

PRESENTATION ON MEDIUM TERM STRATEGIC FRAMEWORK (MTSF) MONITORING REPORT 2019- 2024

**PORTFOLIO COMMITTEE ON PUBLIC
ADMINISTRATION: 24 MAY 2023**



REPUBLIC OF SOUTH AFRICA



TABLE OF CONTENTS

01

Introduction and Approach

02

Methodology: Integrated Monitoring System

03

DPME prioritization approach to critical interventions

04

Monitoring report on the **deliverables** by government departments in the implementation of 2019-2024

05

Key challenges and burning platforms

06

Key recommendations for 2023/24

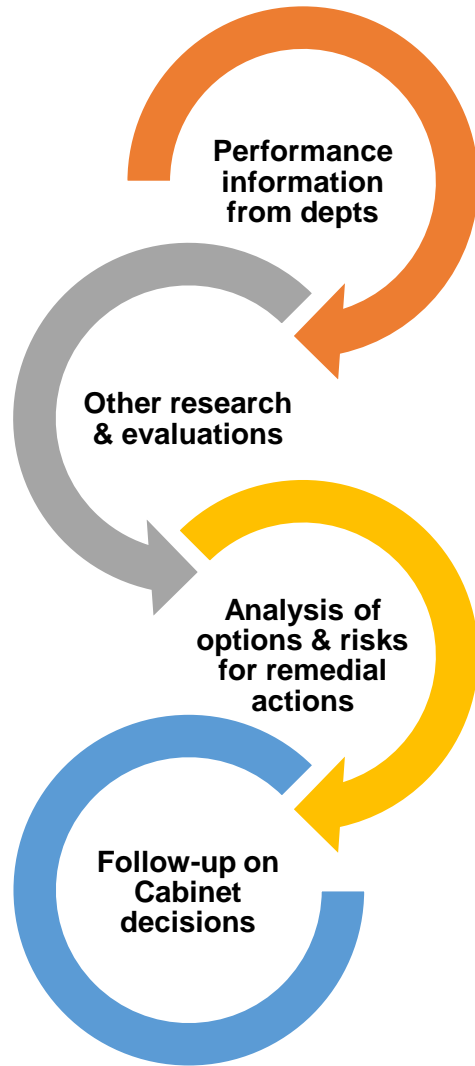
THIS PRESENTATION COVERS THE FOLLOWING THEMATIC AREAS

- Presentation focuses on progress, challenges and next steps in the implementation of the MTSF 2019-2024
- The Presentation is sectoral and departments contributing to each priority are mentioned in each priority
- It covers period up to the Midterm and the period April to September 2022:
 - Building a capable, ethical and developmental state (local government – governance and service delivery)
 - State of the economy (including rural economy and spatial integration)
 - Education, skills and health
 - Social wage
 - Safer communities
 - Social cohesion
 - Better Africa and better world
- Conclusion
- Details of performance attached in the Synopsis reports

PRIORITIES AND MAJOR CONTRIBUTING DEPARTMENTS

PRIORITY	CONTRIBUTING DEPARTMENTS
PRIORITY 1- A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE	All government departments
PRIORITY 2- ECONOMIC TRANSFORMATION AND JOB CREATION	DTiC, DPE, DPW&I, DoT, DSBD, DCDT, DALRRD, DFFE and all other economic sector departments
PRIORITY 3- EDUCATION, SKILLS AND HEALTH	DBE, DHET, DSI and DoH
PRIORITY 4- CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES	DSD, DoL&E all other social sector departments
PRIORITY 5- SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT	DWS, DHS, COGTA
PRIORITY 6- SOCIAL COHESION AND SAFER COMMUNITIES	SAPS, DOJ&CD, SSA, DoDE, DHA, NICOC, DSD, DASC, DoL&E and all other departments
PRIORITY 7- A BETTER AFRICA AND WORLD	DIRCO, DTiC, Tourism, DoD, SSA and DoJ&CD

METHODOLOGY AND APPROACH



- The methodology and approach adopted in this report on the implementation of the MTSF is anchored on results-based planning, monitoring and evaluation for evidence based decision-making. Results-based management and Theory of Change remain the foundations for impact-based planning, monitoring and evaluation and the achievement of development results
- Monitoring and analysis of lower order performance data can predict the achievement of higher order results allowing for early intervention towards intended results. Data collection, verification, validation, analysis, interpretation, synthesis, evaluation etc. - collect the right data at the right time
- Report covers Midterm of the MTSF as well as Bi-Annual up to September 2022

