



**REPORT OF THE PORTFOLIO COMMITTEE ON SOCIAL DEVELOPMENT ON THE
NATIONAL DEVELOPMENT AGENCY 2011/12 ANNUAL REPORT
DATED.....**

The Portfolio Committee on Social Development having considered and deliberated on the 2011/12 Annual Report of the National Development Agency (NDA) dated 06 November 2012, wishes to report as follows:

1. Introduction

The Committee's mandate as prescribed by the Constitution of South Africa and the Rules of Parliament is to build an oversight process that ensures a quality process of scrutinising and overseeing Government's action and that is driven by the ideal of realising a better quality of life for all people of South Africa.

The Committee, as part of exercising its oversight function received a briefing from the NDA on its 2011/12 Annual Report. This report presents some of the key achievements and challenges encountered by the entity in meeting its set strategic objectives. It will also highlight the observations made by the Committee.

2. Presentation by the NDA

2.1 Strategic Goals of the NDA

The NDA is a Schedule 3 (A) Public Entity established in terms of Section 2 of the National Development Agency Act [No.108 of 1998]. The NDA's primary mandate is to contribute towards the eradication of poverty and its causes by granting funds to civil society organizations(CSOs) for the purposes of carrying out projects or programmes aimed at meeting development of poor communities, and strengthening the institutional capacity of other civil society organizations involved in direct service provision to poor communities.

The NDA strategic goal is to leverage strategic partnerships to eradicate poverty to enable poor communities to achieve sustainable livelihoods. For 2011/12, the NDA operated under six strategic goals, namely:



2.2 Strategic objective 1: To build and enhance the capacity of Civil Society Organisations (CSOs) to enable them to carry out development work effectively

The NDA achieved the following to achieve this objective:

- Capacity needs of 146 funded projects were assessed.
- Capacity programmes were designed and implemented as per the recommendations of capacity assessment reports in line with the target.
- 237 ECD sites were supported through eight ECD networks approved for funding against an annual target of 100.
- 400 volunteers were capacitated to support the identified ECD projects against an annual target of 200.
- 199 CSOs were capacitated enhanced against an annual target of 40

Deviation

- 150 members of CSOs supporting vulnerable groups were not trained as planned due to late approval of projects.

2.3 Strategic objective 2: To grant funds, facilitate and manage poverty eradication programmes

The NDA achieved the following to achieve this objective:

- 28 food security projects in ECD sites were funded to an amount of R9 785 816 against a target of 20.
- 65 volunteer opportunities were created in the rural development sector against a target of 60.
- 47 volunteer opportunities were created in CSOs supporting vulnerable groups against a target of 10.
- 2 079 employment opportunities were created against a target of 800.
- 2 research think-tank CSOs were supported. These were Cooperative for Research and Education (CORE) and Centre for Early Childhood Development, meeting the annual target.
- 25 partnership linkages were created with government departments, private sector CSOs and the local government against a target of 10.



Deviations

Deleted: 1

- 4 CSOs supporting vulnerable groups were funded against a target of 5. Management approved larger grants for CSOs supporting vulnerable groups resulting in one CSO not being funded.
- 3 CSO networks were supported against a target of 5. Networks planned for support did not complete current funding activities.
- 37 CSOs in rural development were funded to an amount of R50 965 630 against a target of 40 due to a larger grant allocated to rural development projects.

2.4 Strategic objective 3: To influence policies, practices and strategies through comprehensive research and knowledge management

The NDA achieved the following to achieve this objective:

- Research agenda was developed and approved by EXCO and presented to Parliament as planned.
- Planned policy paper were presented on the role of NGOs and CSOs in policy formulation.
- Planned study reports were commissioned and submitted on ECD and CSO fundraising challenges.
- Partnerships and linkages were built with Journal Storage (JStor) and Development Bank of South Africa (DBSA) / South African Local Government Association (SALGA).
- CSOs in the Northern Cape were supported through sponsorship of their annual general meetings.

Deviations

- The agenda on lobbying and advocacy was not developed

2.5 Strategic objective 4: To mobilise and leverage resources

The resource strategy was approved and implemented.

Deviations

- R11,7 million was raised in cash against an annual target of R200 million
- R7,5 million – ECD, Free State
- R1,5 million – Biomass project



- R2,7 million – DSD Mpumalanga In-kind
- R306 330 (free broadcast)
- ± R8 million (journals)
- 8 partnership agreements were signed and implemented against a target of 10 due to delays in finalisation of agreements with University of Johannesburg and the National Economic Development and Labour Council (Nedlac)

2.6 Strategic objective 5: to position the nda as a premier development agency

The NDA achieved the following to achieve this objective:

- Stakeholder management / communications strategy was approved and implemented as planned.
- 14 engagements between CSOs and government on poverty eradication and development were facilitated against a target of 4.

2.7 Strategic objective 6: to promote and maintain organisational excellence and sustainability

The NDA achieved the following to achieve this objective:

- Human resources strategy was approved and implemented
- A performance management system (PMS) was implemented as follows:
 - Executive scorecard was replaced by directorate scorecards, and
 - Critical leadership competencies were introduced and implemented.
- The following key internal controls were managed and successfully implemented:
 - Monthly and quarterly management accounts for Exco, Board sub-committees and Board
 - Weekly and monthly bank and general ledger were reconciled
- Finance and procurement policies were reviewed.
- Half-yearly and annual fixed assets counts were performed.
- Effective risk management was implemented.
- Key audit findings from prior year audits were addressed.
- Audit findings were tracked and addressed through quarterly progress report at quarterly review meetings.

Deviations



5. Committee Observations

The Committee expressed concern over the non achievement of targeted amount of raising R200 million, which the entity was unable achieve. The committee was interested to know on what basis was the target based.

The Committee further raised concerns over the non alignment of the entity with National Treasury Regulations. This was viewed as an area that needs urgent attention.

It agreed that the entity should strengthen and improve its core business and put more focus on achieving its target of reducing administrative costs. Large amount of the budget was still allocated to salaries.

The Committee observed that a number of Human Resource policies were not approved by the Board. It emphasized that the lack of implementation of such polices was going to impact on the running of the entity.

5. Recommendation

The Committee made the following recommendation:

- The Minister of Social Development should ensure that the entity's work is aligned with the National Treasury Regulations.
- In terms of the entity fundraising strategy, the Committee suggested that the entity should develop annual targets that are realistic and achievable.
- With regard to the delays of approval of policies by the Board, the Committee recommended that the Minister should ensure that these policies are approved before the next reporting period.

Y Botha, MP
Chairperson:
Portfolio Committee on Social Development

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Date