

Report of the Portfolio Committee on Higher Education, Science and Technology on the consideration of the 2020/21 Fourth Quarter and 2021/22 First Quarter Financial and Non-Financial Performance of the Department of Science and Innovation, dated 19 November 2021.

The Portfolio on Higher Education, Science and Technology, having considered the 2020/21 Fourth Quarter and 2021/22 First Quarter Financial and Non-Financial Performance of the Department of Science and Innovation, reports as follows:

1. Introduction

Section 5 of the Money Bills Amendment Procedure and Related Matters Act (9 of 2009) (hereafter, the Money Bills Act), as amended by Act 13 of 2018, requires the National Assembly, through its committees, to annually assess the performance of each national department. This culminates in a committee submitting a Budgetary Review and Recommendation (BRR) Report where the committee may make recommendations on the forward use of resources to address the implementation of policy priorities and services, as the relevant department may require additional, reduced or re-configured resources to achieve these priorities and services.

To give effect to the requirement of Section 5 of the Money Bills Act, the Portfolio Committee on Higher Education, Science and Technology (hereafter, the Committee) considered, on 25 August 2021, the 2020/21 fourth quarter and 2021/22 first quarter financial and non-financial performance of the Department of Science and Innovation (hereafter, the Department).

2. Department of Science and Innovation

Succeeding the 1996 White Paper on Science and Technology, the 2019 White Paper on Science, Technology and Innovation, which seeks to specifically enhance the role of innovation, now sets the current long-term policy direction for the National System of Innovation (NSI) and seeks to ensure an increasing role for science, technology and innovation (STI) to accelerate inclusive economic growth, increase the competitiveness of the economy, and improve the livelihoods of South Africa's citizens.

The Department, building on the successes of the previous period and to ensure that the NSI expands its positive impact on reducing poverty, inequality and unemployment as envisioned by the 2019 White Paper, identified the following six outcomes for the period 2020-2025:

Outcome 1: A transformed, inclusive, responsive and coherent NSI

Outcome 1 seeks to improve the contribution of the NSI to achieving the goals of the NDP. The key driver of these contributions will be the Decadal Plan, which will define the critical missions that South Africa will pursue during the period 2020-2030. The four outcome indicators against which performance will be measured are:

- i) Percentage increase in the number of formalised partnerships between different category actors of the NSI that advance Decadal Plan priorities;
- ii) Number of STI missions introduced and adopted by Cabinet that crowd in resources and capabilities across the NSI;
- iii) Percentage increase in the investment support by government that advances gross expenditure on research and development (GERD) towards 1.1% of GDP (revised down from former target of 1,5%); and
- iv) Number of approved strategies that give effect to the agreed dimensions of transformation to be effected in the NSI.

Outcome 2: Human capabilities and skills for the economy and for development

Outcome 2 seeks to address further the lack of transformation within the NSI. Hence, the Department will continue as well as expand the transformation agenda in all its science focus areas. The Department's agenda targets four levels of transformation; namely, spatial, institutional, demographic and

transdisciplinary transformation. The five outcome indicators against which performance will be measured are:

- i) Number of Department-funded PhDs graduating annually as a contribution to the NDP target of 100 PhDs per million population by 2030;
- ii) Number of artisans and technicians absorbed into the economy in sectors where DSI has active programmes;
- iii) Percentage increase of women and black researchers in South Africa's Research workforce;
- iv) Percentage increase of PhD-qualified teaching and research staff; and
- v) Improved knowledge about science among the general public.

Outcome 3: Increase knowledge generation and innovation output

Outcome 3 seeks to increase South Africa's research productivity, currently 0.88% of global share, to 1% of global output. The three outcome indicators against which performance will be measured are:

- i) Increase South Africa's share of global publication outputs;
- ii) Percentage increase in prototypes, technology demonstrators, pilot plants that advance industrialisation through innovation; and
- iii) Percentage increase in patent and design applications filed from publicly financed research and development (R&D).

