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# ANNUAL PERFORMANCE PLAN 2024/25



social development  
Department:  
Social Development  
REPUBLIC OF SOUTH AFRICA



sassa  
SOUTH AFRICAN SOCIAL SECURITY AGENCY



# Executive Authority Statement

As the 7<sup>th</sup> administration beckons, our resolve and determination as the social development portfolio towards poverty eradication in all its forms and its associated causes remains unyielding. The National Development Agency (NDA) shall assume a position of leadership as we wage this unrelenting war to implement developmental interventions and bring about meaningful changes in the impoverished and hard-hit communities we exist to serve. We recognise the extent of poverty and the impact it has on our people, and we further acknowledge the exacerbation of poverty by our struggling economy, which has shed jobs and has struggled to make significant strides in reducing unemployment and inequality. We are nonetheless undeterred, having put in place a five-year strategy whose intention is to accelerate the economic inclusion of marginalised communities.

The Strategic Plan (SP) and by extension, the Annual Performance Plan (APP) of the NDA is directly derived from the Turnaround Strategy, which was approved by the NDA Board. The Turnaround Strategy essentially charts the path to poverty eradication and makes bold proposals that will redefine the country's approach to unlocking the potential of communities and setting them on the straight, narrow and more focused developmental path. No poverty eradication efforts and initiatives can succeed without involving affected communities.

Economic deprivation and suppression of impoverished communities thrive in the presumptuous inaccuracy and regrettable misunderstanding that some tailor-made solutions can be parachuted into communities without their active participation in the same development processes that seek to salvage them from the economic abyss. It is the communities themselves that must shape the development programmes that will be implemented and thrive in their localities. They must furthermore define the most appropriate vehicles that can deliver such interventions earmarked for their socio-economic development.

The District Development Model (DDM) remains the structured government vehicle through which the NDA will engage development partners within and outside government towards a commonly agreed approach and

***Minister NG Tolashe***



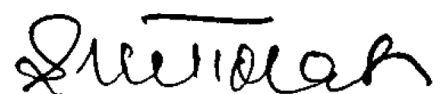
# Executive Authority Statement

plan for the economic advancement of communities. Central to this approach is the insurmountable work of harnessing the financial and non-financial resources from various public and private stakeholders for investment in the communities through Civil Society Organisations. This tripartite alliance of public, private and CSO partnerships must be exploited at all significant times for the development benefit of marginalised communities.

The work of poverty eradication can never be accomplished by NDA alone. It is, in fact, the work of public institutions across the three spheres of government. It is the work of private businesses in their multiplicity. It is for that reason that the NDA will, of necessity, forge close working formal relations with various development partners across all sectors of the economy in pursuit of community development. Collaboration towards poverty eradication efforts and integration of operations begins within the social development portfolio. I will, therefore, ensure that the sector exploits opportunities for shared services across a range of common operational areas, particularly the Information, Communication and Technology (ICT) space. I will leverage digital advancements within the sector with the view of advancing service delivery, broadening our footprint and increasing our reach and coverage of the people whom we exist to serve.

I am eternally thankful to the NDA Board who proverbially hit the ground running. In less than seven months of their appointment, they set their minds to interrogate and enhance the Turnaround Strategy, which they subsequently approved in July of 2023. It is the same Turnaround Strategy which is the bedrock of the 2024-2029 Strategic Plan and the 2024-25 Annual Performance Plan, which I have the pleasure of presenting to beloved South Africans.

I pledge my unwavering support to the NDA Board and Management in the execution of the mammoth task of poverty eradication. Motswana a re, tiro e tshaba diatla!!! I therefore call on all of us: public sector, private business, Civil Society Organisations and community stakeholders to put our hands together on the deck in pursuit of shared socio-economic development goals.



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**Ms. NG Tolashe, MP**  
Minister of Social Development  
**Date: 30 November 2024**

# Official Sign-Off

It is hereby certified that this Annual Performance Plan:

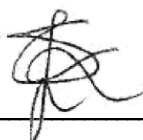
- Was developed by the management of the National Development Agency.
- Considers all the relevant policies, legislation and other mandates for which the National Development Agency is responsible.
- Accurately reflects the Impact, Outcomes, and Outputs which the NDA will endeavour to achieve over the period 2024/25 financial year.



**Ben Morule**  
Strategic Management



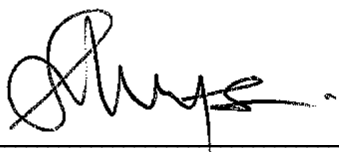
**Solomon Shingange**  
Acting Chief Financial Officer



**Susan Khumalo**  
Chief Operations Officer



**Simon Baloyi**  
Acting Executive: Development  
Management & Research



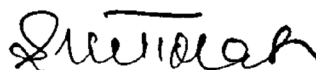
**Reekeletseng Hlapolosa**  
Executive: Corporate Services



**Thabani Buthelezi**  
Acting Chief Executive Officer



**Nozabelo Ruth Bhengu**  
NDA Board Chairperson



**Hon. Ms NG Tolashe, MP**  
Minister of Social Development  
**Date: 30 November 2024**



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# PART A

## OUR MANDATE





## 1 Institutional Policies and Strategies over the five-year planning period

The National Development Agency (NDA) is a government agency that reports to Parliament through the Department of Social Development. Classified as a public entity under Schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999), the NDA was established in November 1998 by the National Development Act, 1998 (Act No. 108 of 1998, as amended) to tackle the challenges of poverty and its underlying causes in South Africa. The NDA plays a crucial role in helping the country move from the scourge of poverty toward its complete eradication.

Through the Act and various policies, the NDA advances economic development, especially community economic development. It promotes social cohesion, ensures access to basic human rights, and facilitates skills development. This contribution supports the National Development Plan (NDP) 2030 outcomes for a better South Africa. The diagram below presents a non-exhaustive list of the NDA's legislative and policy mandates to be discussed further.

### 1.1. Constitutional mandates

The NDA's strategic intentions and objectives are guided by the requirements of Chapter 2 of the Constitution of the Republic of South Africa. Chapter 2 outlines the Bill of Rights, which sets out the fundamental rights of all South Africans, including the right to dignity and 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.



**Figure 1: NDA's Legislative and Policy Mandates**



## 1.2. Legislative Mandate

### 1.2.1. National Development Agency Act

The NDA's mandate is derived from the National Development Agency Act 1988 (Act No. 108 of 1998, as amended). 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.

Furthermore, 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
  - (ii) 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).

## 1.3. 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).

### 1.3.1. 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 outline objectives that are to be achieved by 2030 and their intended outcomes. From the 13 outcomes, the NDA contributes towards seven (7).

The NDA aims to contribute towards social protection, nation-building and social cohesion by using Civil Society Organisations (CSOs) as a mechanism to access and develop communities. The NDA uses its presence in civil society to facilitate 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, as well as the support provided to optimise the accessibility of services, resource allocation and ensure intended outcomes are reached.

The NDA also contributes to the economy, employment, and an inclusive rural economy, which is addressed through CSOs, as well as through the development of strategic partnerships with other organisations. Through engaging various stakeholders – state organs, civil society organisations, research institutions, higher education and training institutions, and business – developing research publications that contribute to the development policy and practice and capacitation of CSOs operating in various sectors, the NDA will contribute towards education through the training and innovation of CSOs, by imparting skills and capacity upon them. The NDA will also contribute towards building a capable and developmental state. This will be achieved through the optimisation of the organisation's processes, which includes the implementation of the ICT strategy. By running a clean administration and developing internal frameworks that ensure good governance, the NDA will enable the fight against corruption.

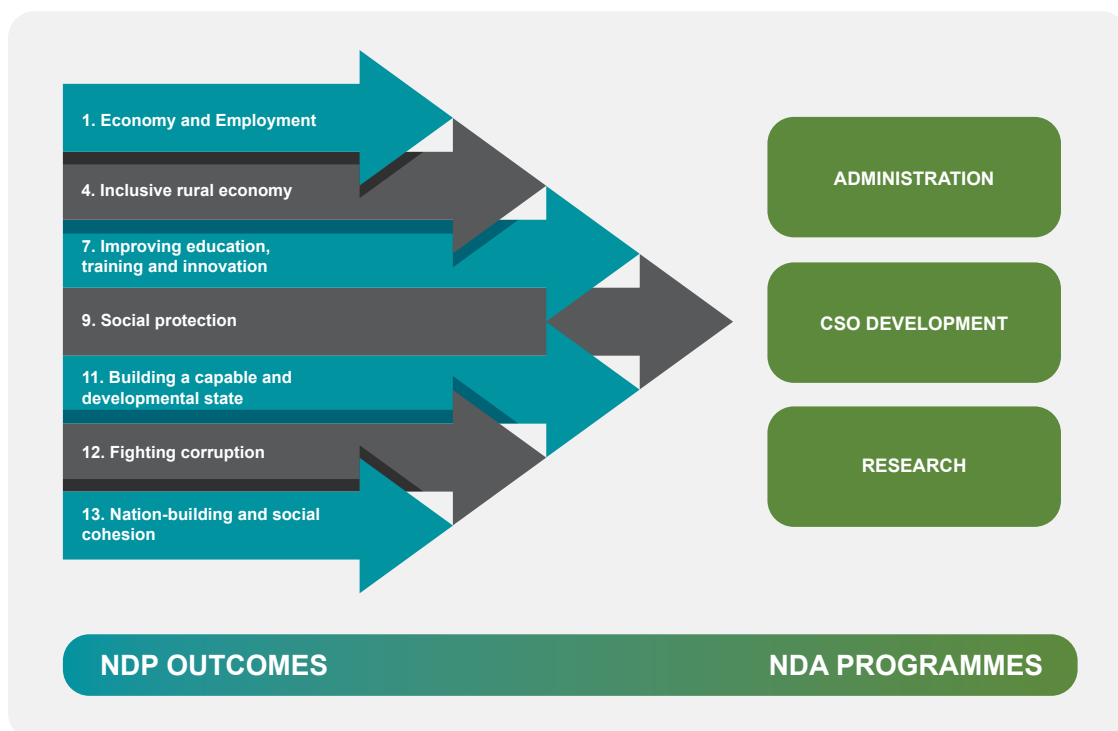


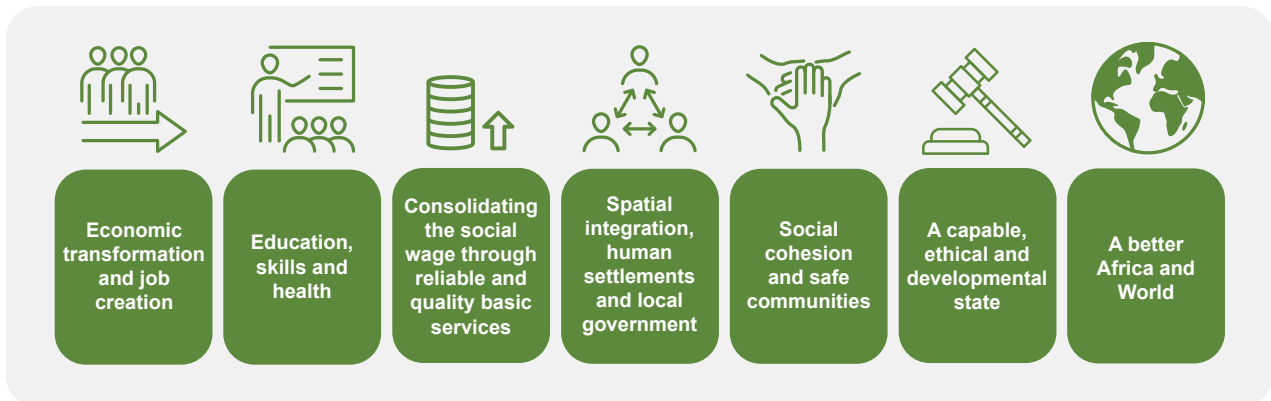
Figure 2: NDP Outcomes and NDA Programmes



