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| **5. Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation** |
| **REPORT ON BUDGET VOTE 8: DEPARTMENT OF PLANNING, MONITORING AND EVALUATION: DATED 14 APRIL 2016** |

1. **BACKGROUND**

The Portfolio Committee on Public Service and Administration as well as Planning Monitoring and Evaluation (hereinafter referred to as the Portfolio Committee) having considered the directive of the National Assembly to consider and report on the Strategic Plans, Annual Performance Plans and Budget allocations of the Department of Planning, Monitoring and Evaluation (DPME) and the National Youth Development Agency (NYDA) which was tabled by the Minister of Planning Monitoring and Evaluation in terms of the Public Finance Management Act (Act No 32 of 2003), reports as follows:

1. **INTRODUCTION**

The Public Finance Management Act, section 27 clearly stipulates that the Minister must table the annual budget for a financial year in the National Assembly before the start of the financial year. In terms of section 10 (1) (c) of the Money Bills Amendment Procedures and Related Matters Act, No 9 of 2009, the relevant members of Cabinet must table updated strategic plan and annual performance plan for each department, public entity or institution, which must be referred to the relevant Committee for consideration and report.

The Portfolio Committee received presentations made by the Director-General of the Department of Planning Monitoring and Evaluation and the Chief Financial Officer of the NYDA on the Strategic Plans and Annual Performance Plans. In May 2014, the President made a proclamation on the reconfiguration and reorganisation of Department of Performance Monitoring and Evaluation. The reforms included the merging of the National Planning Commission Secretariat with the Department of Performance Monitoring and Evaluation to form a new Department of Planning, Monitoring and Evaluation. The National Youth Development Agency, as a programme, was transferred from Vote 1 of the Presidency to Vote 8 of the Department.

The reconfiguration and the new mandate of the department has resulted in the restructuring of the organisational structure, its programmes and budget. In addition, adjustments were required to accommodate new programmes including Operation Phakisa, Socio-Economic Impact Assessment System, and the Youth policy function.

1. **OVERVIEW OF THE DEPARTMENT OF PLANNING MONITORING AND EVALUATION**

The Department of Planning, Monitoring and Evaluation plays a direct, guiding role in government’s long term planning, strategic planning and annual performance planning. This role requires providing evidence-based input on cross-cutting issues that have long term implications for development. The revised Green Paper on the National Planning Commission identifies 13 thematic areas requiring a concerted government effort, including employment, food security, energy security and water security. The national income dynamics survey, a longitudinal study implemented in 2008 to monitor human development and poverty transitions in South Africa, is another example of how research is used to inform policy.

The Department contributes to the objective of responsiveness of public servants and accountability to citizens through making announced and unannounced visits to service delivery facilities. Furthermore, the Department evaluates service delivery including response to calls logged with the Presidential Hotline.

1. **LEGISLATIVE MANDATE**

The mandate of the Department is derived from Section 85(2) of the Constitution of the Republic of South Africa which stipulate that “the President exercises the executive authority, together with the other members of the Cabinet, by (b) developing and implementing national policy and (c) coordinating the functions of state departments and administration. Based on the Constitutional mandate embedded in section 85(2), the following are the key mandates of the DPME:

* Facilitating the development of long–term and medium-term plans or delivery agreements for the cross cutting priorities or outcomes of government.
* Monitoring the implementation of the strategic and operational plan as well as delivery agreements.
* Assessing departmental Strategic Plans and Annual Performance Plans to ensure alignment with long term and short term plans of government.
* Monitoring the performance of individual national and provincial departments and municipalities.
* Monitoring frontline service delivery mechanisms.
* Managing the Presidential Hotline, assessing the logs and making referrals to relevant departments.
* Carrying out evaluations of key government programmes.
* Promoting good planning and Monitoring and Evaluation (M&E) practices in government.
	1. **Strategic goals of the Department of Planning, Monitoring and Evaluation**

The strategic priorities of the Department as identified for the 2015/2020 financial year are as follows:

* To ensure an efficient and effective administration that complies with legislation and good corporate governance principles.
* To strengthen the linkages between the planning and monitoring and evaluation functions.
* To enhance strategic focus on priorities.
* To ensure stronger focus on outcomes of government programmes and impacts on citizens.
* To enhance the implementation of the National Development Plan (NDP 2030).
* To support M&E practices as a means to improve performance of government.
* To provide focused attention to the aspects of planning which have been previously neglected in government, such as Medium-term planning and planning of implementation programmes.
* To ensure synergy and improved use of resources for effectiveness and efficiency.
* To ensure effective and efficient approaches to interacting with departments.
* To improve responsiveness to the needs of the public and enhanced ability of government to deliver its electoral mandate.
* To promote youth development and empowerment.

