



NATIONAL DEVELOPMENT AGENCY

**Annual Performance Plan
for
2023/2024**

Executive Authority Statement

The war against poverty challenges all of us to put on our thinking hats and come up with strategies and plans that bring about meaningful change, in the lives of marginalized communities. The state of the economy, world-wide, is very worrying but this does not mean that we have to abandon our responsibility to continue to positively change the lives of people in our communities who are faced with daily struggles presented by poverty.

The National Development Agency (NDA) to this effect, started working on its Turnaround Strategy that will see the Agency taking bold steps in addressing poverty, in line with its mandate of contributing towards the eradication of poverty.

The main pillars of this Turnaround Strategy will be the alignment of interventions taken with the District Development Model (DDM) which makes use of partnering with all key stakeholders such as government, private and civil society sector partners to bring about meaningful change, not piece-meal development initiatives. The DDM starts with a common and shared strategy development, shared outcomes and impact measures. This allows all players in a given district to identify how they each contribute, shape and build a better South Africa.

This approach ensures that all development interventions put people first and are informed by the conditions that people live-in and seek solutions to address, not one aspect of community development, but also bring other stakeholders on board to address issues related to their community development mandates. The model is geared towards improving integration between national, provincial, local government and other organs of state in the implementation of government budget and programmes.

The DDM approach will bring service delivery to the heart of communities and harness the uniqueness of resources existing at a district level, to enable communities to develop, uplift themselves out of poverty and become self-sustainable, thereby reducing the dependency on state resources.

To positively contribute to this, the social development portfolio (DSD, SASSA & NDA) has adopted a sectorial approach towards planning, programming and implementation of the sector interventions. The portfolio approach effectiveness is grounded on having a shared and common purpose and goal in planning and implementing their programmes and interventions geared towards reducing the levels of poverty, inequality, vulnerability and social ills so as to ensure that communities are empowered, not only through economic programmes but also through the justice system that works with civil society organisations that inform people of their

rights to justice. This is and will continue to be achieved through working with various civil society organisations (CSOs) operating in these communities.

The NDA, as a development agency in the Social Development Portfolio, plays and will continue to play a critical role in coordinating efforts to address under-development which keeps our people trapped in a circle of poverty. The long-term goal is to reduce the number of people depending on social security through identification of opportunities for self-reliance.

This financial year, the NDA will finalise its Turnaround Strategy, with the guidance and direction of the Board that I appointed in December 2022. This will unlock all internal and external plans aimed at improving how the Agency implements its community development programmes.

My Entity Office and I will be closely monitoring the performance of the NDA, not only to ensure implementation of this Annual Performance Plan, but also ensure that interventions do really make a difference in the lives of our people. I will be going around the country to monitor progress and engage with some of the beneficiaries of these interventions.

It is my pleasure to present to you the NDA's 2023/24 Annual Performance Plan.



Hon. Ms Lindiwe Zulu, MP

Minister of Social Development
National Development Agency

Accounting Authority Statement

The 2023/24 financial year represents the final year of implementation of the 5-year Medium Term Strategic Framework (MTSF) which amongst others prioritised the strategic outcomes of good governance, strategic partnership development, sustainable development of poor communities and influencing policy development through thought leadership. These outcomes shaped the development of the 5-year Strategic Plan and subsequent Annual Performance Plans (APPs), of which the 2023/24 APP is the final instalment.

The 2023/24 APP is developed amidst the finalisation of the turnaround strategy. The key aspects of the finalisation process relate to putting together mechanisms to raise funding from outside the fiscus to increase available resources to fund poverty eradication programmes and projects implemented by CSOs in order to achieve our mandate. The finalisation process also includes, the reconfiguration of the service delivery model and redefinition of the services offerings in line with the NDA mandate.

Specifically, the Turnaround strategy craft a clear path of taking out individuals and families out of poverty through a range of income generation projects and other sustainable development support interventions. The Turnaround Strategy will therefore refocus the interventions towards poor communities, poor families and poor individuals using development concepts, such as, cooperatives, CSOs, social enterprises to eradicate poverty and its causes. The strategy will also increase collaboration with relevant government insitutions and other developmental partners in in line with the District Development Model aspirations of service delivery integration to fight poverty.

The 2023/24 APP is purposefully focusing on increasing funding to poverty eradication programmes from not only the government allocation, but from partnerships from private and public sectors to fund community based development programmes and projects to provide sustainable economic activities and livelihoods in poor communities. For this reason, the NDA will develop a Resource Mobilisation Strategy and Model which will be crucial in providing guidance on the type of developmental interventions to be funded and the sources of such funding.

Evaluations are important to measure the evidence of implementation and generate lessons to improve implementation of internal NDA programmes. The NDA uses its evaluation approaches, methodologies and capacities to continuously measure outcomes and impact of these programmes and to adjust them where necessary for them to achieve greater impact.

The focus of research in the current APP will be on providing better understanding on how to develop, structure and implement poverty eradication programmes and projects. Specifically,

the Research Programme outputs are used in the development of poverty eradication funding proposals to ensure effective pathways out of poverty for the poor. This research outputs are meant to inform the engagements with the state and social partners on how to create an enabling legislative and policy environment conducive for poverty eradication programmes to ensure success.

The new turnaround strategy of the NDA present an opportunity for the Agency to create effective mechanism, within the Department of Social Development Portfolio to strengthen the developmental aspect of the portfolio in making a significant impact on ensuring that the welfare aspect of the department mandate is supported by an effective developmental aspect which is responding directly to the needs of the poor thus providing them with sustainable pathways of getting themselves out of poverty. Those people and families, that are currently in databases of the social security systems registers and municipal indigent registers, who are of productive age, are the target of provision of developmental services to provide them with pathways of creating community owned enterprises which provides them with the control of local economies and ensure that wealth is distributed and circulate within these local communities.



Ms. Nozabelo Bhengu

NDA Board Chairperson
National Development Agency

Accounting Officer Statement

In the last two financial years, the NDA has significantly reduced the Irregular, Fruitless and Wasteful (IFW) expenditure through putting in place internal processes for consequence management and ultimate condonation by National Treasury. In the 2023/24 financial year, the NDA will continue to work on fulfilling the internal requirements for IFW condonation and subsequently submit 90% of such IFW cases to National Treasury for condonation and final removal from the NDA books.

In an effort to scale up support for the implementation of the service delivery programmes, the NDA will through the Corporate Services functionary, develop and deploy the Electronic Grant Funding Tool and undertake targeted Staff Training Interventions to ensure creation of required skills for improved service delivery.

Working through CSOs, the NDA will fund 100 CSOs and resultantly create 3000 sustainable gainful economic activities, these will mainly be derived from the grant funded cooperatives and income generation projects earmarked for funding CSOs made up of individuals who currently are recipients of social grants. The capacity building interventions will focus on institutional management and technical skills to improve the capabilities of beneficiaries to sustain their economic activities, and a total of 2500 CSOs and 5000 individual beneficiaries will be capacited as a result.

The research programme of the NDA will focus its work in producing outputs that will support policy making in ensuring that CSOs, government and private sector engage on policy reforms that will promote development interventions targeting the poor including creating an enabling environment for implementing development programmes aimed at fighting poverty and reducing unemployment.

The outcomes of research conducted by the programme informs the development policy impediments in the implementation of development programmes by the state organs. Out of 3 researches that will be conducted in the 2023/24 financial year, 2 dialogues and 3 policy briefs will be produced to provide a basis for debate on development of strategies to lobby the policy makers in removing obstacles that have negative effects on implementation of development programmes.

It is through this programme that the state, when lobbied with facts and evidence can align policy intentions to effective implementation, mechanisms, plans and shared vision and goals across development programmes. The Research programme will not only produce research outcomes and dialogue proposals but will importantly provide empirical evidence for development policy review.



Bongani Magongo

Acting Chief Executive Officer
National Development Agency

Official Sign-Off

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the National Development Agency under the guidance of Honourable Minister Lindiwe Zulu.
- Takes into account all the relevant policies, legislation and other mandates for which the National Development Agency is responsible.
- Accurately reflects the Impact, Outcomes and Outputs which the NDA will endeavour to achieve over the period 2023/24 financial year.



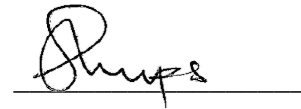
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Corporate Services



Susan Khumalo
Chief Operations Officer



Simon Baloyi
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Bongani Magongo

Acting Chief Executive Officer



Hon. Ms Lindiwe Zulu, MP

Minister of Social Development

Date: 31 March 2023

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PART A: OUR MANDATE

1. Updates to the relevant legislative and policy mandates

The National Development Agency (NDA) is an agency of government that reports to Parliament through the Department of Social Development. The NDA is classified as a public entity under schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999), and was established in November 1998 by the National Development Act, 1998 (Act No. 108 of 1998) (NDA Act) as government's response to the challenge of poverty and its causes in South Africa. The NDA plays a critical role in contributing towards shifting the country from the scourge of poverty towards total eradication of poverty. Through the Act and various policies, the NDA contributes to – but is not limited to – the advancement of economic development, social cohesion, access to basic human rights and skills development. This contribution of the NDA supports the National Development Plan (NDP) 2030 outcomes for a greater and better South Africa. The diagram below presents a non-exhaustive list of the legislative and policy mandates of the NDA that will be discussed further:



Figure 1: NDA's Legislative and Policy Mandates

Constitutional mandates

The NDA strategic intentions and objectives are guided by the requirements of Chapter 2 of the Constitution of the Republic of South Africa. Chapter 2 of the Constitution outlines the Bill of Rights which sets out the fundamental rights of all South Africans, including the right to dignity and the right to equality. The Bill of Rights also states when rights may be limited. The NDA-legislated mandate requires the NDA to contribute towards poverty eradication and its causes, thus responding to the Bill of Rights to affirm the rights to health care, food, water, social security, children and education rights.

Legislative mandate

NATIONAL DEVELOPMENT AGENCY ACT

The NDA's mandate is derived from the National Development Agency Act, 1988 (Act No. 108 of 1998). In terms of the Act, the primary objective of the NDA is to contribute towards the eradication of poverty and its causes by granting funds to CSOs for the purposes of:

- (a) carrying out projects or programmes aimed at meeting the development needs of poor communities; and
- (b) strengthening the institutional capacity of other CSOs involved in direct service provision to poor communities.

The secondary objects of the NDA in terms of the Act are-

- (a) to promote-
 - (i) consultation, dialogue and sharing of development experience between CSOs and relevant organs of State; and
 - (ii) debate on policy development
- (b) to undertake research and publication aimed at providing the basis for development policy.

Further, the agency is required to implement programmes that respond to the following areas of responsibilities:

- (1) The NDA must -
 - (a) Act as a key conduit for funding from the Government of the Republic, foreign governments and other national and international donors for development work to be carried out by civil society organisations.
 - (b) Develop, conduct and co-ordinate policy relevant to its objects referred to in section 3;
 - (c) Contribute towards building the capacity of CSOs to enable them to carry out development work effectively; and
 - (d) Create and maintain a database on CSOs, including, but not limited to, the scope and subject matter of their work and their geographical distribution, and share the information in that database with relevant organs of State and other stakeholders.
- (2) The NDA may –
 - (a) Grant money from its funds –
 - (i) in accordance with such criteria and procedures as the NDA determines; and
 - (ii) with due regard to the NDA's primary object referred to in the NDA Act to any CSO for any project or programme that an organisation intends to undertake or is undertaking;
 - (b) Make recommendations with regard to legislation and policies directly or indirectly constraining effective development in the Republic;
 - (c) Exercise and power conferred by any other provision of this Act; and
 - (d) generally, do everything which is necessary to achieve its objects referred to in Section 3
- (3) Any grant in terms of subsection (2)(a) to any civil society organisation may not be distributed to its members or office bearers except as reasonable compensation for services rendered.
- (4) Any civil society organisation to which a grant is made in terms of subsection (2)(a) must submit to the NDA-
 - (a) audited financial statements regarding the use of that grant at the intervals and in the form prescribed by regulation in terms of section 13; and
 - (b) in respect of each financial year of the organisation, a comprehensive, narrative report containing-

- (i) an analysis of every project or programme in respect of which that grant is made and a description of all other activities of the organisation; and
 - (j) an audited financial report not later than the date prescribed by regulation in terms of section 13.
- (5) Any grant in terms of subsection (2)(n) must be sufficient to defray the expenses which the civil society organisation in question will have to incur in order to comply with subsection (4).

Policy Mandate

The NDA's functions are guided by the National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF), Sector Plans and the United Nations Sustainable Development Goals (SDGs).

NDP 2030

The aim of the NDP is in line with the NDA's mandate. The NDP aims to reduce inequality and eliminate poverty by 2030. The NDP is grounded on six (6) pillars, which outlines objectives to be achieved by 2030 and the intended outcomes. From the 13 outcomes, the NDA contributes towards seven (7):

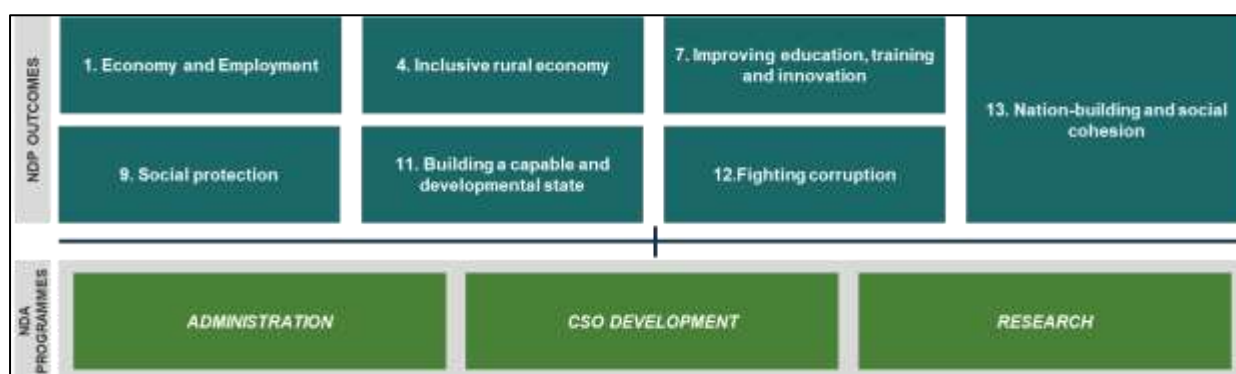


Figure 2: NDP Outcomes and NDA Programmes

The NDA aims to contribute towards social protection and nation-building and social cohesion through using Civil Society Organisations (CSO's) as a mechanism to access and develop communities. The NDA uses its presence in civil society to facilitate certain interventions, create dialogue regarding community targeted issues as well as raise awareness regarding other social ills such as Gender-Based Violence (GBV). As per the District Development Model, the NDA will use targeted interventions in rural and remote areas – in the language of the people – and in the identification of vulnerable groups, capacitation of CSOs as well as the support provided in order to optimize the accessibility of services, resource allocation and ensure intended outcomes are reached.

The NDA also contributes towards, economy and employment and inclusive rural economy which are addressed through CSOs as well as through the development of strategic partnerships with other organisations. Through engaging various stakeholders, – state organs, civil society constituencies, research institutions, higher education and training institutions and

business – developing research publications that contribute to development policy and practice and capacitation of CSOs operating in various sectors, the NDA will contribute towards improving education, training and innovation in the country. The NDA will also contribute towards building a capable and developmental state. This will be achieved through the optimization of the organisation’s processes which includes the implementation of the ICT masterplan. Through running a clean administration and developing internal frameworks that ensure good governance the NDA will enable the fight against corruption.