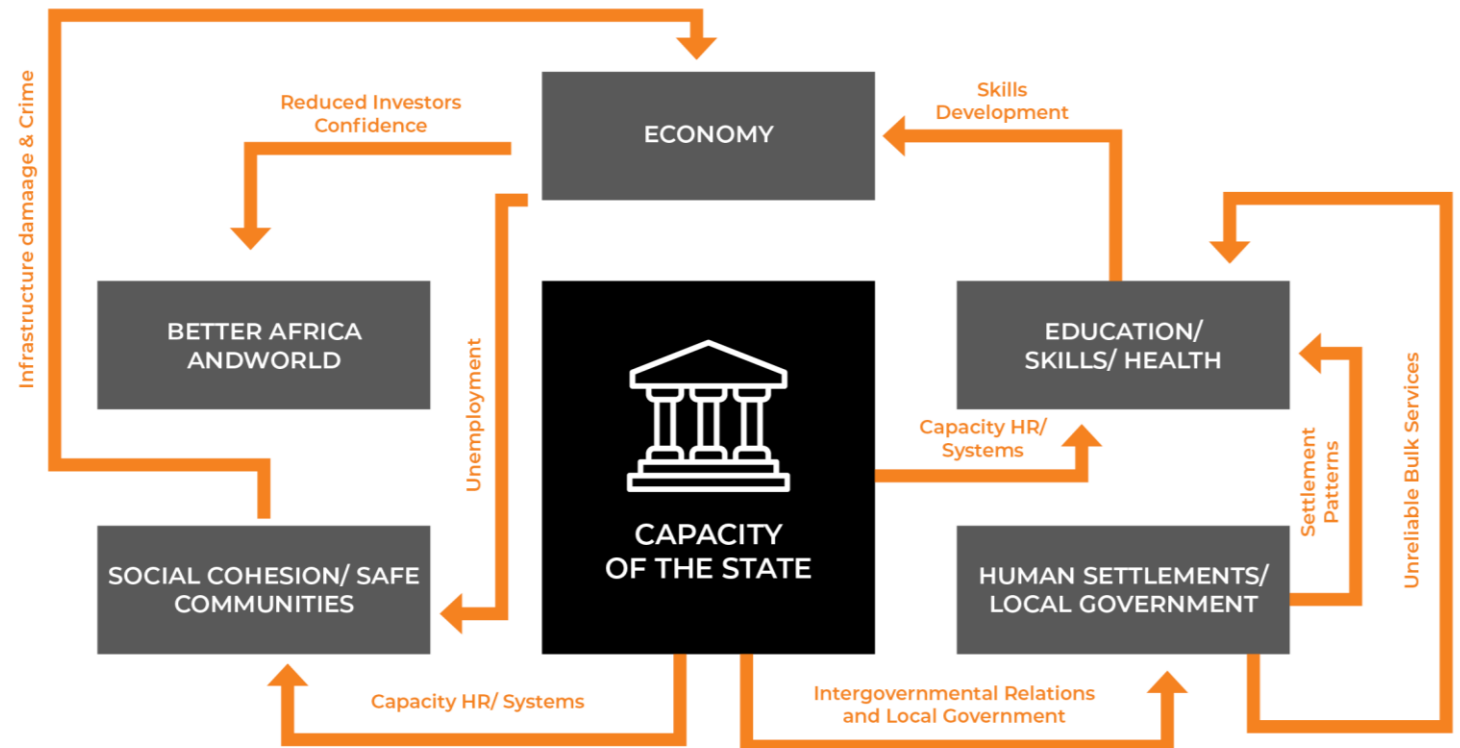
How the report was developed

- DPME uses a variety of data sources including data from government think tanks, research institutions, universities and multilateral organisations to analyse progress
- Sources of data include evaluations, research reports, policy briefs, case studies among others
- DPME also conducts verification visits of selected sites to understand impact of policy in the lived experience of users government services and from those implementing at ground level
- In addition DPME analyses administrative data to track progress and resource usage to achieve MTSF outcomes
- International comparisons were also done to benchmark progress
- Recommendations are made on the basis of evidence. Remedial actions are informed by the weighing of options and risk analysis in terms of potential for implementability and impact

PRIORITY 1- A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

A capable state is central to a healthy society through creating an enabling ecosystem for performance of all priorities:

- It is able to mobilize other social partners in pursuit of the developmental goals of the country
- It creates social cohesion including good relations with other regions and globally



A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

Key issues facing the country:

- Slow economic growth and development increases unemployment and poverty and reduces the ability to collect revenue and negatively impact the provision of services
- Sub-optimal functioning of local government which impacts on service delivery
- Inadequate budget prioritization and results-based budgeting in the context of limited budget available to fund government activities
- Increased unemployment also contributes to increased crime levels therefore putting pressure/demand on the already constrained SAPS capacity
- The poor state of development affects the capacity of the state to provide comprehensive social wage e.g. Education, National Health Insurance (NHI), Unemployment Insurance Fund (UIF)
- Policy and legislative incoherence and rigidity leading to path of dependence on existing institutions such as in the case of State Owned Companies (SOC)
- Poor performance of public entities that is hampering economic growth and putting strain on the fiscus
- Misalignment of the economic policy drivers (fiscal policy, competition policy, monetary policy, etc)
- Corruption and weak accountability erodes the capability of the state
- Eradication of bucket toilets reexamined - a challenge of uninstalled bulk infrastructure negatively affects human dignity
- Negative audit findings indicate regression in municipalities as indicated by the Auditor-General's report. This is due to poor accountability, corruption, lack of consequence management, etc
- Under recovery of water revenue by some water boards from the municipalities is increasingly becoming a challenge for the sustainability of the water boards
- Financial distress in (163 of 257 municipalities) resulting from poor governance, managerial practices, administration, service delivery and financial management
- Poor delivery of title deeds of both backlog and new title deeds - (6,9%) caused by systemic issues throughout the value chain such as rezoning, beneficiary administration thereby denying poor households a right to own a property and results in the dysfunctionality of the property market

A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

Progress:

- The National Framework towards the Implementation of the Professionalisation of the Public Sector, was adopted by Cabinet on 19 October 2022
- The National Anti-Corruption Advisory Council (NACAC) facilitated stakeholder engagements in the development of the State Capture Response Plan
- Programme to institutionalise professional code of ethics in public administration was successfully incorporated into the National School of Government's Compulsory Induction Programme
- District Development Model (DDM) One Plans developed and quality assured to enhance integrated planning
- Presidential Izimbizo conducted in NW, MP, FS, GP and NC to engage and respond to citizens on their concerns
- Grid electrification connections has increased to 571 878 (57,2%) households electrified against an MTSF target of 1 million to improve the quality of life of citizens
- 10 cities investing in the construction of the Integrated Public Transport Networks and 7 Bus Rapid Transits are operational and 8th is partially operational – Rustenburg
- The delivery of subsidized houses, serviced sites and rental units has increased from 295 633 (2021) to 340 276 (2022) improving the living conditions of households although government needs to shift away from building houses

DPME Initiatives to improve the capabilities of the State:

- Policy on Integrated Planning Framework
 - Establish an institutional framework for a new predictable planning paradigm and discipline within across all spheres of government
 - Support effective monitoring and evaluation of government programmes aimed at improved service delivery and positive impact of society, to provide for the continued existence of the National Planning Commission; and
 - Promote better coordination, collaboration and alignment of planning, monitoring and evaluation between and across the national, provincial and local spheres of government including public entities
 - Enhance the budget Prioritisation Framework to influence budget allocations
 - Strengthening Intergovernmental Relations (IGR) Planning Structures
 - Perform Provincial Growth and Development Strategies (PGDS) analysis to improve alignment
 - A total of 262 municipal capacity assessments through Local Government Management Improvement Model (LGMIM) completed

Burning Platforms:

- Implementation of the National Framework towards Professionalization of the Public Sector
- Leadership and Accountability on Performance Management Development System of Minister's and DG's Performance
- Key State Owned Enterprises Monitoring and Oversight
- Strengthening Disaster Management Policies, Framework, Coordinated System

FIGHTING AND PREVENTING CORRUPTION

Three initiatives provide leverage points at strategic, interventionist and operational levels for developing a coherent Presidential Anti-Corruption Programme



- 10 year strategic perspective
- Whole of society approach
- Reimagining institutional architecture



- President's response plan fast-tracks implementation of National Anti-Corruption Strategy through focused actions and interventions



- Locates Presidency / DPME at centre of monitoring and accountability for implementation of SIU recommendations
- Detailed focus on developing interoperability across different parts of implementation value chain

Program of Action 2023/24

- Approval of NACAC workplan
- Establishment of coordinating mechanism for disciplinary actions across public sector
- Establishment and capacitation of NACAC monitoring system

STRATEGIC INTERVENTIONIST OPERATIONAL

A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE

Recommendations:

- **Enhance speed of corruption-related consequence management through the allocation of designated capacity towards the implementation process of SIU PPE and Corruption Commission actions**
- Strengthen disaster management response coordination and capacity
- Repurpose Public Entities not focused on by Presidential State Owned Enterprises Council (PSEC)
- Speed up new legislation and amendments to legislative frameworks through enacting smart, forward-looking, adaptive and agile legislations. Implement recommendations of legislative review undertaken by the Presidency
- Strengthen citizen participation and the involvement of non-state actors such as academia, labour and business in diagnostic, design and monitoring of the current and next MTSF utilizing the District Development Model (DDM)
- **Amalgamate lower capacity municipalities, particularly those that are underfunded or struggling to generate revenue to enable cross subsidization**
- **Rationalize and merge less optimal water boards into larger regional utilities to expand services**
- DDM must be used to enable effective planning by municipalities and other spheres to focus more on Local Economic Development
- **DHS and DPWI to release strategically well-located public and privately-owned land for human settlements development and urgent rezone land within PDAs**
- Incorporate climate change targets and climate resilience considerations in human settlements plans - review and amend design standards to align with Draft National Infrastructure Plan 2050
- These actions will improve accountability and trust in government

PRIORITY 2- ECONOMIC TRANSFORMATION AND JOB CREATION

Progress:

- **Labour Migration Policy** with a strong focus on employment of locals, published for public comment
- **National Employment Policy (NEP)** – Phase 2 of the NEP process i.e. public consultations on the draft NEP, NEDLAC process and development of an implementation plan has commenced
- **Employment Equity Amendment Bill** passed by Parliament: May 2022
- **Special Economic Zones Programme** has attracted over 253 investors in various sectors, with over R61bn in investment commitments and a total of 19 013 jobs created in Q3, 2021/22
- **Revitalisation of Industrial Parks** implemented in 12 Industrial Parks (IPs) located across 7 provinces:
 - Phase 1 already completed and phase 2 currently being implemented in 6 IPs
 - Over R6bn in investment commitments with over 46 000 jobs created by end of 2021/22
- **7 Masterplans** completed and under implementation - Steel; Automotive; Clothing & Textile; Poultry; Sugar; Furniture & Forestry
- **3 Masterplans** completed but not yet implemented – Aerospace and Defence; Digital Economy & Creative Industries
 - 4 black owned-companies approved for the Automotive Transformation Fund support to the tune of R63.2 million, with a further 2 approved for support to the tune of R1.3bn
 - Public comments on the National Integrated Small Enterprise Development Masterplan have been received and draft report was presented to NEDLAC

Challenges:

- Masterplans not sufficiently clear on the role of SMME and black companies, this is being attended to by the cluster
- Procurement regulations are not yet fully utilised to enable local content & there is lack of policy synergy between local content legislation
- There is still no legal mechanism to implement private sector partnerships besides this having been mentioned repeatedly by the President and other government leaders
- Low levels of economic growth accompanied jobless growth over the past 10 years due to low investor confidence
- Most industries are characterized by barriers to entry for SMMEs - Competition Commission report
- Inefficient network industries which make the cost of doing business prohibitively expensive
- Bureaucratic processes, administrative burdens and inefficiencies (especially in obtaining operating permits and licenses) remain a deterrent to SMMEs development
- Lack of access to and fragmentation of markets for SMMEs