# Overview of the 2015/16 financial year

The Department achieved some of the following activities in 2015/16:

**5.1 Facilitating the development of plans to achieve government priorities**

The Department continued to facilitate the development of plans or delivery agreements for the cross-cutting priorities or outcomes of government, and monitor and evaluate the implementation of these plans. Since the Department has a transversal role within government, it helps departments by facilitating the alignment of service delivery agreements with targeted National Development Plan (NDP) outcomes. The service delivery agreements are set in such a way that they target predetermined development plans. Plans at municipal level had been assessed through the Local Government Management Improvement Model (LGMIM) and the Integrated Development Planning (IDP) process.

**5.2** **Monitoring the performance of provincial and national departments and municipalities**

This strategy is in line with the National Development Plan (NDP) in that a capable state, which is well run and effectively coordinated among different government institutions, operates with the integrity and effectiveness this strategy envisages. The performance of all government entities is measured against specific governance and service delivery criteria. After being monitored and evaluated, the Department issues a consolidated report on all departments relating to their performance on these governance and delivery issues. In this regard, the Operation Phakisa, the Local Government Management Improvement Model (LGMIM) and the Socio-economic Impact Assessment System (SEAIS) are compiled and released by the Department. Operation Phakisa is a results-driven approach, involving setting clear plans and targets, on-going monitoring of progress and making these results public.

Government discovered and explored a niche market in the economy that had been ignored over the years, which would have hugely benefited the country. One of the flagship projects of Operation Phakisa is the oceans economy, since South Africa has its borders by the ocean on three sides. South Africa identified these economy sectors as its niche areas of exploration: marine transport and manufacturing activities, such as coastal shipping, trans-shipment, boat building, repair and refurbishment; offshore oil and gas exploration; aquaculture and marine protection services and ocean governance.

**5.3** **Managing the Presidential Hotline**

The Presidency introduced the Presidential Hotline in order to allow the public to log in service delivery complaints with the President’s Office. With time since, the establishment of the hotline, it was moved to the Department of Planning, Monitoring and Evaluation when this Ministry in the Presidency became a fully-fledged department. “All calls from the public on the 17737 number are received at the State Information and Technology Centre (SITA) in Centurion (which is the first of line support) where they are screened and general enquiries are attended to and resolved immediately. The calls are logged onto the call logging and tracking platform. Callers are provided with a reference number so that they can follow up if necessary”. Many of the complaint logs on the hotline are satisfactorily referred to specific departments and resolved.

1. **BUDGET ALLOCATION**

The Department of Planning, Monitoring and Evaluation overall budget allocated in 2015/16 financial year was R754.2 million which increased significantly to R827.7 million in the 2016/17 financial year. A significant increase on the budget allocated for the 2016/17 financial year has been noted in programme 4: National Planning from R82.1 million to R103.2 million in 2016/17 financial year. A total departmental spending is projected to increase from R749.2 million in 2015/16 to R994.3 million by 2018/19. The number of permanent post in the department is set to increase from 340 in 2015/16 to 490 in 2018/19. Budget on compensation of employees is expected to grow from R192.3 million in 2015/16 to R319 million in 2018/19, at an average annual rate of 18.4 per cent, and accounting for 30.9 per cent of the department’s budget over the medium term.

**Table 1: Budget per programme**

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| **Programme** | **Revised Estimates**  | **Medium-Term Expenditure Estimate** |
| **R million** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| Administration | 104.2 | 134.3 | 151.3 | 166.2 |
| Outcomes Monitoring and Evaluation | 92.3 | 108.9 | 117.6 | 136.6 |
| Institutional Performance Monitoring and evaluation | 60.4 | 67.8 | 74.7 | 82.2 |
| National Planning | 77.2 | 103.2 | 118.2 | 136.6 |
| National Youth Development | 415.1 | 413.4 | 445.8 | 472.7 |
| **Total** | **749.2** | **827.7** | **907.8** | **994.3** |

Source: Estimates of National Expenditure 2016

1. **PROGRAMME PERFORMANCE**
	1. **Programme 1: Administration**

The main objective of the programme is to provide strategic leadership, management, administrative, financial and human resource services to enable the Department to achieve its strategic and operational goals. The programme’s objective is to co-ordinate planning, monitoring and reporting on the implementation of the Departmental plans, to promote internal and external communication on the work of the department, to achieve an unqualified audit opinion on financial statements, to hire, develop and retain the right people in the right positions for the department throughout the planning period, to successfully implement and realise benefits from ICT solutions in doing the work of the department and to promote good corporate governance practices and management.

The budget allocated for the programme is R134.3 million in 2016/17 financial year. In comparing budget allocated for the 2016/17 financial year with previous allocation on this programme, there is a significant increase on the budget over the MTEF period.

