

A GUIDE TO THE NATIONAL PLANNING FRAMEWORK

FOREWORD BY DIRECTOR-GENERAL IN THE PRESIDENCY, CABINET SECRETARY AND CHAIRPERSON OF THE FORUM OF SA DIRECTORS- GENERAL

Towards the end of the first term of the democratic government several serious weaknesses in the way the state functioned were identified. These included the lack of alignment between the different planning cycles in government, weak coordination both across national departments and between the different spheres of government and the imperative of emphasising a more integrated approach to policy formulation, planning and implementation. A key issue is the integration of cross cutting issues within the overall policy and implementation framework. In order to correct these weaknesses the Forum of South African Directors-General (FOSAD) was established in 1998 followed by the establishment of Directors-General Clusters to mirror the main cabinet committees. Two key elements of this integration process were Integrated Planning across the national and other spheres of government and the Medium Term Strategic Framework to enhance the Medium Term Expenditure Framework (MTEF).

Different Planning Cycles

Planning in government has to take into account the reality of different cycles. Key amongst these is the five-yearly electoral cycle at the heart of which is the national elections when political parties campaign for a new electoral mandate. The annual budgeting cycle that has to take into account the electoral mandate starts on 1 April and ends on 31 March. In order to create greater certainty in budgets and introduce multi-year planning the National Treasury introduced the Medium Term Expenditure Framework (MTEF) as a three-year rolling budget that was reviewed annually. Parliament too has its own cycle following the annual calendar. It is worth noting that the strategic agenda of government is determined by the election manifesto and the nature of the electoral mandate received by the ruling party.

Conclusion

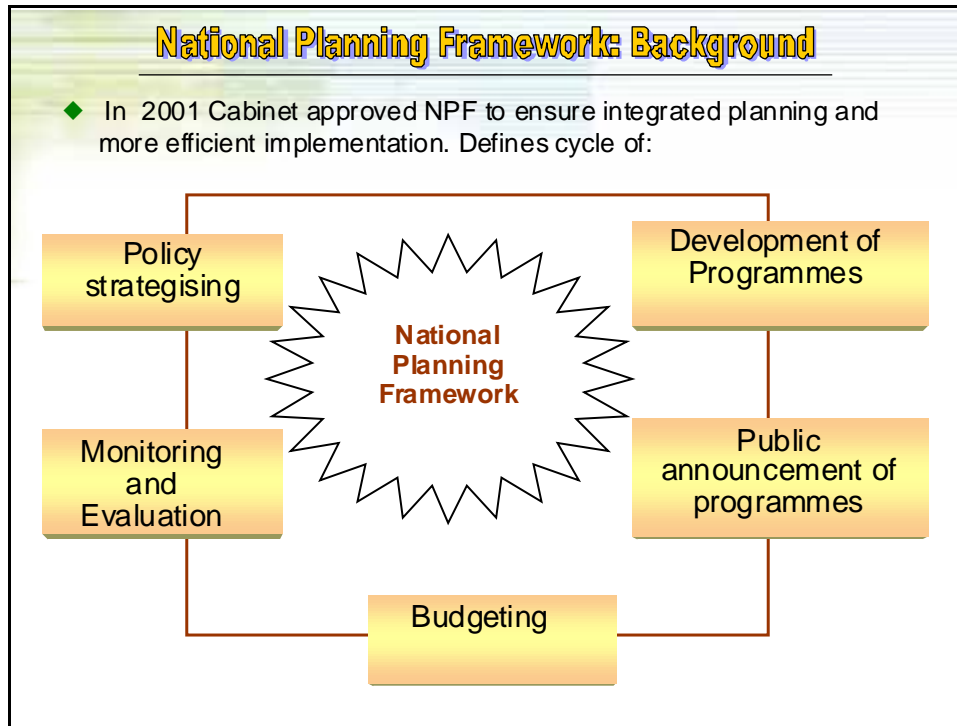
This version of government's Planning Framework has been revised slightly so as to align the planning processes at the local government level with those of the other spheres of government. It is hoped that the publication of the Planning Framework would provide greater understanding of the planning cycle and framework within which government planning occurs.