STATE OF THE ECONOMY

Recommendations:

- **Accelerate implementation of structural reforms (network industries and industrialisation) and ensure policy consistency with quick follow-throughs after policy announcements**
- Strengthen economic planning in government to ensure alignment of economic policies (i.e. industrial, competition, skills, fiscal & monetary policies)
- Accelerate the finalisation of the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill and the Protection of Constitutional Democracy against Terrorist & the Related Activities Amendment Bill, to address the legislative shortcomings raised by the Financial Action Task Force (FATF)
- Govt business incentives should be linked to supporting industrial masterplans & crowding in more private sector investments
- **Fast track the finalisation of the Public Procurement Bill & review of PPP regulations to leverage the state's full buying power**
- Labour market reforms needed - collective bargaining processes should be reviewed to accommodate SMMEs
- Processing of the draft Auto Green Paper (published for consultation) aimed at assisting SA to develop a framework for local e-vehicle production must be accelerated to ensure that electric vehicle policy is developed and implemented without delay
- The sector to fast-track the implementation of a regulatory mechanism on the sale of scrap metals in SA beyond the current Gazette 6 months ban
- Declare key economic instruments such as SEZs, IDZs and other key economic routes as National Key Points

INFRASTRUCTURE DEVELOPMENT

Progress:

- Operationalisation of Infrastructure Fund (IF, 2018), through enhanced blended finance capabilities - R24bn allocation over the MTEF
- Phase 1 of the National Infrastructure Plan (NIP, 2050) was gazetted for implementation in March 2022
- 25 Preferred Bidders were announced under Bid Window 5 with a total generation capacity of 2 583 MW. 3 projects received financial close for 420MW
- Electricity Regulation Amendment Bill on track – submitted to Cabinet in October 2022
- The National Rail Policy is expected to create policy certainty for the rail sector & it allows for 3rd party access/private sector participation
- PRASAs rolling stock fleet renewal programme is doing well with over 100 trains delivered since inception
- The Economic Regulation of Transport (ERT) Bill has been passed by the National Assembly. The ERT will promote competitiveness of the transport sector, encourage greater competition, enable equitable access to transport infrastructure & the establishment of the Transport Regulator
- Private Sector Participation framework has been developed for the rail sector & further refinement will be concluded in Dec 2022. Request for proposals issued for Private Sector Participation (PSP) for Durban & Ngqura Terminals aiming for October 2022
- Presidential Commission on the Fourth Industrial Revolution (PC4IR) Report approved by Cabinet in 2020 & strategic implementation plan finalised in March 2022, however there is concern about the delays in the roll out of the recommendations
- Spectrum auction concluded & more than R14.4bn revenue collected

Challenges:

- An action plan to end loadshedding announced in July 2022 & is under implementation by the National Energy Crisis Committee (NECOM) and performance remains a challenge
- Slow Implementation of infrastructure constrained due to funding mechanisms i.e. misalignment between the infrastructure fund and Budget Facility for Infrastructure (BFI)
- Energy unavailability a single biggest risk to doing business in SA; impacts on investor confidence; & a constraint to industrialization
- The rail sector is facing red flags due to inadequate investment in infrastructure, compounded by infrastructure theft & vandalism
- Poor performance of Transnet Freight Rail (TFR) impacts on achieving meaningful change in cargo transportation from road to rail & attaining this MTSF target. This results in increased trucks on road leading to congestion, accidents & damage to roads
- Finalisation of power purchase agreements under Bid (BW) Window 5 has delayed & there is 2-year lead time to reach commercial operation and connection to the grid with each BW
- Service reliability on the TFR network has reduced tremendously
- Although there were green shoots in the auctioning of spectrum; there have been delays in the implementation of the PC4IR recommendations thereby delaying some of the interventions to stimulate the digital economy
- Delays in the Digital Migration on the 700 MHz and 800 MHz hinder on realizing full benefits of spectrum auction. Analogue switch off has also not been finalised, this provides uncertainty to the market

INFRASTRUCTURE DEVELOPMENT

Recommendations:

- Urgent intervention is required to resolve the funding flow with regard to the Infrastructure Fund in order to avoid delays in implementation (i.e. project preparation, funding flow mechanisms, etc.) of infrastructure projects
- Evaluations must be undertaken for energy and infrastructure reforms' impact
- An independent assessment of the Energy Availability Factor to review the target should be undertaken in order to have a uniform target set by government that will drive the direction towards reforms
- **SA needs to fix its rail and port system urgently to be able to take full advantage of any future economic opportunity. Both port and rail infrastructure have declined over the years**
- **There needs to be an urgent replacement of copper in the rail network to curb theft. The use of Tiger-wire as piloted in the Central region and must be replicated across all corridors**
- Private sector participation in the transport sector must be fast-tracked to enable 3rd party access to slots and routes in order to utilise more rail corridors. This will curtail issues of theft and vandalism as less routes will lie dormant
- Fast track the implementation of the Digital Economy Masterplan and investment in digital infrastructure
- **Effective implementation of SA Connect must be fast tracked to ensure that all sites are connected, and the objectives of the programme are realized**

RURAL ECONOMY AND THE ENVIRONMENT

Progress:

- 781 031 (78.1%) ha of land allocated against the target of 1 million ha. However only 4 918 ha (0.63%) of land were allocated to women and 7 677 ha (0.9%) to the youth
- 131 033 hectares (Ha) of land were acquired between April to September 2022
- Land Expropriation Bill to replace Expropriation Act of 1975 presented to Parliament in September 2022
- 8 966 ha of degraded land has been rehabilitated back to production
- Cumulatively a total of 146 403 ha have been rehabilitated which translates to 97.6% of the target of 150 000 ha by 2024
- Process to institutionalize and implement the spatial development framework and implement National Spatial Development Framework (NSDF) was approved by Cabinet (March 2022) and has started
- Significant strides made towards Just Transition - Job resilience plans for Energy, Transport and Agriculture including the green hydrogen and Electric vehicle projects, renewable energy and climate smart agriculture being implemented

Challenges:

- Different view points on Spatial Planning and Land Use Management Act (SPLUMA) remain a challenge with negative implications for its implementation
- Inefficient Communal Property Associations (CPA) and Trusts leading to infighting amongst land beneficiaries and non-productivity of restored land
- Develop accountability mechanism within as well as outside departments to resolve red flags related to the functioning of TRUST and CPA Acts and continue to clarify the roles of the traditional leaders
- Degraded land and wetland rehabilitation remains very slow and poses risk to bio-diversity, land productivity and water quality and quantities
- Some environmental authorizations are not finalized within regulated timeframes
- Inadequate/ fragmented implementation of the rural development policies and regulatory frameworks (e.g. CPA, Comprehensive Rural Development Plan (CRDP) and Trusts Act are being reviewed)
- Uncoordinated spatial transformation and development tools: Environmental Management Framework, NSDF, Regional Spatial Development Framework (RSDF) and IDP planning tool and inadequate capacity
- Sector Emission targets and National Determined Contributions not yet institutionalized for performance and progress reporting

RURAL ECONOMY AND THE ENVIRONMENT

Recommendations:

- **Expedite Communal Property Act amendment to deal with amongst others duplicate committees on land reforms and other inefficiencies**
- **Fast track land acquisition and disposal post settlement supports aligned to strategic commodities, masterplans and spatial analysis**
- Implementation of reforms should be informed by the spatial analysis and spatial capabilities by 2024
- The budget allocations to all government programmes should also be informed by the spatial analysis and capabilities
- Climate Change response measures implementation reports should be in line with the Sector Emission Targets and National determined Contributions
- All environmental authorizations to be concluded by regulated timeframes



PRIORITY 3- EDUCATION, SKILLS AND HEALTH

Progress:

- **Migration of Early Childhood Development from basic education to social development** – though resources are a challenge going forward.
- **Increasing quality passes:**
 - South Africa is on a positive trajectory in terms of Bachelor passes with the targets exceeded (at 278 814 against a target of 190k for 2024)
 - Maths and Science students scoring above (60%) is improving, 35000 target likely to be reached. Limited number of learners taking technical subjects

Increasing access:

- Cost of higher education as a barrier is being reduced by funding **eligible National Student Financial Aid scheme (NSFAS) students**, sustainability remains a challenge; missing middle not covered
- **University enrolments are increasing** but percentage adults with degrees is still low to support a knowledge economy

Challenges:

- **Weak learner performance in Mathematics, Science and Languages**, shown in international assessments
- Slow eradication of infrastructure backlogs
- School ICT connectivity for teaching and learning is very low, around 20%. Urgently need to ensure that all schools are ICT connected especially rural schools with speeds supporting learning and teaching
- Shortage of special schools for learners with disabilities
- Unsustainable Post-School Education and Training (PSET) student funding
- Low throughput and enrollments of TVET Colleges not supplying technical skills needed by the economy – South Africa needs a productive skills base
- Only (43%) of children in SA are ready to be at school by the time they reach age 5 yrs. old - i.e. on track on physical growth and Early Learning
- Limited efficiency and quality in the production of graduates both at Basic Education and PSET levels
- Low labour absorption rate of TVET colleges graduates

EDUCATION AND SKILLS

Recommendations

- Migration of ECD to DBE must focus on increasing access as well as providing a comprehensive and quality ECD with appropriate resources
- **Incentives for private sector to support accelerated school connectivity in the shorter time**
- **Finalise new student funding policy by 2023/24, that is sustainable, aligned to the economic skills needs, with income contingent loans, incentives for graduating on time and for private sector to fund more students**
- The sectors need to improve efficiency of producing qualifications both at school, PSET levels, improving quality of teachers and lecturers and reduce dropout rates
- Sector must develop programs that make education a societal issue as a way to improve quality and protect resources in the sector



HEALTH -Component

Achieving Universal Health Coverage through National Health Insurance

Progress:

- NHI Bill declared desirable by Parliament (May 2022)
- The clause-by-clause review of the NHI Bill was completed in November 2022
- Building blocks of an NHI system already in place:
 - Health Patient Registration System has registered 59 million people;
 - National Human Resource Plan completed in 2020;
 - Over 47,000 Community Health Workers appointed to support community-based Primary Health Care service

Challenges:

- Two key MTSF 2019-2024 targets were missed over the midterm period:
 - NHI Fund should have been operational by Dec 2020;
 - The NHI Fund should start purchasing services by 2022/23
- The target that 75% of South Africans should be covered by NHI by 2024 is unlikely to be achieved
- The NHI Bill is still in Parliamentary processes

Recommendations:

- **Develop & implement a publicly visible National Quality Improvement Plan to improve the quality of health services - this is one of the stated conditions for successful implementation of NHI**
- **Commission a state of readiness assessment for NHI post-COVID-19**