Budget allocated will be spread into five sub-programmes. Large portion of the budget of R58.1 million from a total budget in these programmes is allocated in sub-programme: Corporate and Financial Services. A significant increase has been noted on the compensation of employees from 372 in 2015/16 to 490 in 2018/19 as compared to the previous years. The department will be increasing its personnel over the medium term. The spending focus over the medium term will be to strengthen capacity in administrative and corporate support services and the acquisition of additional office accommodation to cater for the expanded functions of the department.

Amongst the main priorities of the department under the programme is to ensure compliance of 100% of valid invoices paid within 30 days. The Department anticipated instituting disciplinary cases on the non-adherence of the payment of suppliers within prescribed period. Maintaining 10% vacancy rate it’s a priority of the department. However, the target should be measured based on the baseline on the vacancy rate in the department. Absorbing 5% of interns in the department has been highlighted as a priority over the medium term. Youth as well as people with disability with requisite skills must be given preference in the department when absorbing interns. The department aims to achieve 100% compliance with financial disclosure framework by all designated employees within the prescribed time frames.

* 1. **Programme 2: Outcomes Monitoring and Evaluation**

The main purpose of this programme is to advance the strategic priorities of the department by developing and implementing the outcomes system, monitoring and reporting on its progress, and evaluating its impact. The main objectives are to ensure effective outcomes planning, monitoring and evaluation through facilitating the development of plans of the Delivery Agreements for priority outcomes with government departments, monitor and evaluate the implementation of the Delivery Agreements and making recommendations for corrective action on an ongoing basis. In addition, the Department aims to provide advice and technical support to the Presidency, establish and support an effective national evaluation system to inform government’s work on a continuous basis.

Budget allocation in this programme is R108.9 million for the 2016/17 financial year. In comparing budget allocated with the previous financial years, there is a substantial increase on the programme. A significant increase on the budget has been noted on the compensation of employees (R80.8 million) as compared with R64.6 million in 2015/16 financial year.

The Outcomes Monitoring and Evaluation Programme have three sub-programmes. The bulk of the budget of R75.1 million is allocated in the sub-programme: Outcome Support. Followed by Evaluation and Research with R30.9 million. The spending focus over the medium term on the outcome support sup-programme is to review the MTSF and delivery agreements where necessary. The outcomes system has been institutionalised in government, the department is expected to produce three outcome reports on the delivery outcomes to Cabinet. Outcome reports serve as an assessment of the delivery outcomes intending to improve performance in the public service. Departments have adopted the outcomes approach by focusing on measureable results and impacts.

A new indicator called “*data centre for key government priorities*” has been added on the programme in this financial year. This was as a result of departments not having baseline data on their programme making it difficult for evaluation process to assess impact on the outcomes. It is of critical importance to determine whether the department designed a system integrating existing government systems for the purpose of ensuring synergy. Systems must have been developed to meet the target of the data centre. The impact of the data centre indicator have to be outlined by department for future assessment.

Operation Phakisa was launched in 2014/15 with aim to fast-track the implementation of government programmes. The department piloted Operation Phakisa initiative in the ocean economy and health last year. In 2016/17 the department will produce Operation Phakisa reports which are in line with the objectives of the National Development Plan in promoting economic growth and boosting job creation. Operation Phakisa is a presidential initiative seeking to change the manner in which government pursues a new and faster ways of delivering services to the citizens. In 2015/16 financial year, the operation has been piloted in the Health Systems and Ocean Economy. Funding for Operation Phakisa is set to increase from R6.8 million to R7.7 million in 2018/19.

The spending focus on the programme is to coordinate the executive oversight visits wherein briefing notes and reports are prepared and submitted. The Inter-Ministerial Committee (IMC) on Distressed Mining Communities and Labour Sending Areas and Siyahlola Presidential Monitoring Programme are amongst the briefing notes to be prepared quarterly to the executive. The department’s role in this process is to coordinate and monitoring other government departments serving under the IMC on Distressed Mining Communities and Labour Sending Areas.

The Department is responsible for assessing the quality of management practices in the municipalities through the Local Government Management Improvement Model and Assessment Tool. A total of 25 scorecards will be completed by end of the financial year. The department provides support to other government departments in conducting numerous evaluations on government programmes. Evaluation studies assist government in improving planning through evidence based research, assessing all policies, legislations and regulations and monitoring, and supporting frontline service delivery.

**7.3 Programme 3: Institutional Performance Monitoring and Evaluation (IPM&E)**

The programme is responsible for promoting good M&E practices in government, conducting management performance assessment and support, frontline service delivery monitoring and support and government-wide planning and M&E capacity development and learning. The branch will also be responsible for the proposed Regional Offices. Whereas the OME Branch’s focus is on the management of the outcomes system and the achievement of government’s priorities, the focus of the IPM&E branch is on what can be done to make the organisation function better.