Outcome 4: Knowledge utilisation for economic development in (a) revitalising existing industries and (b) stimulating R&D-led industrial development

Outcome 4 seeks to drive economic development through various initiatives associated with the sectoral masterplans and revitalised industrial strategy. The four outcome indicators against which performance will be measured are:

- i) Rand value of research, development and innovation (RDI) investment attracted to support RDI needs identified through the sectoral masterplans process;
- ii) Percentage increase in Small, Medium and Micros Enterprises (SMMEs) or Co-operatives whose performance has improved or who have secured new opportunities through support provided by the Department and its entities;
- iii) Percentage increase in the commercialisation of granted IP rights from publicly-funded R&D; and
- iv) Number of new R&D-led industrial development opportunities initiated by the Department.

Outcome 5: Knowledge utilisation for inclusive development

Outcome 5 seeks to advance the vision of an inclusive and responsive NSI that provides equitable access to the country's knowledge infrastructure, and supports the broader concept of innovation. The two outcome indicators against which performance will be measured are:

- i) Grassroots innovations whose commercialisation has been facilitated by the support / access of the multi-tiered support package provided by the Department and its entities; and
- ii) Publicly-funded IP made available (accessible) in support of grassroots innovators.

Outcome 6: Innovation in support of a capable and development state

Deploying national STI interventions is a challenge because the Department does not have a concurrent function within provincial and local government. However, the Department contributes to the development of an innovation ecosystem and a capable and developmental state via its Regional Innovation Support programmes. Outcome 6 seeks to increase the spatial footprint of innovation support so that innovation will enable localised socio-economic development. The four outcome indicators against which performance will be measured are:

- i) Increase in the number of use cases of decision support systems;
- ii) Number of demonstrators that have successfully introduced a new way of delivering a service;
- iii) Number of districts / metros supported with technology-based applications as part of the District Development Model for Service Delivery Improvement; and

iv) Evidence informed integration of innovation in service delivery.

3. 2020/21 Budget Allocation to Vote 35: Science and Innovation

The Department's original 2020/21 budget allocation increased from R8.1 billion in the 2019/20 financial year to R8.8 billion. This represented, when adjusted for inflation, a real increase of 3.1%; and was the first real increase in the Department's budget allocation since the 2015/16 financial year.

On 24 June 2020, the Minister of Finance introduced the 2020/21 Special Adjustment Budget in the National Assembly to provide for comprehensive COVID-19 relief measures in terms of Section 30 of the Public Finance Management Act (Act 1 of 1999) and Section 12 of the Money Bills Act. The Special Adjustment Budget required that national departments and their entities all had to revise their allocation and spending plans for the 2020/21 financial year and this then warranted that the 2020/21 Annual Performance Plans also needed to be revised. Thereafter, in October 2020, The Minister of Finance tabled the Medium Term Budget Policy Statement (MTBPS) and its associated 2020 Adjusted Estimates of National Expenditure (AENE), the latter being the second adjustments budget for the 2020/21 financial year.

The 2020/21 Special Adjustment Budget revised the Department's 2020/21 budget allocation from R8.8 billion to R7.36 billion. The second adjustments budget, needed for the requirements of the State, further revised the Department's budget down by R83.6 million to **R7.28 billion** (Table 1). Hence, the Department's 2020/21 budget decreased by R1.52 billion in total.

