NDA 2014 - 2019 STRATEGY / 2014/15 APP PRESENTATION TO PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT

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social development

Department:
Social Development
REPUBLIC OF SOUTH AFRICA

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BEYOND 10 yrs OF UNLOCKING POTENTIAL

PURPOSE

The purpose is to present to Portfolio Committee on Social Development the National Development Agency's Strategic Plan and 2014/15 Annual Performance plan.

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ROLE AND MANDATE

ROLE AND MANDATE

In terms of the National Development Agency (NDA) Act (Act No 108 of 1998 as amended), NDA was mandated to contribute towards the eradication of poverty and its causes by granting funds to civil society organisations (CSOs) to:

- **Implement development projects in poor communities, and**
- **Strengthen the institutional capacity of other CSOs that provide services to poor communities.**

MISSION, VISION AND VALUES

VISION

- A society free from poverty

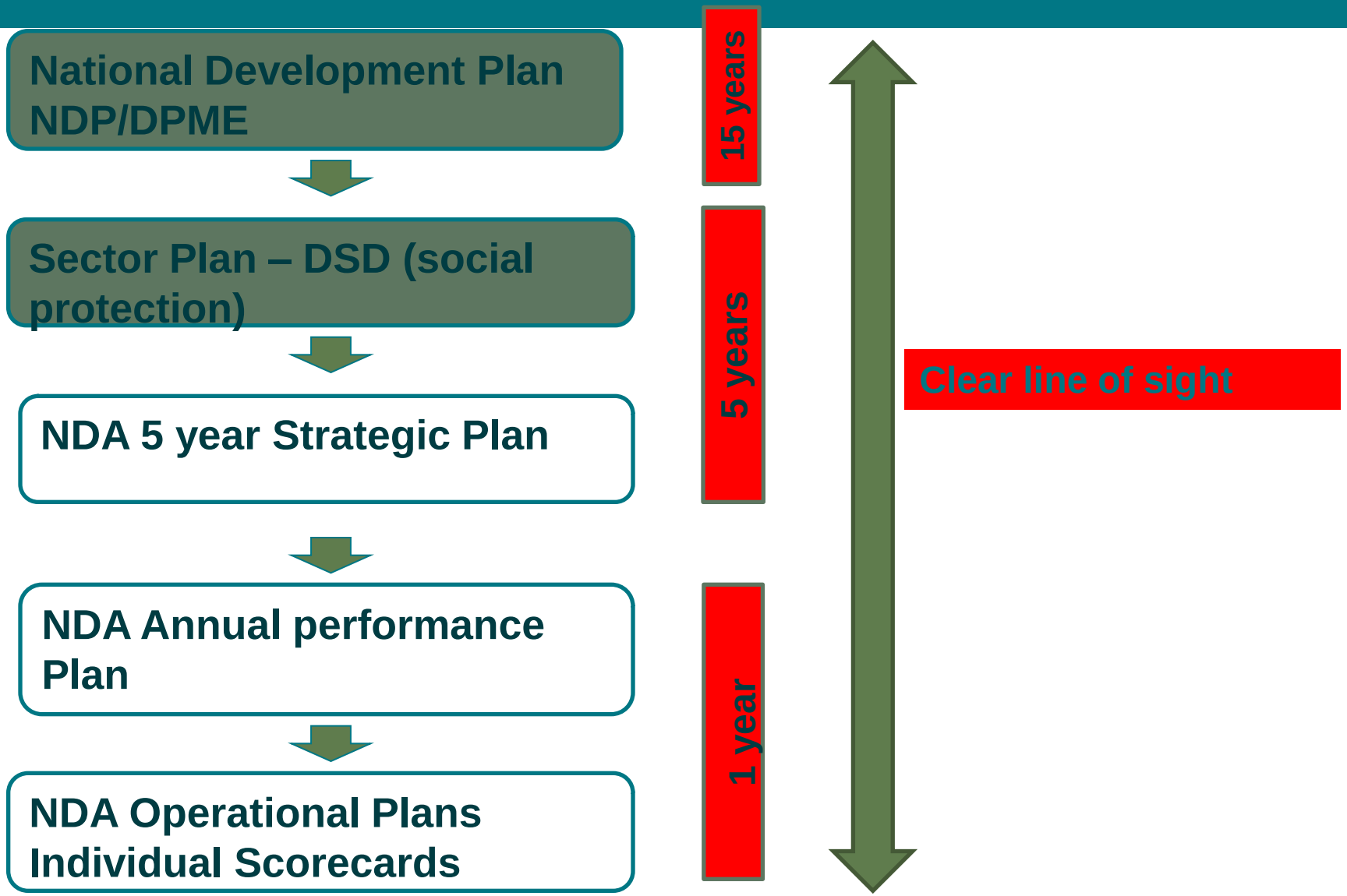
MISSION

- Facilitate sustainable development by strengthening civil society organisations involved in poverty eradication through enhanced grant funding and research.