The budget allocated to the Institutional Performance Monitoring & Evaluation (IPM&E) programme is R67.8 million for the 2016/17 financial year which has increased significantly as compared to the budget of the 2015/16 financial year. Over the medium term, the budget will increase to provide financial support in fulfilling the objectives of the IPM&E. There is a budget increase of R47.8 million as compared to R39.1 million of 2015/16 financial year on compensation of employees. The spending focus in the programme is as a result of department continuously striving to improve quality of management practices in government through management performance assessments and the monitoring of frontline service delivery.

The spending focus will be on the sub-programme: Management Performance Monitoring and Support in monitoring the quality of management practices in the national and provincial departments. Measuring the quality of the management practices in government departments remains a core priority of the Department. This will be done through the development, implementation and maintenance of the Management Performance Assessment Tool (MPAT). The MPAT is a vital system in government to measure performance on good governance, develop a culture of continuous improvement and sharing of best practices amongst various departments.

The bulk of the budget of R44.3 million is allocated on the sub-programme Presidential Frontline Service Delivery Monitoring which includes the Citizen Based Monitoring and Presidential Hotline. The department anticipates to conduct oversight visits in 63 new facilities and to further ensure quality assurance on site is monitored. There is a reduction in a number of facilities to be monitored as compared to the previous financial years. Reduction of facilities might have been caused by the introduction of a new indicator on the frontline service delivery monitoring visits aligned to mainstreaming the National Youth Policy.

The Presidential Hotline contributes to a more responsive and accessible government. The Department will monitor the resolution of complaints logged through the Hotline and submit performance reports to the Governance and Administration Cluster and the Presidential Coordination Council. Four case studies including impact stories on performance of the Presidential Hotline will be produced.

The primary aim of the Citizen-Based Monitoring (CBM) programme is to support government departments to strengthen the citizen’s voice in monitoring service delivery. The Citizen Based Monitoring strategy’s report shall be produced on quarterly basis. The Department plans is to implement the CBM in 2 facilities per quarter. In the past financial year, the Department revised planning and the M&E capacity development strategy, and monitored its implementation. The Department will provide capacity development and knowledge management in relation to the monitoring and evaluation.

* 1. **Programme 4: Planning**

The purpose of this programme is to develop the country’s long-term vision and national strategic plan and contribute towards better outcomes in government through better planning, better long term plans, greater policy coherence and a clear articulation of long term aspiration. The main responsibilities of the programme is to institutionalise and strengthen planning in government by facilitating the development of sectoral plans, ensuring coherence between plans, policies and service delivery across government, ensuring high-level priorities are fed through into plans across all spheres of government and engaging stakeholders on the output of the planning process to ensure buy-in.

The budget allocated to the programme is R103.2 million. Budget on the compensation of employees increase with R39.7 million as compared to previous financial year. The spending focus on the programme will be on sub-programme: Research and Policy Services. There is a budget increase of R70.5 million in the sub-programme as compared to R43.4 million in the 2015/16 financial year. Spending is mainly on compensation of employees to oversee and advise on the research and policy development and on consultants with highly specialised research services. Spending in the sub-programme is expected to increase from R43.4 million in 2014/15 million to R97 million in 2018/19 at an average annual rate of 30.7 per cent.

The spending focus of the programme will be on the National Income Dynamics survey, supporting the work of the National Planning Commission and guiding strategic and annual performance planning and reporting process. Its purpose is to contribute to development of understanding of the socioeconomic patterns that inform policy making. The survey tracks changes in the living conditions of a representative sample of respondents and results are generalised to the national population. The department will conduct survey over a period of three years. The budget is expected to increase over the medium term on the programme as a result of implementation of National Income Dynamics survey. Spending on the survey is expected to increase from R30 million in 2015/16 to R40 million over the medium term.

* 1. **Programme 5: National Youth Development (NYD)**

The purpose of the programme is to develop and implement youth policy and to provide oversight over funds transferred to the National Youth Development Agency. The programme will champion the development and implementation of the youth development policy and integrated planning in government. The programme will be a conduit for the budget of the National Youth Development Agency.

The National Youth Development Programme budget allocated is R413.4 million. From the total allocated, the Department will transfer R405.8 million to the National Youth Development Agency. The balance of R7.7 million will remain for programme 5 National Youth Development. Budget on compensation of employee is R4.2 million for the 2016/17 financial year. Over the medium term, the programme intends to implement Youth Policy across all sectors.