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(Director-General)

I INTRODUCTION

In July 2001, Cabinet approved a National Planning Framework (NPF) for implementation across the three spheres of government. The Framework, including the detailed Planning Cycle, is a tool of government to bring about and guide integrated planning across departments and the three spheres of government.

The National Planning Framework defines the cycles of policy strategising, programme development, budgeting, monitoring and evaluation and public communication of these issues.



Since the introduction of the NPF, progress has been made in terms of medium-term strategising and setting up structures meant to ensure integrated planning and implementation within and across the spheres.

After four years of implementation, government has gained invaluable experience in operating the system. These guidelines incorporate a review of this experience and provide a frame of reference for officials across all of government.

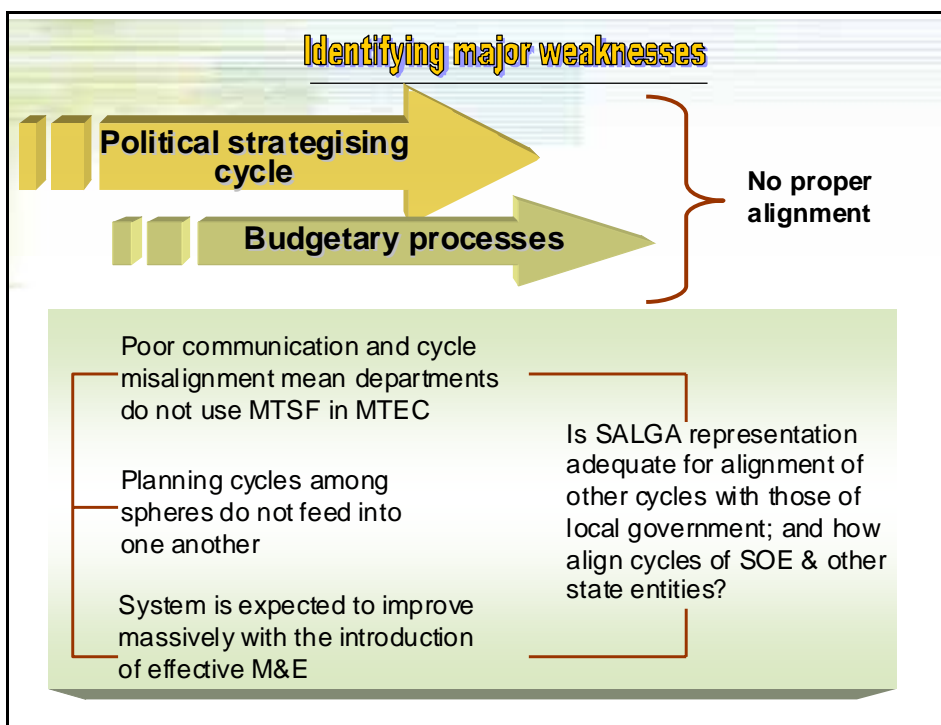
II PRINCIPLES GUIDING FRAMEWORK DESIGN

- ❖ The overall strategy of government derives from the Constitution and the electoral mandate. It is this mandate which informs the Medium Term Strategic Framework (MTSF), a broad programme of government for the 5-year mandate period.
- ❖ Cabinet and the Executive Councils in provincial and local government set government policy and take responsibility for its implementation. They are supported in this regard by managers and the public service at large.
- ❖ Optimum impact of government programmes requires co-ordination and integration in both policy development and implementation. In line with the principle of co-operative governance, this should take place horizontally among departments and vertically across the spheres, and should include incorporate all public entities.
- ❖ There should be deliberate flow between strategising, policy determination, programme development and detailed project implementation. This should be supported by a monitoring and evaluation system.
- ❖ The strategic and policy positions of government should inform the budgeting process. The Medium Term Strategic Framework (MTSF), which operates over the electoral mandate period informs the Medium Term Expenditure Framework (MTEF), with a shorter 3-year cycle.
- ❖ In order optimally to utilise the resources available, which are essentially limited compared to the massive social needs, the overall strategy and the programmes and projects deriving from it should reflect priorities and phases in implementation. This means that government should weigh trade-offs and develop ways of sequencing programmes to realise the strategic goals.
- ❖ Medium-term plans are reviewed on a yearly basis in order to bring on board new developments. This implies that the multi-year cycles will overlap; and so will the planning and monitoring processes dealing with immediate as well as medium-term issues.
- ❖ Directors-General (DG), Heads of Departments (HOD), Municipal Managers and Chief Executives of public entities are critical to the implementation of government programmes. Together with other senior managers, they need to ensure appropriate understanding and implementation of the National Planning Framework.