## 1.3.2. 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 attempt to attain the goals of 2030, the MTSF identifies the priorities to be undertaken during the five (5) year strategic

period. The NDA's strategy is also informed by the MTSF and contributes towards the seven priorities through its service delivery programmes:



**Figure 3: MTSF 7 Priorities**

## 1.3.3. 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's plans.

The NDA's role in the sector is to enable the achievement of the sector outcomes through its strategic direction. 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 continue to utilise CSOs as a vehicle to implement programmes aimed at meeting the most critical development needs of underprivileged communities. By capacity, empowerment, and engagements with CSOs the NDA will enhance the ability of CSOs to serve marginalised communities – they are located in – in meaningful ways that contribute towards the reduction of poverty levels and the creation of 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 CSOs, with the ultimate beneficiaries being individuals served by these CSOs. The NDA has designed its strategic plan to enable the organisation to collaborate and coordinate its development initiatives with the Department of Social Development and the South African Social Security Agency. This will contribute effectively towards poverty eradication in poor communities.



**Figure 4: Sector Outcomes for 2020 – 2025**

### 1.3.4. Social Development Portfolio Approach

The social development portfolio (DSD, SASSA & NDA) has adopted a sectorial approach towards planning, programming, and implementation of the sector's interventions. The portfolio approach effectiveness is grounded on having a shared 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 the civil society sector to harness resources and focus on improving the quality of life of South African citizens 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 Africa.

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 to building a better South Africa. The social development sector will also improve its effectiveness in working with civil society organisations at the local level and responding to poverty experiences of most South Africans. The portfolio approach allows the department and its agencies to have combined strategic interventions that provide an overarching direction for bridging the gap between welfare and developmental services to the public.

The outcome for both functions is creating a South Africa we all want to live in. The social development portfolio aims to create an effective ecosystem in the sector to improve coordination, integration, maximising quality of outcomes and impacts to ensure that the 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 NDA's new turnaround strategy recognises and intends to contribute towards.

### 1.3.5. District Development Model

In the State of the Nation address (2019), the President indicated that the 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 the government (6<sup>th</sup> Administration). 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 the district level.

The model is geared towards improving integration between national, provincial, and local governments, other organs of state, and CSOs in their different formations to ensure the implementation of the government's budget and programmes. Focusing on implementation at a district level will ensure an Integrated Project Planning approach and the alignment of budget and programmes to deliver a successful project efficiently and effectively in a short period. The DDM mechanism would enable a better monitoring and evaluation process to effect timely delivery of remedies to reduce project failures, ensuring that development is carried out collectively with the affected communities and civil society organisations at the grassroots level.

The aim is to benefit poor families and underprivileged communities who are reliant on social protection from the government and public employment programmes and can thus not afford to pay for government services. In the absence of this community-focused approach by the NDA, these underprivileged communities would continue to wallow in never-ending government dependency characterised by an inability to participate in the mainstream economy. Additionally, these communities are defined by ever-increasing crime, high teenage pregnancy, substance abuse, and all manners of social ills.

The NDA's position as a development agency in the Social Development Portfolio is the critical arm to drive development, easing 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 that the NDA is the only viable agency to access those who are trapped in social security systems due to poverty. For the NDA to show impact, it needs to design and implement programmes that aim to target those who are dependent on social security. For the Agency to fulfill its mandate it, therefore, will shift from focusing on the vehicles



## PART A: OUR MANDATE

it currently uses to achieve its mandate and be seen to be making an impact on the poor.

The means required to eradicate poverty and to re-ignite the sluggish South African economy are to create sustainable livelihood pathways for the poor, these pathways must result in gainful economic activities at community level; the creation of reliable and sustainable employment for the local poor population; building capacities and skills appropriate for gainful and income generation for 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 the local level, focusing on development targeting those trapped in poverty and underdevelopment.

The NDA in the 2024/25 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 the 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.

The Sustainable Development Goal 1 its outcome is “End

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

Therefore, the NDA would use interventions that have outputs from all the other goals as these outputs have direct contributions and means to eradicate poverty and its causes. Theoretically, any of the other 16 goals achieved independently cannot, on their own, result in the 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.



Figure 5: The Sustainable Development Goals



## 2 Updates to Institutional Policies and Strategies

The NDA through the Turnaround Strategy will, amongst others, focus on the following priorities over the next five (5) years:

- Create a conducive policy environment for economic development and sustainability of communities.
- Create sustainable communities through resource mobilisation from strategic partners and collaborative engagement with other stakeholders within the DDM mechanism.
- Review and alignment of IT architecture to the NDA model.
- Strengthening NDA institutional capacity, capabilities and skills required to deliver on the mandate of poverty eradication.
- Diversify NDA development funding sources.

### 2.1. Repositioning NDA to assist the government to deliver on its poverty eradication mandate

The National Development Agency is the entity of the State (not of the Social Development Portfolio), and therefore, it

should be positioned to coordinate all government efforts towards poverty eradication?. With this Strategic Plan, a process is being initiated to position the entity to assist the State in delivering the following outcomes:

- Resilient and self-sustainable communities that are not reliant on social grants, housing, etc.
- Increased revenue for municipalities as more people will be able to afford to pay for municipal services.
- Reduced urban migration as more opportunities will be created through exploitation of local economic opportunities, thus reducing overpopulation in urban areas, and thereby addressing all the accompanying challenges, which include deterioration of basic infrastructure in urban areas, crime, etc.
- Addressing the imbalances of the past by bringing the marginalised communities into the mainstream economy.

Redirection of funds from social grants will increase resources available for infrastructure investments, which will, in turn, create a conducive business environment, driving economic growth and more job opportunities, as well as poverty alleviation.



# PART B

## OUR STRATEGIC FOCUS



### 3 Vision

A society free of poverty, unemployment, and social ills.

### 4 Mission

Facilitate the development of poor and underdeveloped communities in a coordinated and integrated manner through DDM to make them self-reliant and self-sufficient.

### 5 Values

**As a development agency, we subscribe to and promote the following values:**

- *Humanity*
- *Integrity*
- *Accountability and responsibility*
- *Transparency*
- *Respect*
- *Ubuntu*
- *Innovation*
- *Excellence*

### 6 Situational Analysis

The National Development Agency (NDA) was established and mandated in 1998 to contribute towards the eradication of poverty by providing grant funding to civil society organisations (CSOs) whose responsibility is to provide services that are designed to eradicate poverty and build sustainable communities. These CSOs are to implement development projects and strengthen the institutional capacity of other CSOs in poverty-stricken communities. The NDA was also mandated to conduct research and evaluation studies to inform development policy aimed at optimising collaboration between government, CSOs, and the private sector and to address causes of poverty and

review policies which created poverty. The research and evaluation studies have also been leveraged to shape and implement specific CSOs' development projects. The NDA is not only mandated to eradicate poverty but also to create a conducive environment for communities to create sustainable livelihoods, therefore, through the research mandate, the NDA will propose the necessary policy changes emanating from the research undertaken.

CSOs are traditionally non-state and non-commercial entities organised around serving the collective interests of marginalised communities who cannot usually effectively represent themselves in the political and commercial domains. CSOs played a central role in ending the Apartheid political system. In the 1980s, civil society organisations CSOs were mobilised and effectively challenged the discrimination, repression, and anti-democratic policies and practices of the state. The United Democratic Front (UDF), the umbrella organisation for anti-Apartheid CSOs, was led by President Cyril Ramaphosa at the time. In recognition of this contribution to democratic freedom, South Africa's constitution specifically provides for civil society to play an oversight role over democratic institutions, monitor human rights, and give citizens, especially the poor, vulnerable, and excluded, the tools to know and assert their rights. Beyond 1994, CSOs operating in South Africa generally shifted their focus from securing political rights for the entire citizenry to addressing the scourge of poverty, especially where that poverty was deemed to have emanated from the Apartheid era policies and discriminatory laws.

Some CSOs retained their focus on keeping the government accountable to the citizenry by drawing attention to poor service delivery and corruption, applying pressure on the government to provide better services to vulnerable and marginalised communities. CSOs have, as such, played a significant role in exposing State Capture. Other CSOs focussed their efforts on socio-economic development, providing an array of social and economic services to alleviate poverty in marginalised and distressed communities. It is this collection of CSOs, namely those focussed on providing socio-economic services to marginalised communities, that the NDA has been mandated to fund and capacitate.

While the NDA mandate is clear, it is unfortunately not specific enough to be mutually exclusive from the mandates of other government departments, state-owned enterprises, or agencies. The main reason for this is that the causes of poverty are numerous, complex, and interdependent. Lack



of access to land (1913 Land Act was designed to create poverty for non-white citizens, 1950 Group Areas Act was designed to prevent non-whites from economic ownership; 1953 Bantu Education was designed to produce providers of labour) Inadequate electricity, water, sanitation, education, healthcare, safety, housing, and social services are all major causes of poverty and are the responsibility of specific functional departments, state-owned enterprises, government agencies, and local governments.