Programme 5 decreased by -7.03 per cent between 2015/16 and 2016/17. Programme 5 at 55.61 per cent share, represents the first largest share allocation of the total budget vote in 2016/17. In as much as there is a decrease in this programme’s budget, it is commendable for Government to allocate this much to youth development support in order for the Department to give technical support, skills, education and business development support and advice to youth desiring to develop themselves and their communities. This will serve as both an investment in the youth, specifically, and in the economy and the future of the country, generally.

1. **NATIONAL YOUTH DEVELOPMENT AGENCY (NYDA)**

The National Youth Development Agency (NYDA) is an agency established primarily to tackle challenges that the nation’s youth are faced with. The Agency was established by an Act of Parliament, act no 54 of 2008. The NYDA Act (2008) mandates the Agency to develop an Integrated Youth Development Strategy for South Africa, and initiate, design, coordinate, evaluate and monitor all programmes that aim to integrate the youth into the economy and society in general. The Act mandates the Agency to promote a uniform approach to youth development by all organs of state, the private sector and non-government organisations (NGO’s).

* 1. **Budget allocation overview of 2016/17**

The National Youth Development Agency’s receives its budget through a transfer vote from the Department of Planning Monitoring and Evaluation, and again through interest and capital repayments from loans issued to its clients prior to the introduction of grant funding. The transfer will increase at an average growth rate of 5 per cent from R409.8 million in 2015/16 to R462.5 million in 2018/19.

The National Youth Development Agency’s allocated budget is R405.8 million in 2016/17 financial year. The budget to be spent on the programmes for 2016/17 financial year is R249.6 million, which has increased slightly in comparison to the previous financial year. The remaining balance will be spent for compensation of employees, payment of capital assets, goods and services.

A significant reduction has been noted in the budget (R161.6 million) for the compensation of employees as compared to R214.2 million in 2015/16 financial year. This is due to the restructuring that took place in the 2014/15 financial year, which led to some employees taking severance packages in line with newly introduced turnaround strategy. Employee costs amount to 46.3% of the total allocation. The Agency has budgeted R8.2 million on goods and services. Operational costs will increase over the medium term expenditure framework together with employee costs at average rate of 5.0%

Table 2: National Youth Development Plan.

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| --- | --- | --- |
| **Programme** | **Allocated** | **Medium-Term Expenditure Estimate** |
| **R million** | **2015/16** | **2016/17** | **2017/18** | **2018/19** |
| National Youth Development Agency | 409.8 | 405.8 | 437.2 | 462.5 |
| **Total** | **409.82** | **405.8** | **437.2** | **462.5** |

Estimates of National Expenditure 2016

1. **PROGRAMME PERFORMANCE**

**9.1** **Programme 1: Economic Participation**

The main goal of the Economic Participation programme is to enhance the participation of young people in the economy through targeted and integrated programmes. This programme aims to facilitate and provide employment opportunities for young people; to enhance their participation in the economy, aimed at increasing job creation, entrepreneurship and skills development and the provision of business support to young people.

Over the medium term the programme will be allocated more funding to enhance the participation of young people in the economy. Currently the budget allocated for the financial year increased minimally as compared to previous financial year. The budget allocated for the 2016/17 financial year is R55.1 million as compared to R54.1 million in 2015/16 financial year. It is critically important that the Agency spends its funds equitably for the benefit of young people in all nine provinces.

Budget allocated on the programme will be spent on 56,329 young people aspiring to establish entrepreneurship which will be supported through the NYDA Business Development Support Services. Establishment of the entrepreneurship is one of the Agency’s programmes to enhance the participation of young people in the economy through targeted and integrated programmes. The programme has attracted a huge number of young people aspiring to become entrepreneurship in all corners of the country. Limited financial resources disadvantages many young people aspiring to realise such a dream of entrepreneurship. In order to tackle unemployment and other social challenges facing young people, more funding in this programme is highly needed. The Agency must ensure financial systems are in place to manage provision of grant funding in order to avoid any maladministration.

Taking into cognisance high youth unemployment rate in the country, creating jobs for young people is essential. The Agency intends to create and sustain jobs for 3.176 young people in 2016/17 financial year. Young people are indeed confronted with high unemployment, however creating jobs is not a core responsibility of the agency as mandated by the Act. It is therefore critically important for the agency to collaborate with the public, private and non-government organisation to develop an integrated youth employment strategy to drastically close the gap of unemployment into an acceptable level.

**9.2**. **Programme 2: Education and Skills Development**

The main purpose of the programme is to promote, facilitate, and provide education and skills development opportunities to young people to enhance their socio-economic well-being, with the objective of facilitating education opportunities. The aim is to improve access to quality education and to facilitate and implement the Youth Build, job-preparedness training, the provision of scholarships and assistance to young people who are rewriting their matric.