III LEARNING FROM EXPERIENCE

The MTSF process has come on stream, with better application after the 2004 elections. This is reflected in the content of the current Framework which is reviewed annually at the July lekgotla, with the involvement, in the drafting process, of the DG and HOD corps from national and provincial spheres, and representatives of organised local government.

Discussion of presentations by departments at the Medium-Term Expenditure Council (MTEC) to plan allocations for the following financial year should be guided by the MTSF. Similarly, end-of-year reports submitted by departments and provinces to The Presidency and by Clusters to the January lekgotla are informed by the MTSF and in turn inform the programme for the year.



However, much more work still needs to be done to ensure that the political strategising cycle is aligned to the budgetary process. This will help eliminate misalignment between policy and budgetary cycles, and between planning cycles of the three spheres of government.

The participation of provincial Premiers and Directors-General, and of political and management representatives from organised local government, in the national Cabinet makgotla is a huge improvement introduced in 2005, ensuring unmediated inputs into the planning, monitoring and evaluation process. It is agreed that a similar arrangement needs to be introduced in Provincial Executive Committee makgotla, in terms of participation by Metro/District Mayors and managers.

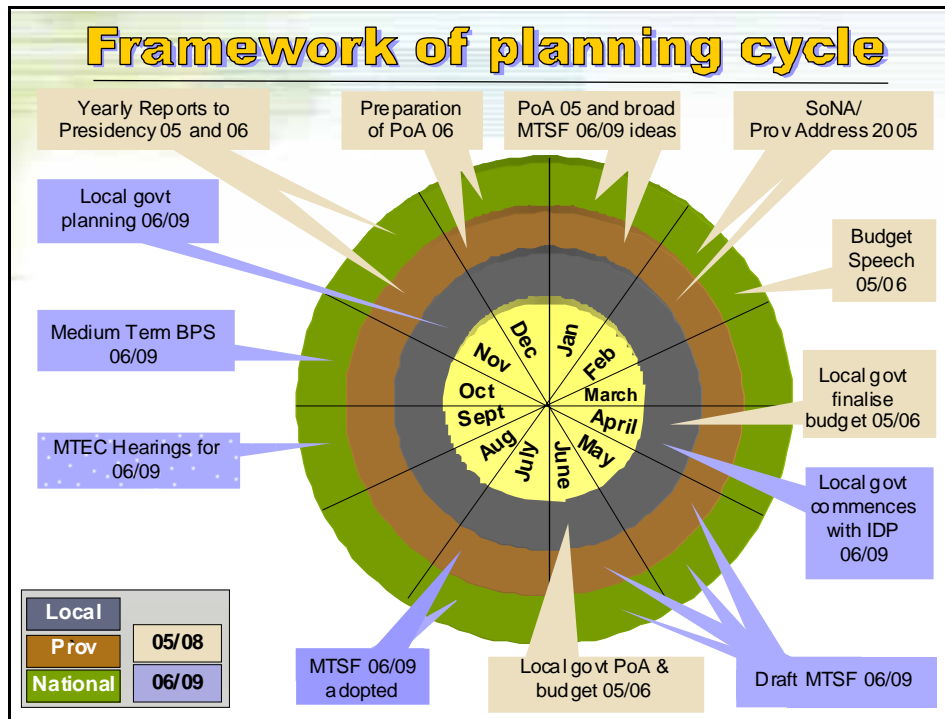
Measures to correct weaknesses

Weaknesses can be corrected a.o. through:

<input checked="" type="checkbox"/>	Timely submission of MTSF to departments and provinces for inclusion in submissions during MTEC and provincial budget planning
<input checked="" type="checkbox"/>	Usage of MTSF as primary frame of reference in the MTEC process
<input checked="" type="checkbox"/>	As part of M&E, government PoA should also be used for reference purposes in the MTEC process
<input checked="" type="checkbox"/>	Where this does not exist, Provincial executives should incorporate districts/metros in their planning sessions.

