

Parliamentary

Integration of the Medium Term Strategic Framework into Standard Planning Processes

Budget
Office



Outline

- Introduction
- Background to the National Development Plan (NDP)
- Methodology
- Overview of the rate of integration
- Findings
- In summary

Introduction

- The Parliamentary Budget Office (PBO) has been established in terms of an Act of Parliament to assist Members of Parliament with their oversight function
- The PBO offers independent and objective advice and analysis to the Finance and Appropriations committees
- The policy analysis unit focuses on the implementation of the National Development Plan (NDP)
- The aim of the current project is to identify obstacles in the implementation of the NDP by determining the rate of integration of the MTSF into the standard planning and reporting systems

Background to the NDP

- Several economic, social and governance challenges led to the development of the NDP
- The NDP provides proposals and actions from which 14 outcomes were derived
- Medium Term Strategic Frameworks (MTSFs) provide detailed 5-year implementation plans for the 14 outcomes:
 - Based on inter governmental cooperation (cross-organisational responsibilities)
 - All plans of government institutions should align to the MTSF
 - Incorporation into the existing activities of departments, which will ensure funding and regular reporting for oversight

Methodology

- The programme performance indicators in the 2017/18 departmental APPs, where compared to the MTSF sub-outcome performance indicators
- The objectives of the MTSF sub-outcomes were assessed for alignment with the “purposes” of budget programmes.
- The documents analysed include:
 - The Medium Term Strategic Frameworks
 - 2017/18 Annual Performance Plans
 - Quarterly Performance Reports for 2017/18

Overview of the rate of integration

Outcome	Responsible/Coordinating Department	MTSF Indicator	APP Indicator	Percentage integrated
Outcome 1: Quality Basic Education	Department of Basic Education	40	10	25%
Outcome 2: A Long and Healthy Life for All South Africans	Department of Health	77	36	47%
Outcome 3: All people in South Africa are and feel safe	Justice, Crime Prevention and Security (JCPS) Cluster	93	58	62%
Outcome 4: Decent employment through inclusive economic growth	Department of Trade and Industry	58	21	36%
Outcome 5: A skilled and capable workforce to support an inclusive growth path	Department of Higher Education and Training	50	8	16%
Outcome 6: An efficient, competitive and responsive economic infrastructure network	Department of Economic Development	102	34	33%
Outcome 7: Comprehensive rural development and land reform	Department of Rural Development and Land Reform	39	12	31%
Outcome 8: Human Settlements	Department of Human Settlements	63	16	25%
Outcome 9: Responsive, accountable, effective and efficient developmental local government system	Department of Cooperative Governance and Traditional Affairs	72	16	22%
Outcome 10: Protect and Enhance Our Environmental Assets and Natural Resources	Department of Environmental Affairs	60	22	37%
Outcome 13: An inclusive and responsive social protection system	Department of Social Development	40	21	53%
Outcome 14: Nation Building and Social Cohesion	Department of Arts and Culture	66	20	30%

Outcome 6: An efficient, competitive and responsive economic infrastructure network

- A comparison of the performance indicators in the MTSF with those presented in Annual Performance Plans (APPs) show that:
 - Of the 102 MTSF performance indicators 34 (33%) are reflected in the APPs of the responsible departments
 - The responsible departmental budget programmes support the actions of sub-outcomes to implement outcome 6
 - Sub-outcome 3 (logistics and transport infrastructure) involves the implementation of SIPs 1, 2, 3, 5, 7 and 17
 - Sub-outcome 4 (bulk water) involves the implementation of SIPs 3, 5, 7, 17 and 18
 - Reporting on SIPs follow a process outside of the standard reporting system in government
- The number of MTSF performance indicators (including SIPs) included in APPs (excluding SIPs) per contributing department are:
 - Water and Sanitation included 5 of the 19 MTSF indicators
 - Transport included 5 of the 19 MTSF indicators
 - Public Enterprise included 3 of the 20 MTSF indicators
 - Economic Development included the 1 MTSF indicator

Outcome 7: Comprehensive rural development and land reform

- A comparison of the performance indicators in the MTSF with those presented in Annual Performance Plans (APPs) show that:
 - Of the 39 MTSF performance indicators 12 (31%) are reflected in the APPs of the responsible departments
 - Budget programme structures provide the necessary legal framework for the implementation of the proposals of the MTSF
 - The purpose of programme 4 (DBE) for Planning, Information and Assessment, does not allow for the integration of the performance indicators on access to educational infrastructure recommended by the MTSF
- The rate of integration per sub-outcome are between 17% and 100%
 - Sub-outcome 1: Improved land administration and spatial planning for integrated development in rural areas - 17%
 - Sub-outcome 5: Increased access to quality infrastructure and functional services, particularly in education, healthcare and public transport in rural areas - 17%