Subsequently, many government departments and agencies provide grants to CSO-type organisations, e.g., NYDA, DALRRD, SEFA, SEDA, DTIC, Jobs Fund, etc. These departments differentiate themselves in terms of the ultimate beneficiary classification as well as the exact enablement provided, for example, through loans, grants, and connections. In contrast, at present, the NDA's ultimate beneficiary group is not sufficiently defined (in terms of the actual beneficiaries behind the CSOs), the types of CSOs supported are too diverse, and the classification of exact services provided to CSOs is not sufficient. Further complicating the matter are differing ideological perspectives on the exact meaning of development as well as what the government's role should be in social and economic development, respectively. These apparent functional overlaps with other government departments, state-owned enterprises, agencies, and local government, as well as the lack of consensus over development definition and responsibilities, have consistently left the NDA at a disadvantage compared to more focussed organs of state when competing for the government's spending purse.

Compounding the NDA's funding challenges are the shrinking allocations available to organs of state in general. Since 2008, the government has not been able to collect sufficient revenues on an annual basis to fund all its expenses and has been taking on debt to fund the resulting deficits. As the debts have grown, the funding available for service delivery has also steadily diminished, with debt service cost growing at 13% per annum, leaving the NDA increasingly vulnerable to being defunded by the National Treasury.

To avoid being defunded, or at the very least reduce its probability of being defunded, it's critical that the NDA sharply refine its focus and role in the poverty eradication domain. Despite the National Treasury funding challenges, the need for economic development has never been greater, with the combination of low GDP growth and high population growth thrusting the country into record levels of unemployment.

Addressing the unemployment crisis is the largest collective poverty eradication priority facing the country at present.

Failure by the government to address the unemployment crisis will lead to increasing economic despair, more social unrest, and increasing political instability. As such, every government department, state-owned enterprise, agency, and local government will increasingly be judged by their contribution to combatting unemployment.

National Treasury's Economic Policy is aggressively focused on promoting productivity and economic growth, as this is the most pressing matter to address to reduce unemployment. Given that productivity and economic growth are the National Treasury's main priorities, it is also likely that they will be more positively inclined to direct funding to those organs of state that best support productivity and economic growth. Achieving this productivity and economic growth and ensuring that it is inclusive will require a team effort from the government, private sector, and civil society. It is in this multi-party environment that the NDA needs to clearly redefine its role.

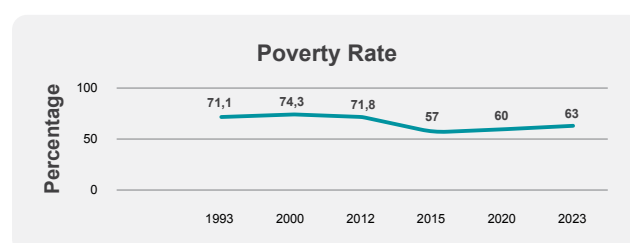
### 6.1 Overview of Poverty in South

South Africa has pursued many initiatives to reduce poverty since 1994, but it has remained high.<sup>1</sup> As of 2023, around 18.2 million people in South Africa are living in extreme poverty, with the poverty threshold at 1.90 U.S. dollars daily. It means that 162,859 more people were pushed into poverty compared to 2022. Moreover, the headcount was forecast to increase in the coming years. By 2030, over 19.1 million South Africans will live on a maximum of 1.90 U.S. dollars daily.<sup>2</sup> Based on the outlook, the poverty rate will remain high, close to 63%, from 2023 to 2025.<sup>2</sup>

<sup>1</sup> Gumede, V. (2021). *Revisiting poverty, human development and inequality in democratic, South Africa*, University of Mpumalanga, 2021

<sup>2</sup> Cowling, N. (2023). *Number of people living in extreme poverty in South Africa 2016-2030*, Statista, 2023

**Figure 6: Poverty rate in South Africa (1993-2023)**



Sources: World Bank Poverty Rate in South Africa (1993-2023)

Fifty-five percent live below the upper bound of the poverty line (hunger and malnutrition), especially among children; 25.2% of the population were food poor, and 40% below the lower bound poverty line. The government provides a Social Relief of Distress Grant to counter this trend, reaching around 7.8 million people.<sup>3</sup>

*“Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.”*

**Nelson Mandela**

The proposals of the inter-departmental national working group on poverty alleviation in the Acceleration Plan to achieve NDP targets by 2030 identified the following problems:

- **R1,3 trillion** has not adequately resulted in poverty outcomes, i.e., eradicating poverty and breaking the cycle of generational poverty.
- **Small-scale interventions** that do not match the scale of need are implemented by Departments, thus benefiting a small number of people or households.
- **Extreme fragmentation results in duplication with varying degrees of focus, scale, budget, and impact.** Interventions benefit the same individuals in some instances. The result is weak impact and resource wastage in Medium, Small and Micro-Entrepreneurs’ (MSME) interventions, livelihood programmes, and, to a lesser extent, public employment interventions.
- **The need for vision and a scalable strategy for the MSME sector, the informal sector, and livelihoods is glaring**, as these sectors are critical for poverty alleviation, income generation & employment creation.
- **Departments focus on inputs and not results in their M&E frameworks** without considering impact as a critical measure of success. **Impact = how many people exited poverty permanently.**
- **Need to maximise the results of the social wage** by strengthening the delivery system for social services at the household level to leverage the multiplier effect of various elements of the social wage.

- **Layered interventions per household**, prioritising those below the poverty line, should be designed so that their combined impact helps households graduate out of poverty.

- **Inequality:** SA’s Gini coefficient is 0.63, demonstrating that it is the most unequal society in the world.

### 6.1.1. Inequality

South Africa is the world’s most unequal society, ranking first among 164 countries in the World Bank’s global poverty database<sup>4</sup>. Countries aim for a Gini Coefficient of 0.2, a negligible level of income inequality among citizens. The South African Gini coefficient is 0.63. China’s is 0.38, and India’s is 0.35. Russia’s is similarly relatively low at 0.37. Brazil, like South Africa, has a much higher level of inequality at 0.53. In South Africa, the evidence suggests that income inequality has risen in the post-apartheid period, though it has fluctuated. What is clear is that levels of inequality are not decreasing<sup>5</sup>. There are several drivers:

- Large numbers of South Africans are unemployed and report no or very low incomes.
- From the employed, many earn very low wages. Of those who do have work, about 3 million people exist in the informal economy, where incomes are very low. Another 900,000 people work in agriculture, and about 1 million are domestic workers with very low incomes. Even in the formal sector, wages are extremely low, especially for non-unionised workers.
- The incomes at the top end of the income distribution are very high. The richest 10% of South African households are responsible for 52% of all expenditures. The poorest 10% of households contribute only 0.8% of all expenditure.<sup>6</sup>

<sup>2</sup> <https://thedocs.worldbank.org/en/doc/>

<sup>3</sup> SONA (2023). *Cost of SA living is leading to a deepening of poverty*, State of National Address 2023

<sup>4</sup> The World Bank (2022), *Inequality in Southern Africa: An Assessment of the Southern African Customs Union*, 2022

<sup>5</sup> Valodia, I. (2023). *South Africa can’t crack the inequality curse. Why, and what can be done? The Conversation*. September 2023

<sup>6</sup> Ibid

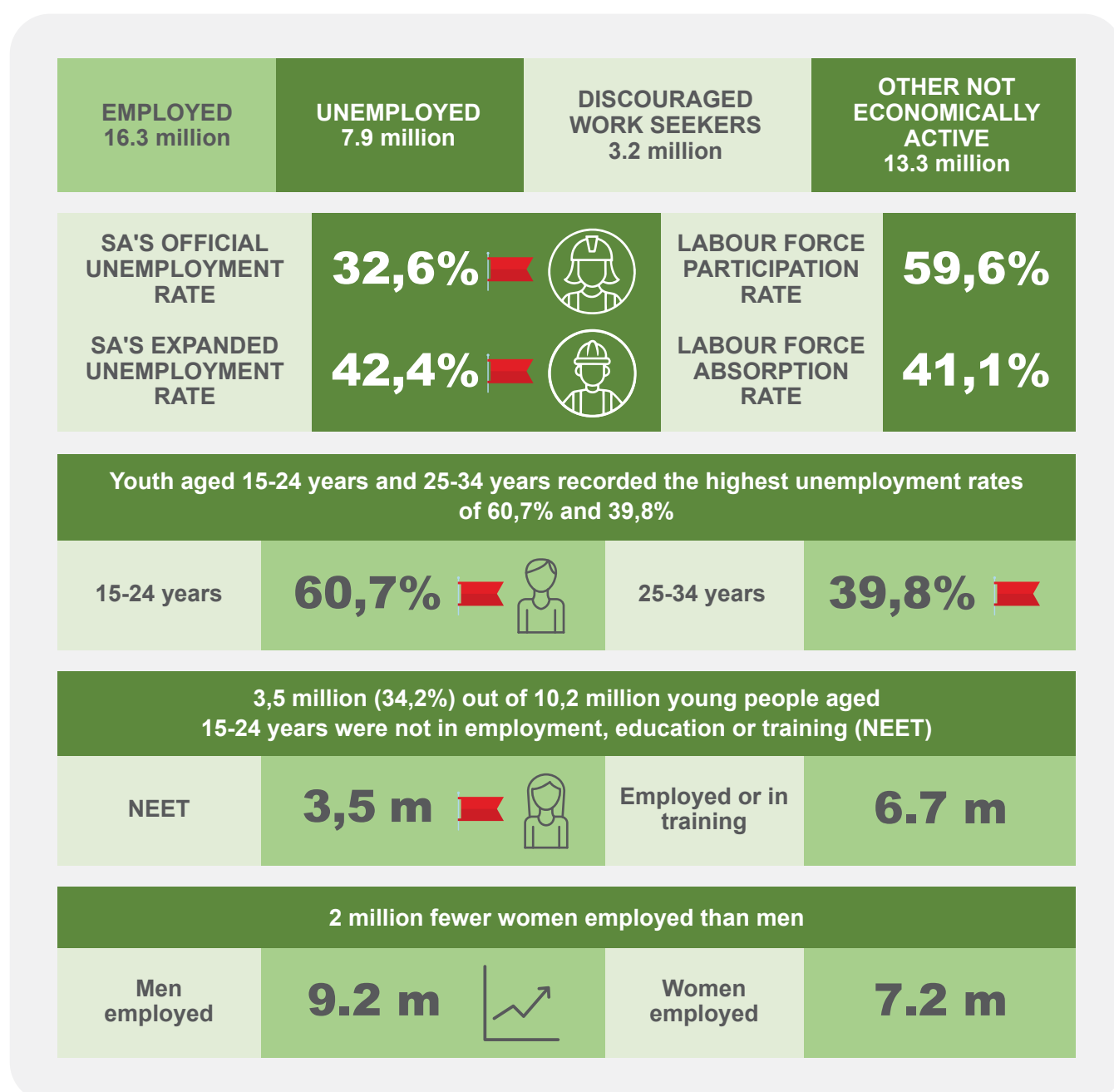
## 6.1.2. COVID-19

The pandemic had devastating impacts, causing more than 102,000 official deaths between 20 January 2020 and 24 October 2022. The country suffered a very large output contraction – 6.3% in 2020. Consequences have included a sharp rise in poverty, with a higher proportion of female-headed than male-headed households falling into

poverty, households experiencing less secure employment and a greater likelihood of poverty, and unskilled workers being hit the hardest with job losses. Health sector services were stretched, the education system suffered, and gender-based violence (GBV) surged, as did xenophobia.