Table 1: Vote 35: Science and Innovation - Revised 2020/21 allocations

Programme	2020/21									
	R thousand	Appropriation	Adjustments appropriation	Second adjustments appropriation					Total second adjustments appropriation	Adjusted appropriation
				Roll-overs	Unforeseeable/unavoidable ¹	Virements and shifts	Declared unspent funds	Other adjustments		
Administration	360 303	(41 982)	–	–	(4 716)	–	(9 498)	(14 214)	304 107	
Technology Innovation	1 504 480	(129 542)	–	–	10 397	–	(7 014)	3 383	1 378 321	
International Cooperation and Resources	156 440	(35 293)	–	–	(1 372)	–	(2 973)	(4 345)	116 802	
Research, Development and Support	4 882 470	(1 070 616)	–	–	32 935	–	(99 541)	(66 606)	3 745 248	
Socioeconomic Innovation Partnerships	1 893 700	(158 067)	–	44 999	(37 244)	–	(9 579)	(1 824)	1 733 809	
Total	8 797 393	(1 435 500)	–	44 999	–	–	(128 605)	(83 606)	7 278 287	
Economic classification										
Current payments	632 471	(93 442)	–	–	(12 055)	–	(20 000)	(32 055)	506 974	
Compensation of employees	421 993	(40 000)	–	–	–	–	(20 000)	(20 000)	361 993	
Goods and services	210 478	(53 442)	–	–	(12 055)	–	–	(12 055)	144 981	
Transfers and subsidies	8 162 158	(1 342 058)	–	44 999	11 415	–	(108 605)	(52 191)	6 767 909	
Departmental agencies and accounts	6 179 895	(1 034 659)	–	44 999	45 898	–	(104 301)	(13 404)	5 131 832	
Public corporations and private enterprises	1 593 265	(297 842)	–	–	(34 483)	–	(4 304)	(38 787)	1 256 636	
Non-profit institutions	388 998	(9 557)	–	–	–	–	–	–	379 441	
Payments for capital assets	2 764	–	–	–	640	–	–	640	3 404	
Machinery and equipment	2 764	–	–	–	640	–	–	640	3 404	
Total	8 797 393	(1 435 500)	–	44 999	–	–	(128 605)	(83 606)	7 278 287	

1. Unforeseeable and unavoidable expenditure in terms of section 6(1)(a) of the Appropriation Act (2020).

Source: National Treasury, 2020 Adjusted Estimates of National Expenditure, Vote 35: Science and Innovation

3.1. 2020/21 Fourth Quarter (January to March 2020) Performance

At the end of the fourth quarter, the Department had spent R7.16 billion or 98.4% of the available budget of R7.28 billion, underspending by R112.9 million (Table 2) for the 2020/21 financial year. The underspending was mainly due to lower spending on transfers and subsidies for various projects within Programme 1: Administration and Programme 4: Research, Development and Support. In addition, the Department underspent on compensation of employees, spending R322 million of the projected R362 million. At year-end, the Department had a headcount of 389 (387 at the end of the third quarter) against 470 funded posts, resulting in 81 vacancies. At the start of the 2020/21 financial year, the Department's headcount was 378. Hence, 11 appointments were made within the 2020/21 financial year. The majority of vacancies, 25 and 24 respectively, were in salary level 9 and salary level 11. Programme 3: International Cooperation and Resources had the highest number of vacant posts, viz. 25, followed by Programme 2: Technology Innovation with 19 vacant posts.

The Department spent R122 million during the 4th quarter on COVID-19 related initiatives, comprising mostly consumables such as sanitisers, sanitiser dispensers and masks. For 2020/21, the Department spent approximately R364 million on COVID-19 initiatives.

Table 2: Vote 35: Science and Innovation – Budget and expenditure summary at year-end for 2020/21

R million	Main Appropriation	Adjusted Budget	Available Budget	Year End Actual expenditure	Expenditure as % of Available Budget	Underspending	% Underspending	COVID-19 Spending
Programme								
1 Administration	360,3	304,1	299,4	262,3	87,6%	37,1	12,4%	2,0
2 Technology Innovation	1 504,5	1 378,3	1 393,7	1 379,8	99,0%	13,9	1,0%	72,2
3 International Cooperation and Resources	156,4	116,8	112,4	114,2	101,6%	-1,8	-1,6%	28,8
4 Research, Development and Support	4 882,5	3 745,2	3 776,2	3 731,0	98,8%	45,2	1,2%	1,0
5 Socioeconomic Innovation Partnerships	1 893,7	1 733,8	1 696,6	1 678,0	98,9%	18,6	1,1%	18,0
Total	8 797,4	7 278,3	7 278,3	7 165,4	98,4%	112,9	1,6%	122,0
Economic Classification						0,0		
Current payments	632,5	507,0	489,9	429,0	87,6%	60,9	12,4%	2,0
Compensation of Employees	422,0	362,0	362,0	322,0	89,0%	40,0	11,0%	0,0
Goods and services	210,5	145,0	127,9	107,0	83,7%	20,9	16,3%	2,0
Interest and Rent on Land	0,0	0,0	0,0	0,0	0,0%	0,0		0,0
Transfers and subsidies	8 162,2	6 767,9	6 784,3	6 729,7	99,2%	54,6	0,8%	120,0
Payments for capital assets	2,8	3,4	4,0	6,1	149,9%	-2,0	-49,9%	0,0
Payments for Financial Assets	0,0	0,0	0,0	0,5	0,0%	-0,5		0,0
Total	8 797,4	7 278,3	7 278,3	7 165,4	98,4%	112,9	1,6%	122,0

