



## VOTE 1: THE PRESIDENCY

### Introduction

With the adoption of the South African Constitution<sup>1</sup> in 1996, provision was made for the establishment of the Office of the President.<sup>2</sup> The key role of the Presidency is to provide executive management and ensure the co-ordination of Government Departments through the facilitation of an integrated and co-ordinated approach to governance.<sup>3</sup> The aim of the Presidency is to lead, manage and develop the strategic agenda of Government and oversee and ensure its realisation by Government as a whole.<sup>4</sup> This is achieved through a systematic and integrated approach to policy issues and the co-ordination of sectoral priorities within the National Strategic Policy Framework and other governmental priorities such as poverty alleviation and job creation.<sup>5</sup>

### Policy Priorities for 2009/10

The outputs of the Presidency are shaped by various Departmental priorities identified during the financial year. In the 2008/09 financial year the Presidency identified 8 policy priorities, and this has increased to no less than 12 policy priorities for the 2009/10 financial year, highlighting the importance of the elections and inauguration of the new President. These policy priorities are:<sup>6</sup>

- Lead and facilitate the development, implementation and maintenance of a coordinated government-wide monitoring and evaluation system.
- Develop a national vision and coherent national strategic plan with the associated political, technical and administrative capacity in the short and medium term.
- Facilitate participatory and democratic governance systems that contribute to the mobilisation of society in a way that achieves nation building and social cohesion and gives effect to the People's Contract (the partnership between government and the citizenry). It is envisaged that this will take place through the imbizo system.
- Facilitate an integrated approach to governance and accountability across Government for accelerated service delivery.
- Strengthen strategic management and leadership capability across Government, as well as integrated planning and coordination.
- Champion the implementation of the National Strategic Plan on HIV and AIDS through the South African National AIDS Council, chaired by the Deputy President.
- Champion the National Electricity Efficiency Programme through a mass media campaign and the support of the energy champions, who comprise prominent South Africans from various sectors, to encourage the nation and the respective sectors to save electricity.
- Ensure effective oversight of the implementation of Government's 2010 FIFA World Cup commitments.
- Strategically position South Africa globally. Facilitate a coordinated approach to marketing South Africa to advance its political, economic, and peace and security objectives.
- Facilitate South Africa's role in Africa and the world for improved conditions of peace, stability, security, democracy and good governance, towards sustainable development.



- Continue to contribute towards the advancement of the African Agenda<sup>1</sup> through leading South Africa's efforts to restore peace in the Great Lakes region and the Democratic Republic of Congo, and through diplomatic interventions aimed at furthering peace and stability in Burundi, the Comoros, Sudan and Zimbabwe.
- Develop policies and processes aimed at ensuring a seamless transition to the Government that will be elected in 2009.

According to the Estimates of National Expenditure (ENE), "the strategic thrust of The Presidency will be further informed and refined by the priorities that will be articulated by the incoming administration following the formation of a new Government following this year's national elections."<sup>7</sup> It is unclear whether the National Treasury forwards the aforementioned as the reason for the lack of an annual report by the Presidency for the 2007/08 financial year. Providing a thorough analysis of the Budget Appropriation to the Presidency is therefore particularly problematic as one cannot determine any of the achievements or outstanding issues that need to be followed up on by Parliament.

The lack of an annual report also makes it difficult to determine if any achievements have been made in the previous financial year, if any. Unlike the achievements listed in the Estimates of National Expenditure (ENE) for 2008, very little information is available. However, for the purposes of this analysis, the budget for the Presidency will be analysed in terms of the provisions made for socially vulnerable groups. Because the Office on the Status of Women, the Office on the Rights of the Child and the Office on the Status of Disabled Persons and the Youth Desk is located in the Office of the Presidency, one can infer that the Presidency remains the champion for mainstreaming the concerns of socially vulnerable groups, particularly women, persons with disabilities, children and youth. As has already been mentioned, the core aim of the Presidency is to develop, manage and oversee the strategic agenda of Government and, and this directly translates into the mainstreaming of the concerns of socially vulnerable groups into each and every Government Department. The Presidency is further tasked with ensuring that this is co-ordinated into every level of Government, including Local Government level. To this extent it is important that one analyses the budget of the Presidency through the lens of socially vulnerable groups.