Medium Term Strategic Framework (MTSF)

The NDP has been divided into 5-year components with the MTSF as an implementation and monitoring tool. In the attainment of the 2030 goals, the MTSF identifies the priorities to be undertaken during the five (5) year strategic period. The NDA’s 2020/21 – 2024/25 strategy is also informed by the MTSF and contributes towards the 7 priorities through its grant funding and capacity building programmes:

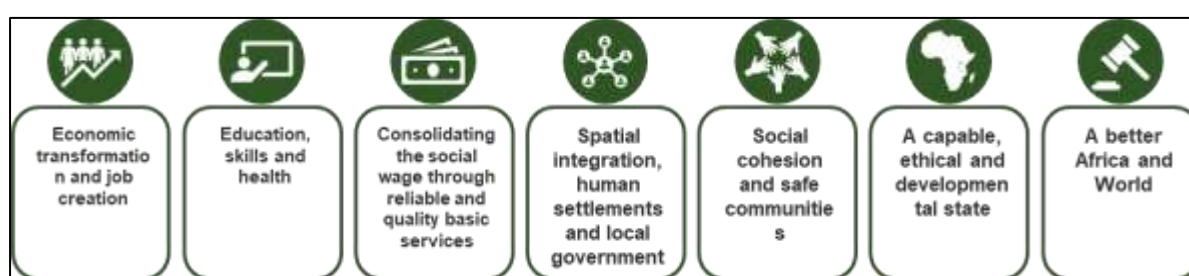


Figure 3: MTSF 7 Priorities

Sector Plans

The Department of Social Development focuses on the need to “put people first” in development processes, hence the Social Development Sector promotes social inclusion of the poor and vulnerable by empowering people, building cohesive and resilient societies, and making institutions accessible and accountable to citizens. The Social Development Sector Strategic Plan is the plan for which the National Minister of Social Development (a concurrent function department) in consultation with Provincial MECs (of Social Development) as well as other DSD entities agree on the impacts, a set of outcomes and outputs, which must be achieved by the Social Development sector. This guides the Strategic Plans, Annual Performance Plans, and Operational Plans of the entire portfolio and sector. The sector plans to guide the strategic direction of the entire sector. The following outcomes are outlined in the sector plans:

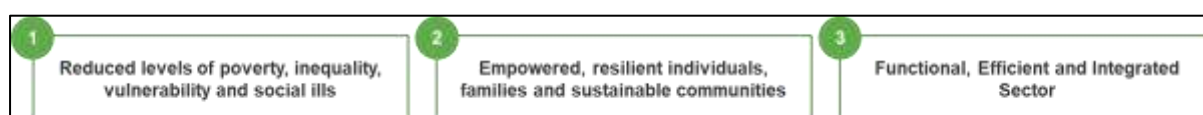


Figure 4: Sector Outcomes for 2020 – 2025

The NDA’s role in the sector is to enable the achievement of the sector outcomes through its strategic direction. In order to achieve outcome 1 (reduced levels of poverty, inequality, vulnerability and social ills) and outcome 2 (empowered, resilient individuals, families and sustainable communities) the NDA will utilise CSOs as a vehicle to implement programmes

aimed at meeting the most critical development needs of poor communities. By capacitation, empowerment and engagements with CSOs the NDA will enhance the ability of CSO's to serve the communities they are located in, in meaningful ways that contribute towards the reduction of poverty levels and create sustainable communities. A functional, efficient and integrated sector (outcome 3) will be achieved through the NDA's cooperation with the sector and strategic partnerships within the sector aimed at benefitting CSO's, with the ultimate beneficiaries being individuals served by the CSO. The NDA has designed its strategic plan to enable the organisation to collaborate and coordinate its development with the Department of Social Development and the South African Social Security Agency to contribute effectively towards poverty eradication in poor communities.

Social Development Portfolio Approach

The social development portfolio (DSD, SASSA & NDA) has adopted a sectorial approach towards planning, programming and implementation of the sector interventions. The portfolio approach effectiveness is grounded on having a shared and common purpose and goal in planning and implementing their programmes and interventions. The strategic intent of the portfolio approach is to also create the linkages and integration requirements with other government departments and agencies, the private sector, and civil society sector to harness resources and focus on improving the quality of life of a South African citizen at community level. It starts with a common and shared strategy development and shared outcomes and impact measures. This allows the sector to identify how they each contribute, shape and build a better South African.

The approach will ensure that the social development portfolio builds strong, reliable and efficient partnerships with the civil society sector and empower this sector to contribute effectively in building a better South Africa. The social development sector will also learn how to effectively work with the civil society organisations at local level on how to respond to poverty experiences by the majority of Africans. The portfolio approach allows the department and its agencies to have combined strategic interventions that provide an overarching direction on bridging the gap between welfare and developmental services to the public. The outcome for both of these functions is creating a South Africa we all want to live in. The social development portfolio aims at creating an effective ecosystem in the sector to improve coordination, integration, maximising quality of outcomes and impacts to ensure that potential in people to live a better and sustainable livelihood is achieved. We note that social development cannot occur without economic development. It is this economic development aspect that NDAs new turnaround strategy recognises and intends to contribute towards.

District Development Model

In the State of the Nation address (2019), the President, indicated that Government will have to undertake improved coordination and cooperation in planning and implementation to ensure the effective implementation of the seven priorities. Consequently, the District Development Model was adopted in 2019 by government. The District Development Model was endorsed by the President's Coordinating Council in November 2019, and requires planning and implementation that is spatially focused at a district level. The model is geared towards improving integration between national, provincial, local government and other organs of state in the in the implementation of government budget and programmes. Focusing on implementation at a district level will allow for better monitoring and timely delivery of remedies

of failures at a local government level and ensure development is carried out collectively with civil society at the grassroots level.

For service delivery, the model requires targeting of youth, women, people with disabilities, vocational training and labour intensive programmes, review and/redesign of incentives for small businesses, community work programme, training and skills development and analysis of vulnerable groups, services offered and capacitating small businesses. The aim of this is to bring service delivery to the heart of communities and harness the uniqueness of resources existing at a district level, to enable communities to develop, uplift themselves out of poverty and become self-sustaining, thereby reducing the dependency on state resources.

To summarise the District Development Model is the framework adopted by government to align all three spheres of government (National, Provincial and Local) to collaborate in the fight against underdevelopment by sharing a common goal, coordinated planning, sharing resources, and sharing the same outcomes and impact. At the centre of this framework is eradicating poverty and its causes across all districts in the country. The mechanism for implementation of the district model is defining the targeted audience, who are all poor people who are only dependant of social security for their livelihood. The aim is to move all those who are dependent on social security to actively participation in self-sustainable livelihood activities that result in gainful income for themselves and their families.

At the heart of the District Development Model, is collaboration, coordination, shared vision and shared goal for citizens' development. This model is the only model, when supported through effective service delivery mechanisms has prospects of fundamentally changing the lives of the poor and creating enabling environment for sustainable development in South Africa. The main outcome of the DDM is eradication of poverty which the NDA is enjoined to perform by primary mandate. The NDA therefore endeavours to develop clear mechanisms to partner and collaborate with all sectors of government and all spheres in district municipalities to design interventions with one goal, eradication of poverty and its causes.

The NDA position as a development agency in the Social Development Portfolio, is the critical arm to drive development so as to ease the fiscal burden imposed by spiking social security interventions such as the Social Relief of Distress grant which is provided to close to 17 million unemployed South Africans. Development is a gateway for poverty eradication, this means NDA is the only viable agency to access those that are trapped into social security systems due to poverty. For the NDA to show impact, it needs to design and implement programmes with an aim of targeting those that are dependant of social security. In order for the Agency to fulfil its mandate it therefore needs to shift from focusing on the vehicles it uses to achieve its mandate and be seen to be making impact on the poor.

The means required to eradicate poverty eradication and re-igniting the sluggish South African economy are creating sustainable livelihood pathways for the poor, these pathways must results in gainful economic activities at community level; creation of reliable and sustainable employment for local poor population; building capacities and skills appropriate for gainful and income generation for poor people living in depressed communities; creating and re-building local economies using local resources and human capital; using the local capacity to respond to local service delivery in depressed communities. These are fundamental agents for change

and they can be harnessed through the DDM with all stakeholders at local level focusing on development targeting those trapped in poverty and underdevelopment.

The NDA in the 2023/24 financial year and the MSTF will be focusing on using the DDM as a framework to eradicate poverty and developing sustainable mechanisms of working with all stakeholders at district level (government, civil society organisation and the private sector) to shift the DDM from a framework to operational mechanisms and plans for community development approaches to eradicate poverty and its causes.

Sustainable Development Goals



The Sustainable Development Goal 1 its outcome is *“End poverty in all its forms everywhere”*.

This goal is the same goal for the NDA primary mandate of *“eradication of poverty and its causes”*. This is of significant importance for the NDA and South Africa. This goal cannot be met when the other 16 goals are used effectively as means to achieve this goal. The NDA will focus on the same goal, however, on its trajectory to achieve this goal, it will use other goals in the SDGs as means of achieving poverty eradication with an impact on goal 10 of reduced inequalities. The NDA goal of contributing in eradication of poverty must be measured by reduction in inequalities. In the South African context, any poverty reduction interventions that do not translate to reduction in inequalities would have not dealt with the legacy of apartheid.

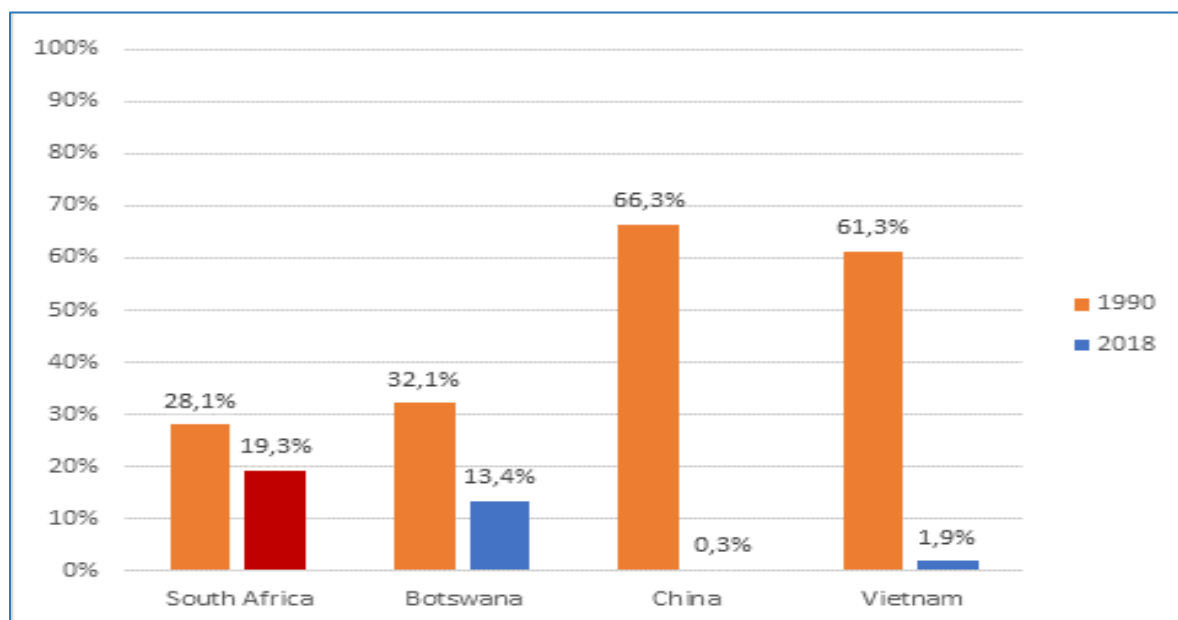
Therefore, the NDA would use interventions that have outputs from all the other goals as these outputs have a direct contributions (means) to eradicate of poverty and its causes. Theoretically, any of the other 16 goals achieved independently cannot, by their own, result in eradication of poverty and reduction of inequalities in the South African context. It is for this reason that the NDA, in its strategic shift will define and use mechanisms that integrate development in all its aspects of community development, through sustainable partnerships with civil society organisations as a vehicle for improved targeting of the poor at the same time collaborating and coordinating developmental efforts with government, private sector and the donor community.

Lessons from selected countries who reduced poverty since between 1990 - 2018

A study we conducted, through literature review, from China, Botswana, Vietnam and South Africa used household population data income person whose income or consumption was below the poverty line of \$1.90 per day. The reduction of person living below the poverty line is a useful proxy indicator for poverty eradication. In the figure below, shows China and Vietnam, over the same period, significantly reduced the levels of people living below the poverty from more that 60% to less than 2%. Whilst Botswana shows significant decrease, with more than half reduction in people living below the poverty line. South Africa, although there was decline, but very marginal compared to the other 3 countries, people living below poverty line is relatively very high.

The decline in the South African context, over the period, can be attributed to the robust and aggressive social security systems that was expended after the democratic independence after 1994. The caution in this approach is the risk of economic stability due to national or global economic shocks such as Covid-19 which can easily negate the effect of social security interventions and result in a fall below the poverty line thus reversing the social protection gains made by the country. It is for this reason that heavy reliance on social grants for economic active population alone cannot sustain reduction in poverty, but it is an important element for poverty alleviation as it provides a safety net for those vulnerable households and members of the households.

Percentage of Population Living in Households with Consumption or Income per Person below the \$1.90 Poverty Line



The lessons that are useful for South Africa and NDA in particular as a development agency for the social development portfolio from China, Vietnam and Botswana are that, these countries designed and developed mechanisms to address poverty eradication.

China lessons

In the case of China, who have eradicated poverty, and became the second largest economy in the world used the following approaches: According to Ziaoyun (2014), China has undergone three stages of industrialisation. The first phase began in 1953. It involved the central government planning the economy and promoting heavy industry. The second phase began in 1979 and saw the promotion of light industries. The third phase, which started in 2000, involved more intensive sectors and the market's role industrialisation.¹

From the 1950s to the 1960s, China's development was influenced by its nationalist political agenda. Its de-development was interrupted by the end of the 1960s, which prompted the country to move toward a more industrialised economy. Through the political reforms initiated by the CPC, China has become a leading player in the global economy. The rapid growth of China's agricultural industry has raised the country's capital and labour for industrialisation surpluses. This is because the reforms encouraged more rural workers to enter the labour market. From 1985 to 1994, over 70 billion USD was taken from agriculture through taxes and fees.

Rural areas became the driving force of China's industrialisation since it promoted light and labour-intensive industries. From 1978 to 2006, the contribution of rural enterprises to the country's total industrial growth increased from 9.9% to 42.9%. China's strategy to improve its industrial structure and promote technology transfer has been widely implemented. It has also developed a long-term plan to promote scientific and technology development. China's industrialisation has many lessons to share. Some of these include how to grasp the opportunities presented by globalisation, how to improve the efficiency of the industrialisation process, how to develop the necessary infrastructure, etc. Although Africa cannot follow the same path as China, it can certainly learn from its industrialisation experience. One key component of China's industrialisation is its state-led industry policy, which has helped overcome various barriers at various stages of development.

Vietnam Lessons

To date, Vietnam has made substantial progress in its efforts to recover from the war and eradicate poverty. Between 1990 and 2018, the percentage of the population living in households with consumption or income per person below the \$1.90 poverty line decreased from 61.3% to 1.9%, as can be seen in the figure presented above. The literature on Vietnam journey to reduction of poverty identified three key areas of focus for improving living conditions in Vietnam.² These areas are:

Boost labour productivity and invest in infrastructure to sustain job creation and wage growth without losing competitiveness. Since wage growth has outpaced labour productivity growth, Vietnam needs to move production up the value chain and attract more foreign direct investment (FDI) to sustain higher wages and drive labour inflows into higher

¹ Ziaoyun, L. (2014). *China's Industrialization: Overview - Implications for Africa's Industrialisation*.

² Miguel, E., & Roland, G. (2009). *The Long Run Impact of Bombing Vietnam*.

productivity sectors such as agriculture and manufacturing. To this end, the FDI may be used in conjunction with the linking of domestic SMMEs to multi-national corporations (MNCs) through information exchanges, skills upgrades, and technology transfer. Additionally, securing a steady flow of investment in infrastructure will ensure that the demand from the growing export sector is met by a sufficient supply of transport, electricity, logistics, and telecommunications.

Implement education reforms designed to equalise opportunities and develop workforce skills. The reforms aimed at developing workforce skills are designed to level the playing field and allow firms to compete with a limited pool of competent workers. Investing in skills development would help boost the pool of competent workers and allow new sectors to thrive. Establishing high quality education across various groups will help improve the skills of all and reduce inequality. The quality of education in poor communities will also affect the academic achievement of children. Improvement of the teaching profession will also help close the achievement gap.

Spur agriculture structural transformation through changing farmland use patterns, strengthening land user rights, and improving skills of poor farmers. Changing farmland use patterns can help unlock the potential of the poor through structural transformation. This shift is necessary to achieve the goal of increasing the profitability of agricultural ventures by pursuing higher value perennial and annual crops. Doing so requires strengthening the rights of land users and ensuring that they have access to credit. Improvement of farm management and business skills may also assist to boost the productivity of poor farmers. It also notes that, preceding this economic development, Vietnam implemented certain policies to create an enabling environment for businesses³

Vietnam has embraced trade liberalisation. Vietnam is a signatory to 16 bilateral and multilateral free trade agreements, is a member of the World Trade Organization, ASEAN, and has concluded bilateral agreements with the U.S., Japan, South Korea, the EU, and the Eurasian Customs Union.