Source: National Treasury, 2021. 2020/21 Financial Year 4th Quarter Expenditure Report for the Standing Committee on Appropriations

The Department achieved 37 (74%) and did not achieve 13 (26%) of the planned 50 quarterly performance targets. The performance targets that were not achieved in the fourth quarter included:

- Due to COVID-19 and additional work requested from the National Advisory Council on Innovation (NACI), the alignment of the Strategic and Annual Performance Plans of the Department and its entities and the Council for Scientific and Industrial Research's Shareholders Compact to the Decadal Plan did not happen (Programme 1).
- The three flight models for the maritime domain awareness missions in support of the Oceans Economy were delivered but could not be launched due to the effects of COVID-19 on the global space value chain (Programme 2).
- Only two of the planned 20 artisans and/or technicians were trained in the energy and agriculture sectors (Programme 2). The requisite supporting evidence was not available.
- Due to COVID-19, none of the planned 25 trainees was upskilled in intellectual property management and technology transfer skills (Programme 2).
- One hundred and fifty-nine (159) of the planned 184 South African students participated in international training programmes (Programme 3).
- Due to COVID-19, eight of the planned 16 capacity building initiatives for international cooperation specifically targeting historically disadvantaged institutions and individuals were undertaken (Programme 3).
- Due to Covid-19, only one of the planned five engagements with global science leaders to advance national priorities in multilateral forums was undertaken (Programme 3).
- Due to COVID-19, two of the planned six international STI initiatives focused on the Sustainable Development Goals (SDGs) were supported by South Africa (Programme 3).
- Due to outstanding evidence, none of the planned 2 400 PhD students was awarded bursaries in the fourth quarter (Programme 4).
- Due to outstanding evidence, none of the planned 8 000 pipeline postgraduate students was awarded bursaries in the fourth quarter (Programme 4).
- Due to internal delays, the Minister could not approve the Indigenous Knowledge Act Regulations (Programme 4).
- Preapproval decisions within 90 days on 80% of applications received for the Research and Development Tax Incentive were not provided (Programme 5).
- Due to funding delays, 66 of the planned 300 Presidential Youth Employment Initiative beneficiaries were employed (Programme 5).

Programme 1: Administration: For 2020/21, expenditure amounted to R262.3 million or 87.8% of the Programme's available budget of R299.4 million, leaving R37.1 million unspent. The underspending was attributed to slow spending due to the COVID-19 pandemic limiting employees to work from home. Remote working resulted in lower utility expenses.

Programme 2: Technology Innovation: Expenditure amounted to R1.38 billion or 99% of the Programme's available budget of R1.4 billion for the financial year, leaving R13.9 million unspent. The underspending was mainly attributed to delays in transfer payments to the National Research Foundation (NRF) for R&D projects and the South African National Space Agency (SANSA) for space science research due to the provision of insufficient supporting documents from these entities.

Programme 3: International Cooperation and Resources: Expenditure amounted to R114.2 million or 101.6% of the Programme's available budget of R112.4 million. The Programme overspent by R1.7 million due to settling transfer payments under Global Science International Agreements that were due in the 2019/20 financial year. These included payments to the South African Medical Research Council (SAMRC) for the Brazil, Russia, India, China and South Africa (BRICS) science, technology and innovation project, payments to the Human Sciences Research Council (HSRC) for gender-based violence projects, and membership payments to the International Atomic Energy Agency.

Programme 4: Research, Development and Support: Expenditure amounted to R3.7 billion or 98.8% of the Programme's available budget of R3.8 billion, leaving R45.2 million unspent. The underspending was mainly due to transfer payments not made under Strategic Science Platforms because there were delays in finalising the consolidated contract for the project.