## **Budget Analysis**

For the purposes of analysis and comparison, this paper utilises the 2008/09 adjusted appropriation and the main appropriation for 2009/10. Moreover, unless otherwise stated, the referral to growth is in real terms, i.e. taking into account the impact of inflation. The table below represents an overview of the appropriations to the Presidency per programme.

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<sup>1</sup> An African Agenda is described as the reconstruction and development of the African Continent as well as the promotion of peace and stability in Africa.



Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	R million	2008/09	2009/10	2010/11	2011/12	2008/09 - 2009/10	2008/09 - 2009/10	
Administration	183 980.0	190 500.0	201 400.0	211 300.0	6 520.0	- 3 240.0	3.54 per cent	-1.76 per cent
Communications	22 812.0	24 300.0	25 600.0	27 100.0	1 488.0	243.0	6.52 per cent	1.07 per cent
Executive Coordination	83 248.0	110 100.0	106 400.0	111 300.0	26 852.0	21 211.2	32.26 per cent	25.48 per cent
<b>TOTAL</b>	<b>290 040.0</b>	<b>324 900.0</b>	<b>333 400.0</b>	<b>349 700.0</b>	<b>34 860.0</b>	<b>13 321.3</b>	<b>12.02 per cent</b>	<b>4.59 per cent</b>

\* Source: The Estimates of National Expenditure, 2009.

### Programme Analysis

The administration component of Programme 1 aims to provide effective leadership, management and administrative support to the principals and branches of the Presidency.<sup>8</sup> The ENE reports that between the 2005/06 and 2008/09 financial year, the 18.6 per cent increase in the Management sub-programme was mainly due to the increase in capacity, the relocation of offices and the settlement of administrative costs.<sup>9</sup> Moreover, the ENE reports that the compensation to employees had increased by 16 per cent during the medium term. However, it does not stipulate to what extent these increases are due to inflationary adjustments.

The Estimates of National Expenditure reports an annual growth rate of expenditure in the sub-programmes of *Minister* at 70 per cent. The ENE attributes this substantial increase to the incursion of the total remuneration package of the political office bearers. The ENE goes further to state that in the previous financial years, only the salary and car allowance had been included.

Programme 2 provides communications services to The Presidency by assisting the President and other principals to communicate effectively with the public and within Government.<sup>10</sup> The Communications Programme is important as it is structured around the various following functions:

- Research, drafting and monitoring of external communications, and writing services;
- Media Liaison;
- Public Participation and public relations; and
- Internal Communications.

The growth in the appropriations to the Communications Programme represents a nominal increase of 6.52 per cent. However, in real terms this reflects a relatively small increase of only 1.07 per cent. This relatively small increase in budgetary allocation for the Communications Programme should be viewed in terms of the objectives of the Presidency during the 2009/10 financial year. In terms of these objectives, the Presidency aims to increase specific communications programmes including improving public participation through outreach events such as imbizos and visits to the Union Buildings, the implementation of a communications strategy through the production of publications and the provision of information services such as internal newsletters, electronic bulletins, annual reports and branding, and the improvement of internal communications by issuing a weekly newsletter





to all staff.<sup>11</sup> Whilst it is important that the Presidency maintains direct communication with the people of South Africa because of the central role that it plays in terms of Executive co-ordination, one has to question the ability of the Presidency to fulfil these obligations, including the new objectives, given the relatively small increase in the Communications Programme appropriation.

Programme 3, which deals with Executive Co-ordination aims to strengthen the strategic management and leadership capability of Government through facilitating the alignment of the strategies of all spheres of Government and state-owned enterprises.