- **Vietnam has complemented external liberalisation with domestic reforms through deregulation and lowering the cost of doing business.** The liberal trade agreements have dramatically reduced tariffs, anchored difficult domestic reforms, and have increased foreign investment. It is estimated that more than 10,000 foreign companies—including major global players such as Samsung, Intel, and LG—operate in Vietnam today, mostly in export-oriented, labour-intensive manufacturing. Vietnam also reduced the corporate income tax rate to 20 percent from 32 percent in 2003.
- **Vietnam has invested heavily in human and physical capital, predominantly through public investments.** Vietnam has made efforts to promote access to primary education and to ensure its quality through minimum quality standards. With respect

³ Eckardt, S., Mishra, D., & Dinh, V. T. (2018). *Vietnam's manufacturing miracle: Lessons for developing countries*. Retrieved September 30, 2021, from The Brookings Institution: <https://www.brookings.edu/blog/future-development/2018/04/17/vietnams-manufacturing-miracle-lessons-for-developing-countries/>

to infrastructure, power generation, transmission, and distribution capacity have been scaled up to meet rapidly rising demand.

Botswana Lessons

Botswana has made notable progress in its efforts to eradicate poverty. Between 1990 and 2018, the percentage of the population living in households with consumption or income per person below the \$1.90 poverty line decreased from 32.1% to 13.4%, as can be seen in the figure presented above. The government approach to poverty alleviation has been three-pronged. First, there are policies that target increasing disposal income of the poor and economic empowerment, for example, agricultural support programmes. Second, are policies that focus on infrastructure development in basic service provision. Third, are policies that give immediate relief to the poor through the social safety net programmes.⁴ (Magombeyi, Odhiambo, & Halsall, 2017). According to the World Bank (2015), Botswana's rapid poverty reduction can be attributed mainly to a combination of increasing agricultural incomes, including subsidies, and demographic changes. Several factors were important sources of poverty reduction and welfare improvements:⁵

- Wages and all sorts of formal and informal labour-related incomes increased substantially, especially in rural areas.
- Other improvements in rural areas' labour market outcomes included reductions in unemployment and growth in labour market participation.
- Agricultural incomes and employment were supported in large part by government subsidies.
- Substantial changes in the demographic structure included reductions in household sizes and dependency ratios.
- Access to education improved progressively from primary through secondary to university education.
- The amount of household loans increased, helping raise households' net incomes.

The lessons from Botswana can be summarised into 3 approaches adopted by the government in poverty reduction, these are:

- Implementing policies that target increasing disposal income of the poor and economic empowerment, e.g. agricultural support programmes.
- Implement policies that focus on infrastructure development in basic service provision.
- Implement policies that give immediate relief to the poor through the social safety net programmes.

⁴ Magombeyi, M., Odhiambo, N., & Halsall, J. (2017). Poverty dynamics in Botswana: Policies, trends and challenges. *Cogent Social Sciences*, 3(1). doi:10.1080/23311886.2017.1329246

⁵ World Bank. (2015). *Botswana Poverty Assessment*.

The lessons from these countries who managed to significantly reduce the levels of poverty provide the social development portfolio and the NDA in particular, examples of areas and targets of focus in the 2023/24 annual performance plan. It also provides mechanisms that needs to be developed and implemented to start arresting the ever increasing poverty levels. The strategies cannot be achieved by the NDA or Social Development alone, but it needs the entire government machinery to be at the centre of these approaches in the implementation of the district development model.

2. Updates to Institutional Policies and Strategies

The NDA through the Turnaround Strategy has prioritised the following key priorities over the next five (5) years:

- Amendment of the NDA Act
- Review of service delivery model to focus on poverty reduction targeting those trapped in the poverty cycle.
- Redefining the target audience for NDA development programmes
- Redefining the active role to be played by Civil Society organisations and capacity strengthening of these CSOs.
- Review and alignment of the NDA model, including its cost drivers.
- Strengthening NDA institutional capacity, capabilities and skills required to deliver on the mandate of poverty eradication.
- Diversify NDA development funding sources

3. Updates to Relevant Court Rulings

There are no updates on any court rulings.

PART B: OUR STRATEGIC FOCUS

4. Updated Situation Analysis

4.1.1. The Turnaround Strategy

The 2023/24 APP is developed whilst the NDA is in the process of final engagements with key stakeholders – which are the Department of Social Development, especially the Executive Authority who has a responsibility of oversight of the Agency. The draft turnaround strategy would need detailed engagements with the National Treasury as it seeks to implement mechanisms to raise and conduit funding from outside the fiscus to increase available resources for CSOs funding this making significant impact on the mandate of poverty eradication in poor communities. The Department of Performance, Monitoring and Evaluation in the Presidency is an important consultative leg of the Turnaround strategy. These key consultative processes with the critical government departments should inform the finalisation of the turnaround strategy.

These process amongst others, includes, the reconfiguration of the service delivery model and defining the type of services in line with the NDA mandate. The funding mechanisms and sources of funding that can be generated by the NDA compliant to the NDA Act and National Treasury budget allocation processes. The reconfiguration of the NDA structure and human capacity required to deliver on the service delivery model within available resources. The quality of services delivered by the turnaround proposed model to ensure the NDA programme contribute, in a measurable, its contribution to poverty eradication especially in poor communities. These are prerequisites that have not been fully consulted and common understanding is established within the government planning, resource allocation and accountability must establish consensus on.

The NDA new Board was appointed and started its Accounting Authority functions in January 2023. The NDA could not finalise and implement the turnaround strategy without participation and strategic directions of a compliant and properly constituted board. Despite this limitation, the NDA management proceeded with conducting the required processes and procedures for drafting a turnaround strategy, which was facilitated by independent turnaround experts. The Accounting Authority (NDA Board) has legislated responsibilities and fiducial duties prescribed in section 50 and 51 of the Public Finance Management Act (PFMA), therefore the conclusion and approval of this strategy needed full participation, buy in and ownership by the board for purposes of turning around the NDA in all aspects that recommended by this process. The turnaround strategy is designed to inform the revised 5-year strategy of the NDA and the Annual Performance Plans over the same period.

The Draft Turnaround Strategy proposes a number of key features required to turnaround perspectives of its programmes and supporting interventions with clear outcomes that directly link the operations and outcomes to meaningful contribution to poverty eradication. It also proposes alignment of institution architecture to support and respond to the new programme design and outcomes to institutionalize efficiency and effectiveness. The NDA has struggled to create and present pathways for increasing and diversify its financial resources to fund its mandate.

The allocation from National Treasury though the Department of Social Development has remained below inflationary increases, the attraction of resources from its legal mandate through conduiting funding for Civil Society Organisations from government departments, foreign government and private sector donors has lacked strategy and mechanisms to sustain high levels of investments in poor communities to move communities out of poverty. The draft turnaround strategy outlines a strategy and mechanism of strengthening third party funding across all sectors of the economy to source funding for CSOs development interventions that can create sustainable economic activities in poor communities.

The NDA Board, in the 2023/24 financial year, will marshal the strategic approaches and direction, engagements with all stakeholders, the pathways for resourcing development programmes and poverty eradication interventions, the reconfigurations of NDA structure, policies and mechanisms to change the current trajectory of the Agency. These key tenets of the proposed Draft Turnaround Strategy pillars of:

- Reconfiguration of the new business model, programme design and mechanisms focus on creating employment opportunities and sustainable economic activities for poor communities. The pillar will be informed by defining target audience, location to produce high and quality impact on poverty eradication.
- Establishing and retaining quality partnerships with abilities and interest in investing in social and development interventions targeting poor communities. This pillar is for increase the financial and non-financial resource base for funding development projects and programmes targeted to poor households and members of households.
- Reconfiguration of NDA organizational structure, skills mix and support programmes to create efficiencies in the utilization of support cost which is currently too high to sustain from current budget levels. This pillar must be modernized through innovations on systems, accountability and reporting to monitor improvements the NDA performance and efficiencies, including increases on programme deployment coverage.
- Rebuilding of the NDA brand is critical for creating demand and supply of the Agency programmes, building hope and trust on the Agency by all stakeholders and ordinary citizens, attracting sustainable investment for NDA development programmes by government, private sector, local and foreign donors. The image of the NDA has to change to trigger hope and a better future for the poor. Without creating a positive image of the NDA there is little prospects of achieving the outcomes proposed in the turnaround strategy to be finalized by the Board.

The conclusion and implementation of the turnaround strategy proposals of models and mechanisms is urgent to trigger the demand, trust and hope by poor communities. It is also equally important to ensure proper and detailed consensus building with critical stakeholders is achieved. The NDA will be balancing both ends of these demands. The appointment of the new Board inspire confidence in achieving both ends given the timing and urgency the Board has placed emphasis on turning the NDA around.

The 2023/24 APP is purposefully focusing on increasing funding to CSOs programmes from not only the government allocation, but from partnerships from private and public sectors to fund social and development community based programmes and projects that its main outcome is poverty eradication through sustainable economic activities and sustainable livelihoods in poor communities. The NDA, working through CSOs will thus create 3000 sustainable gainful economic activities, these will mainly be derived from the grant funded cooperatives and income generation projects earmarked for funding individuals who currently are recipients of social grants.

The capacity building interventions will be proved institutional management and technical skills to improve capabilities for beneficiaries to sustain their economic activities ability of the CSOs supported by the NDA. The research programme of the NDA will focus its work in producing outputs that will support policy making in ensuring that CSOs, government and private sector engage on policy reforms that will promote development interventions targeting the poor including creating an enabling environment for implementing development programmes aimed at fighting poverty and reducing unemployment.

External Environmental Analysis

The objective of the external environmental analysis is to ascertain how changes in the operating environment impact on the NDA and influence its overall trajectory. Accordingly, the analysis has three (3) sections, which are:

- (1) Civil Society Sector Analysis;
- (2) An overview of poverty in South Africa;
- (3) A macroeconomic analysis with an emphasis on economic growth, unemployment, the Fourth Industrial Revolution and South Africa's education outcome;

4.1.2. Civil Society Sector Analysis

The civil society sector is often referred to as the third sector which operates outside of the state and market. It is an important stakeholder in the development of any country, particularly one like South Africa which seeks to deepen democracy through the promotion of access to resources by its citizens. Within the civil society sector, there are various types of civil society organisations, such as:

- Development orientated organisations
- Welfare orientated organisations
- Social justice organisations
- Cooperatives and other non-profit but income-producing organisations

The common thread holding all the different types of civil society organisation is their promotion of public and/or social good, to varying degrees. In the past ten (10) to fifteen (15) years, the civil society sector has deteriorated in its effectiveness to support development discourse in South Africa. The civil society sector is faced with a number of problems which have led to the funding crisis the sector faces.

In the development of the NDA business case, the following problems the civil society sector faces were identified:

- The sector is fragmented and lacks coherence to present a convincing development agenda and programmes to advance local development.
- The sector has been shifted to the periphery regarding the influence on policy and active citizenry, thus making it weak as a key player in formulating national policies on social and economic development agenda.
- The sector is unevenly balanced due to lack of skilled human resources, access to financial resources and demonstration of effective programmes at the community level.
- The majority of organisations in this sector are in a survival mode. This has made them prone to accept any funding – regardless of organisational alignment – and resources to maintain their survivalist nature as opposed to create and expand development programmes at the local level.
- Increasing number of NGO umbrella bodies mushrooming across the country as a result of dissatisfaction from the existing umbrella bodies who would have been custodian of the interest of the sector.

The coexistence of the civil society sector and the state organs is fundamental in fighting poverty, unemployment and inequalities. The state and the private sector recognises that civil society sector is the most influential sector for debating public discourse and should, therefore, be included in community development programmes and initiatives. There is a required need from the sector to demonstrate the impact and beneficial contribution it makes towards development of poor communities across the country, which is one of its key challenges that the NDA assists the sector with achieving through the capacitation of CSOs and grant funding as well as other initiatives the organisation carries out in collaboration with CSOs.

4.1.3. Overview of Poverty in South Africa

4.1.3.1. Poverty Causes and Impacts

The table below details the causes of poverty and their impacts on communities.

| # | Cause of Poverty | Impact |
|---|---------------------------------------|---|
| 1 | Unemployment | This may result in no income to purchase food, other products and services. |
| 2 | Marginalisation of communities | This may result in people not having a political and economic voice. |
| 3 | War and violent crime | This may threaten the lives and safety of citizens, and may deter investment. |
| 4 | Malnutrition | This may result in reduced wellness and may subsequently impact education. |
| 5 | Inadequate healthcare | This may result in reduced wellness and may subsequently impact education. |

| | | |
|----|--|---|
| 6 | No access to clean water, sanitation & healthcare | This may results in increased sickness and decreased productivity of the workforce. |
| 7 | Poor education | This may result in inadequate skills and marketability of the workforce. |
| 8 | Inadequate electricity | This may result in lower economic productivity and may deter investment. |
| 9 | Inadequate road, rail and harbour infrastructure | This may result in lower economic productivity and may deter investment. |
| 10 | No savings | This may result in citizens lacking the ability to absorb economic shocks, such as the COVID-19 pandemic. |

While there are multiple sources of poverty, the United Nations (UN) highlights the central role played by unemployment and underemployment in poverty levels. Unemployment and underemployment lies at the core of poverty. For the poor, labour is often the only asset they can use to improve their well-being. Hence the creation of productive development and economic activities are essential for achieving poverty eradication. It is crucial to provide decent income generation interventions that sustainable income and empowerment for the poor, especially those who currently rely of the social security safety net for a living.

Role Players in Addressing Poverty

The theoretical framework below came out from the situation analysis and reviews we conducted for informing framing approaches used by governments internationally that have reduced poverty levels through implanting developmental interventions that created jobs and gainful economic activities.



Figure 5: Configuration of key Role-players in Addressing Poverty

Source: Draft NDA Turnaround Strategy-2022

The approaches they adopted, at the design levels, had four similar divers. In the centre of the design is focusing on distress communities as their primary target focus. The change outcome was creation of economic activities that can translate to sustainable livelihood at that local community. They then set up a mechanism that forged partnership between the private sector, government and civil society in consultation with the community to assess needs, local resources (human & financial), community pressure points priorities, and finally defines a mechanisms that all the role players have the same vision, same plan and same outcome. This framework allows all sectors at these roles players, including the community find a common need, problem and solution to address poverty eradication. However, the mechanism to be used needs to accepted and be relevant to all stakeholders at the community level.

As can be seen in the figure above, the South African private sector, it is in their business interest to invest in communities for various reasons which in turn benefit members of communities on one hand on the other increase demands of their products and services. Government primary, in all the spheres, interest is providing a range of services that ensure that the population has means of sustaining themselves, access to quality services and improvement of quality of life. The civil society has better understanding of community needs, priorities, capacities and capabilities of communities and more importantly what can work or not in those communities. When community social and development projects and programme has all partners' interest they are likely to be successful and impactful. The fight against poverty, unemployment and inequality in South Africa needs a collective solution from all sectors of the economy including communities. The District Development Model, adopted by government, is the appropriate platform to implement this framework. The NDA is in consultation with GOGTA to explore partnerships to test the applicability of this framework using proposed mechanisms proposed by the draft turnaround strategy, especially in the most deprived local municipalities and districts.