VALUES

- Integrity
- Accountability and Responsibility
- Transparency
- Excellence
- Partnering

NDA PLANNING PROCESS



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NDA STRATEGIC FOCUS AREAS (2015 – 2019)

- Capacity Building of Civil Society Organisations
- Grant Funding
  - Early Childhood Development
  - Food security
  - Income generation

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NDA TARGET

- Households
- Children
- People living with disabilities
- Women
- Youth
- CSO (incl those working on gender based violence)

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GOVERNMENT OUTCOMES

GOVERNMENT OUTCOME	NDA PROGRAMME
Outcome 1: Quality basic education (Chapter 9 of the NDP)	NDA ECD Programme • Infrastructure upgrade • Capacity Building of ECD practitioners and ECD management • Nutrition through Food gardens at ECD sites
Outcome 4: Decent employment through inclusive economic growth (Chapter 3 of the NDP)	Grant funded programmes and projects and Capacity building
Outcome 7: Skilled and capable workforce to support an inclusive growth path (Chapter 9 of the NDP)	NPO Capacity Building programme
Outcome 5: Vibrant, equitable, sustainable rural communities contributing to food security for all (Chapter 6 of the NDP)	NDA grants funds for Food Security projects
Outcome 13: An inclusive and responsive social protection system (Chapter 11 of the NDP)	Grant funded programmes and projects and Capacity building are biased towards vulnerable groups: women, youths, victims of gender based violence, people leaving with disability.

SOCIAL PROTECTION - MTSF PRIORITIES

- Broadening the Social Protection Agenda- identification of the elements of the social protection floor, its cost and the sustainability of the interventions
- Social Assistance – expanding access to grants
- Social Insurance- to provide people with secure and adequate earnings related benefits during adverse life cycle events such as unemployment or retirement
- Unemployment Insurance – expanding access to the UIF
- Compensation for Occupational Injuries and Diseases for workers in the informal economy- concern that most workers in the informal sector and small-scale industries are subject to numerous workplace hazards and are not covered by COIDA
- Social security outside the State – covering the informal sector- designs should be explored to enable those in the informal to participate in various types of contributory schemes
- Enhancing Developmental Social Welfare Services -scaling up of services eg**. ECD; women empowerment; youth development**; anti-substance abuse; gender equality; **GBV**; HIV and AIDS; state-civil society delivery model reviewed
- **Household Food and Nutrition**
- Public Employment Programmes & Labour market activation policies

NDA 2014-2018 STRATEGIC PLAN

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OUTCOME ORIENTED GOALS & GOAL STATEMENT

OUTCOME ORIENTED GOALS	GOALS STATEMENT
1. Increased Capability of the Civil Society Organisations that deliver development programmes to reduce poverty, inequality and unemployment	To leverage resources in order to increase number of CSOs capacitated in institutional strengthening and technical skills from 690 to **14 000** by 2019.
2. Increased resources towards poverty eradication programmes and projects	To undertake research, evaluations, best practice, publications and policy dialogues to improve and influence policy direction for development practices.
3. Evidence based information that informs development policy and programmes	To mobilise **R650m** in cash and in kind through sustainable partnership towards building the capabilities of communities and households for self reliance by 2019
4. Increased internal efficiency, cost effectiveness and organisational sustainability	To strengthen internal system, processes and human capability to deliver NDA mandate

NDA PROGRAMMES

- Programme 1: Capacity Building
- Programme 2: Research and Development
- Programme 3: Resource Mobilisation
- Programme 4: Governance and Administration

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PROGRAMME 1: CAPACITY BUILDING

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE
1. To expand access to capacity building interventions to civil society organisations in order to improve the quality of services they deliver to communities	To increase the number of CSOs capacitated in institutional strengthening and technical skills from 690 to14 000 benefiting 42 000 staff members by 2019	690 CSOs capacitated through institutional strengthening and grant funding benefiting 9242 staff.
2. To provide support to ECD programmes through improving the infrastructure of ECD Centres and technical skills of practitioners in poor communities	To increase the number of ECD centres meeting the norms and standards supported by the NDA from 298 to 375 by 2019.	298 sites funded.