The budget allocated for the programme is R57.4 million for the 2016/17 financial year to implement education opportunities, National Youth Service and skills programmes. The budget received will be spent on ensuring enrolment of young people on the NYDA Matric (Grade12) re-write programme. The programme attracted a huge number of young people seeking to pursue their aspirations of obtaining matric certificates. Matric rewrite provides young people with hope towards realising their individual aspirations. The programme has gained prominence with many young people recognising it as a success towards inspiring them to access higher education and jobs. Matric re-write provides youth with an opportunity to further pursue their studies at the institutions of higher learning and it also provides an opportunity for learners to qualify for the Solomon Mahlangu Scholarship. A total of 4.043 young people will be enrolled through matric rewrite in 2016/17 financial year.

The Agency is determined to increase its target for students enrolling in the Solomon Mahlangu Scholarship in 2016/17 financial year. The scholarship was introduced to encourage youth from disadvantaged communities to access funding and to further their studies. Young people willing to further their studies are responding positively to the scholarship. When the scholarship was launched, the agency had low targets but since the 2015/16 financial year targets have been improving significantly over medium term period. Certain portions on the budget will be spent to support young people through individual and group career guidance interventions, Youth Build, National Youth Service volunteer programmes and job preparedness and job placement.

**9.3.** **Programme 3: Health and Well-Being**

The goal of this programme is to initiate interventions that could help increase awareness of the healthy lifestyles that promote good health practices among the youth of South Africa. The NYDA will embark on campaigns and special projects. These would be implemented in relation to a range of issues such as awareness on the healthy lifestyles promoting good health practices, including dangers of substance abuse, unprotected sex, nutrition, sexually transmitted diseases and the impact of HIV infection and Aids.

The health and well-being programme received budget of R1.1 million in 2016/17 financial year. Budget in this programme is insufficient taking into consideration that young people are confronted with more social problems on a daily basis. It is therefore imperative that NYDA tackles social problems in this programme and there is a dire need to commit more resources to overcome them. In this current financial year, 210.000 young people will access health programmes interventions in enhancing their quality of life.

**9.4. Programme 4: Policy and Research**

The main purpose is to create a body of knowledge and best practice in the youth development sector, and to inform and influence policy development, planning and implementation. The fundamental aim of this area is to ensure that policies and frameworks that drive youth development are developed, based on a body of knowledge and facts that are relevant to the developmental needs of the youth of South Africa.

Knowledge Management programme budget allocation is R8.2 million which creates the body of knowledge and best practices in the youth development. The spending focus on this programme will be more on conducting programme evaluations, research articles and knowledge publications. Of critical importance in this programme is the finalisation of the National Youth Employment Plan 2030 which seeks to identify activities and policies to be implemented for reducing youth unemployment. The NYDA intends to submit to the Presidency the Youth Employment Plan (YEP) 2030 for endorsement in this current financial year.

The Agency intends to partner with other organs of state in implementing youth development programmes. In addition, the Agency will coordinate other government departments, civil society and private sector organisations to implement the National Youth Service Programme. The National Youth Service programme will provide long-term and effective ways of reconstructing the South African society by developing the abilities of young people through service and learning. This include activities like non-technical training and career development. One of the priorities in this financial year is to increase participation of young people in youth development related dialogue sessions.

Youth with disabilities will be supported through NYDA business support service and training interventions. Integrating programmes which are aimed in enhancing lives of the youth with disabilities will assist in improving their well-being. It is critically important that the Agency strives to ensure coordination and integration of various sector programmes aimed at developing youth with disabilities. Organs of state and private sector companies should still be lobbied to establish youth directorates and to implement youth programmes.

**9.5. Programme 5: Governance**

The purpose of the programme is to achieve efficient and effective utilisation of resources through provision of judicious governance, technology and systems, business operations, human capital, financial management systems that adhere to relevant legislative requirements for public funded entities. The governance programme has received R605 000 for the 2016/17 financial year. The Agency will review the NYDA’s Information Technology Systems Architecture and evaluation of the roadmap.

1. **OBSERVATIONS AND FINDINGS**

The Committee observed the following matters in relation to the Budget Vote 8:

* 1. The Portfolio Committee takes note of the major strides made since the establishment of the Department of Planning, Monitoring and Evaluation in adding value towards building a capable, responsive and an accountable public service. A tremendous work has been done in assisting government to modify and strengthen government delivery programs. This is manifested in, among other the outcome based approach (delivery agreement).
	2. The Department should continuously monitor government departments in reviewing their Strategic and Annual Performance Plans to advance the strategic agenda of developmental State and to ensure that they are aligned with the delivery outcomes and the National Development Plan.
	3. The Portfolio Committee noted the projected increase of the Department of Planning, Monitoring and Evaluation’s over the MTEF period in spite competing demands.
	4. The Department has not fully complied with the Public Service Regulations in maintaining its vacancy rate below 10% on an annual basis. The Committee highlights the importance of filling the vacant posts particularly those that are critical to organisational effectiveness and efficiency.
	5. The Portfolio Committee supports the Department on its quest to have the additional posts filled on the need basis in terms of expanded structure. Granting approval and funding of additional posts will intensify the Department in monitoring and evaluating a number of government programmes.
	6. The Portfolio Committee urged the Department of Planning, Monitoring and Evaluation to devote more resources and place emphasis on the service centres through strengthening the Frontline Service Delivery Monitoring programme and Citizen-Based Monitoring.
	7. The Portfolio Committee highlights the importance of the Department to share its findings of completed evaluation studies conducted in the 2015/14 financial year. Evaluation studies serve as evidence on whether government is doing things right and whether programmes are achieving their intended outcomes. Recommendations of the evaluation results, where feasible and appropriate should be used to improve government programmes
	8. The Presidential Hotline encourages citizens to contribute in monitoring service delivery. The intention of the Hotline is to contribute to a more accessible and responsive government. The Committee expresses its interest in receiving detailed information on the success, challenges and failures of government departments in adhering to the prescribed response time to referred complaints.
	9. The Committee notes that turnaround times to respond to the Presidential Hotline complaints have improved significantly. Other means of social media should be considered by the department to allow citizens to raise their concerns about government services The Committee believes there is still a lot to be achieved and the Department should work towards achieving a 100% target on response rates. Since the Presidential Hotline was established it has received 111,751 calls with valid queries. Of these queries, a staggering 84 700 of the cases have been attended to and resolved. Of all the calls logged 70% are complaints, 27% are enquiries, 1.8% are suggestions and compliments. A resolution rate of 75% by the Presidential Hotline marks the highlight of government success in responding to the needs of people.
	10. The Portfolio Committee is of the view that the Department should enhance the process of assessing the status quo of the local government through Management Improvement Model and Assessment Tool. The implementation of the model should be realised to assess the quality of the management of local government.
	11. The Portfolio Committee highlights a need to receive an update on the Inter-Ministerial Committee on Revitalising Distressed Mining Communities and Labour Sending Areas. The report should be tabled in the Portfolio Committee to enable it to conduct effective oversight on the deliverables.
	12. The Committee has noted poor responses from other departments on the recommendations made through various monitoring and evaluation tools. The Committee is of the view that improvement plans need to be responded to by government departments.
	13. The Committee emphasised the importance of collaboration between the Department and the Statistics South Africa in developing the “Data Centre” which will be a hub high level indicators and outcomes regarding government priorities.
	14. The flagship of the Institutional Performance Monitoring and Evaluation (IPM&E) should be to ensure a good correlation between individual performance bonuses paid out and the institutional performance across government.
	15. The Department must monitor the implementation of the National Youth Policy and assess whether the policy is yielding positive results. The Department should account to the Committee annually on monitoring report for the National Youth Policy.
	16. The Department must improve on planning and coordination of the monitoring and evaluation processes.
	17. The Department is urged to introduce the voice-dialled hotline as well as other forms of hotline in order to cater for people with different disabilities.

**National Youth Development Agency (NYDA)**

* 1. The Committee encouraged the NYDA to execute its mandate of monitoring and evaluating all programmes aimed at integrating the youth into economy and society in general. The Committee will monitor the Agency to assess the implementation of the mandate as per the NYDA Act.
	2. The Committee congratulated the National Youth Development Agency on the work done in transforming the Agency through the development and implementation of the turnaround strategy. The Committee was pleased with the manner in which the Agency has restructured its organisation among other things and managing the high salary bill. The Committee welcomes the refocus and reprioritising of the budget towards delivering the quality of services to the youth.
	3. The Committee needs assurance that the ageing loan book is monitored and improved. The Committee is impressed by the Agency’s approach in recovering funds owed as the matter was continuously raised in the Auditor-General’s reports in the past.
	4. The Committee urged the NYDA to rephrase the indicator in the annual performance plan to reflect implementation of the National Youth Policy.
	5. The NYDA must brief the Committee in the third quarter on the National Youth Employment Plan 2030. The plan must integrate all public, private and non-government organisation in developing strategies for the youth employment.
1. **RECOMMENDATIONS**

The Portfolio Committee recommends that the Minister of the Department of Planning, Monitoring and Evaluation should ensure that:

* 1. In light of additional allocation on the compensation of employees, the Department must prioritise the filling of funded vacant post, especially at technical level. Recruitment of people with disabilities and gender more specifically women must be prioritised. The Department must within six months report to the Committee about the progress in filling the funded vacant positions. The Department should in the process of filling vacant posts take into cognisance cost containment measures of government.
	2. The Department must strive to reduce the high vacancy rate from 16 per cent as reported in third quarter of 2015/16 financial year. With additional funded post of 470 over medium term, the Department must develop the recruitment strategy to fill critical vacancies to enable it to achieve its core mandate of planning, monitoring and evaluation. Vacancy level must be kept below 10 per cent as per Public Service Regulations.
	3. The Department must endeavour to attract, appoint and retain competent and professional persons in all areas of administration in order to advance developmental goals of government as embodied in the National Development Plan.
	4. The Department must consistently comply with payment of service providers within 30 days period as per Section 38 (1)(f) of the PFMA. The Department must rigorously monitor payment of suppliers in all three organs of government. The Department should, through newly established unit, monitor payment of suppliers and provide the Committee with comprehensive report highlighting success and failures on the payment of suppliers.
	5. The Department must continuously ensure coordination and monitor departments in implementing various projects earmarked for the distressed mining towns. The Department must provide the Committee with progress report on the deliverables of the part 3 of the Social Accord since inception.
	6. The Department must move to other distressed mining towns and labour sending areas to revitalise them as well, like it did in Marikana, in order to carry out the policy directive from the President.
	7. The Department must, with other relevant departments, attend to and assess the plight of other distressed communities, such as where state forest compounds are being closed down.
	8. The Local Government Management Improved Model and Assessment Tool (LGMIM) must assist the Minister of Cooperative Governance in assessing the quality of management in the municipalities. This assessment tool must identify the success, failures and challenges impeding municipalities in implementing Back to Basics programme. The Department in partnership with Offices of Premier must roll out the assessment tool to all municipalities.
	9. The Department must always ensure follow-ups on the LGMIM outcomes and also ensure that remedial actions suggested are implemented. A template on all outcomes and suggested remedial actions and their implementation must be designed and reported on.
	10. The Department must collaborate with Statistics South Africa more particularly on activities undertaken in the National Planning Programme to ensure their work complements to improve planning and policy decision making in the country.
	11. The Department is urged to collaborate with the Department of Small Business Development, especially regarding the Socio-Economic Impact Assessment System (SEIAS), the revitalisation of distressed mining towns and labour sending areas in order to rope in this department to start business development initiatives in these areas.
	12. Results of the Socio-Economic Impact Assessment System (SEIAS) must be shared with the Portfolio Committees.
	13. The Department should constantly monitor the implementation of Operation Phakisa in an effort to fast track service delivery. The Department should provide the Portfolio Committee with progress report on Operation Phakisa before end of the financial year. It is crucial to understand how this economy actually contributes towards the Gross Domestic Product (GDP).
	14. Proper planning around budget expenditure across government and its agencies must be done in order to correct the anomaly of budget being allocated to programmes but a huge percentage of the budget being spent on compensation of employees. This anomaly defeats the purpose of the development programmes.
	15. The Department must improve on follow-ups regarding responses by other departments towards remedial actions suggested by the Department.
	16. The Department is urged to introduce the voice-dialled hotline in order to cater for the people with disabilities.
	17. The Portfolio Committee requests the Department to improve on the evaluation templates sent out to other departments in order to minimise duplication on activities that are being monitored by sector departments and concentrate on evaluating gap areas.

**National Youth Development Agency**

* 1. The National Youth Development Agency must effectively exercise its mandate of integrating various sector plans with the aim of advancing youth development through concerted efforts. The Agency must ensure that integrated youth strategy supports youth employability by supporting and developing economic and social interventions intending to impart young people with requisite skills to fulfil their aspirations.
	2. The NYDA should ensure that internal control system are in place to manage provision of grant funding in minimising any maladministration. The grant funding beneficiaries must be supported after receiving the grant to ensure sustainability of their individual businesses.
	3. The NYDA must ensure support and inclusion of youth with disabilities feature prominently as beneficiaries of the programmes such as economic participation and education. The Agency must monitor performance of all sectors in supporting youth with disabilities and report to the Committee on an annual basis.
	4. The NYDA working in partnership with relevant departments like Social Development and Health should establish rehabilitation satellite centres in youth centres to deal with the myth of social ills facing young people.
1. **CONCLUSION**

The Portfolio Committee noted the role the Department of Planning, Monitoring and Evaluation is institutionalising and strengthening planning in government to enhance delivery outcomes contributing to the National Development Plan. The Committee notes that outcomes system has now been institutionalised in government, the department submit quarterly reports to Cabinet on progress on the implementation of delivery agreements.

**The Portfolio Committee recommends as follows:**

That the House adopts and approve the Budget Vote 8 of the Department of Planning, Monitoring and Evaluation.

Report considered