4.1.4. Macroeconomic Analysis

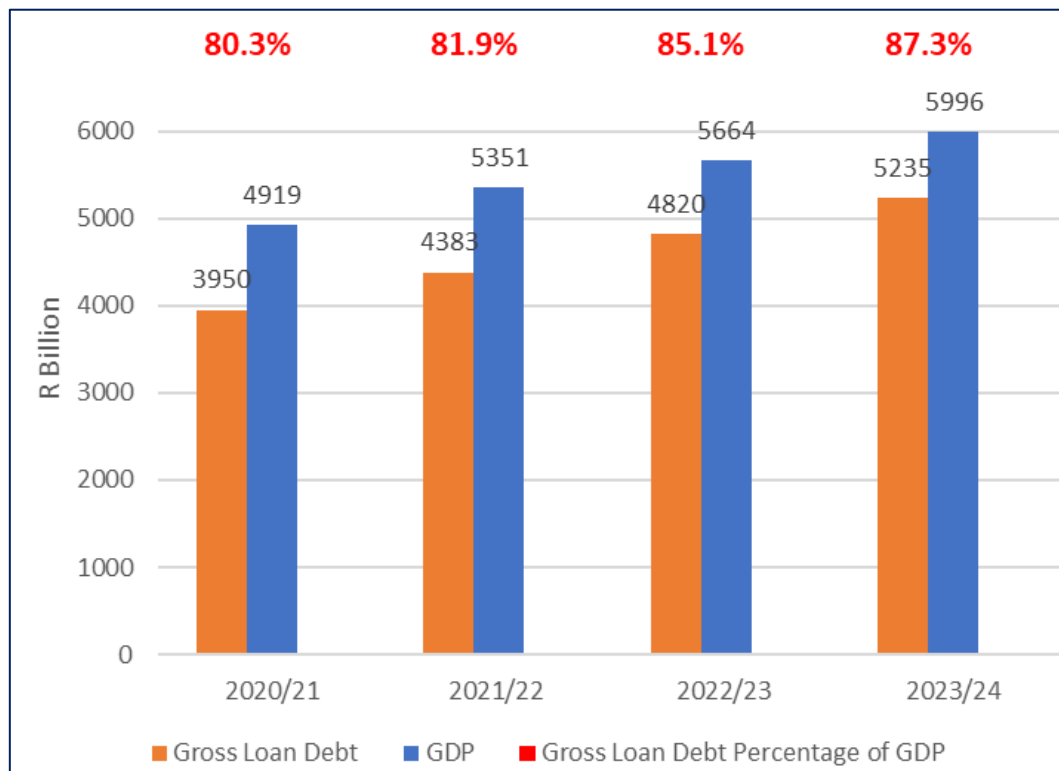
This section provides an overview of South Africa's GDP growth, the ability of government to expand social welfare, and a PESTLE analysis.

4.1.4.1. Inadequate GDP Growth

Since 2008 South African companies' sales growth, reflected as GDP growth, has not kept pace with workforce growth, and hence resulted in growing unemployment. South Africa's unemployment rate was at 32.9% in the third quarter of 2022 (Stats SA, 2022). GDP growth has been constrained by a shrinking economy since 2008.

4.1.4.2. Ability of Government to Expand Social Welfare

During the Medium Term Budget Policy Statement held on 11 November 2021, Minister of Finance, Enoch Godongwana noted that SA has R4 trillion of debt. He went on to say, "Incurred debt-service costs will become the largest portion of spending from next year. These debt service costs are non-discretionary – in other words, we cannot avoid paying them." Debt-service costs are expected to rise to R365.8B in 2024/25. This is higher than the health and police services budgets. The figure below compares South Africa's gross loan debt to its GDP.

Figure 6: Gross Loan Debt vs GDP

The Government has been running a budget deficit since 2008 and has accumulated crippling levels of debt. The remedy to the budget deficit is the same as the remedy to unemployment, and that is increased sales by South African based enterprises. Increased sales growth will increase tax revenues which can be used to pay off the loans. At present, debt service costs are the fastest growing expense item for National Treasury. Unless tax revenues can be increased, National Treasury will continue to reduce other forms of spending, most notably Government employee wages and discretionary grants.

4.1.5. PESTLE Analysis

This section provides an analysis of the Political (P), Economic (E), Social (S), Technological (T), Legal (L) and Environmental (E) factors pertaining to the NDA.

4.1.5.1. Political

The political landscape has shifted considerably since the 2021 local elections which resulted in the ruling party losing groundswell support they enjoyed at the advent of democracy in 1994. The ANC support fell from 62% during the first democratic national elections to 45% in the November 2021 local elections. The unprecedented loadshedding which has plunged the country into semi-darkness, while it has had a telling impact on the socio-economic landscape of the country, it is sure to have a political impact as well.

4.1.5.2. Economic

The economy in South Africa is suffering from record high unemployment resulting from low gross domestic product (GDP) growth being unable to match high workforce growth. Compounding the challenge is a debt-to-GDP ratio of 68% and annual debt service cost growth of 13% effectively preventing the government from hiring new people, issuing more grants or spending on large public works programs. On the contrary the government, under direct pressure from creditors, is expected to reduce the public wage bill and discretionary grants. This pressure to rationalize service delivery, reduce headcount and discretionary grants will impact most departments, state-owned-enterprises and agencies, including the NDA as well as the Department for Social Development. In order to reduce this headcount and grant reduction pressure, GDP will need to grow dramatically to generate the tax revenues needed to pay back the government debt and also maintain the government employee headcount and grant budgets.

In order to achieve GDP growth, South Africa needs to attract investors to build the new factories, mines, farms and tourist destinations that are needed to grow the economy and reduce unemployment. Unfortunately, South Africa is not viewed as an attractive investment destination by the global investment community, with all three major ratings agencies rating South Africa as non-investment grade. South Africans have increased their off-shore equity holdings by R2 trillion over the last 5 years while South African corporates sit on a cash pile of over R1 trillion that they too are refusing to invest in South Africa right now. Foreign investors will not invest if people with the deepest understanding of local conditions, namely South Africans, refuse to invest. The biggest obstacle to growing the economy is Eskom's combination of high debt levels, poor implementation of the Medupe and Kusile power stations and their dependence on an old fleet of poorly maintained power stations. The newly approved ability to generate and sell up to 100 mega-watts without obtaining a license is hoped to decentralize electricity provision and spur industrialization.

Poor rail and harbor capacity is another key impediment to growth, with South Africa being unable to fully exploit the Covid-19 commodities boom. Unable to raise capital on its own, Transnet will be forced to take on private equity investors. These will demand levels of efficiency, technical proficiency and corruption-free procurement that will also spur economic growth. Crime is another impediment to economic growth with Rio Tinto closing its Richards Bay Minerals (RBM) plant due to the murder of one of its managers. RBM was a major taxpayer in KZN up to that point and the murder was against the back-drop of criminal elements attempting to extort money from major corporates. Similar extortion pressures are being faced by mining companies attempting to establish their own solar power stations, specifically Gold Fields.

Municipal corruption and poor service delivery is also deterring investment, with Clover's decision to leave Lichtenburg due to water disruptions, electricity disruptions and potholes being the highest profile example in recent times. As a major economic engine in Lichtenburg the departure of Clover will leave many unemployed people in its wake. The NDA, as well as other departments, state-owned-enterprises and agencies will all remain under pressure to do more with increasingly less funding from National Treasury. Future financial viability will inevitably be linked to the ability to establish good relationships with private investors and corporations as well as aggressive GDP growth. Ultimately though the communities that NDA serve has to be put on a road to revenue generation and employment as they can no longer depend on government for subsistence.

4.1.5.3. Social

The provision of social services to the public has also been negatively impacted by the combination of ever decreasing government resources and service quality being unable to address the needs of a growing population. Covid-19 compounded the situation with 1.2 million South African children dropping out of school in 2020 and a further 500,000 in 2021. Poor education outcomes are further compounded by food insecurity, poor housing and water supply, with the IPC stating that 16% of the population analyzed in 2020 faced acute food insecurity, StatsSA stating that 14,75 million people reside in informal settlements in 2017 and PMG stating that 14,1 million people lacked access to safe sanitation and reliable water in 2021.

Public healthcare provision remains very poor with state expenditure on healthcare being an extremely modest R62,5 billion. This is roughly equal to the size of the private healthcare industry, with private healthcare only serving 15% of the population. Lack of resources aren't the only problem though. The cumulative effect of all these social challenges is a highly distressed population in need of improved basic social service delivery. The inability to provide these will continue to have negative effects on both investments as well as the political fortunes of both the local and national governments.

For the NDA the decision on which communities to support will become ever more challenging as the need is greater than ever but the resources will become more constrained. It will also make it harder for the NDA to make a material impact given the general decline of government services. The implication for the distressed communities is however the same as the economic situation, they need to start generating revenue to purchase goods and services no longer forthcoming from government.

4.1.5.4. Technological

Some of the largest beneficiaries of Covid-19 were the manufacturers, suppliers and users of digital technologies which enabled the economies of the world to continue operating over in the face of physical lockdowns. The technologies that saw large scale adopting and investment include remote working, online purchasing and services, advanced technologies including artificial intelligence in operations and decision making, modern customer relationship management application, cloud hosting, near shoring and outsourcing and new final mile delivery services.

It is becoming increasingly affordable to use solar generated electricity, with Eskom being able to purchase solar generated electricity from some independent power producers at a lower cost than purchasing raw coal. While this might be temporary due to China's ban on Australian coal imports the long-term downward trend in solar generation and lithium ion battery costs provides alternatives to Eskom power, thus enabling industrialisation in ever remote areas. Blockchain allows for accurate accounting across multiple businesses in value chains that are traditionally subject to high fraud and theft risk, allowing the establishment of industries in communities not traditionally thought of as bankable. 3D printing is leading to a quantum reduction in product research and development costs and also allows small batch manufacturers to enter markets only occupied by major manufacturers in the past.

Agriculture is also benefitting from a large array of technological innovations that enables higher yields for less experienced farmers, increasing the relative value of land ownership.

These include soil and water sensors, weather tracking, satellite imaging, radio frequency identification, vertical farming, aquaculture, genetic engineering, hydroponics and urban agriculture all have the potential to transform subsistence farmers into commercial farmers in the context of co-operative structures. All the above-mentioned technologies have the potential to plug distressed communities into global supply chains, in particular when partnered with established corporates that have established export distribution channels.

4.1.5.5. Legal

Minister of Finance, Mr. Enoch Godongwana acknowledged that the country has increasingly become unattractive to investors, citing never-ending red tape as the common deterrent. He said there needs to be a move to remove the regulatory burden that comes with investing in the country for an increase in the appetite for investment. The Red Tape in question refers to a large array of requirements ranging from exchange controls, licensing, corporate social responsibility, employment equity, mandatory training etc. This is especially important for SMMEs as they employed 70% of people in South Africa prior to Covid-19, and generally don't have the resources or technical skills for the regulatory burden. Success in rolling back regulations will encourage South African to start investing again which in turn will start to attract foreign investors.

The first and largest regulatory relaxation impacting the economy is the ability to self-generate up to 100 mega-watts of electricity without licenses. This has the potential to spur economic growth, including in remote communities. Internationally there is also established conventions for earning carbon credits that can be leveraged. A large part of distressed communities' revenue generation will need to come from SMMEs as well as large corporates.

4.1.5.6. Environmental

The two main environmental drivers that are relevant for distressed communities are the opportunities that arise out of the need to reduce carbon emissions as well as the water and land pollution. The need to reduce carbon emissions presents a potential revenue opportunity while the deteriorating water quality situation is a potential constraint and opportunity.

Internal Environmental Analysis

The internal environmental analysis is aimed at discussing a number of key points that will underpin the turnaround strategy of the NDA. The ultimate Key Performance Indicators for the 2023/2024 financial year and beyond will be defined in accordance with the points discussed hereunder. The APP therefore represents a draft whose focus is to detail the strategic elements for consideration going forward.

Business Turnaround

The NDA has since the 2016/17 financial year, received an unqualified opinion with findings for the Annual Financial Statements and a disclaimer on performance information. The NDA management has reflected on the measures to be put in place to halt this worrying trend. In direct response to the apparent stagnation, the NDA is currently developing a fully-fledged

business turnaround strategy which will guide the NDA on a road to recovery. The NDA will focus on the development and implementation of the following elements which will constitute the business turnaround strategy:

- Standard Operating Procedures
- Compliance Management Framework
- Performance Information Management Framework
- Performance Information Management System
- Consequence Management Framework
- Policies
- Audit Implementation Plan

It is envisaged that the development and subsequent implementation of these procedural documents will result in the NDA being able to arrest its current trajectory. Through this effort, historical Irregular, Fruitless and Wasteful expenditure which constitutes a large portion of the current balance will be reduced drastically. At the same time preventative initiatives will be implemented to curb the ever rising IFW expenditure.

The finalisation of the performance information management system is crucial to improving the audit outcome on predetermined objectives. Along with the SOP's and the Performance Information Management Framework, the conclusion of the performance information management system will prove useful for collection, collation, storage and retrieval of performance information for management reporting and audit purposes. These set of frameworks will seek to return the NDA to the basics as it strives to define and spell out the applicable standard requirements for planning and reporting on key performance indicators.

Financial Sustainability of the NDA

The imminent budget cuts are proof that NDA cannot depend solely on the allocation from the fiscus. Section 4 of the NDA Act does empower the NDA to raise funds for the furtherance of development work in communities. The NDA will therefore earnestly focus its efforts on the development of a Revenue Generation Model which will encapsulate and detail the alternative funding sources and the various plausible strategies to be employed to raise funds from these identified sources in order to lessen dependency on the National Treasury allocation.

The NDA, led by the Department of Social Development, has embarked on the review and enhancement of the NDA mandate as part of the turnaround project. Aligned to the anticipated new mandate will be the revised business model to ensure end to end implementation of the Act. A key consideration for the revised business model will be the required skills and capacity for its full implementation. The audit of the current skills will therefore be crucial in determining the gap between the current and the future skills. The organisational structure may have to change in alignment to the revised business model. The finalisation of the organisational structure will be embedded in business process reengineering to ensure a fit for purpose structure with clearly defined functional responsibilities for the implementation of the NDA mandate.

The ongoing sustainability of the NDA relies heavily on the optimisation strategies to maximise productivity and eliminate duplications across a range of functional responsibilities in the organisation and across government. The optimisation process will also be characterised by

cost saving initiatives in a bid to prioritise resources towards long term sustainable plans that add lasting value in the mandate of the NDA. Through continuous planning and realignment of processes, the NDA will on an ongoing basis redirect resources towards areas of high community impact.

Strategic Partnerships

The Revenue Generation Model will be anchored in strong and sound partnerships in strategic sectors of the economy. Amongst others, the NDA will pursue partnerships with the Organised Business Formations such as Business Unity South Africa (BUSA), Black Business Council, Solidarity Fund and the Jobs Fund in order to establish high yielding collaborative partnerships in the fight against poverty. Within the ambit of the Inter-Governmental Relations framework, the NDA will seek to establish lasting partnerships across the three spheres of government with regards to coordination of community based development efforts as espoused in the District Development Model. To this end, the NDA will pursue the Department of Cooperative Governance and Traditional Affairs on the formalisation of the NDA coordination role. The NDA will also consider employing cross referral strategies with a number of funding agencies such as the NLC and SEDA, where unsuccessful applicant CSO's can be referred to NDA for further capacitation. This strategy will not be limited to these agencies only, it will be replicated within the Social Development portfolio where NPO's that have been deregistered will be trained by the NDA to a point of compliance and re-registration by the DSD.

The fulfilment of the secondary mandate of the NDA depends largely on sound research which is able to stand academic scrutiny and is of developmental relevance for use by NDA in particularly and the rest of government in general. The NDA will thus expand partnerships with research institutes, institutions of higher learning and expert government organisations such as StatsSA in pursuit of ground-breaking research on the pertinent issue of poverty and other research areas of developmental interest. The partnerships will extend to other exploratory areas that we have not ventured into before, such as TVET colleges. The partnership with TVET colleges will result in assimilation of vocationally skilled students into income generating CSO formations that can participate effectively in the economy.

Digitisation and system integration

The NDP 2030 state that the institutional arrangements to manage the information, communications and technology (ICT) environment need to be better structured to ensure that South Africa does not fall victim to a "digital divide". Digital transformation is therefore not an option but a must for organisations operating in the 21st century. Information and Communications Technology should be the lifeblood of all organisations, especially in the advent of COVID-19 which has brought about the need for all organisations to digitise their services for business continuity and uninterrupted service delivery. The NDA needs to ensure a secured ICT environment and seamless connectivity for the success of the digitisation project. Two significant benefits can emanate from digitisation are:

- **Increased Productivity** - The automation of services will allow the NDA stakeholders ability to share, collaborate, exchange, access to accurate

information in seconds, reducing the turnaround time, and further increasing the efficiency in the NDA.

- **Cost effectiveness** - The Development Officers will easily be able to work remotely and reduce reliance on manual and expensive processes, for an example, the cost of printing can be exorbitant and it involves additional costs like equipment management, paper records maintenance and cost of space. Digitisation will ensure that more and more employees are able to operate outside the office whilst still delivering on NDA obligations. This could potentially lead to the reduction of costs associated with office space.

Central to the digitisation of NDA work is the automation of current internal NDA process as well as external services to the CSOs in line with the approved NDA ICT Masterplan. At a service delivery level, the work of the NDA is largely contact based and has suffered significantly due to hard lockdown travel restrictions imposed by Covid-19. In order to extend the reach and coverage of NDA service delivery focused programmes, the NDA will focus on digitising and automating its services, beginning with the capacity building programme. The automation of the capacity building programme will serve as a springboard to total digitisation of NDA services. The NDA will explore a shared services model within the social development portfolio in order to leverage on existing ICT infrastructure within the portfolio.