PROGRAMME 1: CAPACITY BUILDING Continued…

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE
3. To provide support to Food Security programmes through grant funding of food security related community-based projects to benefit poor households	To increase the number of Food Security projects receiving grant funding from 303 to 475 by 2019.	303 sites funded.
4. To provide support to Income Generation projects and programmes through grant funding for economic participation of poor households.	To increase the number of income generating projects and programmes to 175 by 2019.	175 sites funded.

PROGRAMME 2: RESEARCH AND DEVELOPMENT

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE
1. To undertake research aimed at providing the basis for development policy and programme implementation focusing on poverty eradication, unemployment, and inequality.	To conduct research that informs National policy debates and dialogues, and best practice publications on development programmes between 2014-2019.	The NDA has produced 62 research reports, case studies, best practice publications and policy briefs on poverty eradication and inequality in the past five years.
2. To monitor and evaluate all NDA programmes by 2019	To conduct monitoring and evaluation of all programmes and projects undertaken by the NDA to improve programme performance between 2014-2019.	The NDA has produced 585 of project evaluations (Project monitoring, midterm and close out) over the past five years.

PROGRAMME 3: RESOURCE MOBILISATION

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE
1. To mobilise resources in cash and in-kind through sustainable partnership towards supporting and building the capabilities of communities and households for self-reliance.	To increase resources mobilised towards implementation of development programmes and strengthening capacity of communities and households from R80 m to R650 m by 2019	R80.5 m

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PROGRAMME 4: GOVERNANCE AND ADMINISTRATION

STRATEGIC OBJECTIVE	OBJECTIVE STATEMENT	BASELINE
1. To develop and implement systems and processes to improve efficiency and effectiveness of the organisation.	Maintain sound governance and administration that promotes performance, employee development and growth, efficient financial management and enhanced brand recognition from 71% to 90% by 2019.	71%

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NDA ANNUAL PERFORMANCE PLAN 2014/15

(24 NDA MEASURES)

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PROGRAMME 1: CAPACITY BUILDING

NO	Performance Indicator	Annual Target 2014/15
1	Number of civil society organisations (CSOs) provided with capacity building interventions in CSO management and technical skills	2000
2	Number of beneficiaries from capacity building interventions	6000
3	Percent (%) of CSOs demonstrating improved Knowledge	80%
4	Number of NDA funded Early Childhood Development (ECD) practitioners enrolled in NQF level 4 Training	227
5	Value of funding to ECD, food Security and Income Generation projects and programmes	R58.3m
6	Value of grants disbursed to projects	R80m
7	Number of beneficiaries of NDA funded projects	4192
8	Number of jobs created through NDA funded projects	1421
9	Number of established NDA Advisory centres	45

PROGRAMME 2: RESEARCH AND DEVELOPMENT

NO	Performance Indicator	Annual Target 2014/15
1	Number of mid-term evaluations on NDA grant funded projects evaluated	112
2	Number of close out evaluation on NDA grant funded projects reports produced	52
3	Number Performance Monitoring reports on NDA grant funded projects produced	50
4	Number of evaluation reports on outcomes and impact of NDA projects	1
5	Number of Research Reports produced	3
6	Number of Policy briefs and papers produced	5
7	Number of Case studies on NDA programme areas produced	6
8	Number of Good practice publications on NDA programme areas produced	6

PROGRAMME 3: RESOURCE MOBILISATION

NO	Performance Indicator	Annual Target 2014/15
1	Value of resources mobilised in cash and in kind towards supporting and building the capabilities of communities and households for self-reliance	R100m
2	Number of partnership agreements signed towards supporting and building the capabilities of communities and households for self-reliance	10

PROGRAMME 4: GOVERNANCE AND ADMINISTRATION

NO	Performance Indicator	Annual Target 2014/15
1	% achievement of organisational targets as set in the Annual Performance Plan	80%
2	Percent (%) of staff who achieved a performance rating of 3 and above	95%
3	% of positive rating on brand recognition achieved	70%
4	Increase ratio of mandate vs admin cost as % of funding received	60:40
5	Unqualified audit opinion	Unqualified audit opinion