HEALTH- Component

Life Expectancy (LE) of South Africans at birth

Progress:

- Health outcomes are improving again in 2022 following a decline between 2020 and 2021 (StatsSA, 2022)
- Average Life Expectancy (LE) at birth has increased from **61,9 years** in 2021 to **62,8 years** in 2022 – Both Male and Female LE have improved
- Under-5 mortality has improved from **35,2 deaths** per 1,000 in 2020 to **30,7 deaths** per 1,000 in 2022. **MTSF target of <30 per 1,000 is likely to be met**
- IMR has improved from **25 deaths** per 1,000 in 2020 to **24,3** per 1,000 in 2022. **MTSF target of <25 per 1,000 by 2024 is likely to be met**
- 51.32% of adult South Africans vaccinated against Covid-19, set target was 70% by December 2021- 1.3% increase compared to 50.64% in June 2022

Challenges:

- Significant variations in health outcomes between Provinces; including Life Expectancy and the Severe Acute Malnutrition Case Fatality Rates
- Medico-legal claims amounting to R124billion are consuming resources meant for health services delivery. Covid-19 pandemic impacted negatively on South Africa's health outcomes, including Life Expectancy at birth
- Treasury data reflects that health budgets in real terms (inflation-adjusted) are likely manageable for the financial year **2022/34**. However, there is a large real decline in **2023/24**, compared to pre-Covid-19 levels (2019/20)

Recommendations:

- Track variations in health outcomes between Provinces to ensure equity
- Post-Covid-19 strengthening of the health system is imperative: To the extent possible, Healthcare workers appointed as part of the Covid-19 response should be retained
- **Health sector and the Department of Justice should report on the implementation of its medico-legal strategy to FOSAD and Cabinet Committee on SPCHD quarterly basis.**
- Protect the health system from deep budget cuts

PRIORITY 4- CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES

Progress:

- **Increased access to social assistance:** 7 provinces (with the exception of Western Cape and Gauteng) have at least 1 in 2 people receiving social grants – with Limpopo at 71% for social assistance (i.e. all grants including the Social Relief of Distress)
- **South Africa has achieved universal access to basic education** with 98.3% of 5-year old children attending Educational Institutions in 2019; 99.4%
- 6-year old children attending Educational Institutions in 2020
- **Basic Services:** 2,2 million indigent households received free basic water services; 1,8 million received free basic electricity; 1,5 million received free sewage treatment, and 2 million received free solid waste removal services. 81,9% of South African households lived in formal dwellings (GHS 2021). It will be imperative to evaluate reliability and availability of basic services
- **Job opportunities created through Public Employment Programmes**
- ECD migrated from DSD to DBE although it is still too early to measure impact. This is an ongoing matter

Challenges:

- **The payment of social assistance remains fraught with red flags** – e.g. South African Post Office and South African Social Security Agency (SASSA) cards have weak security features that will be costly to amend
- Inefficiencies in the grants payments system
- **Policy gaps and slow policy/making/legislation** e.g. provision for 18 to 59 after the lapse of the SRD grants. Slow in the development of a Social Insurance for atypical workers (such as artists); comprehensive social security does not exist; white paper on social development delayed, NHI Bill
- **Inefficiencies & Path dependency** e.g. UIF targets not met; road accident fund accumulated deficit of R322bn – liabilities exceeding assets by R300bn

Govt's in-optimal social protection policy leads to poor quality and gaps in coverage for social security & *ad hoc* social security interventions - on average reach only 43% of its potential productivity as an adult

Social Welfare space is underfunded:

- Inadequate compliment of social welfare practitioners, needed is 55 000 but only 18 300 currently in the system
- Arising from the NAWONGO case – government is obliged to provide proper/sufficient funding for NGOs
- Not enough shelters for victims and survivors of Gender Based Violence and delays in the implementation of minimum package (e.g. HIV prophylaxis kit, counseling, etc.) of Gender Based Violence (GBV) survivors

SOCIAL WAGE- Component

Recommendations:

- Sector to fast track policy development: (i) White paper on social welfare and requisite standards; (ii) Comprehensive social security policy framework (e.g social grant, injury on duty, UIF, etc.); (iii) Social insurance for atypical and own account workers; (iv) coverage for 18 – 59 with permanent feature of the social wage – “guarantee”, (v) Policy for homelessness
- Sector should establish social protection register - National Integrated Social Protection Information System (NIPSIS) will enhance universal coverage and reduce double dipping
- **Urgently review the Road Accident Fund operating model to lessen the potential burden on the state**
- **Resolution of grant payment challenges**



PRIORITY 5- SPATIAL INTEGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT

PROGRESS

- Increased investments in Priority Development Areas (PDAs) aimed at reducing spatial inequality with 54 integrated implementation plans.
- Increase in the number of households assisted to purchase units through Finance Linked Individual Subsidy Programme (FLISP) – 15 959 (79.8%) and number of housing units delivered – 171 228 (57.1%).
- 2019 – 2021 performance for housing opportunities provided was 295 633 (46%) and increased in April – September 2022 to 340 276 (52,9%) - increased number of new homeowners.

RECOMMENDATIONS

- Unlock implementation and upscale upgrading of informal settlements - resolve blocking issues: implementation and programme management capacity at different levels of government.
- Urgently address systemic issues contributing to the growing title deed backlog; consider best practice models.
- A review of the regulation of land prices to support the functioning of property markets has to be considered by relevant stakeholders.
- Fastrack the unblocking of the blocked project programme.