Programme 5: Socioeconomic Innovation Partnerships: Expenditure amounted to R1.68 billion or 99.1% of the Programme's available budget of R1.7 billion, leaving R18.6 million unspent. The underspending was primarily on transfers and subsidies that were not paid because of incomplete contracts for the following projects: Information Communication Technology, Mining R&D, Advanced Manufacturing Technology Strategy and Resource Based Industries.

4. 2021/22 Budget Allocation to Vote 35: Science and Innovation

The COVID-19 pandemic elicited an unprecedented deployment of the global science and innovation community. Science, technology and innovation also offers the only exit strategy from COVID-19. The pandemic, more so than other recent crises, emphasised the importance of science and innovation to both prepare for and react to future crises, and highlighted the need to ensure that STI policies direct RDI efforts toward achieving socio-economic and environmental sustainability, inclusivity and resilience. Hence, the resurgence of thought that advocates that STI should be considered a crucial national investment, and not merely an expenditure item against the national fiscus.

The Department's 2021/22 budget allocation increased from R7.3 billion in the 2020/21 financial year to R8.9 billion. In terms of economic classification, the apportionment of the Department's 2021/22 budget allocation of R8.9 billion remained the same as in previous years and comprised Current payments of R566.5 million (6.3%), Transfers and subsidies of R8.4 billion (93.6%), which increased from R6.8 billion in 2020/21, and Payments for capital assets of R2.9 million (0.03%).

Over the medium term, the Department will set aside R5.3 billion to scale up interventions supporting the local production of ventilators, nano-satellites, hydrogen fuel cell technologies, renewable energy R&D, and pilots such as the KwaZulu-Natal Research Innovation and Sequencing Platform (KRISP).

Notable changes in 2021/22 allocations to Transfers and subsidies included:

- The allocation for Innovation Projects research increased from R171.4 million to R503.3 million. This allocation supports innovation activities that aim to increase, commercialise and use publicly funded IP.

- The allocation for Science awareness and initiatives to encourage youth participation in science increased from R33.5 million to R91.6 million.
- The allocation for the Square Kilometre Array's (SKA) capital contribution to research increased from R456.6 million to R802.4 million. This is for the 20 antennae that will be added to the MeerKAT.
- The allocation to the Council for Scientific and Industrial Research (CSIR): Mining R&D increased from R41.7 million to R63.5 million.
- The allocation to the CSIR: Cyberinfrastructure R&D increased from R60.2 million to R272.1 million. This is the next tranche of funding to enhance the National Integrated Cyberinfrastructure System, which is allocated R3.6 billion over the medium term.

4.1. 2021/22 First Quarter (April to June 2021) Performance

At the end of the first quarter, the Department had spent R1.1 billion of the available budget of R8.9 billion. The Department planned to spend R1.7 billion (Table 3). The variance was mainly due to lower spending on transfers and subsidies for various projects within Programme 2: Technology Innovation and Programme 4: Research, Development and Support caused by administrative delays and the late submission of progress reports by entities and service providers. In addition, the Department underspent on compensation of employees, spending R81.2 million of the projected R89.5 million. The Department's headcount remained unchanged from the end of the 2020/21 financial year at 389. However, funded posts decreased from 470 to 457, resulting in 68 vacancies. The majority of vacancies, i.e. 31, sit in salary level 11.

The Department spent R5.1 million on COVID-19 related initiatives, comprising mostly consumables such as sanitisers, sanitiser dispensers and masks.

Table 3: Vote 35: Science and Innovation – Budget and expenditure summary at end-June 2021