## 6.1.3. Unemployment

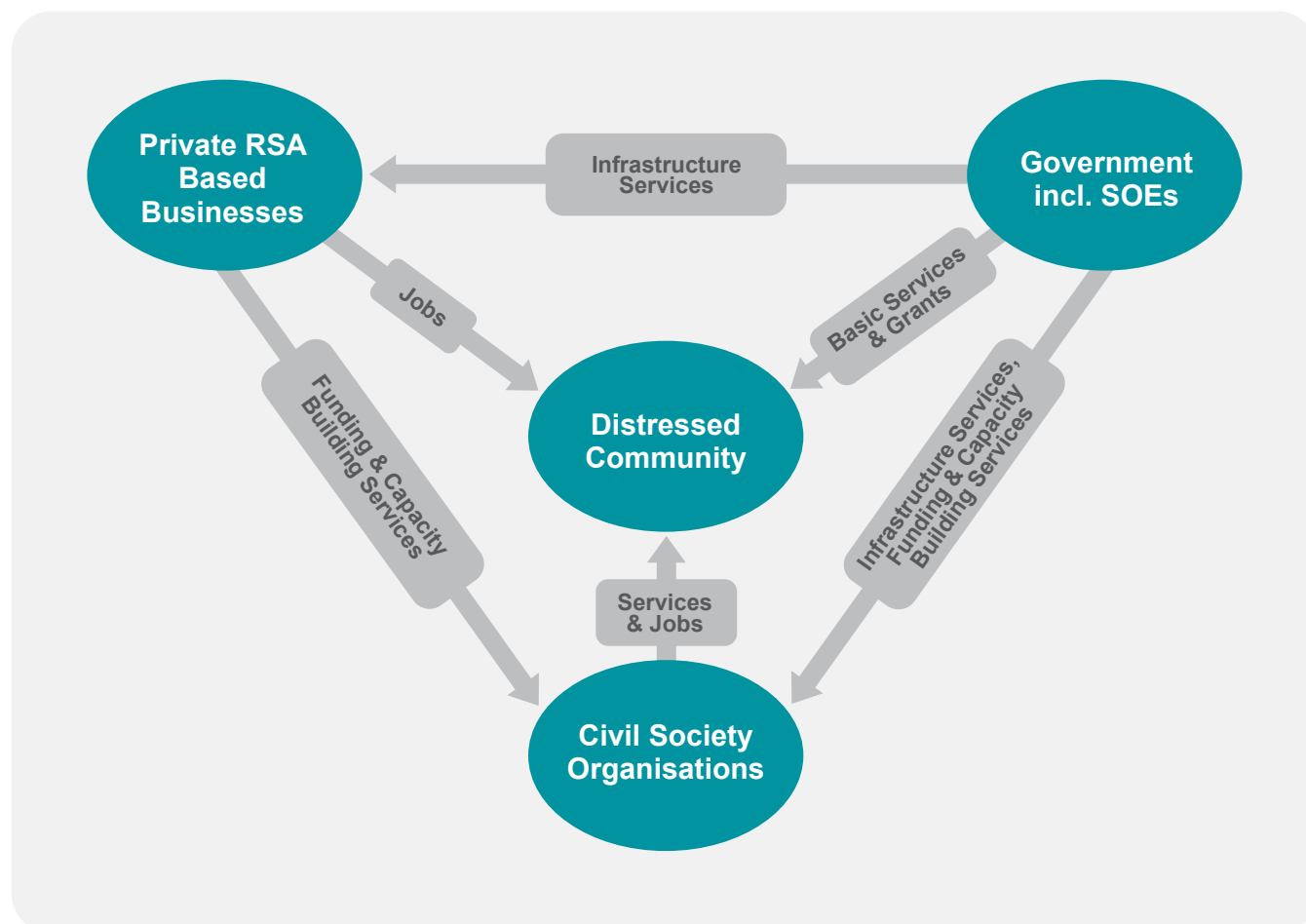
Figure 7: South Africa labour market profile in Q2:2023<sup>7</sup>:



<sup>7</sup> Statistics South Africa (2023) Quarterly Labour Force Survey. StatsSA. Pretoria.

## 6.2 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 8: Configuration of key Role-players in Addressing Poverty**

At the design level, the approaches adopted by these initiatives shared four key drivers. These drivers were central to the design process, and they revolved around distressed communities as the primary target focus. The ultimate objective was to create economic activities that could lead to sustainable livelihoods within these local communities. Here's an overview of the key elements:

**Community-Centric Focus:** The core of the design centred on addressing the needs of distressed communities as the primary focus. This recognition of the community's challenges and potential formed the foundation for the initiatives.

**Partnership Building:** To achieve their goals, these

initiatives established mechanisms to build partnerships. These partnerships involved collaboration between the private sector, government agencies, and civil society organisations. Importantly, these collaborations were developed through consultation with affected communities.

**Needs Assessment and Resource Identification:** A critical step was the assessment of community needs, local resources (both human and financial), and identifying the pressure points and priorities of the community. This thorough assessment helped inform the strategies and interventions.

**Shared Vision and Planning:** An essential element was the creation of a mechanism that ensured all stakeholders,



including the private sector, government, civil society, and the community, shared a common vision, plan, and desired outcome. This alignment facilitated a unified approach to poverty eradication.

The framework employed by these initiatives encouraged all sectors and stakeholders to identify a common need, address the challenges, and find shared solutions to combat poverty. However, the chosen mechanism had to be acceptable and relevant to all community-level stakeholders, emphasising the importance of inclusivity and local buy-in. This approach aimed to create a holistic, community-driven strategy for poverty alleviation.

As illustrated in the figure above, it is in the best interest of the South African private sector to invest in communities for several compelling reasons. This investment not only benefits the members of these communities but also contributes to an increase in the demand for their products and services. Simultaneously, the government's principal focus, across all its administrative levels, is the provision of a diverse range of services aimed at ensuring the well-being of the population.

The civil society sector possesses a deeper understanding of the needs, priorities, capacities, and capabilities of communities. Most importantly, it understands what approaches can effectively work within those specific communities. When social and development projects and programs align with the interests of all partners involved, they have a greater likelihood of achieving success and making a meaningful impact. The battle against poverty, unemployment, and inequality in South Africa demands a collective effort from all sectors of the economy, including active engagement with the communities themselves. This collaborative approach is key to addressing complex social challenges effectively.

The government has adopted the District Development Model as the suitable platform for implementing this framework. The NDA is currently in discussions to investigate potential partnerships for testing the practicality of this framework. This testing will utilise the mechanisms proposed in the Turnaround Strategy, particularly focusing on the most underserved local municipalities and districts.

### 6.3 Lessons from selected countries that reduced poverty

A study we conducted, through a literature review, from

China, Botswana, Vietnam, and South Africa used household population data income of persons whose income or consumption was below the poverty line of \$1.90 per day. The reduction of persons living below the poverty line is a useful proxy indicator for poverty eradication. The figure below shows China and Vietnam, over the same period, significantly reduced the levels of people living below the poverty from more than 60% to less than 2%. Whilst Botswana shows a significant decrease, with more than half reduction in people living below the poverty line. South Africa, although there was a decline, is very marginal compared to the other three countries, people living below the poverty line are 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 were expended after the democratic independence in 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 an economically active population alone cannot sustain poverty reduction, but it is an important element for poverty alleviation as it provides a safety net for those vulnerable households and members of the households.

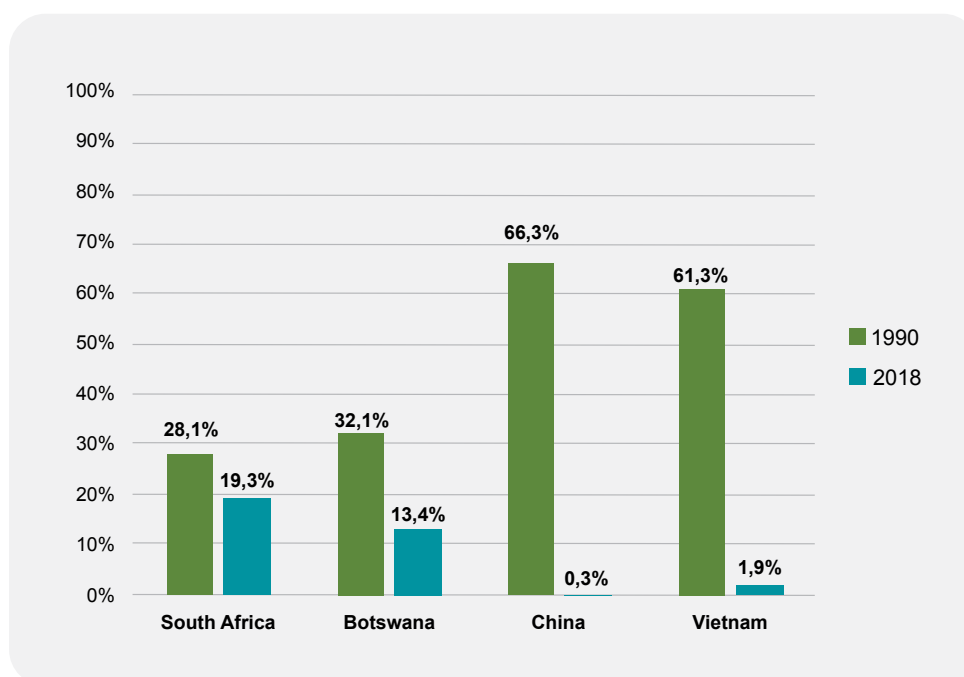
The lessons from China, Vietnam, and Botswana that are useful for South Africa and the NDA, as a development agency for the social development portfolio, are that these countries designed and developed effective mechanisms to address poverty eradication.

#### 6.3.1. China lessons

In the case of China, which has eradicated poverty and became the second largest economy in the world, using 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 in industrialisation.<sup>8</sup>

<sup>8</sup> Ziaoyun, L. (2014). *China's Industrialization: Overview - Implications for Africa's Industrialisation*.