IV THE PLANNING CYCLE

The Planning Cycle represents a continuous process of planning, implementation and review. This relates to medium-term priorities as well as immediate programmes: one flowing sequentially into the other. At the same time, immediate detailed plans and some of the future medium-term priorities are processed at the same time. Planning and review by local government is meant to feed into that of provinces; while that of provinces is meant to feed into planning and review at national level.



Technically, the Planning Cycle does not have starting and end-points. It is a continuous process, with one activity feeding into the other and vice versa. For instance, if the approach were to be based on drafting processes, the starting point could be designated as May when Directors-General and Heads of Department start reviewing and redrafting/updating the MTSF.

On the other hand, if the approach were to be based on political conceptualisation, the starting point could be designated as January, when national Cabinet reflects on broad strategic priorities which inform the draft MTSF to be adopted in July. Or, in terms of resource allocation, the process could be seen to start in September when departments submit their budgetary requests to MTEC.

What then are the activities that take place during each month? What is the purpose of these activities and who takes part in them?

In January and February:

The detailed planning cycle

Month	Activity	Purpose	Implementing Agent(s)
January	National Cabinet Lekgotla	<ul style="list-style-type: none"> PoA for the year Broad medium-term issues 	Cabinet, Premiers, Deputy Ministers, DGs
	Provincial Exco makgotla	<ul style="list-style-type: none"> Programme for the year Broad medium-term issues 	Premiers, Metro/District Mayors, HoDs
February	State of the Nation Address	<ul style="list-style-type: none"> Public communication 	President
	State of the Province Addresses	<ul style="list-style-type: none"> Public communication 	Premiers
	Budget Speech	<ul style="list-style-type: none"> Public communication 	National Treasury
	PoA placed on govt website	<ul style="list-style-type: none"> Public communication 	GCIS

In March, April, May and June:

The detailed planning cycle

Month	Activity	Purpose	Implementing Agent(s)
March	Provincial Budget Speeches	<ul style="list-style-type: none"> Public communication 	provincial treasuries
April	Report to Cabinet on PoA	<ul style="list-style-type: none"> M&E and public communication 	Clusters and Cabinet
	Local Government makgotla	<ul style="list-style-type: none"> Programme for the financial year 	Municipal ExcOs, Managers
May	FOSAD MANCO discusses draft MTSF	<ul style="list-style-type: none"> Discuss and process document for submission to July Cabinet <i>lekgotla</i> 	FOSAD
June	State of LG Addresses and budgets	<ul style="list-style-type: none"> Public communication 	Mayors
	FOSAD workshop	<ul style="list-style-type: none"> Prepare for July Cabinet <i>lekgotla</i> 	FOSAD, incl. Prov DGs and HoDs
	Report to Cabinet on PoA	<ul style="list-style-type: none"> M&E and public communication 	Clusters and Cabinet

In July, August and September:

The detailed planning cycle

Month	Activity	Purpose	Implementing Agent(s)
July	National Cabinet <i>lekgotla</i>	<ul style="list-style-type: none"> ◆ Review implementation of PoA ◆ Adopts MTSF 	Cabinet, Premiers, Deputy Ministers, DGs
August	Departments and Provinces submit strategic priorities to national treasury on basis of MTSF	◆ Assist Mincombud and national treasury to start planning for allocation of resources	Departments, Mincombud, national treasury, Provinces
	Report to Cabinet on PoA	◆ M&E and public communication	Clusters and Cabinet
September	MTEC hearings	◆ Oral discussions on budgetary submissions	Departments, national treasury, Provinces, Cluster Chairs

In October, November and December:

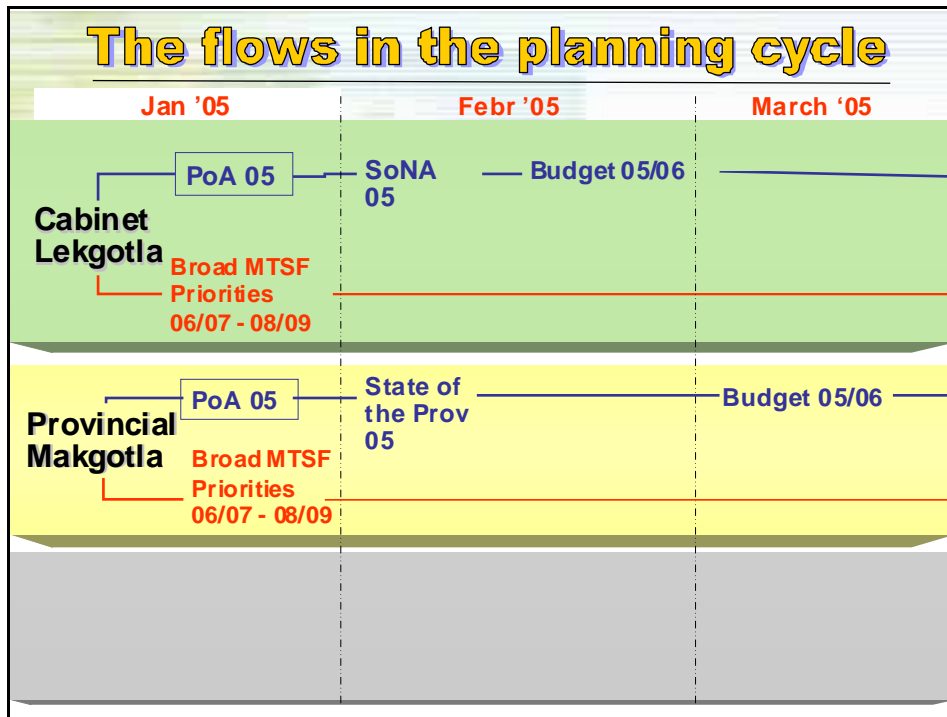
The detailed planning cycle

Month	Activity	Purpose	Implementing Agent(s)
October	Report to Cabinet on PoA	◆ M&E and public communication	Clusters and Cabinet
	MTBPS	◆ Communicate m-term spending plans	national treasury
November	Yearly reports to The Presidency from Departments and Provinces	◆ Annual review and/or focus on specific issues	Departments, Provinces, The Presidency
	Local Government <i>makgotla</i>	◆ Medium Term plans for 06/09	Municipal Excos, Managers
December	FOSAD workshop	◆ Prepare for January Cabinet <i>lekgotla</i>	FOSAD, incl. Provincial DGs and HoDs
	Update of some PoA issues on government website	◆ Public communication	Clusters, The Presidency, GCIS

V FLOWS IN THE PLANNING CYCLE

How do these activities relate to one another? Taking the year 2005 as a base year, the short-term activities are represented in blue arrows, medium-term issues in red. The three spheres are represented in light green, yellow and light purple blocks.

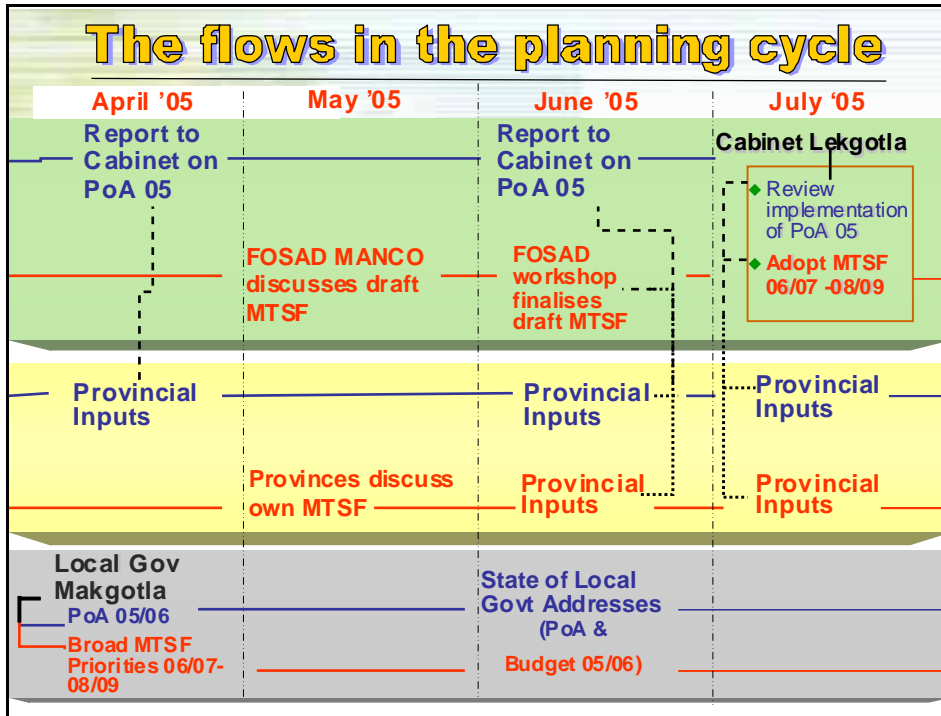
When the National Cabinet lekgotla meets in January, with the involvement of Provincial Premiers and DGs, as well as representatives of organised local government, it decides on the detail of the programme for 2005. At the same time, it also starts the process of reflection on medium-term priorities for the 2006/07 – 2008/09 period. No detailed decisions are taken on these medium-term issues; but these reflections inform later drafting processes in preparation for the July Cabinet lekgotla. Provinces do likewise immediately after the national lekgotla.