SWOT Analysis

This section provides an analysis of the NDA's Strengths (S), Weaknesses (W), Opportunities (O) and Threats (T).

| Strengths | Opportunities |
|---|--|
| <ul style="list-style-type: none"> • National footprint • Presence in marginalized communities not served by other institutions • Experience in implementation as opposed to only disbursing funds • Long term community focus, insights and relationships • Existing community of CSOs that can be leveraged for revenue generation • Existing legislation allowing it to expand its scope of activities | <ul style="list-style-type: none"> • Leveraging its mandate to crowd in investment from a variety of different state and non-state actors to enable economic activity and job creation in marginalized communities • Obtain Treasury goodwill by transforming into an organization that provides the government with a high economic return on resources directed to the NDA • Leveraging its network and experience in collective structures as a vehicle for revenue generation • Pro-active promotion of marginalised communities with specific assets and potential for economic activity and job creation |
| Weaknesses | Threats |
| <ul style="list-style-type: none"> • Lack of differentiation in the demographics being served by CSOs being supported by the NDA • Lack of differentiation in the value propositions of the CSOs being supported by the NDA | <ul style="list-style-type: none"> • Further reductions in government allocation from National Treasury • Unsustainable high administration and overheads cost, whilst reducing allocation for the mandate cost • Irrelevant programmes and interventions to its core mandate of poverty reduction |

| | |
|--|---|
| <ul style="list-style-type: none"> • Inability to leverage mandate to source funding from other government departments • Limited political sponsorship, • Lack of continuity, regular turnover at Board and EXCO level • Poor reputation and brand for making a difference • Internal divisions, poor morale and operational inefficiencies | <ul style="list-style-type: none"> • Weak systems for accountability and effectiveness |
|--|---|

Civil Society Organisations (CSOs) Development Programme

The CSOs development programme of the NDA is designed to respond to the primary mandate of the NDA. The primary mandate requires the Agency to: *“to contribute towards the eradication of poverty and its causes by-granting funds to civil society organisations for the purposes carrying out projects or Programmes aimed at meeting development needs of poor communities; and strengthening the institutional capacity of other civil society organisations involved in direct service provision to poor communities”*. This programme is key in contributing to the reduction and eventually eradication of poverty in South Africa. However, the NDA alone cannot achieve the intended outcome as prescribed in the mandate, it is therefore having to operate within the and with all stakeholders and partners to make a meaningful contribution.

The South African political and socio-economic landscape is still characterised by significant levels of poverty, unemployment and inequality. In response to these challenges, the government has developed and adopted the National Development Plan (NDP) as a blueprint to eliminate poverty and reduce inequality by 2030. In summary, the NDP seeks to build capabilities of people, grow an inclusive economy, enhance the capacity of state and promote leadership and partnership throughout society. Despite the ongoing critical political debates around the macro-economic framework and the growth trajectory of the country, there is demonstrable consensus that the NDP provides a plausible plan for addressing the triple challenges of poverty, unemployment and inequality.

The NDA CSOs development programme is made up of a number of integrated interventions that are delivered as a package for CSOs based on the identified needs through a systematic process. The elements of the CSO development are not implemented in isolation of one another. They are designed to be interdependent and continuum of development care provided to CSOs for purposes of ensuring that these organisations are comprehensively supported. These interventions are outlined as:

Mobilisation: The CSO mobilisation intervention uses Consultations and dialogues processes to engage CSOs, government agencies and local municipalities at community level to understand and appreciate challenges, priorities, local resources and community structures that would enable social and development needs of the community. It is a key process for informing how the NDA respond to poverty eradication interventions appropriate to relieve the pressures experienced by households and members of families,

Needs Assessment: Needs assessment is a process to collect data and information in systematic approach to identify appropriate target population and individuals that needs development interventions. The aim of the assessments is for sourcing people who are trapped in poverty, especially those who rely on social grants for their livelihoods as targets for development interventions using the DDM to collaborate with all stakeholders to address their developmental needs.

CSOs classification: The classification is to measure the baseline for appropriate and adequate developmental and capability levels of the needs of the beneficiaries of the interventions. It allows the match of CSOs abilities to implement the developmental interventions for quality interventions. This is derived from good practice that not all beneficiaries and CSOs would receive the best beneficiation from the development interventions. This process is used to target the development interventions that will result in sustainable quality livelihood for those who benefitted from the development interventions, with an overall outcome of being pulled out of poverty.

Formalisation: The NDA facilitate and support CSO formalisation process to ensure that beneficiaries of development can pull their resources and use them to sustain themselves as compared to competing as an individual. Cooperatives and community self-help groups has proven to be resilient and can absorb economic shocks. These groups have more likelihood to cooperate for the same goal of changing fundamentally their livelihood if effectively supported and natured. The advantage of cooperatives and self-help groups can adapt to providing a range of services and products that can earn them sustainable income thus providing pathways across a number of sectors by pulling together their resources.

Capacity building (institutional strengthening and technical skills): The capacity building interventions management and skills are key for any interventions for sustainable development. This does not only apply to CSOs as a vehicle for service delivery but most importantly for the target audience for development, the beneficiaries of the interventions. Managing a production pipeline requires appropriate skills to manage the product or service. The NDA development practitioners, with well-established and resourced CSOs have capacity to deliver on these requirements. This will ensure prudent resource management, risk management, market management, business management and range of soft skills that maintains competitive edge against other competitors. However, the production skills and capabilities are pre-requisite for sustainability, growth and resilience.

These interventions will be provided through technical skills development institutions. These includes TVET colleges, community colleges, department's extension officers supported by relevant SETAs for funding these interventions. The aim is to ensure that targeted poverty trapped beneficiaries acquire appropriate skills and are mentored to sustain their income generation projects and programmes. Capacity building of beneficiaries is a means towards achieving poverty eradications, the examples from countries who attained significant poverty eradication levels invested on human capacities.

Grant Funding: The grant funding by the NDA is not only directed to CSOs, but uses CSOs as a vehicle to make funding available to beneficiaries to start their own income generation economic activities for the poor. The ultimate aim is to address poverty through sustainable developmental and economic that is gainful to beneficiaries. The outcome is to ensure poor

citizens, especially those who rely on social security to can take themselves out of poverty through actively participation in gainful income generation projects. Without investing financially to self-help income generation initiatives for the poor, poverty will remain a stumbling block. The NDA will not rely only in the government allocation but also implement development of project pipelines that will attract other government departments, municipalities, private sector and donors to invest in funding these self-help community based projects. This will not only create economic participation for the poor but will also ignite local economic development and abilities for households and members of poor households to increase their buying power. This conversely improves the productive capacities of less resourced municipalities who are struggling to generate income for service delivery.

Resource mobilisation: Resource mobilization is a strategic intervention to increase and diversify funding resources to support and fund poverty reduction programmes of the NDA. This intervention is grounded on creating effective partnerships across government, private sector and donor community. This function is derived from the NDA Act, Section 4(1) which allows the NDA to provide grants for poverty alleviation in poor communities. The NDA will not only mobilise funds to be granted to the CSOs but will use the CSOs as mechanism to fund poverty reduction programmes that benefit those targeted to be moved out of poverty. The resource mobilization intervention forms part of the core intervention of the NDA poverty eradication strategy. Viable sustainable self-help community projects for creating sustainable income will be driven by developing and designing viable development projects pipelines that will be used as resource mobilisation tool and mechanism.

Projects identified in poor communities will be developed into fundable and viable income generation projects to source direct funding to the projects. The project proposals will not only source funding from one funder, but would allow multiple funders interested to fund any area(s) of funder interest, including government, municipalities, private businesses, local and international donors. This approach provides opportunity for beneficiaries to grow these poverty eradication projects and reach its sustainability levels quicker. The aim is to have all poverty alleviations projects for poor communities to funded at levels that match or above investments on social security systems. It is for this reasons that the NDA poverty eradication pathways will impact on poverty reduction by linking poverty projects to a range of stakeholders to fund community based projects in the quest for eradicating poverty and all its causes.

District Development Model (DDM) as a vehicle for implementation of poverty eradication programmes

The NDA adopted the DDM as its platform for implementing its poverty eradication approach, The DDM is the best framework government has put in place to fight poverty afflicting the poor in South Africa. The DDM provides a platform for all government spheres to collectively invest in one goal, which is fighting poverty, unemployment and inequalities. The NDA, as the Social Development Portfolio for development, has captive audience to work with the DSD portfolio in direct linkages with the social security agency to target the same beneficiaries, the poor, to balance the need of those poor individuals that required support from the safety net on one hand and development interventions on the other to ensure no poor person is left to be trapped

in the cycle of poverty. The DDM space is where all government interventions converge to address a range of service delivery challenges. With a multiple range of government resources, supported by municipalities, it becomes a fertile platform to launch massive poverty eradication initiatives.

The NDA will be deploying its poverty eradication interventions with DSD portfolio, working collaboratively with other government departments and development agencies to forge sustainable partnerships to fight the high levels of poverty, manifested by the high uptake of social security programmes, which provides the only relief for the poor can access. The increase in the provision of developmental interventions can be magnified when collaborations and coordination of development interventions is markedly increased by government. Development interventions in poor communities requires a complete change in both approach and design. There are examples, not in the distance past, on impactful collaborative and coordinated projects focusing on the same goal that have proven the capacity of government to lead does achieve impactful outcomes.

The COVID-19 and the 2010 soccer world cup projects saw all government spheres, private sector and civil society all converged under one goal and outcome to deliver on those projects. The lessons learned from the achievements to achieve these goals led to the adoption of the DDM by government. The Department of Cooperative Governance Department of Cooperative Governance and Traditional Affairs (COGTA) has a responsibility to coordinate development and service delivery in municipalities, through the DDM. COGTA provides a formal structure for all sectors to collaborate in developmental efforts of the state, private and civil society at municipal level to address needs of communities in these geographical areas.

The NDA, poverty eradication programmes will work through COGTA for coordination all collaborative projects with stakeholders, including the beneficiaries. The collaborative approach will be based on a common goal, eradication of poverty with all causes. The NDA is currently finalising a MOU with COGTA for the very purposes of driving impactful developmental projects that over the medium term start to assist those trapped in poverty with no hope of coming out of poverty to start to experience hope and gain trust in government interventions for poverty eradication. As stated in the situation analysis of this APP, the NDA will use the DDM to deploy its development intervention with DSD portfolio, it will use the DDM approach pillars to design its mechanisms to projects and programmes that are developmental and provide opportunity for economic active people living in poverty to provide with viable pathways of coming out of poverty and build their own sustainable livelihoods.

Research Programme

The Research Programme implements the secondary mandate of the NDA by creating platforms for engagements and dialogues on development policy. The main focus, as primary input for this programme is conducting research that produces evidence on performance of current development policies and policy impact on development programmes across sectors involved in development programmes. The research projects are aligned to development priorities of South Africa. The aim is to collect and analyse evidence on what elements of development work to achieve reduction in poverty, inequalities and unemployment. South Africa has always been hailed as having good policies but lacks abilities to implement these policies. However, the lack of implementation is usually generalised thus making it difficult to

design corrective measures to respond to failures at implementation level. The NDA research projects are designed to answer some of the impediments in policy failures to support implementation.

The outcomes of research conducted by the programme informs the development policy impediments to implement development programme by the state organs. The dialogues platforms are created to inform the debates and development of strategies to lobby the state in removing obstacles that have negative effects on development programme implementation. This includes the disjuncture between development policy intentions and design of implementation responses. It is through this programme that the state, when lobbied with facts and evidence can align policy intentions to effective implementation, mechanisms, plans and shared vision and goals across state development programmes. Without reliable evidence, the question of failure to implement will not be articulated and effectively addressed. The Research programme will not produce research outcomes and dialogue proposals but will lobby state organs to use the evidence to review policy for purposes of aligning implementation plans and tools used to design impactful development programmes. It will also inform the design of the NDA poverty eradication programmes.

For producing credible research outcomes, the NDA works in partnership with state research and academic institutions to develop a research enquiry that has credibility and trust by senior managers and policy makers of the state. It must also be trusted by the civil society and private sector for participating in lobbying efforts to proposed development policy changes. It is for this reason that the engagements and dialogue forums is attended by stakeholders in all the sectors of the economy. Continuous policy improvements are essential to improve developmental interventions outcomes. The poverty eradication outcomes have worsened than improving over the past decade, this may be contributed by lack of coordinated and collaborated lobby for changes. Current approaches to measure and review performance of policies is sporadic and fragmented where different interest groups do not converge and use common platforms to lobby for development policy enhancements and adjustments of implementation plans. Evaluations are important to measure evidence of implementation and provide best practise and lessons that can be learned to improve implantation and or adjusting development policy requirements.

It is for this reason that the NDA has redefined the research programme to provide reliable evidence and information to guide the development programme of the NDA. It will also use the evaluation capacity to continuously measure outcomes and impact of these programmes. The DDM approach provides an environment to gather evidence on the development programmes implemented within the DDM environment, it also provides a useful platform to evaluate the effect of these development interventions. Both research and evaluations will have a feedback loop to the DDM structures to have access to information useful for improvements in policies and design of implementation plans, it will also provide feedback on outcomes and lessons that can be used to improve implantation. The focus of research in the current annual plan and the MSTF will be on programmes and projects that are focusing on poverty reduction. Baseline studies needs to be undertaken to track outcomes and impacts.

PART C: MEASURING OUR PERFORMANCE

5. Institutional Programme Performance Information

PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Purpose: This programme promotes and maintains organisational excellence and sustainability through effective and efficient administration. The programme is made up of a number of support functions and is responsible for development of strategy, organisational planning and reporting, compliance to legislation, prescripts and policies, sound financial management systems and human resource management and organisational development, safe operational environment including infrastructure required for staff, creating enabling operational environment through agile ICT systems and promoting and protecting the NDA brand.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-term targets | | |
|-----------------|--|--|----------------------------|---------------|---------------|---------------------------------|---|---|---|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| Good Governance | Irregular, Fruitless and Wasteful expenditure report | Percentage of cumulative IFW expenditure submitted for condonation | New indicator | 0% | 56.30% | 80% | 90% of cumulative IFW expenditure submitted for condonation | 90% of cumulative IFW expenditure submitted for condonation | 90% of cumulative IFW expenditure submitted for condonation |
| | Supplier payment Report | Percentage of invoices paid within 30 days of receipt | New Indicator | New Indicator | New Indicator | New Indicator | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt |

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-term targets | | |
|---------|---|---|----------------------------|---------------|---------------|---------------------------------|--|--|---|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| | Internal Audit Turnaround plan progress Report | Percentage of prior year audit findings resolved | New Indicator | New Indicator | New Indicator | New Indicator | 80% of prior year audit findings of resolved | 90% of prior year audit findings of resolved | 100% of prior year audit findings of resolved |
| | Preferential Procurement Report | Percentage implementation of preferential procurement targets for designated groups as per the SCM policy | New Indicator | New Indicator | New Indicator | New Indicator | 80% implementation of preferential procurement targets for designated groups as per the SCM policy | 90% implementation of preferential procurement targets for designated groups as per the SCM policy | 100% implementation of preferential procurement targets for designated groups as per the SCM policy |
| | ICT Electronic tool for grant funding projects assessment and review reports produced | Electronic grant funding assessment and review tool deployed | New indicator | New indicator | New indicator | New Indicator | Deployment of the electronic grant funding assessment and review tool | N/A | N/A |
| | ICT Security strategy | ICT Security strategy approved and implemented | New indicator | New indicator | New indicator | New Indicator | Prioritized cyber security corrective measures (Phase 1) implemented | Prioritized cyber security corrective measures (Phase 2) implemented | Prioritized cyber security corrective measures (Phase 3) implemented |

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-term targets | | |
|---------|------------------|--|----------------------------|---------------|---------------|---------------------------------|---|--|--|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| | HR Policies | Number of Human Resource policies reviewed and approved | New indicator | New indicator | New indicator | New indicator | 12 Human Resources Policies reviewed and approved | 28 Human Resources Policies approved | Human Resources Policies implemented |
| | Training Report | Number of staff training interventions conducted for staff development | New indicator | New indicator | New Indicator | New Indicator | 12 staff training interventions conducted | Assessment of staff competency levels acquired | Review staff skills levels against the NDA business model requirements |
| | Profiling report | Number of NDA projects profiled to market the work of the NDA | New indicator | New indicator | New indicator | New indicator | 9 profiled NDA Projects | 12 profiled NDA Projects | 15 profiled NDA Projects |