**Figure 9: Percentage of Population Living in Households with Consumption or Income per Person below the \$1.90 Poverty Line**



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 Communist Party of China (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 technological 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.

### 6.3.2. 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's journey to reduction of poverty identified three key areas of focus for improving living conditions in Vietnam.<sup>9</sup> 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 productivity sectors such as agriculture and manufacturing. To this end, the FDI may be used in conjunction with the linking of domestic SMMEs to multinational 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 the 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 in boosting the productivity of poor farmers. It also notes that preceding this economic development, Vietnam implemented certain policies to create an enabling environment for businesses.<sup>10</sup>

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

### 6.3.3. 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's approach to poverty alleviation has been three-pronged. First, some policies target increasing the disposable income of the poor and economic empowerment, for example, agricultural support programmes. Secondly, there are policies that focus on infrastructure development in basic service provision. Thirdly, some policies give immediate relief to the poor through social safety net programmes.<sup>11</sup> (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:<sup>12</sup>

- 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.

<sup>9</sup> Miguel, E., & Roland, G. (2009). *The Long Run Impact of Bombing Vietnam*.

<sup>10</sup> 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-manufacturingmiracle-lessons-for-developing-countries/>

<sup>11</sup> 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

<sup>12</sup> World Bank. (2015). *Botswana Poverty Assessment*.

- 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 three 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.

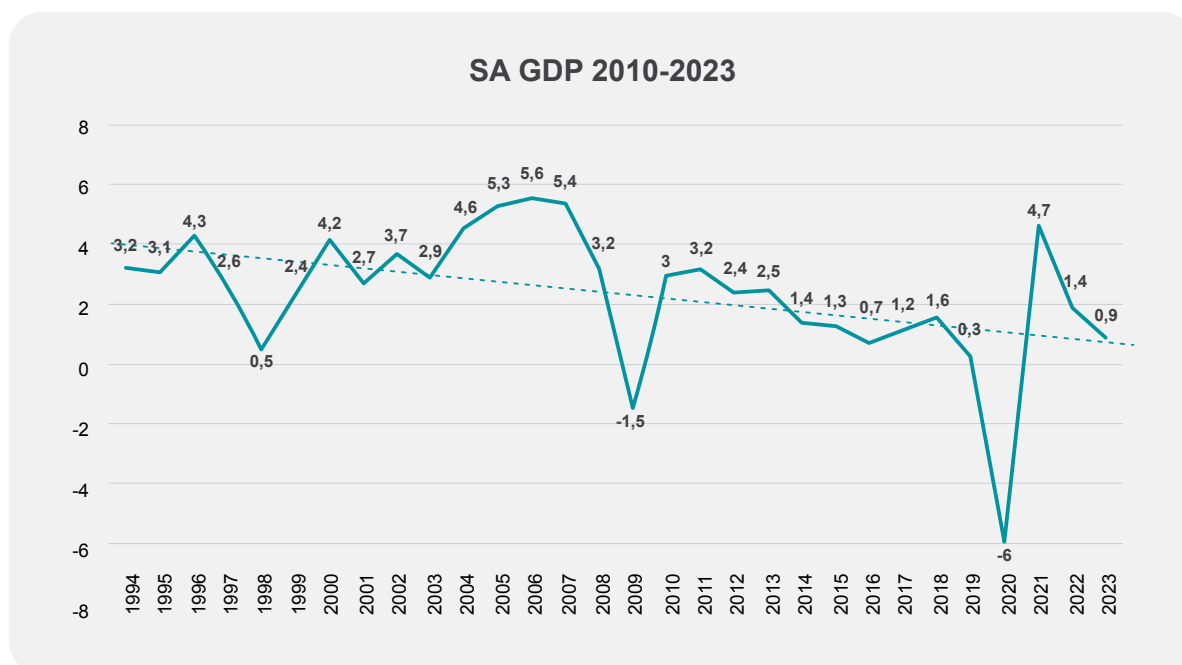
- Implement policies that give immediate relief to the poor through the social safety net programmes.

The lessons from these countries that 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 need 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.

## 6.4 Key Economic Indicators

After three decades of neoliberal macroeconomic policies, the South African economy performed badly long before the COVID-19 pandemic.

**Figure 10: GDP growth**



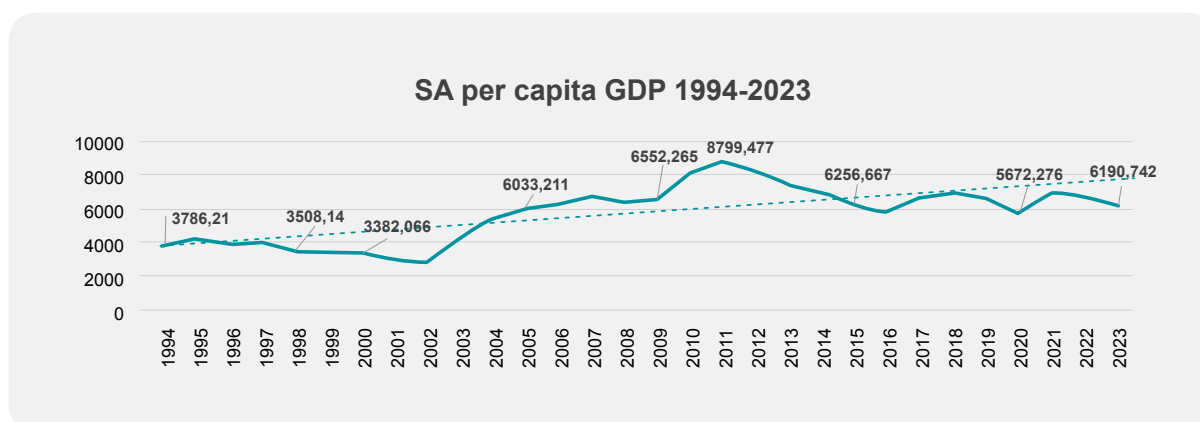
Source: Trading economics

SA's GDP since 1994 is unimpressive. Except for 2004-2007, growth was mostly below 3%. The NDP target of 6% growth per annum has not been achieved. Currently, growth is under 1%. Without growth, there is no possibility of reducing unemployment, especially youth unemployment, which is an outlier.



## PART B: OUR STRATEGIC FOCUS

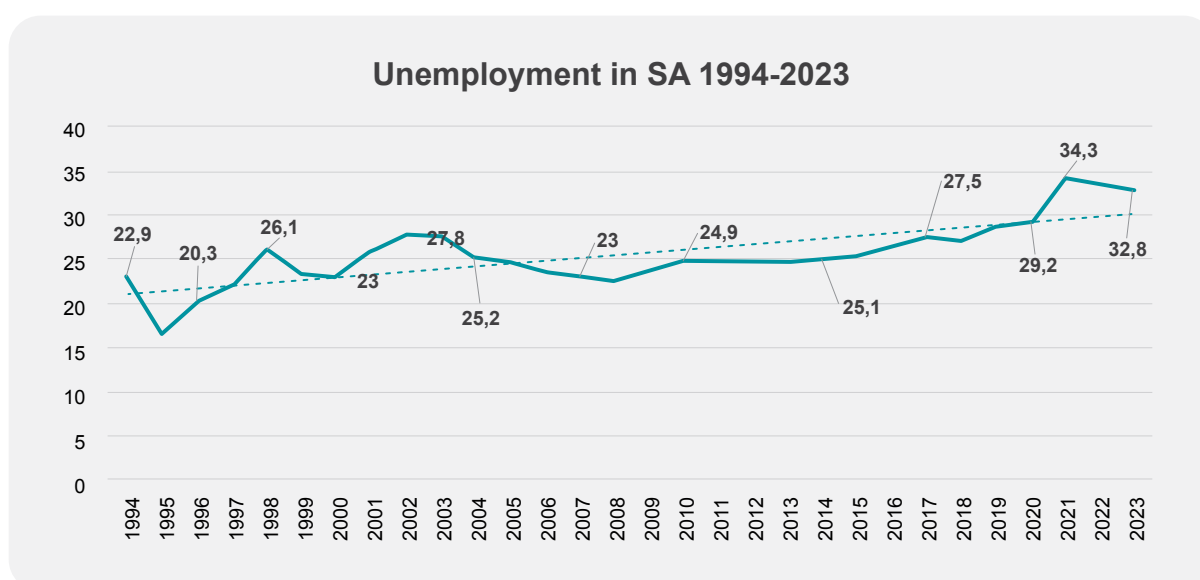
Figure 11: GDP per capita



Source: Trading economics

- SA's GDP per capita grew from USD 3786 to USD 8799 between 1994 and 2010. It represents a growth of 132%. However, from 2010 to 2023, per capita GDP has declined by 30%, translating into South Africans getting poorer.
- Wages have fallen as a share of national income, and there has been a steep rise in income inequality, fuelling consumer debt. The financialisation of the economy has channelled money towards short-term speculation and lending to households and away from long-term productive investment.<sup>13</sup>

Figure 12: Unemployment in SA



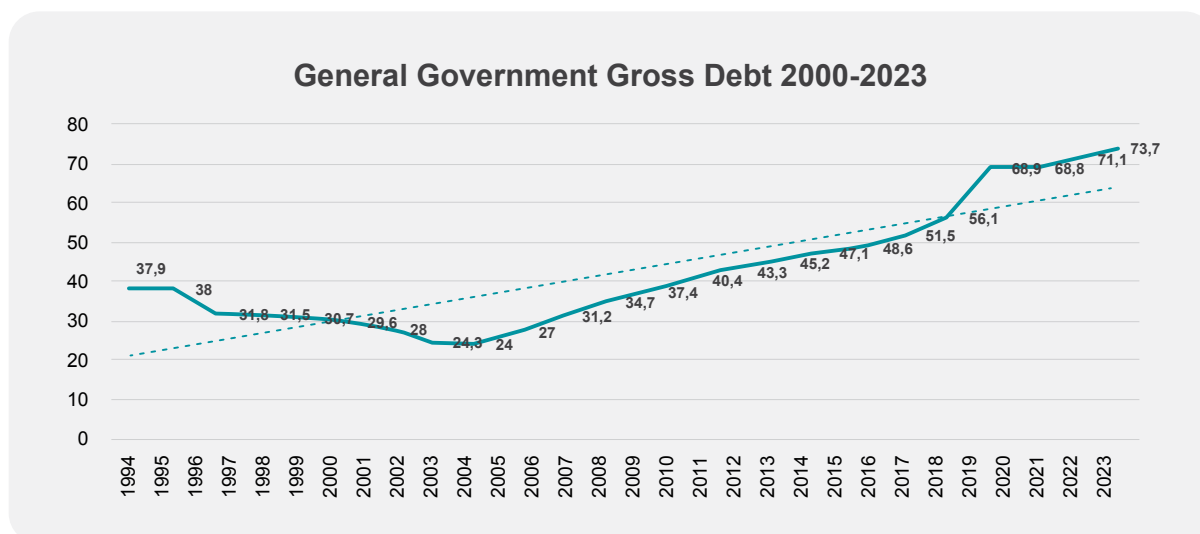
Source: Trading economics

- Unemployment has reached unprecedented levels with distinctive racial and spatial dimensions. Between 1994 and 2023, unemployment has progressively worsened and reached an all-time high of 34.3 in 2021.