The Executive Co-ordination Programme consists of four major sub-programmes that include:<sup>12</sup>

- *Policy Co-ordination*: oversees the development and implementation of policy in Government through engaging with the clusters of Directors General, provincial Directors-General, and other top officials; providing strategic support and advice to the principals in the Presidency; and overseeing the government-wide monitoring and evaluation system and the national spatial development perspective.
- *Gender, Disability and Children*: oversees, monitors and coordinates the work of the Office of the Status of Women, the Office of the Rights of the Child and the Office of the Status of Disabled People.
- *Cabinet Office*: facilitates Cabinet processes and ensures that Cabinet can operate effectively. This includes managing documentation and meetings, providing quality control services, and monitoring the implementation of Cabinet decisions.
- *National Youth Commission*: facilitates, co-ordinates and monitors policies and programmes to promote youth development.

One of the core principles of the Constitution is the prohibition of discrimination specifically in terms of gender, disability and age.<sup>13</sup> In an attempt to mainstream issues relating to gender, disability, youth and children, the Presidency 'houses' offices that are responsible for monitoring these issues, namely the Office Of the Status of Women, the Office of the Rights of The Child and the Office of the Status of Disabled Persons. In terms of the medium-term objectives of the Presidency, two important aspects speak directly to the needs of these vulnerable groups. The Presidency aims to mainstream gender, disability, child and youth issues by coordinating focal points in the Offices of the Premiers and Mayors and in Departments.<sup>14</sup> Moreover, the Presidency aims to ensure that, through the facilitation and coordination of the Joint Initiative for Priority Skills Acquisition (JIP-SA) and the Accelerated and Shared Growth Initiative for South Africa (ASGI-SA), accelerated and shared economic growth are further implemented. In terms of the needs of vulnerable groups, JIP-SA and ASGI-SA are integral to the realisation of the developmental goals of South Africa.

However, these goals should be viewed in terms of both the service delivery priorities of the Presidency and the appropriation for these programmes. In terms of service delivery, the electoral mandate of the Government constitutes the fundamental core of the medium term strategic framework for the Presidency.<sup>15</sup> This electoral mandate will be reviewed on an annual basis in order to respond to the ever changing dynamics of the South African society. It is therefore important to focus on the Electoral Manifesto of the African National Congress (ANC), in order to ascertain to what extent the



needs of socially vulnerable groups have been translated into the actual Government agenda. The 2009 Government Manifesto takes its queue from the Freedom Charter: "The people shall govern." In general terms, this speaks directly to the need for participatory democracy that addresses the needs to include women, workers, youth and rural persons in decision-making processes. Moreover, participatory democracy will be further engendered based on the significant progress that has been made toward the vision of creating a united, non-racial and non-sexist society.<sup>16</sup> Specifically, government policy speaks to increasing the representation of women in Parliament and Government to 50 per cent by 2009. Moreover, key priorities areas for intervention include the creation of decent work and sustainable livelihoods, health, education, crime and rural development (including land reform, food production and security).<sup>17</sup>

To this extent, it is important that appropriations be made in order to meet these strategic goals and to co-ordinate Government action along the lines of the electoral mandate.

Programme	Budget		Nominal Increase / Decrease in 2009/10	Real Increase / Decrease in 2009/10	Nominal Percent change in 2009/10	Real Percent change in 2009/10
	2008/09	2009/10				
R million						
Policy Coordination	38 600 000.0	56 700 000.0	18 100 000.0	15 195 066.4	46.89 per cent	39.37 per cent
Gender, Disability and Children	14 000 000.0	14 900 000.0	900 000.0	136 622.4	6.43 per cent	0.98 per cent
Cabinet Office	11 500 000.0	12 600 000.0	1 100 000.0	454 459.2	9.57 per cent	3.95 per cent
National Youth Commission	24 300 000.0	25 900 000.0	1 600 000.0	273 055.0	6.58 per cent	1.12 per cent
TOTAL	88 400 000.0	110 100 000.0	21 700 000.0	16 059 203.0	24.55 per cent	18.17 per cent

\*Source: Estimates of National Expenditure 2009.

In terms of the policy priorities for the Presidency, as discussed above, the importance attributed to these priorities can only be determined based on the appropriations dedicated to those priorities. In terms of the table above, it is clear that two sub-programmes speak directly to the needs of the socially vulnerable groups, namely the Gender, Disability and Children sub-programme and the National Youth Commission sub-programme. For the Gender, Disability and Children sub-programme, only a marginal appropriations increase has been made. For this sub-programme, a 6.43 per cent nominal increase is reflected in the ENE, while a 0.98 real per cent increase is reflected. In terms of government policy it is questionable whether the Presidency is able to meet its key priorities in terms of socially vulnerable groups. To this extent, the ability to meet the obligations placed on the Government in terms of the international agreements and the National Gender Policy Framework is severely hampered.