R million	Main Appropriation	Available Budget	Q1 Actual expenditure	Expenditure as % of Available Budget	Q1 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
Programme								
1 Administration	328,2	328,2	56,3	17,2%	84,9	28,6	33,7%	0,5
2 Technology Innovation	1 780,2	1 780,2	230,6	13,0%	369,6	139,0	37,6%	0,0
3 International Cooperation and Resources	146,6	146,6	18,7	12,8%	33,4	14,7	44,0%	4,5
4 Research, Development and Support	4 949,2	4 949,2	355,4	7,2%	648,7	293,3	45,2%	0,0
5 Socioeconomic Innovation Partnerships	1 729,0	1 729,0	461,3	26,7%	515,5	54,2	10,5%	0,0
Total	8 933,3	8 933,3	1 122,3	12,6%	1 652,1	529,8	32,1%	5,1
Economic Classification								
Current payments	566,5	566,5	99,7	17,6%	147,8	48,1	32,5%	0,0
Compensation of Employees	358,0	358,0	81,2	22,7%	89,5	8,2	9,2%	0,0
Goods and services	208,5	208,5	18,4	8,8%	58,3	39,8	68,4%	0,0
Interest and Rent on Land	0,0	0,0	0,0	0,0%	0,0	0,0		0,0
Transfers and subsidies	8 364,0	8 364,0	1 021,4	12,2%	1 503,5	482,0	32,1%	5,0
Payments for capital assets	2,9	2,9	1,1	40,1%	0,9	-0,3	-28,9%	0,0
Payments for Financial Assets	0,0	0,0	0,1	0,0%	0,0	-0,1		0,0
Total	8 933,3	8 933,3	1 122,3	12,6%	1 652,1	529,8	32,1%	5,1

Source: National Treasury, 2021. 2021/22 Financial Year 1st Quarter Expenditure Report for the Standing Committee on Appropriations

The Department achieved 22 (73%) and did not achieve eight (27%) of the planned 30 quarterly performance targets.

Programme 1: Administration: Expenditure amounted to R56.3 million of the R84.9 million the Programme planned to spend. The underspending was attributed to slow spending on goods and services due to the COVID-19 pandemic limiting the attendance and/or hosting of meetings, both local and abroad. Key expenditure items included communication costs, operating leases and property payments.

Programme 1 achieved both (100%) its performance targets for the first quarter.

Programme 2: Technology Innovation: Expenditure amounted to R230.6 million of the R369.6 million the Programme planned to spend. The underspending was mainly attributed to delays in transfer payments to SANSA owing to incomplete contracts for the South African Earth Observation Strategy (SAEOS). Once, the Department's Legal Services drafted the addendum the transfers would be effected.

Programme 2 achieved three (60%) and did not achieve two of its five performance targets for the first quarter. The targets that were not achieved were:

- The National Intellectual Property Management Office (NIPMO) received 106 of the 130 planned disclosures from publicly financed R&D institutions. Ongoing engagements with relevant institutions are being pursued to ensure that disclosures are submitted to meet the next quarterly target.
- Six of the eight planned disclosures were licensed for the first time from publicly financed R&D institutions and recipients. Ongoing engagements are being pursued to ensure that license agreements that have been finalised are reported.

Programme 3: International Cooperation and Resources: Expenditure amounted to R18.7 million of the R33.4 million the Programme planned to spend. The underspending was mainly attributed to the effect of the COVID-19 pandemic, which limits the attendance and/or hosting of meetings, both local and abroad.

Programme 3 achieved six (86%) and did not achieve one of its seven performance targets for the first quarter. The target that was not achieved:

- South Africa did not support an international STI initiative focused on the SDGs due to implementation delays.

Programme 4: Research, Development and Support: Expenditure amounted to R355.4 million of the R648.7 million the Programme planned to spend. The underspending was mainly due to the following transfers and subsidies:

- Basic Science Development and Support: the payments for the National Institute for Theoretical and Computational Science (NITheCS), African Institute for Mathematics Science (AIMS) and Humanities and Social Science Researcher grants (HSS) were processed late in June 2021.
- Human Resource Development: The migration agreement between the Department, NRF and HSRC for the internship programme was not finalised. The payment will be transferred in July 2021.