<sup>13</sup> Ashman, S (2023) *Beyond the MEC? Limits and prospects in the development of South African capitalism*. In: *The evolving structure of South Africa's economy*. MISR: Johannesburg.

## PART B: OUR STRATEGIC FOCUS

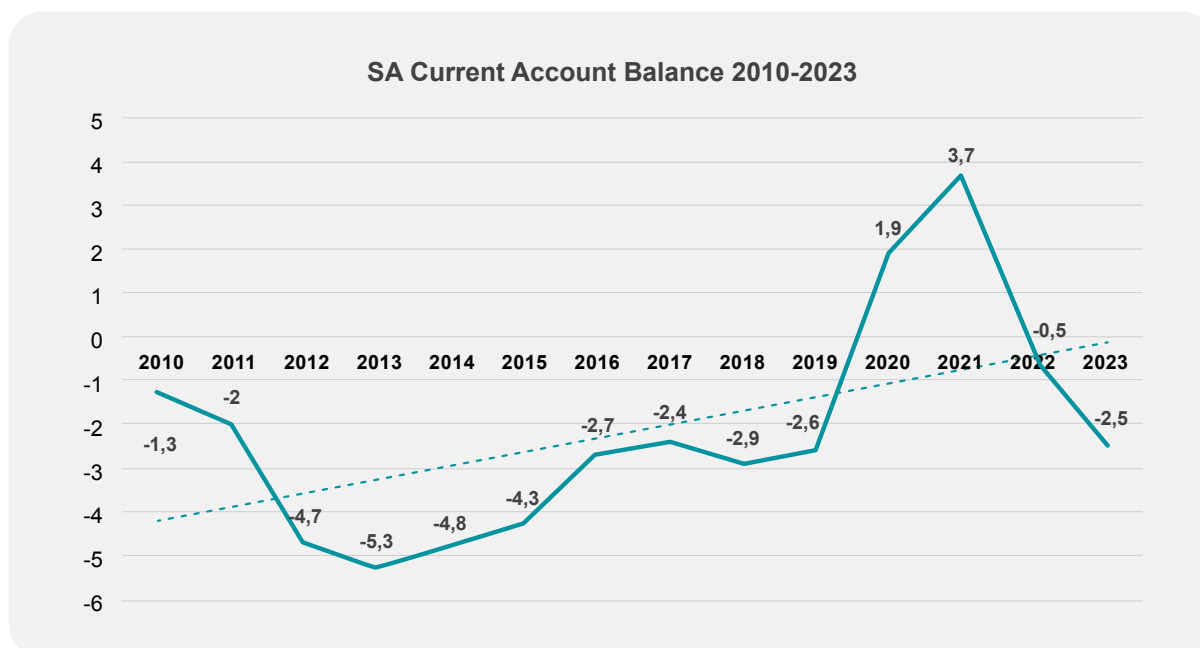
Figure 13: Gross debt



Source: Trading economics

- The country is saddled with high public debt and interest payments, weak currency, inflation and a negative business cycle.
- Gross government debt as a percentage of GDP has grown from 24.3% in 2008 to 73.3% in 2023.
- As capital has shifted away from productive activities, the result is declining levels of fixed capital investment, particularly in sectors outside the core of the MEC, and increased capital intensity in manufacturing. The mineral-energy-finance complex is responsible for 50% of GDP but only 25% of employment. Consequently, the economy has been unable to absorb the working-age population and has seen rising unemployment.

Figure 14: SA current account balance



Source: Trading economics

- The current account balance (CAB) is part of a country's financial inflow and outflow record. It is part of the balance of payments, the statement of all transactions between one country and another.
- SA's current account balance is mostly negative, except for 2020 to 2021. A deficit reflects a government and an economy that is a net debtor to the rest of the world.

## 6.4.1. State Capture

The country's fiscal position coincides with acute kleptocracy or state capture. State capture enabled unbridled corruption and fiscal profligacy to flourish while the state institutions were left in a state of collapse.<sup>14</sup> Corruption tilts the scale towards macroeconomic instability by engaging in rent-seeking, discouraging investments, and redirecting expenditure towards non-productive activities. Fiscal profligacy cannot be solely ascribed to state capture because debt-financed spending decisions, such as bailing out SoEs and providing guarantees, were approved via the normal budgetary processes.

The link between state capture and fiscal deterioration can be deduced from the loss of investor confidence, channelled into higher bond yield, interest rates, the current account, and debt service costs. Numerous structural reform measures are yet to yield desirable results because of policy design weaknesses, implementation inertia, ingrained structural complexities, and the lack of bold policymaking.<sup>15</sup>

## 6.4.2. Economic Assessment

The Growth Lab at Harvard University has completed a deep diagnostic of potential causes of South Africa's prolonged underperformance over a two-year research project in a report titled *Growth through Inclusion in South Africa*.<sup>16</sup> The report asks the question of why. Why is the economy growing far slower than any reasonable comparator countries? Why is exclusion so extraordinarily high, even after decades of various policies that have aimed to support socioeconomic transformation? What would it take for South Africa to include more of its people, capabilities, assets, and ideas in the functioning of the economy, and why are not such actions being undertaken already? Bluntly speaking, the report finds that South Africa is not accomplishing its goals of inclusion, empowerment and transformation, and new strategies and instruments will be needed to do so.

The report states that it is painfully clear that South Africa is performing poorly, exacerbating problems such as inequality and exclusion. The economy's ability to create jobs is slowing, worsening South Africa's extreme levels of unemployment and inequality. South Africans are deeply disappointed with social progress and dislike the direction the country is heading. Despite its enviable productive capabilities, the national economy is losing international competitiveness. As the economy staggers, South Africa faces deteriorating social indicators and declining levels of public satisfaction with the *status quo*.

After 15 years, attempts to stimulate the economy through fiscal policy and to address exclusion through social grants have failed to achieve their goals. Instead, they have sacrificed the country's investment grade, increasing the cost of capital to the whole economy, with little social progress to show for it. The underlying capabilities to achieve sustained growth by leveraging the full capability of its people, companies, assets, and know-how remain underutilised. Three decades after the end of apartheid, the economy is defined by stagnation and exclusion, and current strategies are not achieving inclusion and empowerment in practice.

## 6.4.3. Social Grant System

A fifth of the people in developing countries receive at least one form of social assistance. South Africa has one of the largest cash transfer programmes in Africa. Roughly one-third of the population benefits from social grants for older persons, people with disabilities and children. The temporary Social Relief of Distress (SRD) grant introduced for unemployed adults in 2020 in response to the COVID-19 pandemic means that just under half of the population now receive social assistance through an unconditional cash transfer. Social grants are associated with positive effects on poverty, inequality, and key social development outcomes. Today, the South African Social Security Agency (SASSA) pays 26 million social grants monthly.<sup>17</sup> The Social protection system is made of three main components:

- i. Social assistance includes social grants, public works programmes, and other interventions such as the National School Nutrition Programme.
- ii. The statutory funds include the Unemployment Insurance Fund and the Compensation Fund.
- iii. The voluntary funds, such as medical schemes and retirement funds. While the employment-linked statutory and voluntary funds are financed through contributions by employers and workers, social assistance is financed from general tax revenues<sup>18</sup>.

<sup>14</sup> Zondo, R (2022) *Report of the commission of inquiry into allegations of state capture*.

<sup>15</sup> Rakabe, E (2022) *Vulnerability in the spotlight: reflections on macroeconomic management in a polycrisis*. In: *The evolving structure of South Africa's economy*. MISR: Johannesburg.

<sup>16</sup> Ricardo Hausmann, Tim O'Brien, Andrés Fortunato, Alexia Lochmann, Kishan Shah, Lucila Venturi, Sheyla Enciso-Valdivia, Ekaterina Vashkinskaya, Ketan Ahuja, Bailey Klinger, Federico Sturzenegger, and Marcelo Tokman (2023) *Growth through Inclusion in South Africa*. CID Faculty Working Paper No. 434. November 2023.

<sup>17</sup> Steyn D. (2023). *Here's how South Africa's social grant system has changed since 1994*. GroundUP. 2023

<sup>18</sup> *Ibid*



South Africa's social assistance system is an effective intervention for supporting the poorest segments of the population. The system provides resources to poor households, which, at the very least, significantly reduces the depth of poverty and inequality. Further, by providing regular and dependable income, they ameliorate vulnerability. It is particularly true if the effects of social grants on other outcomes, such as health, education, and labour supply, are considered. The system is extensive regarding the number of people it covers, directly and indirectly, and the number of scarce resources it consumes.

Approximately one in three South Africans directly benefit from a social grant, while nearly two-thirds of the population (64%) are directly or indirectly beneficiaries of the system. Evidence shows that social assistance transfers have significant positive impacts on reducing poverty and inequality in South Africa and boosting development outcomes<sup>19</sup>. Transfers are equivalent to 7.3% of household expenditure, 60% in quintile 1 (the poorest 20 percent of the population). It is a way in which the government supports the poorest and most vulnerable. High coverage rates are primarily due to the size of the programme of child support grants and the Social Relief of Distress programme<sup>20</sup>. In 2022, 29 million South Africans receive monthly grants, with 18 million receiving state grants and 11 million receiving the R350. The country's small tax base (7.4 million taxpayers) is an unsustainable economic scenario. South Africa is the only country in Africa giving almost half of its population

grants. There are not enough taxpayers or economic growth to fund the growing welfare bill.<sup>22</sup> Instead of lowering the number of grant recipients, the government wants to give more people larger grants<sup>21</sup>.

Social grants remain a crucial safety net for many, especially in the poorer provinces. Nationally, grants are the second most important source of income for households (50.2%) after salaries (59.7%). Grants were the primary source of income for one quarter (23.5%) of all households in South Africa<sup>22</sup>.