In February, the decisions on the 2005 programme are communicated to the nation, first in broad political terms in the State of the Nation Address by the President; and secondly in terms of detailed budgetary allocations, by the Minister of Finance. Provinces present their State of the Province Addresses later in February, and their budgets in March.

In April, Clusters present to Cabinet the first of their two-monthly reports on the implementation of the 2005 Programme of Action; and provinces are meant in various ways to contribute to this assessment.

In the period **March-April** local government structures hold their planning makgotla: firstly, to finalise the detail of their 2005/06 programmes and budgets, and secondly, to reflect on broad priorities for the 2006/07 – 2008/09 period. The fiscal year for national and provincial spheres starts in April.



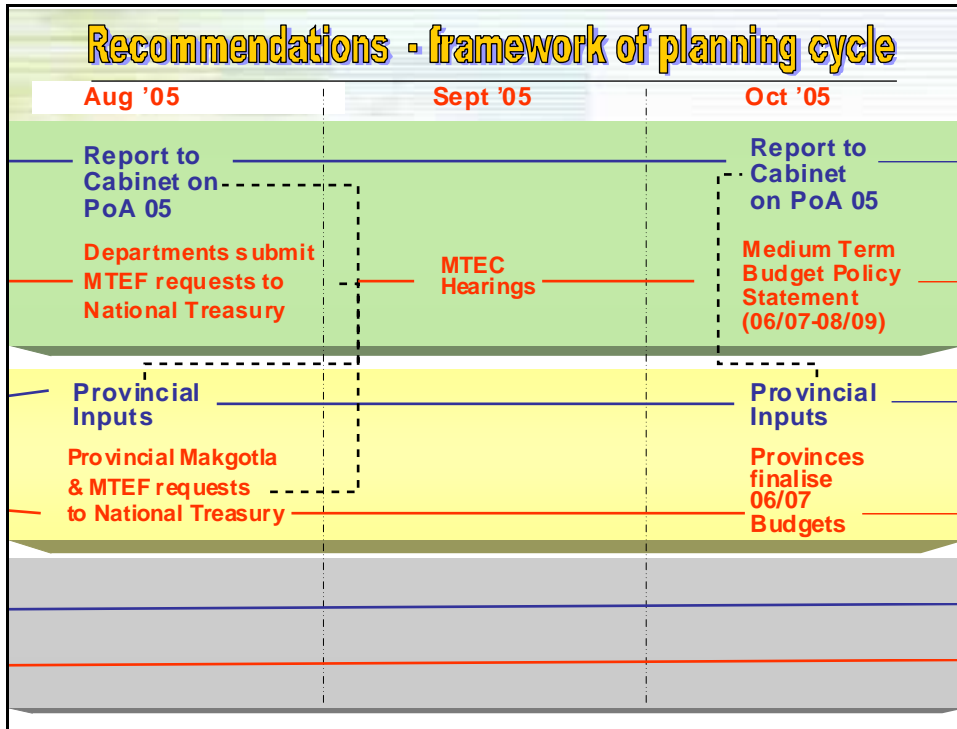
In May, the Presidency, working with FOSAD MANCO starts drafting the MTSF for the 2006/07 – 2008/09 period, guided by the broad outcome of the January lekgotla. In this period provinces start discussing their own medium-term issues. These activities converge in the FOSAD workshop in June, where FOSAD finalises proposals on the MTSF for discussion at the July lekgotla.