CHALLENGES

- Since 2019 - declining delivery year-on-year in the provision of adequate housing whilst the demand ever increasing due to migration and reduction of household size.
- Slow progress on land rezoning in PDAs is perpetuating social and economic exclusion
- Slow progress on upgrading of informal settlements to Phase 3 have negative impact on households that live in inhabitable living conditions.
- Systemic issues in title deed value chain: Slow title deed delivery on new projects not matching the annual output of new projects is adding to existing backlog.
- Failure to regulate land and property markets - high cost of housing forcing many poor and working-class households to live on edge of the city.
- Blocked projects – risk of financial and credibility loss; delay beneficiaries' access to quality shelter.

LOCAL GOVERNMENT – Component

PROGRESS



Electrification of households

- Increase in grid connections - addition of 10 314 grid electrification connections - cumulative total of 571 878 (57,2%) households electrified against MTSF target of 1 000 000.
- 25 157 (34%) households electrified through non-grid mechanisms.



Public Transport

- 10 cities investing in the construction of the Integrated Public Transport Networks (IPTNs) - 8 Bus Rapid Transit
- Additional priority rail network corridors have been partially restored.
- Integrated Public Transport Network (IPTN) contributes towards spatial transformation

Multi-party government coalitions are unstable



Water and Sanitation

- Additional 3 bulk water supply projects were completed
- The provision of adequate sanitation, 84,1% of households have access to improved functioning or hygienic sanitation facilities in 2021

CHALLENGES

- Delayed roll-out of Municipal Electricity Infrastructure Asset Management framework, meant to assist:
 - municipalities facing an increasing problem of ageing and deteriorating infrastructure; and
 - improve the management of infrastructure assets through adopting more efficient, sustainable, and proactive asset management strategies.
- Slow progress on maintenance and refurbishment of municipal electricity networks. Constant interruption of electricity services.
- Delayed implementation of Bucket Eradication Programme
- Poor governance - Lack of accountability structures and corruption in municipalities
- Ineffective Section 139 interventions - Lack of political will to decisively implement turnaround strategies designed to address institutional weaknesses.



Sustainable Waste Management

- Regular refuse removal services rendered to 60,3% of households nationally.

RECOMMENDATIONS

- Expedite finalisation of Intergovernmental Monitoring, Support, and Interventions (IMSI) Bill to address the increasing number of distressed municipalities
- A coherent framework to be developed to strengthen coordination and collaboration with sector departments in supporting provincial counterparts in the development and monitoring of financial recovery and turnaround strategies for municipalities in distress or under administration in terms of section 139 of Constitution
- Conduct cost-benefit assessment of the IPTN in cities to assess the feasibility and whether this is socially beneficial and profitable.



PRIORITY 6- SOCIAL COHESION AND SAFER COMMUNITIES

Progress:

- Cabinet approved the **Integrated Crime and Violence Prevention Strategy (ICVPS)** in March which proposes a whole of government and whole of society approach by acknowledging that safety is the responsibility of all
- **Police visibility** – Survey indicated that 72.4% respondents indicated that there is either a police officer or vehicle patrolling in communities
- **Combat Corruption** - 8 Special Commercial Crimes Courts were designated against (the target of 5) to deal speedily with economic crimes (e.g. infrastructure vandalism, illicit goods, etc.)
- 10 358 SAPS new recruits (entry levels constables) enrolled in 2022

Challenges:

- 36.4% increase in reported crimes against women whereas the target was to reduce by 9,17%
- Slow green shoots in the recovery of money and assets that are the proceeds of crimes - only R15 m (cumulatively R596m) recovered against a targeted R5.4bn over 5 years
- The cost of securing cable infrastructure detract resources from other critical security services
- Porous borders and illegal immigration
- Limited budgets within the cluster to deal with crime and corruption beside allocation to the sector
- Serious organized crime continues to be a threat to the State's authority and the safety and security of the citizens of South Africa
- Survey on perceptions and experiences of the public on the quality of services rendered by SAPS shows 42.74% expressed confidence in the police
- Lack of implementation and synergy on the crime and corruption development policies and regulatory framework
- The capacity of security cluster remain inadequate including on cyber security

SAFER COMMUNITIES- Component

RECOMMENDATION

- **Enhance visible policing, including through additional SAPS recruits**
- Improve environment design to address crime. Stakeholder engagements are critical to obtain geo-location requirements (e.g. Street names & street numbers) to assist policing efforts
- South Africa should maintain its border and domestic security to safeguard her territorial integrity
- **The sector to consider digitization as a means to compensate skills shortage within the MTEF**
- The appointment of the 200 members placed at the Border Management Authority (BMA) is a good development, however other aspects of the BMA must be concluded within the MTEF
- All departments in the cluster are facing capacity constraints such as HR and limited funding, however, DPME is developing a toolkit to obtain an in-depth evaluation to assist departments in this sector



SOCIAL COHESION- Component

Progress:

- **Fostering Constitutional Values:** The Hate speech and Hate crimes Bill is being processed by Parliament. Public hearings were held on 21 March 2022. Ministerial Circular directing the recital of the preamble of the Constitution in schools have been distributed to all 9 provinces for implementation
- **3 heritage legacy projects completed** (Winnie Mandela House, Khananda Memorial Site, OR Tambo Garden of Remembrance)
- **9 Provinces** are rolling out digital platform for interactive engagement between government and communities

Challenges:

- Failure to foster knowledge of constitution and constitutional values hence persistent racism, sexism and poor adherence to rule of law
- Privilege attached to race, class, space & gender not been reversed
- Slow redress - Economic, Land, Spatial and Cultural redress in SA
- Prevalent socio-economic inequalities, structural and systemic exclusion continue to influence the society and impact negatively on trust in government and institutions
- Historical legacies and patriarchal systems that remain intact and perpetuating attitudes of intolerance and violence in society
- Inadequate engagements with society in promoting constitutional values and advocacy for an inclusive society

SOCIAL COHESION

Recommendations

The achievements of social cohesion depends on performance across all other sectors:

- **Redress: implementation of BBBEEE; land reform; quality social wage; and cultural redress, etc.**
- Focus on consolidation and transformation of existing infrastructure over building new “monuments”; spatial redress; language redress
- **Fostering constitutional values:** Implementation of the Ministerial Circular directing the recital of the preamble of the Constitution in over 22 000 schools
- Position cultural development aspects (e.g. creative industry, heritage and museum infrastructure, commemoration of the national days) as advancement for value inculcation, inclusion & economic development
- **Legislation:** Finalisation of the Employment Equity Amendment Bill and the Prevention and Combating of Hate Crimes and Hate Speech Bill will serve as catalyst towards addressing racism, discrimination, xenophobia and related intolerances
- **Social compacting** (through a multi-sectoral approach such as traditional leadership, religious fraternity, civil organizations, etc.) should be revived as a key driver and opportunity for the nation building project through effective participatory governance

PRIORITY 7- A BETTER AFRICA AND WORLD

Progress

- Since the first South Africa Investment Conference (SAIC) in 2018, the total investment commitments amount to R1.14 trillion, representing 95% of the R1.2 trillion 5-year target
- Regarding the increase in intra-Africa trade through the implementation of the African Continental Free Trade Agreement (AfCFTA), negotiations on the tariff offers and rules of origin (concerning Trade in Goods) and specific commitments on Trade in Services are still ongoing

Challenges:

- Current security circumstances in the Southern African Development Community (SADC) has serious implications for the movement of people and economic situation
- The inability to attract adequate investments to reverse the economic downturn, the decline in growth in developed economies, volatility of the Rand, energy and water supply shortages are some of the Red flags experienced in the conduct of international affairs
- COVID-19 hampered initiatives to increase the value of exports facilitated through the Export Marketing and Investment (EMIA) fund as many international shows were cancelled and travel restrictions imposed, impacting export promotion activities
- There is a need for cooperation between SAA and other airlines to create a Pan African airline that can benefit South Africa, the region and the continent in boosting tourism
- The current demise of the aviation sector through the collapse of SAA, amongst others, has negatively on South African tourism sector as well as contributed to the rise in fuel prices domestically

Recommendations

- **Regarding SACU's tariff offer to the African Continental Free Trade Area - engagements in SACU should continue with the aim of finalizing the 90% tariff offer for verification and implementation. Currently there is a deficit of 28 tariff lines to meet the threshold**
- SA to continue to advocate for multilateral & an expedient peaceful resolution of the Russia-Ukraine conflict
- Development of an aviation strategy in partnership with other key stakeholders
- Government to assess the Revised Regional Indicative Strategic Development Plan (RISDP) (2020 – 2030) to determine Red flags and future trajectory to grow the SADC region
- **Preparation for hosting the next BRIC summit in August 2023**

Key Message:

- In the face of adversity arising from unemployment, poverty and inequality, government has expanded the safety net to the most vulnerable segments of society
- Human capability is being improved through access to basic and higher education, healthcare and social security

NDP targets falling behind:

- **Elimination of poverty** - Poverty is rising. The percentage of the population living below the food poverty line is estimated to be at 32.6% from 20.5% in 2011;
- **Reduction of inequality** - Inequality is stagnant at best
- **Creation of 11 million net jobs** – Official unemployment rate was 33,9% in Q2 of 2022 compared to 34,5% in Q2 of 2022 (StatsSA, QLFS Survey, 23 August 2022)
- Expanded definition: **44,1%** unemployment rate in Q2 of 2022
- Youth unemployment: **46,5%** in Q2, 2022

CONCLUSION

Key Priorities include:

- **Developing a capable and developmental state:** accelerate the implementation of the National Framework towards the Professionalization of the Public Service including the creation of the Head of Public Administration, skills audit, lifestyle audit
- **Energy security:** The government must commit solid timeframes for the review of the Integrated Resource Plan (IRP) 2019 to update electricity demand projections & generating scenarios revise the Independent Power Producer (IPP) procurement method to allow consolidation of BWs & reduce the lead time of getting additional energy to the grid energy
- **Implementation of structural reforms:** (network industries and industrialisation) and ensure policy consistency with quick follow-throughs after policy announcements: Transnet to ensure that the KZN Ports Masterplan is finalized and address port inefficiencies in the Ports of Durban to optimize exports;
Implementation of Operation Vulindlela
- **Dedicated focus on Youth Unemployment** including through access to Post School Education and Training (PSET); entrepreneurial skills development programmes and SMME opportunities; amongst others
- Enhance **visible policing**, including through additional SAPS recruits. Strengthen the criminal justice system value chain in order to address crime and corruption
- **National interest:** South Africa to define and articulate its national interest; maintain its border and domestic security to safeguard her territorial integrity
- Implement an integrated **Just Transition Strategy** that is funded and promote the Decadal Plan

To Request Portfolio Committee to use the information provided in the report to hold departments accountable for the Programme of Action



THANK YOU