The number of households and persons who benefitted from social grants has also increased substantially from 30.9% in 2019 to 37% in 2022 following the introduction of the COVID-19 Social Relief of Distress (SRD) grant. Moreover, the number of households that received grants concurrently jumped from 30.8% to 49.5% over the same period.<sup>23</sup>

<sup>19</sup> *Ibid*

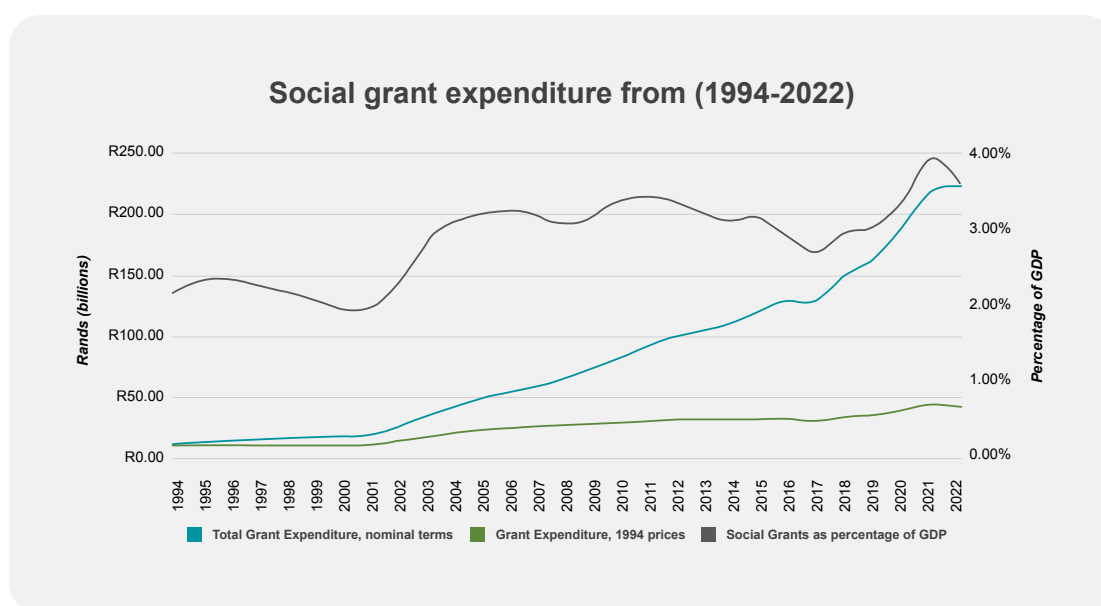
<sup>20</sup> Roodt, D. (2023). South Africa, 29 million South Africans receive grants with only 7.4 million taxpayers. *Daily Investor*. 2023

<sup>21</sup> SASSA (2023). *Third Statistical Report 2023/4: Social Assistance*. 2023

<sup>22</sup> Fraser, L. (2023). *South Africa's Shocking Dependence on Grants*, *BusinessTech*. 2023

<sup>23</sup> *Ibid*

**Figure 15: Social grant expenditure from (1994-2022)**



Source: National Treasury, Stats SA, and UCT's Centre for Social Science Research, 2023

- South Africa's expenditure on social grants has risen exponentially between 1995 to 2022.
- Social grant expenditure rose from almost zero to about 3.5% of GDP in 2022.
- Total grant expenditure is currently around R250 billion annually.
- However, grant expenditure has not kept pace with inflationary increases at 1994 prices.

Although grant monies are spent largely on food, there is growing evidence that social grants are also used to make productive investments in livelihood activities. According to the research conducted by the Centre for Social Development in Africa (CSDA) (Social Grants, Livelihoods and Poverty Responses of Social Grant Beneficiaries in South Africa), the SRD increased the probability of job search among beneficiaries by 25%. Despite these findings, there is still limited evidence of the nature and scope of informal livelihood activities of grant beneficiaries and how government and other social partners may be able to support people's agency and strengthen their livelihood strategies in a context of extraordinarily high rates of unemployment.<sup>24</sup>

### 6.4.4. Unsustainable Social Grants System

According to the National Treasury, the current social security protection system is unsustainable. In a presentation to parliament, the Treasury noted that 46% of the population currently receives social grants, representing an unusually high coverage for a developing country. It was before SASSA gave the total number of SASSA grant recipients on 31 March 2023, which was 18,829,716. The Treasury indicated that if job creation continues to be poor, the sustainability of the system and the overall fiscal position will become a serious concern.<sup>25</sup> There are 27.8 million people in the system receiving grants and 9.4 million receiving the Social Relief of Distress grant. Increasing grants beyond current levels would require tough decisions at the political level on how priorities should be readjusted in government.

The population is projected to increase from 60 million in 2021 to 71 million by 2040, resulting in more children and older people depending on child social grants, old age pension grants, basic education and health. The increased spending required from the government will place pressure on fiscal sustainability.

The National Treasury warned that additional spending of a permanent nature would require additional funding sources,

either through reprioritisation of existing expenditure allocations or increased taxes that would hurt the working class. Treasury's data shows that the social wage represents 59.5% of total non-interest expenditure, mainly driven by basic education, health and social protection known as 'social grants'.

The budget provides R37.9 billion in direct in-year relief from the Covid-19 pandemic. It included the special COVID-19 social relief of distress grant, whose 9.5 million beneficiaries bring the number of social grant recipients to 27.8 million.<sup>26</sup> South Africa is performing poorly, exacerbating problems such as inequality and exclusion. The economy's ability to create jobs is slowing, worsening South Africa's extreme levels of unemployment and inequality. South Africans are deeply disappointed with social progress and dislike the direction the country is heading. Despite its enviable productive capabilities, the national economy is losing international competitiveness. As the economy staggers, South Africa faces deteriorating social indicators and declining levels of public satisfaction with the *status quo*.

After 15 years, attempts to stimulate the economy through fiscal policy and to address exclusion through social grants have not yielded the desired goals. Instead, the country's investment grade took a nosedive, increasing the cost of capital to the whole economy, with little social progress. The underlying capabilities to achieve sustained growth by leveraging the full capability of its people, companies, assets, and know-how remain underutilised. Three decades after the end of apartheid, the economy is defined by stagnation and exclusion, and current strategies are not achieving inclusion and empowerment in practice.<sup>27</sup>

<sup>24</sup> Patel, L. Dikoko, V. and Archer, J. (2023). *Social Grants, Livelihoods and Poverty Responses of Social Grant Beneficiaries in South Africa*. 2023.

<sup>25</sup> <https://businesstech.co.za/news/finance/543560/the-areas-in-south-africa-where-more-people-rely-on-grants-that-salaries/#:~:text=The%20National%20Treasury%20has%20previously%20warned%20that%20the,an%20unusually%20high%20coverage%20for%20a%20developing%20country.>

<sup>26</sup> *Ibid*

<sup>27</sup> Hausmann, R et al (2023) *Growth through Inclusion in South Africa*. CID Faculty Working Paper No. 434. November 2023.

## 6.5 New NDA Operating Model

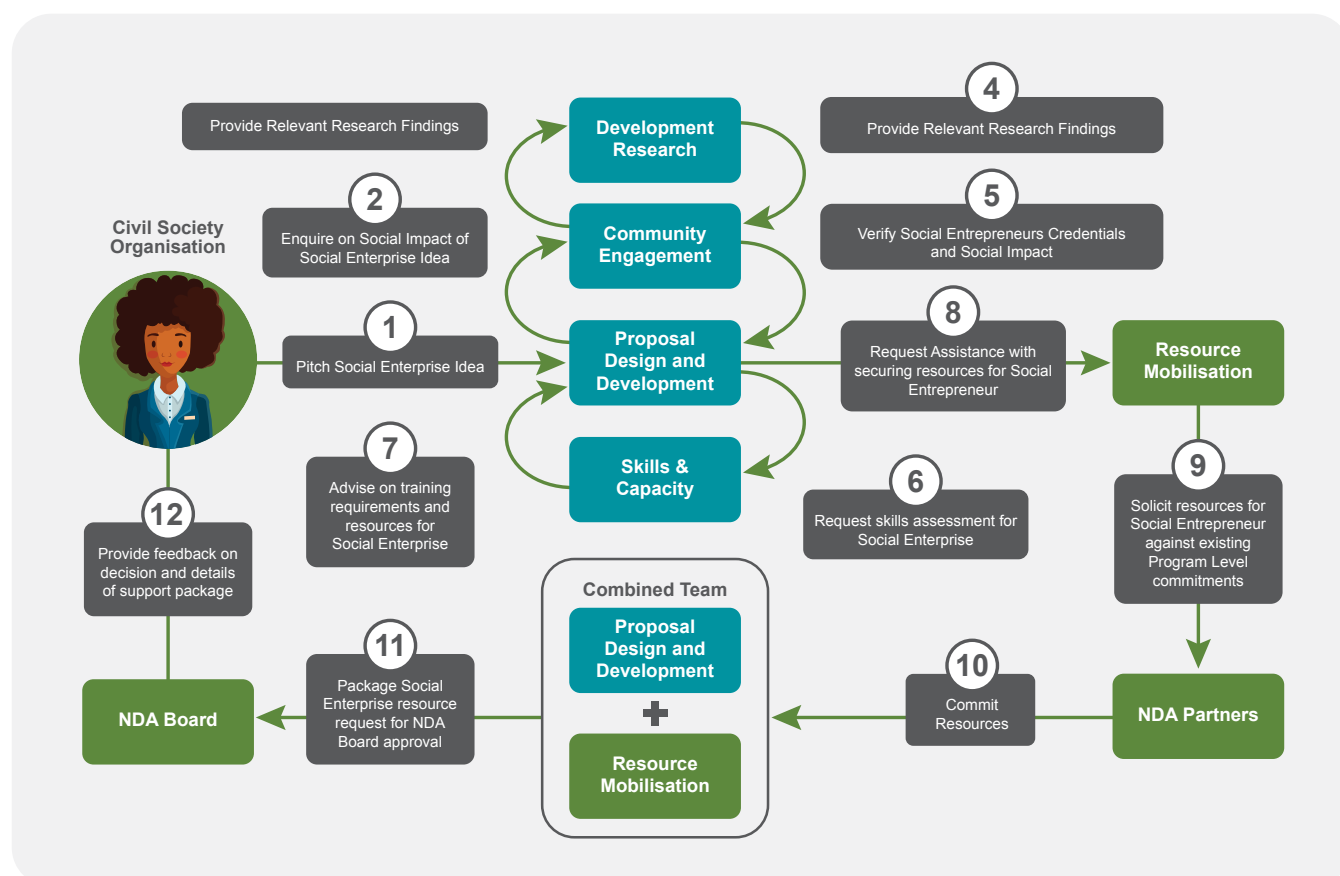
The new NDA Operating Model industrialises the process of mobilising resources for social enterprises. The NDA understands that it takes more than a government grant and training to establish a social enterprise. It requires a market, a supply chain, water, electricity, good roads infrastructure, communications, management skills, productive labour, regulatory approvals, security, information systems as well as money to establish a social enterprise. By holistically framing all the above as resources that must be mobilised on behalf of social entrepreneurs, the NDA Operating Model addresses the holistic reality of social entrepreneurs in welfare-dependent communities.