Because the MTSF applies to the whole 5-year electoral mandate period, what happens on an annual basis is to conduct an environmental scan and identify major policy issues which may dictate amendment to the MTSF or, as has happened in 2005, drafting of an annexure that elaborates strategic issues to be appended to the MTSF.

It is also between **May and June** that municipal mayors present their State of Local Municipality Addresses outlining programmes for their new financial year (**July 2005 to June 2006**). The second set of two-monthly reports to Cabinet on the 2005 PoA is presented during this month.

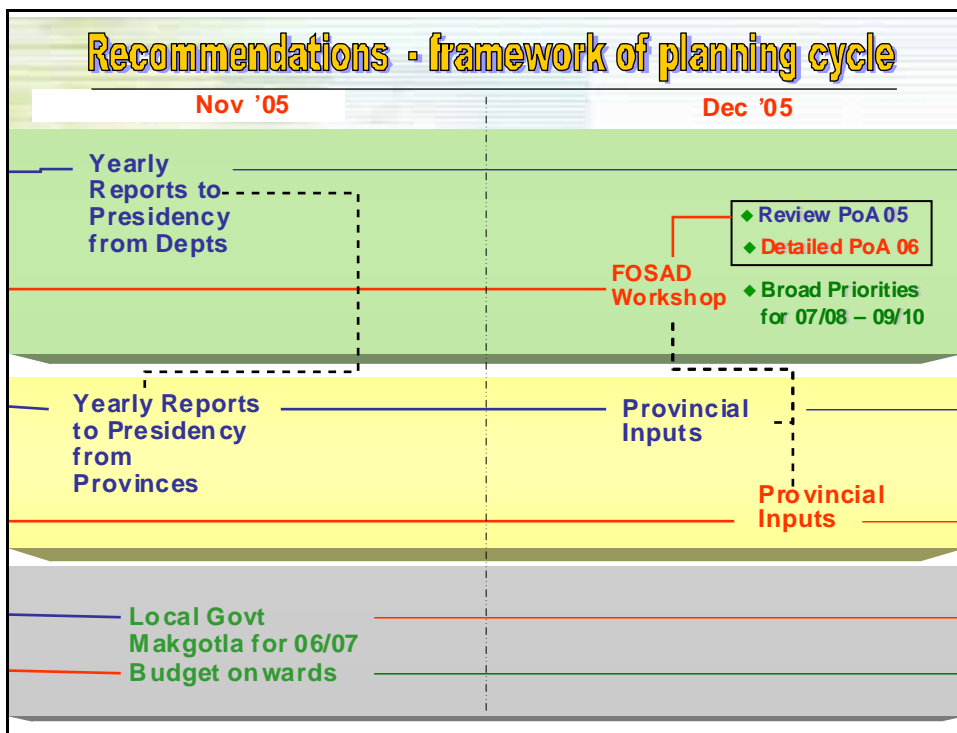
The July national Cabinet lekgotla reviews implementation of the 2005 Programme of Action, and it adopts the MTSF (or amendments thereto) for the 2006/07 – 2008/09 medium-term expenditure period. Provinces make their inputs directly as participants in this lekgotla.

It is after this that the detailed budgeting process starts in earnest; and what had all along been medium-term issues start to assume immediacy.



In August departments and provinces complete and submit their detailed budgetary requests to National Treasury – orally presented where necessary during September. Also in August and early September, Provinces are meant to hold their medium-term planning makgotla. All these activities are informed, content-wise, by the MTSEF, including whatever updates or amendments the July Cabinet lekgotla would have decided upon.

The two-monthly reporting to Cabinet reaches another nodal point in September, and the last set of these reports for the year is presented to Cabinet in November.