RESOURCE CONSIDERATION

BEYOND 10 yrs
OF UNLOCKING POTENTIAL

HISTORICAL FINANCIAL PERFORMANCE FOR 3 YEARS 2011- 2013

	2013	2012	2011	AVG % CHANGE
REVENUE	**191,080,289**	**169,425,819**	**93,675,789**	**46.8%**
Grant from DSD	166,263,000	161,360,000	83,469,000	48.2%
Third Party Funds	19,280,957	2,031,291	-	474.6%
Interest income	5,536,332	6,034,528	10,206,789	-24.6%
TOTAL EXPENSES	**197,485,542**	**166,574,834**	**123,711,121**	**26.6%**
MANDATE EXPENSE	**103,770,392**	**83,987,189**	**47,955,280**	**49.3%**
Grant Funding	72,935,570	75,772,186	49,512,808	24.6%
Third Part funds committed	19,280,957	2,031,564	-	474.5%
Write backs	(1,246,756)	(5,467,316)	(9,119,877)	-58.6%
Capacity Building	2,819,350	6,896,022	267,865	1207.7%
Other mandate Expenses	9,981,271	4,754,734	7,294,484	37.6%
ADMINISTRATION	**93,715,150**	**82,587,645**	**75,755,841**	**11.2%**
Staff costs	60,218,120	54,215,179	51,439,193	8.2%
Goods and services	32,077,463	26,677,612	23,282,945	17.4%
Depreciation	1,419,567	1,694,853	1,033,703	23.9%
SURPLUS/DEFICIT	**(6,405,253)**	**2,850,986**	**(30,035,332)**	

COMMENTARY ON FINANCIAL PERFORMANCE FOR THREE YEARS

REVENUE

- **Grant from DSD**

The Grant has grown as follows during this periods :

- 2012/2012 – Increase by 3 %.
- 2011/2012 – Increased by 93%
- Average Growth during period was 48% because the grant was coming from a low base of R 84 million in 2011

- **Interest Income**

Interest income has gone down by significant 24% over the period, due to significant reductions in cash balances from highs of R 210 million in 2009/10 to R 108 Million in 2013 and lower interest rates

- **Third Party funds**

Funds managed on behalf of third parties grew by average of 475% over the past two years.

COMMENTARY ON FINANCIAL PERFORMANCE FOR THREE YEARS

EXPENSES

Expenditure grew by an average of 27% over the three year period

❑ Mandate Expense

Mandate expenses grew by 49 %: during this periods:

- 2012/2013 – Increase by 23 %
- 2011/2012 – Increased by 75%
- This growth was driven by growth in funding of 24% and third party projects funded growth of 474%

❑ Ratio of mandate vs Admin costs

- 2011 - 39: 61
- 2012 - 50: 50
- 2013 - 52: 48

❑ Goods and Services

Goods and services grew by average of 17.4% and staff costs by 8.2%

CURRENT ALLOCATION OVER THE MTEF PERIOD 2015-2017

	YEAR 1 MTEF (2014/2015)	YEAR 2 MTEF (2015/2016)	YEAR 3 MTEF (2016/2017)
REVENUE	**178,337,000**	**184,381,000**	**195,443,860**
Transfere from Department of Social Development	178,337,000	184,381,000	195,443,860
TOTAL EXPENDITURE BUDGET	**178,337,000**	**184,381,000**	**195,443,860**
PROGRAMME 1 : CAPACITY BUILDING	**99,852,621**	**105,139,535**	**118,376,024**
Direct Project funding(Poverty alleviation projects)	33,185,821	33,966,442	35,213,747
Direct project costs	**4,373,618**	**4,636,035**	**4,919,497**
Due dilligence	500,000	530,000	567,100
Projects Branding	573,618	608,035	644,517
Projects monitoring and support	2,700,000	2,862,000	3,033,720
Compliance Audits	600,000	636,000	674,160
Direct staff costs (Development Management)	32,527,362	34,446,476	36,513,265
Campaigns (Food Security and ECD)	2,500,000	2,647,500	2,806,350
Strengthening of CSO'S and NPO'S	16,000,000	17,440,000	26,199,898
Direct staff costs (Capacity building practitioners)	9,465,820	10,095,082	10,700,787
Project Management Unit (PMU)	1,800,000	1,908,000	2,022,480
PROGRAMME 2: RESEARCH AND DEVELOPMENT	**11,906,000**	**10,852,480**	**9,694,415**
Studies, Research and policy papers	2,200,000	2,332,000	1,717,428
Monitoring and evaluation	2,000,000	2,200,000	2,000,000
Compensation of employees	5,706,000	6,042,654	6,399,171
Impact Evaluation	1,500,000	0	600,000
Knowledge Management and Publications	500,000	277,826	294,495
MANDATE COSTS	**111,758,621**	**115,992,015**	**128,070,440**
PROGRAMME 3: SUPPORT AND GOVERNANCE FUNCTIONS	**66,578,379**	**68,388,985**	**67,373,420**
Staff costs (Support and Governance)	34,167,973	36,218,051	38,391,134
Overheads and operating costs	30,610,406	30,308,435	27,182,286
Capital expenditure	1,800,000	1,862,499	1,800,000
SHORTFALL/ SURPLUS	**0**	**0**	**0**