Outcome 8: Human Settlements

- A comparison of the performance indicators in the MTSF with those presented in the Annual Performance Plan (APP) of Human Settlements shows that:
 - Of the 63 MTSF indicators 16 (25%) are reflected in the APP
 - Programme structure allows for the integration of the sub-outcomes into the APP of the DHS
- The rate of integration per sub-outcome is as follows:
 - Sub-outcome 1: Adequate housing and improved quality living environments - 29%
 - Sub-outcome 2: A functionally equitable residential property market - 25%
 - Sub-outcome 3: Enhanced Institutional capability for effective coordination of spatial investment decisions - 13%

Outcome 9: Responsive, accountable, effective and efficient developmental local government system

- A comparison of the performance indicators in the MTSF with those presented in the Annual Performance Plan (APP) of Cooperative Governance and Traditional Affairs shows that:
 - Of the 72 MTSF performance indicators 16 (22%) are reflected in the APPs
 - The budget programme structure of COGTA provides the necessary legal framework for the implementation of the proposals of the MTSF for sub-outcomes 2 to 5
 - Programme structure and therefore programme performance indicators in the APP of the COGTA does not provide for reporting on sub-outcome 1: Members of society have sustainable and reliable access to basic services
- The rate of integration per sub-outcome is between 0% and 60%
 - Sub-outcome 2: Intergovernmental and democratic governance arrangements for a functional system of cooperative governance and participatory democracy strengthened - 17%
 - Sub-outcome 3: Sound financial and administrative management - 32%

Outcome 10: Protect and Enhance Our Environmental Assets and Natural Resources

- A comparison of the performance indicators in the MTSF with those presented in Annual Performance Plans (APPs) show that:
 - Of the 60 MTSF indicators 22 (37%) are reflected in the APPs
 - Programme structures allow for the integration of the sub-outcomes 1, 2, 3 and 4 into the APPs of responsible departments
 - Programme structures of the (Departments of Energy, Environmental Affairs and Cooperative Governance and Traditional Affairs) and therefore programme performance indicators in the APPs of the responsible departments does not provide for reporting on sub-outcome 5: Sustainable human communities
- The rate of integration per sub-outcome is between 0% and 50%
 - Sub-outcome 1: Sub-Outcome 1: Ecosystems are sustained and natural resources are used efficiently - 37%
 - Sub-outcome 4: Enhanced governance systems and capacity - 36%

Outcome 13: An inclusive and responsive social protection system

- A comparison of the performance indicators in the MTSF with those presented in the Annual Performance Plan (APP) of the Department of Social Development shows that:
 - Of the 40 MTSF performance indicators 21 (53%) are reflected in the APP
 - The departmental budget programme structure supports the actions of the sub-outcomes to implement outcome 13
- The rate of integration per sub-outcome is between 40% and 67%
 - Sub-outcome 3: Strengthened community development interventions - 40%
 - Sub-outcome 4: Deepening social assistance and expanding access to social security – 43%
- COGTA is responsible for community and household profiles required for outcome 13, which is not reflected as an output in the APP.

Outcome 14: Nation Building and Social Cohesion

- A comparison of the performance indicators in the MTSF with those presented in Annual Performance Plans (APPs) show that:
 - Of the 66 MTSF performance indicators 20 (30%) are reflected in the APPs
 - The departmental budget programme structures support the actions of the sub-outcomes to implement outcome 14
 - Activities for sub-outcomes 2 and 4 requires the revision of the programme structures of COGTA and DBE
- The rate of integration per sub-outcome is between 12% and 50%
 - Sub-outcome 1: Fostering and constitutional values - 12%
 - Sub-outcome 4: Promoting active citizenry and leadership - 22%

In Summary

- Between 16 and 62 per cent of MTSF performance indicators are included in APPs
- A comparison of the objectives in the MTSF with the purposes of budget programmes shows:
 - Programme structures that requires revision to allow for the incorporation of the MTSF performance indicators are:
 - Basic education
 - Cooperative Governance and Traditional Affairs
 - Energy
 - Environmental Affairs
- Reporting on SIPs follow a process outside of the standard reporting system in government

Thank You

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The PBO analysis and assessments undertaken

- Analysis of the progress on the performance
- Assessment of the alignment of the 2014-2019 MTSF with the actions and objectives of the NDP
- Assessment of the reporting systems for performance, monitoring and evaluation in government
- Assessment of the alignment of the budget with the MTSF
- Assessment of the conditional grant allocations towards the achievement of the 14 outcomes
- Analysing the integration of the MTSF into Annual Performance Plans is in progress.
- Evaluate the suitability of budget programme structures to implement the MTSF