Indicators, Annual and Quarterly Targets

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---|---|--|--|--|
| Percentage of cumulative IFW expenditure submitted for condonation | 90% of cumulative IFW expenditure submitted for condonation | Referral of identified and assessed IFW expenditure cases to the Loss Control Committee | Compilation of the determination reports by the Loss Control Committee | Implementation of LCC determination report recommendations by NDA Management | Submission of 90% of IFW expenditure for condonation by the relevant authority |
| Percentage of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt | 95% of invoices paid within 30 days of receipt |

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|---|--|--|--|--|--|
| Percentage of prior year audit findings resolved | 80% of prior year audit findings of resolved | NDA prior year audit turnaround plan developed | 40% of prior year audit findings resolved | 60% of prior year audit findings resolved | 80% of prior year audit findings resolved |
| Percentage implementation of preferential procurement targets for designated groups as per the SCM policy | 80% implementation of preferential procurement targets for designated groups as per the SCM policy | 80% implementation of preferential procurement targets for designated groups as per the SCM policy | 80% implementation of preferential procurement targets for designated groups as per the SCM policy | 80% implementation of preferential procurement targets for designated groups as per the SCM policy | 80% implementation of preferential procurement targets for designated groups as per the SCM policy |
| Electronic grant funding assessment and review tool deployed | Deployment of the electronic grant funding assessment and review tool | Development of grant proposal assessment and review tool | Deployment of grant proposals assessment and review tool | Grant proposals assessment and review implemented by committees | Grant proposals assessment and review implemented by committees |
| ICT Security strategy approved and implemented | Prioritized cyber security corrective measures (Phase 1) implemented | Implementation plan for the ICT Security strategy developed | Cyber Security policy approved Cyber security awareness training conducted | Prioritized cyber security corrective measures (Phase 1) implemented | Prioritized cyber security corrective measures (Phase 1) implemented |
| Number of Human Resource policies reviewed and approved | 12 Human Resources Policies reviewed and approved | Legislative assessment of policy requirements for Human Resources compiled | 12 Human Resources Policies drafted | Draft Human Resources Policies consulted with internal stakeholders | 12 Human Resources Policies approved by the Board |

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|---|--|--|---|---|
| Number of staff training interventions conducted for staff development | 12 staff training interventions conducted | 2 staff training interventions conducted | 6 staff training interventions conducted | 10 staff training interventions conducted | 12 staff training interventions conducted |
| Number of NDA projects profiled to market the work of the NDA | 9 profiled NDA Projects | 2 profiled NDA Projects | 5 profiled NDA Projects | 7 profiled NDA Projects | 9 profiled NDA Projects |

Explanation of planned performance over the medium-term period

The NDA will give effect to the outcome of “Good Governance” by focusing on putting mechanisms in place to drastically reduce Irregular, Fruitless and Wasteful expenditure. Equally there will be a sharp focus in ensuring that the internal machinery of the organisation is enabled to perform at its optimal through capacitated personnel and in an ICT environment characterized by top-notch cyber security.

Percentage (%) of cumulative IFW expenditure submitted for condonation

The business process for the implementation of the KPI is as follows:

- (a) SCM compiles an IFW register and refer the register to the office of the CEO, then CEO will assign or refer the matter to the Loss Control Committee (LCC) an independent structure comprising of independent members who are not officials of the entity appointed by the Chief Executive Officer charged with the task of collecting information, confirming the facts and losses, and or referring Contracts for investigation if there it suspects any possibilities of fraudulent, corrupt or criminal acts emanating from the incurrence of irregular expenditure a team to investigate the matter.
- (b) The referral by the CEO to the LCC is for the Loss Control Committee to determine if there is a loss or not associated and also to determine type of loss. The determination test must be completed within 30 days.
- (c) Upon receipt of the referral by the CEO the LCC then conducts a determination test including the confirmation of the following:

- (i) Root causes of non-compliance;
 - (ii) Employee/s responsible;
 - (iii) Loss suffered;
 - (iv) Breakdown of internal controls;
 - (v) Possibility of fraud, corruption, criminal conduct emanating from the transaction.
- (d) Finally, the LCC compiles a report with the recommendations on the appropriate remedial action and the appropriate consequence management to be implemented for each case. The following are the possible consequences which may flow from any Irregular Fruitless and Wasteful transaction:
- (i) A misconduct case,
 - (ii) A civil claim for recovery of a loss, this will only arise in cases where it can be shown that the NDA suffered a loss as a result of the IFW transaction,
 - (iii) A referral of the matter to the law enforcement agencies for criminal investigation and this will arise in Contracts where a formal investigation indicates a suspicion of crime, fraud or corruption.
- (e) The Reports of the LCC with recommendations are submitted to the CEO for implementation.
- (f) Depending on the nature of the recommended consequence management, the CEO will refer Contracts to the relevant line functionary for implementation namely:
- (i) All misconduct Contracts are referred to HR for processing;
 - (ii) Recovery Contracts are referred to Legal Services and
 - (iii) Criminal, fraud and corruption allegations are referred to Risk Management.
- (g) The reports from the LCC together with proof of implementation of remedial action and consequence management are submitted to Finance and Finance prepares an application for condonation to either National Treasury or the Accounting Authority.

Implementation of ICT Security Strategy

At the core of NDA's service delivery model, current and future, as well the achievement of NDA 's performance objectives, is enabled technology. The NDA's legislative mandate also obligates the NDA through ICT to create and maintain a database of CSO's. Not only is technology a legislative imperative, it is also critical to the attainment of most of the identified key priorities i.e. strengthening CSO capacity to deliver on the NDA mandate, strengthening NDA institutional capacity as well as the implementation of its business model. It is for this reason that the NDA has to embark on a digital transformation journey and have an integrated digitalised operations and processes for efficiency and productivity, sharing of creditable and accurate information, enhancement of visibility and to make informed decision.

The increased use of technology brings positive improvements for service delivery but also brings increased ICT security vulnerability. Therefore, adequate ICT security controls on all the ICT platforms and infrastructure are necessary to safeguard the environment and ultimately ensure business continuity in case on any type of cyber-attacks. The KPI seeks to adopt an integrated approach to information security and to strengthen the risk controls by conducting the risk assessments, identify gaps and developing an ICT Cybersecurity strategy.

Implementation of Skills Audit Recommendations

One of the key priorities identified for the NDA is to strengthen institutional capacity. To further support this priority, the NDA will concentrate on organisational development with specific focus on human resources development by implementing skills training as identified in the Competency Framework and a comprehensive Skills Audit to support of the Agency's Annual Performance Plan and Turnaround Strategy. In particular, this intervention is directly aimed at enhancing the effectiveness of employee performance and consequently the Annual Performance Plan.

In 2021, the NDA identified the need to develop a Competency Framework and conduct a comprehensive Skills Audit, the outcome of this exercise resulted in the identification of Skills Intervention Categories and a Competency Framework with three main domains namely:

1. Applied Knowledge - the thoughtful integration of academic knowledge and technical skills, put to practical use in the workplace
2. Effective Relationships - the interpersonal skills and personal qualities that enable individuals to interact effectively with clients, co-workers, and supervisors
3. Workplace Skills -the abilities, analytical and organisational skills and understandings that employees need to successfully perform work tasks

The gaps identified were grouped into 30 categories across the three Competency domains, of which to date, 18 have been implemented. Thus, the Output Indicator for the current year seeks to further narrow the skills gap and lay the foundation for organisational readiness for change. The new business model will necessitate a revised Competency Framework which will supplement the already develop competencies.

Reviewed Human Resources Policies

Effective HR policies and procedures will also contribute to strengthen institutional capacity by ensuring compliance with relevant employment legislation, improved internal controls, management of various risks associated with employment practises. The rationale for the inclusion of this Output Indicator is also to support the desired culture that will support the implementation of the new business model and positively impact organisational performance and institutional coherence. The identification of policies to be prioritised for review sought to cover the employee life cycle model, which traces employees' trajectory in the organisation from entry to exit. Correspondingly, the core phases in the employee life cycle are attraction, development, performance, recognition, retention and ultimately termination and policies to be reviewed are grouped as such. In addition, this approach will also consolidate a number of policies which are related and should be part of the same policy.

Updated key Risks

| Outcome | Key Risks | Risk Mitigation |
|-----------------|--|---|
| Good Governance | Non-compliance with regulatory requirements and legislations | <ul style="list-style-type: none"> Develop and implement a compliance management process and regular reporting of compliance to oversight structures |
| | Delay in the approval, funding and implementation of the Turnaround Strategy | <ul style="list-style-type: none"> Engage the NDA Board and consult extensively with key stakeholders |

PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

Purpose: This programme designs and implements programmes and projects that respond to poverty eradications through sustainable livelihood. The programme uses a combination of interventions to support efforts to eradicate poverty in poor communities. The key interventions target is those people that have no means of creating gainful income from economic activities to support their own sustainable livelihood to escape poverty. The programme will use the DDM model architecture and mechanisms to deploy its development interventions to poor people using CSOs as a vehicle for delivering developmental projects to poor communities.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-Term Targets | | |
|--|--|--|----------------------------|---------------|---------------|---|--|--|--|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| Effective strategic partnerships to support poverty eradication programmes | Approved NDA Resource Mobilization Strategy document | NDA Resource Mobilization Strategy for poverty eradication approved by the Board | New indicator | New indicator | New indicator | Approval of NDA Strategic Partnership Model aligned to NDA business model | Board Approved NDA Resource Mobilisation Strategy for poverty eradication projects | Implementation of NDA Strategic Partnership Model & Resource Mobilisation Strategy | Implementation of NDA Strategic Partnership Model & Resource Mobilisation Strategy |
| | Resource Mobilisation Report | Rand value of resources raised for funding of CSOs | R55m | R15,7m | R54,5m | R35m | R50m raised | R100m | R200m |

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-Term Targets | | |
|---|--|--|----------------------------|--|---|--|--|--|--|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| Sustainable livelihood for beneficiaries of NDA funded poverty eradication projects | Grant funding report | Number of poverty eradication CSOs funded by the NDA | New Indicator | New Indicator | New Indicator | New Indicator | 100 poverty eradication CSOs funded | 120 poverty eradication CSOs funded | 150 poverty eradication CSOs funded |
| | Report with names of beneficiaries of income generation projects of the NDA | Number of beneficiaries participating in income generation projects | New indicator | 2049 beneficiaries participating in income generation projects | 750 beneficiaries participating in income generation projects | 3000 beneficiaries participating in income generation projects | 3000 beneficiaries participating in income generation projects | 3500 beneficiaries participating in income generation projects | 4000 beneficiaries participating in income generation projects |
| | Report with names of CSOs provided with skills development interventions to support NDA poverty eradication projects | Number of CSOs capacitated with skills to implement poverty eradication projects | New indicator | 1114 | 2558 | 2000 | 2500 skilled CSOs | 3000 skilled CSOs | 3500 skilled CSOs |
| | Skills development report for | Number beneficiaries capacitated | New indicator | New indicator | New indicator | New indicator | 5000 skilled beneficiaries | 6000 skilled beneficiaries | 7000 skilled beneficiaries |

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-Term Targets | | |
|---------|---|---|----------------------------|---------|---------|---------------------------------|---------------------|---------|---------|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| | beneficiaries of NDA poverty eradication projects | with skills to implement poverty eradication projects | | | | | | | |

Indicators, Annual and Quarterly Targets

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|--|--|--|--|---|
| NDA Resource Mobilization Strategy for poverty eradication approved by the Board | Board Approved NDA Resource Mobilisation Strategy for poverty eradication projects | Research exercise on funding streams in the sector | Develop a database of funders for the sector | Develop Solicitation Plan/ Fund-raising Plan | Develop stewardship plan / Relationships maintenance Plan Resource Mobilization Strategy approved by the Board |
| Rand value of resources raised for funding of CSOs | R50m raised for funding of CSOs | R5m raised | R10m raised | R30m raised | R50m raised |
| Number of poverty eradication CSOs funded by the NDA | 100 poverty eradication CSOs funded | 25 CSOs funded | 50 CSOs funded | 75 CSOs funded | 100 CSOs funded |

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|--|------|------|------|------|
| Number of beneficiaries participating in income generation projects | 3000 beneficiaries participating in income generation projects | 750 | 1500 | 2000 | 3000 |
| Number of CSOs capacitated with skills to implement poverty eradication projects | 2500 skilled CSOs | 500 | 1000 | 1500 | 2500 |
| Number beneficiaries capacitated with skills to implement poverty eradication projects | 5000 skilled beneficiaries | 1250 | 2500 | 3750 | 5000 |

Explanation of planned performance over the medium-term period

Programme 2 is the core programme of the NDA's operations. It is the programme that implements the organisations' development activities. Programme 2 has the key outcome of creating sustainable CSOs that provide development services to deprived communities and demographics. The NDA's core development outcome, which is to create self-sufficient and self-reliant communities through focused interventions. In order to do this, the NDA through its outputs will strive towards increasing work opportunities, increasing CSO income and empowering CSOs through focused development interventions in the areas of capacity building and grant funding. The outcome of self-sufficient and self-reliant communities will be achieved should the outputs be successfully achieved, which will in turn contribute to achieving the sole impact of reduced levels of poverty in South Africa.



Resource Mobilisation Strategy

The goal of the Resource Mobilisation Strategy is to position the National Development Agency as an investment destination to business sector, philanthropists; international donor community for advancement of community development and eradication of poverty. To ensure sustainability of the Entity the strategy will be used as a strategic tool to pull resource to real needs of CSOs on the ground to enable them to carry out developmental projects isolated or distressed communities. The Strategy will seek to improve delivery of aid and corporate social investment, concentrating on delivering greater volumes in a better targeted, more predictable and coordinated fashion and in close partnership with recipients

Rand value of resources raised

The budget cuts are proof that NDA cannot depend solely on the allocation from the fiscus. Section 4 of the NDA Act does empower the NDA to raise funds for the furtherance of development work in communities. The NDA will therefore earnestly focus its efforts on the development of a Revenue Generation Model which will encapsulate and detail the alternative funding sources and the various plausible strategies to be employed to raise funds from the identified sources in order to lessen dependency on the National Treasury allocation.

Number of Civil Society Organisations funded

The NDA grant funding approach to CSOs is aimed at developing the organisations to ensure they have capacities (human and financial) to deliver quality services to attract more funding based on their performance records. Through the grant funding process, the NDA will report on the number of CSOs funded and the amount of money granted to CSOs. On a long term, the NDA will through outcome evaluations seek to measure developmental change brought about by the grant funding.

All organisations funded through NDA funding for implementing programme or projects work should have been assessed for intervention needs and compliance with registration requirements, financial management record, accountability, capacity to implement and have a sustainability plan to ensure that the organisation will have a potential to grow and be sustainable.

Number of work opportunities created

The 2023/24 APP will focus on increasing funding to CSOs programmes that are creating job opportunities and sustainable livelihoods. The NDA, in collaboration with CSOs will thus create job opportunities, these opportunities will mainly be derived from the grant funded cooperatives and income generation projects earmarked for funding and technical support.

Number of CSOs capacitated to increase their institutional capacity

Capacity building focuses on strengthening institutional capacities of CSOs across all districts and local municipalities in nine provinces. The sub-programme entails organisational development for the CSOs to ensure that these organisations have sound systems, processes and capabilities to deliver quality services, and comply with good governance, accountability and reporting requirements of CSOs. The capacity-building interventions are provided through training, mentoring and incubation of all CSOs assessed and requiring institutional capacity-building development.

Updated key Risks

| Outcome | Key Risks | Risk Mitigation |
|---|--|---|
| Effective strategic partnerships, to effect development goals | Lack of enthusiasm from strategic partners to commit resources | <ul style="list-style-type: none"> Develop strong value proposition for all stakeholders Implement NDA Strategic Partnership Model and Resource Mobilisation Strategy |
| Sustainable CSOs that provide development services to deprived communities and demographics | Strategic <ul style="list-style-type: none"> Potential insufficient funding to implement development programmes affecting sustainability of projects Donor agendas influencing CSO funding Operational <ul style="list-style-type: none"> Misuse of funds by CSOs | <ul style="list-style-type: none"> Implement and popularise the Turnaround Strategy and Business Case Institute stringent monitoring mechanisms by NDA officials and reporting obligations by CSOs usage of funds |

PROGRAMME 3: RESEARCH

Purpose: This programme is responsible for conducting evidence based research and evaluations to inform debates and engagement on development policy and generating information on best practices for improving the NDA development programme interventions. The outcome is to inform national development policy debates and engagements on issues relating to development and poverty eradication in general.

