expenditure (MTEF) Technical Guideline for the preparation of expenditure estimates for the 2017 MTEF, National Treasury
 - 2016 Budget Review
 - The frameworks of conditional grants attached to the 2016 Division of Revenue Bill

Project Development