Moreover, in terms of appropriations made to the National Youth Commission, a nominal increase of 6.58 per cent and a real increase of 1.12 per cent are reflected. Moreover, the ENE reports that this sub-programme grows at an average rate of 6.6 per cent over the medium term. In terms of the



establishment of the National Youth Development Agency (NYDA) in 2008 and 2009, which essentially amounts to the amalgamation of the National Youth Commission (NYC) and the Umsumbumvu Youth Fund, it is not clear why appropriations continued to be made to the NYC given the establishment of the NYDA. Moreover, the NYC's journals for operating and administrative expenses for the financial year end as of 31 March 2008 amounted to R2, 232,364. According to the Auditor General's report the expenditure could not be audited as the required supporting documentation was not provided. As such the Auditor General was unable to determine if the expenditure had occurred, was correctly classified and was accurate.

### Key Considerations for Parliament

Some of the key implications for Parliament for 2008/09 arising from the Budget vote for the Presidency are:

- A key area of intervention for the 4<sup>th</sup> Parliament is to ascertain what the reasons were, if any, why the Presidency had not provided Parliament with an annual report of its activities during the previous financial year, and to what extent any achievements have been made in its strategic objectives and what gaps exist, particularly in light of the importance of facilitating the development of socially vulnerable groups in South Africa.
- The Estimates of National Expenditure does not stipulate what constitutes as unforeseen and unavoidable expenditure, and to this extent, it would be critically important that Parliamentary Committees establish the nature of the expense in terms of its oversight role.
- It is important for Parliament to investigate what the reasons are for the change in reporting and whether this has had an influence on the appropriations to the Presidency. This should be viewed in terms of the 9.48 per cent real decrease in the appropriations for Programme 1.
- It is pivotal for Parliament to examine the ability of the Presidency to fulfil its Communications Programme given the limited increase in its budget.
- 5 • In terms of oversight, it would be important for Parliament to ascertain the extent to which the Presidency aims to mainstream and co-ordinate issues of gender, disability, children and youth in focal points particularly in the offices of Premiers and Mayors.
- 6 • In terms of Parliamentary implications, it is important that Parliament ascertain why appropriations continue to be made to the NYC, given the establishment of the NYDA. Moreover, how has the establishment of the NYDA had an impact on the continued appropriations to the NYC?
- 7 • In terms of Parliamentary oversight, it is important that Parliament ascertains to what extent the establishment of the Ministry for Women, Youth, Children and Persons with Disabilities?





- 8 • How will the establishment of the Ministry for Women, Youth, Children and Persons with Disabilities affect the Office on the Status on Women, the Office on the Rights of the Child and the Office on the Status of Disabled Persons, respectively? If so, how will the budgets of these respective offices, be affected?
- 9 • How will the budget of the Presidency be affected by the establishment of the new Planning Commission, situated in the Presidency?
- 10 • Will the newly established Monitoring and Evaluation Ministry have any impact on the budget of the Presidency? If so, to what extent will it have a negative impact and why?



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<sup>1</sup> Constitution of the Republic of South Africa .1996. Pretoria, Government Printer.

<sup>2</sup> <http://www.thepresidency.gov.za/about/overview.htm>

<sup>3</sup> *Ibid.*

<sup>4</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>5</sup> <http://www.thepresidency.gov.za/about/overview.htm>

<sup>6</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>7</sup> Treasury, 2009.

<sup>8</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>9</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>10</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>11</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>12</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>13</sup> Constitution of the Republic of South Africa .1996. Pretoria, Government Printer.

<sup>14</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>15</sup> National Treasury. 2009. Estimates of National Expenditure.

<sup>16</sup> ANC 2009 Election Manifesto Policy Framework.

<sup>17</sup> ANC 2009 Election Manifesto Policy Framework.