Outcomes, Outputs, Performance Indicators and Targets

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-term targets | | |
|---------|-----------------------|--|----------------------------|--|--|--|--|--|--|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| | Research publications | Number of research publications produced to provide a basis for development policy | New indicator | 5 research publications produced to provide a basis for development policy | 5 research publications produced to provide a basis for development policy | 3 research publications produced to provide a basis for development policy | 3 research publications produced to provide a basis for development policy | 3 research publications produced to provide a basis for development policy | 3 research publications produced to provide a basis for development policy |
| | Policy briefs | Number of policy briefs submitted to relevant stakeholders | New indicator | New indicator | New indicator | New indicator | 3 policy briefs submitted to relevant stakeholders | 3 policy briefs submitted to relevant stakeholders | 3 policy briefs submitted to relevant stakeholders |
| | Dialogue reports | Number of dialogues held with relevant stakeholders | New indicator | 5 Dialogues held with relevant stakeholders | 5 Dialogues held with relevant stakeholders | 5 Dialogues held with relevant stakeholders | 2 dialogues held with relevant stakeholders | 3 dialogues held with relevant stakeholders | 3 dialogues held with relevant stakeholders |

| Outcome | Output | Output indicator | Audited/actual performance | | | Estimated performance (2022/23) | Medium-term targets | | |
|---|----------------------------|---|----------------------------|---|---|---|---|---|---|
| | | | 2019/20 | 2020/21 | 2021/22 | | 2023/24 | 2024/25 | 2025/26 |
| Appropriate development policy through thought leadership | Evaluation reports | Number of evaluations conducted to inform programme design and implementation | New indicator | 3 Evaluations Conducted to inform programme design and implementation | 3 Evaluations Conducted to inform programme design and implementation | 3 Evaluations Conducted to inform programme design and implementation | 3 Evaluations Conducted to inform programme design and implementation | 3 Evaluations Conducted to inform programme design and implementation | 3 Evaluations Conducted to inform programme design and implementation |
| | Multi-year evaluation plan | Approved Multi-year evaluation plan | New indicator | New indicator | New indicator | New indicator | Multi-year evaluation plan approved | Multi-year evaluation plan implemented | Multi-year evaluation plan implemented |
| | Concept Document | Concept document on Economic pathways out of poverty approved | New indicator | New indicator | New indicator | New indicator | Approved Concept Document on economic pathways out of poverty | Phased implementation of the economic pathways report recommendations | Phased implementation of the economic pathways report recommendations |

Indicators, Annual and Quarterly Targets

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|--|---|--|---|---|
| Number of research publications produced to provide a basis for development policy | 3 research publications produced to provide a basis for development policy | Project Plan and Methodology for research studies | 1 Research publication to provide a basis for development policy | 2 Research publications to provide a basis for development policy | 3 Research publications to provide a basis for development policy |
| Number of policy briefs submitted to relevant stakeholders | 3 policy briefs submitted to relevant stakeholders | | 1 Policy brief submitted to relevant stakeholders | 2 Policy briefs submitted to relevant stakeholders | 3 Policy briefs submitted to relevant stakeholders |
| Number of dialogues held with relevant stakeholders | 2 Dialogues held with relevant stakeholders | | 1 Dialogue held with relevant stakeholders | | 2 Dialogues held with relevant stakeholders |
| Number of evaluations conducted to inform programme design and implementation | 3 Evaluations conducted to inform programme design and implementation | Project Plan and Methodology for evaluation studies | 1 Evaluation conducted to inform programme design and implementation | 2 Evaluations conducted to inform programme design and implementation | 3 Evaluations conducted to inform programme design and implementation |
| Approved multi-year evaluation plan | Multi-year evaluation plan approved | Draft Evaluation policy developed and consulted | Evaluation policy approved | Draft Multi-year evaluation plan developed and consulted | Multi-year evaluation plan approved |

| Output Indicators | Annual Target | Q1 | Q2 | Q3 | Q4 |
|---|---|--------------------------------------|--|--|--|
| Concept document on Economic pathways out of poverty approved | Approved Concept Document on economic pathways out of poverty | Report on causes of poverty produced | Literature review on viable economic pathways out of poverty conducted | Draft Concept document on economic pathways out of poverty consulted with management | Concept Document on economic pathways out of poverty approved by the Board |

Explanation of planned performance over the medium-term period

Programme 3 will contribute to reducing the levels of poverty in South Africa, by focusing on influencing development policy through thought leadership. The outcome of the programme is to produce research and thought leadership that solely aims to influence development policy. There are 2 distinct outputs that directly contribute to the outcome. The first is to produce research outputs that shape policy development processes and outcomes, and the second one is to organise and conduct dialogue engagements to influence social, economic and development policies in South Africa. The influence on policy development and aligning industry practices to best practices will both directly impact the development of strategies and programmes aimed at reduction of poverty in South Africa.

Number of Research Publication Produced

The Research Unit has a responsibility of conducting research work in response to the Secondary Mandate of the NDA. In 2023-24 the Unit has planned to conduct 3 research studies as guided by the Research Agenda of the NDA. The three research studies are focused on three developmental priority areas: Economic transformation and job creation; Effect of quality of education, skills and social behaviour; and creation of enabling environment for the CSOs.

Number of Policy Briefs submitted to relevant stakeholders

The Research Unit produces policy brief from the research work that is undertaken on an annual basis. The policy brief forms the bases of policy engagements, dialogues and debates that the unit should have with external stakeholders. The policy briefs make it easy to read and for reference to those who were not part of the research study in advancing the debates and dialogue that should influence development policy. In 2023-24 financial year the Research unit will produce 3 policy briefs from the research studies.

Number of dialogues held with relevant stakeholders

As part of influencing development policy the Research Unit hosts dialogues which take different forms from physical to web based dialogues. Lately the unit hosts its dialogues in the form Webinars. In 2023/24 the Research Division under Knowledge Management Sub-Unit will host 2 Dialogues to debate development policies. These Webinars will be drawn from the research reports that will be produced by the Research Unit.

Number of evaluations conducted to inform programme design and implementation

The monitoring and Evaluation unit conducts the evaluation studies to assess the performance of the NDA funded programmes in achieving its objectives. In the 3023/24 FY the Unit will conduct 3 evaluation studies focusing on three areas: Capacity Programme of the NDA; the Due Diligence processes of Grant Funding Process; and the evaluation of the DDM Pilot Project. The results of these evaluation will assist in improving the design and implementation of the NDA funded programmes and projects.

Approved Multi-year evaluation plan

The M&E Unit must develop the multi-year evaluation plan and have it approved by the board. This plan will enable the M&E unit and the Agency in general to conduct a well-coordinated evaluation work. The Plan will be used to plan for the evaluation studies as well assist in planning and budgeting for the future evaluation studies of the Agency. This plan will enable all NDA staff to make inputs into the studies that need to be conducted by Agency. The plan will be updated on an annual basis to fir the new topical areas and have the budget adjusted accordingly. The plan must be approved by the Board by at least in 4th quarter of the 2023/24 Financial Year.

Updated key Risks

| Outcome | Key Risks | Risk Mitigation |
|---|---|---|
| Appropriate development policy through thought leadership | Limited involvement in facilitating engagement and debates between government, civil society and private sector on development policy | Develop and implement processes, responsibilities and plans around formal dialogues |
| | Limited use of research and evaluation findings by stakeholders | |

CONSOLIDATED BUDGET BY PROGRAMME FOR MTEF PERIOD

MTEF BUDGET 2024-2026

2023-24 FY

| REVENUE | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 | % ↑ | 2024-25 MTEC YR 2 | % ↑ | 2025-26 MTEC YR 3 |
|--------------------------------------|------------------------|-----------------------------------|--|---------------|----------------------|--------------|----------------------|--------------|----------------------|
| Transfer allocation | 99% | 245 970 000 | 219 274 000 | 0,38% | 220 116 000 | 4,49% | 230 001 000 | 4,48% | 240 305 000 |
| Interest income | 1% | 2 708 135 | 4 774 452 | -56% | 2 083 626 | 4% | 2 176 347 | 4% | 2 273 848 |
| Other income | 0% | 2 067 229 | 718 894 | | - | | - | | - |
| Transfer from accumulated funds (PY) | | - | 53 028 335 | | | | | | |
| TOTAL REVENUE | 100% | 250 745 364 | 277 795 681 | -20,0% | 222 199 626 | 4,49% | 232 177 347 | 4,48% | 242 578 848 |
| Actual/ Projected Average CPI | | 5,90% | 7,20% | | 4,42% | | 4,45% | | 4,48% |

| SURPLUS / DEFICIT | | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 | % ↑ | 2024-25 MTEC YR 2 | % ↑ | 2025-26 MTEC YR 3 |
|-------------------|--|-----------------------------------|--|------|----------------------|-------|----------------------|-------|----------------------|
| Revenue | | 250 745 364 | 277 795 681 | -20% | 222 199 626 | 4,49% | 232 177 347 | 4,48% | 242 578 848 |
| Less: Expenditure | | 204 779 813 | 277 795 681 | -20% | 222 199 626 | 4% | 232 177 347 | 4% | 242 578 848 |
| Surplus | | 45 965 551 | - | | - | | - | | - |

| EXPENDITURE BY PROGRAMME (employee costs extracted) | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 | % ↑ | 2024-25 MTEC YR 2 | % ↑ | 2025-26 MTEC YR 3 |
|---|------------------------|-----------------------------------|--|---------------|----------------------|--------------|----------------------|--------------|----------------------|
| Programme 1 - Governance & Admin | 21% | 39 917 122 | 57 912 646 | -21% | 46 035 445 | 5% | 48 551 244 | 6% | 51 229 595 |
| Programme 2 - CSO Development | 8% | 19 464 832 | 67 876 659 | -73% | 18 141 800 | 3% | 18 638 181 | 2% | 19 036 819 |
| Programme 3 - Development M & Research | 2% | 1 758 560 | 6 930 548 | -42% | 4 018 159 | 4% | 4 196 967 | 4% | 4 384 947 |
| Employee costs | 69% | 143 639 300 | 145 075 828 | 6,2% | 154 004 222 | 4,41% | 160 790 956 | 4,44% | 167 927 488 |
| TOTAL EXPENDITURE | 100% | 204 779 813 | 277 795 681 | -20,0% | 222 199 626 | 4,49% | 232 177 347 | 4,48% | 242 578 848 |
| Employee costs - Mandate (Prog 2 & 3) | 58% | 77 696 303 | 82 240 849 | 6,6% | 87 628 992 | 4,85% | 91 878 294 | 4,45% | 95 966 677 |
| Employee costs - Admin | 42% | 65 942 997 | 62 834 979 | 0,9% | 63 413 178 | 4,42% | 66 214 538 | 4,45% | 69 160 284 |
| Total employee costs | 100% | 143 639 300 | 145 075 828 | 4,1% | 151 042 170 | 4,67% | 158 092 832 | 4,45% | 165 126 961 |

| EXPENDITURE BY ECONOMIC CLASSIFICATION | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 | % ↑ | 2024-25 MTEC YR 2 | % ↑ | 2025-26 MTEC YR 3 |
|---|------------------------|-----------------------------------|--|-------------|----------------------|-----------|----------------------|-----------|----------------------|
| Goods and services | 26% | 48 337 716 | 78 098 375 | -26% | 57 731 298 | 6% | 61 461 043 | 3% | 63 070 016 |
| Capital expenditure | 0% | - | 2 522 100 | -58% | 1 067 277 | 4% | 1 114 771 | 4% | 1 164 712 |
| Transfers to CSOs/ NPOs | 4% | 12 802 798 | 52 099 378 | -82% | 9 396 829 | -6% | 8 810 578 | 18% | 10 416 633 |
| Compensation of employees | 69% | 143 639 300 | 145 075 828 | 6% | 154 004 222 | 4% | 160 790 956 | 4% | 167 927 488 |
| TOTAL EXPENDITURE | 100% | 204 779 813 | 277 795 681 | -20% | 222 199 626 | 4% | 232 177 347 | 4% | 242 578 848 |

| EMPLOYEE COSTS per programme | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 4,42% | % ↑ | 2024-25 MTEC YR 2 4,45% | % ↑ | 2025-26 MTEC YR 3 4,48% |
|---|------------------------|-----------------------------------|--|--------------|-------------------------------|--------------|-------------------------------|--------------|-------------------------------|
| Employee costs - Prog 1 - Admin | 43% | 65 942 997 | 62 834 979 | 5,24% | 66 127 698 | 4,41% | 69 043 422 | 4,44% | 72 109 427 |
| Employee costs - Prog 2 - CSO Development | 53% | 71 959 032 | 75 946 380 | 7,04% | 81 289 306 | 4,40% | 84 869 579 | 4,44% | 88 634 385 |
| Employee costs - Prog 3 - Research | 4% | 5 737 271 | 6 294 469 | 4,65% | 6 587 218 | 4,41% | 6 877 955 | 4,44% | 7 183 676 |
| TOTAL EXPENDITURE | 100% | 143 639 300 | 145 075 828 | 6,15% | 154 004 222 | 4,41% | 160 790 956 | 4,44% | 167 927 488 |

| EXPENDITURE BY PROGRAMME (Including employee costs) | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 4,42% | % ↑ | 2024-25 MTEC YR 2 4,45% | % ↑ | 2025-26 MTEC YR 3 4,48% |
|--|------------------------|-----------------------------------|--|-------------|-------------------------------|--------------|-------------------------------|--------------|-------------------------------|
| Programme 1 - Governance & Admin | 50% | 105 860 119 | 120 747 625 | -7,11% | 112 163 143 | 4,84% | 117 594 666 | 4,88% | 123 339 022 |
| Programme 2 - CSO Development | 45% | 91 423 864 | 143 823 039 | -31% | 99 431 106 | 4,10% | 103 507 760 | 4,02% | 107 671 204 |
| Programme 3 - Development M & Research | 5% | 7 495 831 | 13 225 017 | -20% | 10 605 377 | 4,43% | 11 074 922 | 4,46% | 11 568 623 |
| TOTAL EXPENDITURE | 100% | 204 779 813 | 277 795 681 | -20% | 222 199 626 | 4,49% | 232 177 347 | 4,48% | 242 578 848 |