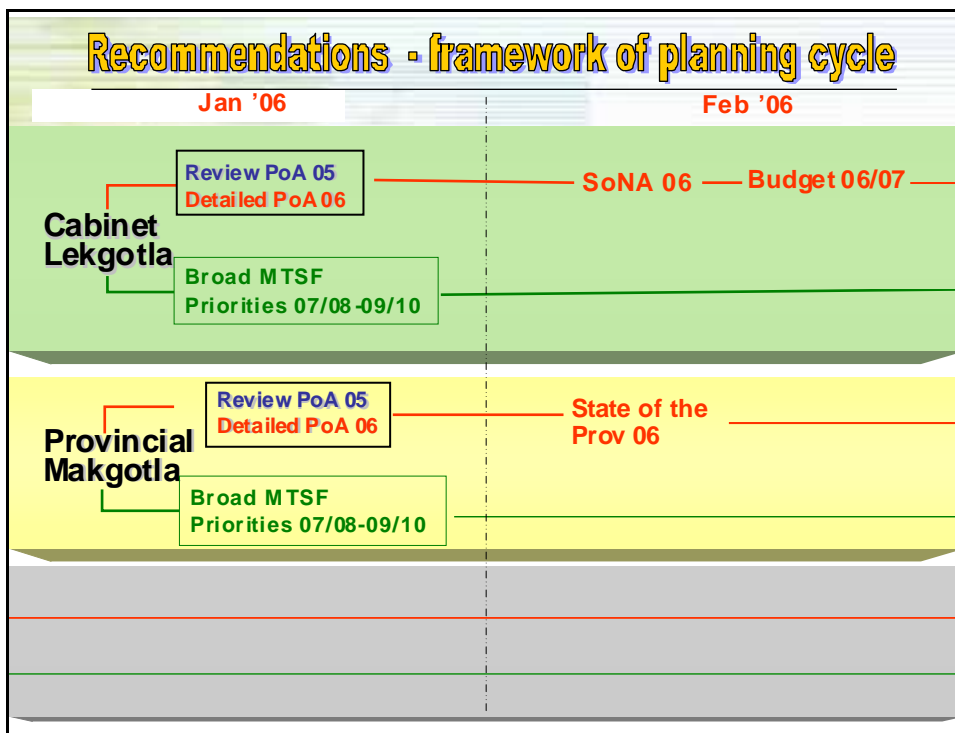


It is during November that each department and province submits an-end-of-year report to The Presidency. These reports outline major activities of these entities, and are based on identified themes, with the aim of isolating critical issues – both short and medium-term – that would help inform discussion during the January Cabinet lekgotla.

In this period, local government structures, with some clarity on resources allocated to them, start developing their programmes and budgets for the 2006/07 budgetary year and the medium-term. As can be seen in the graphics above and below, what was blue in the flow of the planning process (designating the immediate planning/implementation period of 2005) reaches its end at the beginning of 2006 with a review at the January lekgotla. What was red (medium-term, 2006/07 – 2008/09) becomes the immediate programme in terms of the year 2006 (retained as red). A new medium term planning cycle for 2007/08 – 2009/10 starts, designated as green.

This becomes even clearer in relation to the months of December 2005 and January 2006.

In December, FOSAD meets to undertake three levels of planning activity in preparation for the January Cabinet lekgotla: review of the 2005 programme (blue); planning in the detail for 2006 (red) and reflections on issues for the new (green) medium-term period (2007/08 – 2009/10).



In January, the formal planning processes at the policy-making level take place in the January Cabinet lekgotla: review of the past year, programme of what has become the current year (2006) and broad reflections on medium-term issues (2007/08 – 2009/10) which informs review of the MTSF to take place in July 2006.

As such, the annual cycle starts afresh...

VI CONCLUSION

The National Planning Framework outlines the main nodal points in the planning activities of government, ensuring alignment between strategy and policy formulation on the one hand, and budgeting on the other. It also seeks to ensure two-way flow of information and ideas among the three spheres of government, in addition to horizontal integration across the departments.

It is expected of all the State Owned Enterprises (SOE) and other public entities to align their planning cycles to this framework. As can be seen in the cycle of local government – as distinct from those of provincial and national spheres – alignment of cycles does not necessarily imply temporal uniformity. The principle is that there should be a logical flow of planning and review activities, ensuring that national strategic priorities inform and are in turn informed by those of other spheres of government and public entities.

The responsibility to manage the National Planning Framework rests with the Policy Co-ordination and Advisory Services in The Presidency, working with FOSAD. However, operational success depends on each contributing agency playing its role, including the alignment of line function cycles with the NPF and the submission of reliable and accurate data.

Constant feedback on the experience gained in implementing the National Planning Framework will also stand the whole of government in good stead.