Programme 4 achieved five (63%) and did not achieve three of its eight performance targets for the first quarter. The targets that were not achieved were:

- Only two of the seven Indigenous Knowledge (IK) Documentation Centres data were synced to the National Recordal System's central server. Key issues contributing to the data not being synced included equipment loss due to theft, ill staff, outstanding information and legal agreements, COVID-19 lockdown impacts and connectivity challenges. The mitigations included tasking the five IK Documentation Centres to complete the outstanding dimensions as indicated in the Data Quality Report. The Department will monitor these Centres through instituting bi-monthly virtual meetings to ascertain their progress on completing the outstanding work by 30 September 2021. A data synchronizing and connectivity plan has been developed.
- Due to COVID-19 challenges, the launch of the Cofimvaba Science Centre was postponed until the situation permits.
- Two of the three planned strategic and technical bilateral engagements with the NRF, Academy of Science of South Africa (ASSAf) and the South African Council for Natural Scientific Professionals (SACNASP) were held. The meeting with SACNASP was rescheduled due to urgent engagements relating to the Decadal Plan. The engagement with SACNASP took place on 2 July 2021.

Programme 5: Socioeconomic Innovation Partnerships: Expenditure amounted to R461.3 million of the R515.5 million the Programme planned to spend. This was mainly due to underspending on transfers and subsidies owing to delays in the following projects:

- Environmental Innovation Waste Roadmap: The contract was signed on 30 May 2021. The payment will be transferred in July 2021.
- Information and Communication Technology (ICT): The transfer payment was originally planned for May 2021 but was moved to July 2021 to allow for comprehensive planning for the implementation of ICT within the Department.

Programme 5 achieved six (75%) and did not achieve two of its eight performance targets for the first quarter. The targets that were not achieved were:

- None of the three planned industrially relevant knowledge and innovation products was added to the industrial development and green economy intellectual property portfolios through fully funded or cofounded research initiatives. This was due to late reporting from entities. The Department will request earlier inputs from entities.

- Not providing preapproval decisions within 90 days on 80% of applications received for the Research and Development Tax Incentive. Thirteen (43%) out of 30 applications were provided with a decision within 90 days. Mitigating actions included developing a new online system, employing new experts and improving the monitoring of the processing of applications.

5. Committee Observations

- The Committee welcomed the approval of the Decadal Plan by Cabinet and advised that the Department ensure the consultation processes take place as speedily and efficiently as possible and that the external consultations be inclusive.
- The Committee expressed concern with regard to underspending; specifically, within Programmes 2, 4 and 5, which was due to contract delays and insufficient documentation. Hence, the Committee requested an explanation of what was meant by “insufficient documents” and going forward, what measures were in place to prevent this from reoccurring.
- The Committee asked about the current vacancy rate, the reduction of funded posts and the status of the secondment of the Department’s Chief Financial officer (CFO) to the Department of Higher Education and Training, and the impact of these factors on the work of the Department.
- The Committee expressed concern about the under expenditure for the 2020/21 financial year and asked whether the unspent funds would be rolled over.
- The Committee requested a progress update with regard to the finalisation of the IK Act Regulations and the attendant consultation process, as well as the challenges experienced by the IK Documentation Centres.
- The Committee asked about progress in relation to aligning the Department and entities’ annual performance plans with that of the Decadal Plan.
- The Committee enquired about the establishment of the Inter-Ministerial Committee on STI, as well as whether a STI Plenary will be scheduled this year.
- The Committee emphasised the importance of ensuring that the Department’s presentations and reports adequately reflect all data pertaining to how the transformation agenda is being fulfilled.
- The Committee asked about the status of the institutional review of the Technology Innovation Agency.
- Despite the paucity of black women- and youth-owned STI-related companies, the Committee encouraged the Department to ensure greater inclusivity and access when procuring needed goods and services.
- The Committee enquired whether the Department and its entities could play a role in assisting with monitoring the triggers and drivers of unrest, and develop potential response frameworks.

6. Recommendations

The Portfolio Committee on Higher Education, Science and Technology, having considered the 2020/21 fourth quarter and 2021/22 first quarter financial and non-financial performance of the Department of Science and Innovation, recommends that the Department:

- Provide the Committee with a written report regarding its external engagement process for the Decadal Plan;
- Provide the Committee with a written report on the Department’s collaboration efforts, role and contribution to local vaccine development and manufacturing for COVID-19;
- Provide the Committee with a written report on its vacancies, the reduction of funded posts, the CFO vacancy and the impact of these on the Department; and
- Provide, in writing, additional detail on the IK Act Regulations, the consultation process for the Regulations and the status of the issues at the five IK Documentation Centres.

Report to be considered