| EXPENDITURE BY COST LINE (employee costs extracted) | 23-24 % of total | 2021-22 ACT AUDITED OUTCOME | 2022-23 BGT CURRENT YR (incl rollover) | % ↑ | 2023-24 MTEC YR 1 4.42% | % ↑ | 2024-25 MTEC YR 2 4.45% | % ↑ | 2025-26 MTEC YR 3 4.48% |
|--|------------------------|-----------------------------------|--|-------------|-------------------------------|-----------|-------------------------------|-----------|-------------------------------|
| PROG 1: | 21% | 39 917 122 | 57 912 646 | -21% | 46 035 445 | 5% | 48 551 244 | 6% | 51 229 595 |
| Goods & services | | | | | | | | | |
| Marketing & comms | 0% | 699 227 | 1 818 360 | -51% | 889 800 | 4% | 929 396 | 4% | 971 033 |
| Consulting fees | 2% | 4 018 176 | 13 044 318 | -70% | 3 866 316 | 4% | 4 038 367 | 4% | 4 219 285 |
| IT costs | 4% | 6 142 224 | 7 911 556 | 15% | 9 128 218 | 4% | 9 534 423 | 4% | 9 961 566 |
| Audit fees | 2% | 4 319 612 | 4 738 273 | 4% | 4 947 705 | 4% | 5 167 878 | 4% | 5 399 399 |
| Depreciation | 0% | 3 259 006 | - | | - | | - | | - |
| Printing & stationery | 1% | 621 986 | 1 316 811 | -14% | 1 138 920 | 4% | 1 189 601 | 4% | 1 242 896 |
| Telephone | 0% | 156 299 | 127 194 | 45% | 185 026 | 4% | 193 260 | 4% | 201 918 |
| Repairs & maintenance | 1% | 1 040 703 | 924 893 | 52% | 1 401 905 | 4% | 1 464 289 | 4% | 1 529 890 |
| Seminars, workshops, conferences | 0% | 292 185 | 385 000 | 33% | 512 180 | 4% | 534 972 | 4% | 558 939 |
| Operating leases | 5,0% | 11 160 386 | 10 466 028 | 7% | 11 173 710 | 9% | 12 136 408 | 9% | 13 183 372 |
| Municipal rates and taxes | 1,2% | 2 244 706 | 1 074 733 | 140% | 2 579 959 | 4% | 2 694 767 | 4% | 2 815 492 |
| Office set-up/ Relocation of offices | 0,3% | 845 385 | 2 141 678 | -71% | 621 299 | 4% | 648 947 | 4% | 678 020 |
| Travel & accommodation | 2,1% | 3 302 367 | 6 022 812 | -22% | 4 680 490 | 4% | 4 888 772 | 4% | 5 107 789 |
| Stakeholder management | 0,2% | - | 950 000 | -51% | 469 890 | 4% | 490 800 | 4% | 512 788 |
| Board & committee remuneration | 0,5% | 337 854 | 1 624 779 | -29% | 1 149 434 | 4% | 1 200 583 | 4% | 1 254 370 |
| Capex | 0,5% | - | 2 522 100 | -58% | 1 067 277 | 4% | 1 114 771 | 4% | 1 164 712 |
| Miscellaneous | 1,0% | 1 477 006 | 2 844 111 | -22% | 2 223 316 | 5% | 2 324 010 | 4% | 2 428 126 |
| PROG 2: | 8,2% | 19 464 832 | 67 876 659 | -73% | 18 141 800 | 3% | 18 638 181 | 2% | 19 036 819 |
| CSO Mobilisation (including DDM) | 0% | 1 576 681 | 5 188 095 | -92% | 412 603 | 122% | 913 952 | 2% | 936 352 |
| Capacity building | 2% | 2 917 113 | 5 071 949 | 2% | 5 148 154 | 9% | 5 586 147 | | 5 836 406 |
| Resource mobilisation | 0% | 29 925 | 95 000 | -100% | - | | - | | - |
| Grant funding | 4% | 12 802 798 | 22 099 378 | -57% | 9 396 829 | -6% | 8 810 578 | 18% | 10 416 633 |
| Volunteer programme | 0% | - | 30 000 000 | | - | | - | | - |
| Digitisation | 0% | - | 2 275 053 | -100% | - | | - | | - |
| Project Monitoring & Support | 1,4% | 2 138 315 | 3 147 184 | 1% | 3 184 214 | 5% | 3 327 504 | -44% | 1 847 428 |
| PROG 3: | 2% | 1 758 560 | 6 930 548 | -42% | 4 018 159 | 4% | 4 196 967 | 4% | 4 384 947 |
| Research studies | 1% | 1 335 926 | 3 972 978 | -51% | 1 953 703 | 4% | 2 040 643 | 4% | 2 132 064 |
| Monitoring & evaluation | 1% | 422 634 | 2 782 570 | -36% | 1 777 301 | 4% | 1 856 391 | 4% | 1 939 513 |
| Knowledge management & dissem. | 0,1% | - | 175 000 | 64% | 287 155 | 4% | 299 933 | 4% | 313 370 |
| EMPLOYEE COSTS | 69% | 143 639 300 | 145 075 828 | 6% | 154 004 222 | 4% | 160 790 956 | 4% | 167 927 488 |
| TOTAL EXPENDITURE | 100% | 204 779 813 | 277 795 681 | -20% | 222 199 626 | 4% | 232 177 347 | 4% | 242 578 848 |

PART D: TECHNICAL INDICATOR DESCRIPTIONS**PROGRAMME 1: GOVERNANCE AND ADMINISTRATION**

| Indicator Title | Percentage of cumulative IFW expenditure submitted for condonation |
|--|--|
| Definition | The indicator will measure the total value of Irregular, Fruitless & Wasteful Expenditure submitted to the relevant approval authority for condonation |
| Source of Data | Irregular, Fruitless and Wasteful Expenditure reports |
| Method of Calculation/Assessment | Total value of IFW cases submitted in 2023/24 / Total value of IFW cases as at 2022/23 |
| Means of verification | Irregular expenditure reports |
| Assumptions | The organisation is regularly audited and the outcome of the audit is accessible |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year to date |
| Reporting Cycle | Quarterly |
| Desired Performance | Reduced percentage of irregular, fruitless and wasteful expenditure as at 2023/24 |
| Indicator Responsibility | Chief Executive Officer (Supported by all Executives) |

| Indicator Title | Percentage of invoices paid within 30 days of receipt |
|--|--|
| Definition | This indicator only relates to payments of goods and services made within 30 days of receipt |
| Source of Data | 30 Days Payment Report |
| Method of Calculation/Assessment | The number of invoices received / The number of invoices paid within 30 days of receipt |
| Means of verification | 30 Days Payment Report |
| Assumptions | Invoices are submitted on time and are of required quality |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year to date |
| Reporting Cycle | Quarterly |
| Desired Performance | Adherence to payment period of invoices |
| Indicator Responsibility | Chief Financial Officer |

| Indicator Title | Percentage of prior year audit findings resolved |
|--|---|
| Definition | The indicator will report on the percentage of prior year (2022/23) audit findings resolved |
| Source of Data | Internal Audit Report |
| Method of Calculation/Assessment | Number of audit findings for 2022/23 / Number of (2022/23) findings resolved |
| Means of verification | Internal Audit Report |
| Assumptions | The audit will be concluded on time to allow for enough time to implement remedial measures |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year to date |
| Reporting Cycle | Quarterly |
| Desired Performance | Reduced number of findings |
| Indicator Responsibility | Chief Audit Executive |

| Indicator Title | Percentage implementation of preferential procurement targets for designated groups as per the SCM policy |
|--|--|
| Definition | The indicator will measure the implementation of the preferential procurement targets for different designated groups as defined in the SCM policy |
| Source of Data | PPPFA Report |
| Method of Calculation/Assessment | Rand value spent per designated group / Total Spent on goods and services for the period |
| Means of verification | PPPFA Report |
| Assumptions | The suppliers for designated groups will meet the procurement criteria and compliance requirements |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year to date |
| Reporting Cycle | Quarterly |
| Desired Performance | Economic growth and participation of designated groups |
| Indicator Responsibility | Chief Financial Officer |

| Indicator Title | Electronic grant funding assessment and review tool deployed |
|--|---|
| Definition | The indicator will develop an electronic tool for assessment of grant funding proposals |
| Source of Data | Report on the grant funding electronic assessment tool |
| Method of Calculation/Assessment | Simple count |
| Means of verification | Report on the grant funding electronic assessment tool |
| Assumptions | The stakeholders will participate fully in the process of development of the tool |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year to date |
| Reporting Cycle | Quarterly |
| Desired Performance | Digital platform for assessment of grant funding proposals |
| Indicator Responsibility | Corporate Services Executive |

| Indicator Title | ICT Security strategy approved and implemented |
|--|--|
| Definition | This indicator will measure the approval of the ICT Security Strategy and the implementation of prioritized cyber security corrective measures (Phase 1) |
| Source of Data | Implementation Report |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Implementation Report EXCO Minutes |
| Assumptions | Participation of stakeholders in the process |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Non-Cumulative |
| Reporting Cycle | Quarterly |
| Desired Performance | Completion of Phase 1 of the ICT strategy |
| Indicator Responsibility | Executive: Corporate Services |

| Indicator Title | Number of Human Resource policies reviewed and approved |
|--|--|
| Definition | A set of policies that have been reviewed and approved by the Board |
| Source of Data | Board Minutes; Policy documents |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Board Minutes; Policy documents |
| Assumptions | Stakeholders will be available to engage on consultation process |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Non-Cumulative |
| Reporting Cycle | Quarterly |
| Desired Performance | To foster efficiency and effectiveness in NDA's operations by reviewing the policies |
| Indicator Responsibility | Executive: Corporate Services |

| Indicator Title | Number of training interventions conducted for staff development |
|--|---|
| Definition | This indicator measures the number of interventions members of staff have been sent for their development |
| Source of Data | Training Report |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Training Report |
| Assumptions | Employees will be available to attend training |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Non-Cumulative |
| Reporting Cycle | Quarterly |
| Desired Performance | To develop skills of employees |
| Indicator Responsibility | Executive: Corporate Services |

| Indicator Title | Number of NDA projects profiled to market the work of the NDA |
|--|---|
| Definition | This indicator will profile the NDA supported projects and market the NDA using any form of media |
| Source of Data | Profile reports; proof of media marketing |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Profile reports; proof of media marketing |
| Assumptions | Project members will be available for project profiling |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative-year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | To improve the brand of the NDA |
| Indicator Responsibility | Executive: Corporate Services |

PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

| Indicator Title | NDA Resource Mobilization Strategy for poverty eradication approved by the Board |
|--|---|
| Definition | The KPI aims to develop a resource mobilisation strategy to guide the engagements between the NDA and funders |
| Source of Data | Approved Resource Mobilisation Strategy |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Approved Resource Mobilisation Strategy Board Minutes |
| Assumptions | The stakeholders will attend the consultation sessions |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Non-Cumulative |
| Reporting Cycle | Quarterly |
| Desired Performance | To develop a resource mobilisation strategy will improve collaboration between the NDA and the development partners |
| Indicator Responsibility | Senior Manager: Stakeholder Relations |

| Indicator Title | Rand value of resources raised for funding of CSOs |
|--|--|
| Definition | The KPI aims to mobilise and secure financial commitments from third parties towards supporting development initiatives implemented by civil society organisations |
| Source of Data | <ul style="list-style-type: none"> • Signed Funding agreements • Letters of commitment |
| Method of Calculation/Assessment | Aggregation of rand value commitments made by third parties |
| Means of verification | Signed Funding Agreements Letters of commitment |
| Assumptions | Funders will commit to funding community development interventions |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Secure financial resources from third parties |
| Indicator Responsibility | Chief Operations Officer |

| Indicator Title | Number of poverty eradication CSOs funded by the NDA |
|--|--|
| Definition | The KPI will report on the number of CSOs approved for grant funding in 2023/24 financial year |
| Source of Data | Grant Funding Report Board Minutes |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Grant Funding Report Board Minutes Age analysis report |
| Assumptions | Grant funding process does not take longer than anticipated due to quality of the proposals; approval is secured on time to allow for timeous distribution to CSOs |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | To provide financial resources to organisations for the furtherance of their developmental needs |
| Indicator Responsibility | Chief Operations Officer |

| Indicator Title | Number of beneficiaries participating in income generation projects |
|--|--|
| Definition | This KPI refers work opportunities created out of which remuneration benefit was derived from NDA or third party funded projects |
| Source of Data | Appointment Letters |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Monitoring reports Appointment Letters |
| Assumptions | CSO development interventions lead to the creation of work opportunities |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Increase in work opportunities created |
| Indicator Responsibility | Chief Operations Officer |

| Indicator Title | Number of CSOs capacitated with skills to implement poverty eradication projects |
|--|--|
| Definition | These are CSOs that have been trained on any of the training areas provided in CSO Management in order to strengthen their institutional capacity. |
| Source of Data | Attendance Register |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Monitoring Reports Attendance Register |
| Assumptions | Availability of CSOs for training |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | CSOs acquire necessary knowledge and skills that lead to effective management of their organisations and implementation of their programs |
| Indicator Responsibility | Chief Operations Officer |

| Indicator Title | Number beneficiaries capacitated with skills to implement poverty eradication projects |
|--|---|
| Definition | These are beneficiaries that have been trained on any of the training areas provided in CSO Management in order to strengthen their capacity. |
| Source of Data | Attendance Register |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Monitoring Reports Attendance Register |
| Assumptions | Availability of individuals for training |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Individuals to acquire necessary knowledge and skills that lead to effective management of their organisations and implementation of their programs |
| Indicator Responsibility | Chief Operations Officer |

PROGRAMME 3: RESEARCH

| Indicator Title | Number of research publications produced to provide a basis for development policy |
|--|---|
| Definition | Research reports are study reports produced by NDA on several thematic areas and they are used to inform discourses around the development of policy by government on community development strategies and programmes |
| Source of Data | Research publications |
| Method of Calculation/Assessment | Simple count |
| Means of verification | Research publications |
| Assumptions | Research publications are of accepted quality standards |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Production of new body of information and knowledge informing effective social, economic and development policies and practice |
| Indicator Responsibility | Executive: Development Management & Research |

| Indicator Title | Number of policy briefs submitted to relevant stakeholders |
|--|--|
| Definition | This KPI refers to the policy briefs that will be submitted to NDA Stakeholders in preparation for the dialogue sessions |
| Source of Data | policy Briefs Proof of submission |
| Method of Calculation/Assessment | Simple count |
| Means of verification | Policy Briefs Proof of submission |
| Assumptions | Researches will be concluded on time to allow for timeous submission of policy briefs |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Distribution policy briefs to enable robust discussions during dialogue sessions |
| Indicator Responsibility | Executive: Development Management & Research |

| Indicator Title | Number of dialogues held with relevant stakeholders |
|--|---|
| Definition | This KPI refers to dialogues to present research findings and recommendations to NDA Stakeholders |
| Source of Data | Dialogue Reports |
| Method of Calculation/Assessment | Simple count |
| Means of verification | Dialogue Reports |
| Assumptions | Participation of relevant stakeholders in dialogues |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Sharing of research results and fostering of possible policy changes |
| Indicator Responsibility | Executive: Development Management & Research |

| Indicator Title | Number of evaluations conducted to inform programme design and implementation |
|--|--|
| Definition | Evaluation study is the documentation of programme facts indicating the performance of NDA programmes over the intervention term and they constitute the study methodology, findings, interpretation, recommendations on the overall NDA programmes performance. |
| Source of Data | Evaluation Reports |
| Method of Calculation/Assessment | Simple count |
| Means of verification | Evaluation Reports |
| Assumptions | Evaluation reports are of acceptable quality standards |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Appropriate and desired evaluations that are used in informing NDA programme planning, design and implementation processes |
| Indicator Responsibility | Executive: Development Management & Research |

| Indicator Title | Approved multi-year evaluation plan |
|--|---|
| Definition | This KPI seeks to develop an evaluation plan to identify the different types of evaluation that will be undertaken over a set period to improve programme design and implementation |
| Source of Data | Multi-year evaluation plan Board Minutes |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Multi-year evaluation plan Board Minutes |
| Assumptions | The stakeholders will participate in the development of the multi-year evaluation plan |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Cumulative year-to-date |
| Reporting Cycle | Quarterly |
| Desired Performance | Development of evaluation plan to guide the NDA in its evaluation approach for different programmes |
| Indicator Responsibility | Executive: Development Management & Research |

| Indicator Title | Concept document on Economic pathways out of poverty approved |
|--|--|
| Definition | This KPI seeks to develop a concept document on economic pathways out of poverty |
| Source of Data | Concept Document Board Minutes |
| Method of Calculation/Assessment | Simple Count |
| Means of verification | Concept Document Board Minutes |
| Assumptions | Timeous conclusion of study and cooperation from stakeholders |
| Disaggregation of Beneficiaries (where applicable) | N/A |
| Spatial Transformation (where applicable) | N/A |
| Calculation type | Non-Cumulative |
| Reporting Cycle | Quarterly |
| Desired Performance | Development of concept document to guide the NDA on economic pathways to use in subsequent years |
| Indicator Responsibility | Executive: Development Management & Research |

Annexure A: Amendment to the Strategic Plan

The NDA has made changes to the Strategic Plan 2020/21 – 2024/25. The changes effected in the Strategic Plan are not material enough to warrant the re-tabling of the Strategic Plan, hence the amendment to the Strategic Plan is being made through this Annexure.

The changes in *Part C: Measuring NDA's Performance* have been made primarily to refine and improve the measurability of the outcomes, indicators, baseline and targets in *Section 9.2. Measuring Outcomes*. It should be noted that 2 Outcome Indicators have been removed from the Strategic Plan on the basis that; 1. Amendment of the NDA Act is the competency of the Department of Social Development, whilst, 2. The Research Agenda has been fully achieved, the focus is therefore on disseminating the research outputs through formal dialogues.

The revised outcomes, outcome indicators, baseline and targets in the Strategic Plan are shown below:

| OUTCOME | OUTCOME INDICATOR | BASELINE | FIVE-YEAR TARGET |
|---|--|---------------------------------|---|
| Good Governance | Effective systems in place to achieve good governance | Unqualified audit with findings | Unqualified audit without findings (Clean Audit) |
| | | Interim Accounting Authority | Appointment of a permanent Board |
| Effective strategic partnerships, to effect development goals | Resources raised from NDA partnerships to fund CSO development interventions | R55m | R275m raised from NDA strategic partners |
| Sustainable CSOs that provide development services to deprived communities and demographics | Civil Society Organisations capacitated by NDA | New Indicator | 3000 CSOs capacitated |
| | Disburse funds raised for CSOs to poverty eradication initiatives | New Indicator | 80% of all funds raised for CSOs are disbursed to poverty eradication initiatives |
| Appropriate development policy through thought leadership | Formal development dialogues to promote changes to development policy | 5 formal dialogues | 20 formal development dialogues to promote changes to development policy |