Instead of expecting the entrepreneur to engage in an expensive and time-consuming process to individually pursue government departments, agencies, state-owned enterprises, private investors, private delivery partners, CSO delivery partners and other community members for resources, the NDA will use the mandate bestowed

by Section 3.1(a) of NDA Act (as amended) to bring the potential resource providers to the social entrepreneur. The core of the new NDA operating model is a process that starts and ends in the community, builds a pipeline of projects to create social enterprises, and promotes these projects with potential resource providers in government, the private sector, the development funding community, CSO community and the rest of the welfare-dependent community itself.

In order to enable rapid and efficient resource mobilisation, NDA partners in government and private sector will be requested to pledge resources against different program objectives for the following financial year. Private sector partners can also pledge for the current financial year. All resource commitments will be made against very specific **NDA partner terms and conditions** that individual projects need to comply with to qualify for resources. Should projects qualify, they will automatically be entitled to such resources upon request. The process components of the New NDA Operating Model are summarised below:

**Figure 16: NDA Operating Model**



### 6.5.1. Pitch Social Enterprise Idea

a) A Social Entrepreneur approaches the local representative of the **Proposal Design and Development** team and presents their idea for a Social Enterprise.

- The Social Entrepreneur can do so on their own or with the assistance of community members or non-profit organisations with an interest in the community.

b) The **Proposal Design and Development** team will ask the relevant questions to understand the structure of the business and confirm that it is a Social Enterprise that will provide significant social benefit to the community.

- This assessment will be made using the information provided by the Social Entrepreneur.

c) The **Proposal Design and Development** team will also ask all the relevant questions to allow them to determine the funding, goods, services and training necessary for the Social Entrepreneur to establish their Social Enterprise.

- The Social Entrepreneur might have this information at hand, but in the event they don't, the duty will fall upon the Proposal Design and Development Team to flesh this out.

d) Finally, the **Proposal Design and Development** team documents the proposed Social Enterprise in a prescribed format on the *new digital Social Enterprise Resource Mobilisation Platform*.

- This will make all the information about the proposal available to all the contributors.
- This will also prevent projects and project information from being stolen.

### 6.5.2. Enquire of Social Impact of Social Enterprise Idea

a) The **Proposal Design and Development** team formally request the **Community Engagement** team to investigate and confirm if the idea proposed by the Social Entrepreneur will make a sufficiently large impact on the community to justify the effort to develop the proposal and deploy the mobilised resources.

- This investigation will consider many factors, specifically the amount of material livelihoods that will be created in the community to the extent that people can be considered for removal from SASSA grants and municipal indigent registers.

b) The Community Engagement team will also liaise with traditional leaders, community leaders, non-profits operating

in the community, local religious groups and formal churches to verify that the social entrepreneur will be able to mobilise the broader support of the community.

c) The finding of the engagements is captured on the *Social Enterprise Resource Mobilisation Platform*.

### 6.5.3. Enquire on any Relevant Research

a) The **Community Engagement** team request the **Development Research** team to research and advise on business models, operating models, infrastructure requirements, technologies, suppliers, institutions and support organisations that can assist the Community Engagement in assessing the social impact as well as the resource requirements of the proposed Social Enterprise.

b) The request is structured in a prescribed format and captured on the *Social Enterprise Resource Mobilisation Platform*.

### 6.5.4. Provide Relevant Research Findings

a) The **Development Research** team provides the **Community Engagement** team with responses to their request.

b) The research must enable the **Community Engagement** team to make a scientific and defensible assessment of the social impact of the proposed Social Enterprise.

c) The research must also, as a matter of course, allow the **Proposal Design and Development** to specify the resources that are needed to establish and operate the Social Enterprise.

- This includes operating models that give a broad outline of the types of equipment and jobs.

d) The responses are captured on the *Social Enterprise Resource Mobilisation Platform*.

- The information is captured as it is obtained by the **Development Research** team, allowing work to continue before all the research findings are complete.

### 6.5.5. Verify Social Entrepreneurs' Credentials and Social Impact

a) The **Community Engagement** team inform the **Proposal**



**Design and Development** team whether the applicant Social Entrepreneur has the support of the community and that the proposed Social Enterprise will make a meaningful impact.

b) The meaningful impact is quantified in terms of several metrics, most importantly being the impact on SASSA grant recipient lists and indigent registers.

c) The **Community Engagement** team's recommendation to proceed or decline, as well as the supporting arguments, is captured on the *Social Enterprise Resource Mobilisation Platform*.

### 6.5.6. Request Skills Assessment for Social Enterprise

a) The Proposal Design and Development team decide if they want to continue with the proposal.

b) If the Social Entrepreneur lacks credibility and the social impact is marginal, the option exists at this stage to terminate the process using the **Community Engagement** team's recommendation as the reason.

c) The decision to terminate is captured on the *Social Enterprise Resource Mobilisation Platform*.

d) Should they wish to continue, the **Proposal Design and Development** team requests the **Skills and Capacity** team to perform a skills assessment of the entrepreneur and the community to ascertain the training requirements and advise on the training resources that need to be mobilised to establish the Social Enterprise.

e) The request is captured on the *Social Enterprise Resource Mobilisation Platform* and automatically forwarded to the **Skills and Capacity** team.

### 6.5.7. Advise on Training Requirements and Resources for Social Enterprise

a) The **Skills and Capacity** team assesses the skills level of the Social Entrepreneur and the broader community that will work at the Social Enterprise.

b) The **Skills and Capacity** team will also review the research performed by the **Development Research** team around the types of skills required by the proposed Social Enterprise.

c) After establishing the skills gaps, the **Skills and Capacity** team will identify which training interventions are available to assist and what training resources will be required to mobilise those training interventions.

d) The **Skills and Capacity** team's primary focus will be on the SETA community offerings and resources, ensuring that the Government's skills development budgets are also deployed to communities that are highly dependent on SASSA grants and indigent registers.

e) The **Skills and Capacity** team's findings and recommendations are also captured on the *Social Enterprise Resource Mobilisation Platform* and automatically forwarded to the **Proposal Design and Development** team.

### 6.5.8. Request Assistance with securing resources for Social Entrepreneur

a) The Proposal Design and Development team evaluates.

- the **Community Engagement** team's recommendations, the **Skills and Capacity** team's findings and recommendations and the **Development Research** team's work to determine the overall resource requirements and
- compare it to the social benefits that will be achieved.

b) At this point, the **Proposal Design and Development** team makes a formal decision to proceed or abandon the proposal.

- Their decision, as well as their motivation, is captured on the *Social Enterprise Resource Mobilisation Platform*.

c) Should the **Proposal Design and Development** team decide to proceed, they will formally register and define the proposal for a new Social Enterprise for eventual presentation to the **NDA Board**.

- This definition will be very specific about the resources the **Social Entrepreneur** will require to establish their Social Enterprise.

d) After registration and definition of the proposal, the **Proposal Design** and **The Development** team request the Resource Mobilisation team to secure specific resources for the project to establish the proposed Social Enterprise.

### 6.5.9. Solicit resources for Social Entrepreneur against existing Program Level commitments

a) The **Resource Mobilisation** team assesses the resource

requirements presented for the Social Enterprise and determines the appropriate NDA Strategic Partners to approach for resource commitments for individual Social Enterprise establishment or growth projects.

b) The NDA Resource Partners will continuously solicit overall strategic programme-level commitments from other organs of state, private sector institutions, foreign donors and development funding institutions. These will typically be collected during a financial year for use on specific projects in the following financial year.

c) An example of such a Strategic Program Level Commitment, as illustrated below, could be Vodacom offering 1000 smartphones and 100,000G of data to support digital solutions to Social Entrepreneurs.

d) When the **Proposal Design and Development** team then present the **Resource Mobilisation** team with a requirement for 250 smartphones, the **Resource Mobilisation** team then knows that it can go to an NDA Strategic Partner, in this example, Vodacom, to secure the phones.

e) Following the identification of the appropriate NDA Strategic Partner, the Resource Mobilisation Team will engage the partner and make a very specific request for resources.

f) The contact history of the engagement will be captured on the *Social Enterprise Resource Mobilisation Platform*.

### 6.5.10. Commit Resources

a) The NDA Strategic Partners, in response to the Resource Mobilisation team's specific requests, will contract on the exact resources, be it funding, in-kind goods, in-kind services or skills development training, that they will commit to the proposed Social Enterprise project.

b) These commitments will be drawn down from the Strategic Program Level Commitments.

c) This contract will be provisional pending final approval by the NDA Board.

d) The terms and conditions of the contract are contained in a physical document with wet signatures as well as captured on the *Social Enterprise Resource Mobilisation Platform*.

### 6.5.11. Present Social Enterprise resource request for NDA Board approval

a) A combined team from Proposal Design and Development and **Resource Mobilisation** finalise the Social Enterprise proposal for NDA Board approval.

b) All the information necessary to finalise the proposal will already be available on the *Social Enterprise Resource Mobilisation Platform*.

c) What will remain for the combined team to do is an executive summary highlighting the strategic benefits for the NDA Board, specifically in terms of the SASSA grant and indigent register, given the resources consumed.

d) Ultimately, they need to package the costs, benefits and risks for the NDA Board to consider and then make their case to the NDA Board for approval.

### 6.5.12. Provide feedback on the decision and details of the support package

a) The NDA Board will approve or decline the proposal. The decision, as well as any conditions, are captured on the *Social Enterprise Resource Mobilisation Platform*.

b) The **Proposal Design and Development** team provides feedback on the approval or declination to the Social Entrepreneur who presented the idea.

c) Details of the support package are provided together with the decision.

## 6.6 Definition of Social Enterprises

Social enterprises are profitable businesses whose objective is to benefit the broader community instead of only the capital investors in the businesses. This broader community benefit is also referred to as social profits. Social profit can also be in the form of in-kind value exchanges that don't involve financial transactions.

To be considered a Social Enterprise for the purposes of the NDA, they need to have the following majority of features:

- Community-owned
- Community staffed
- Community supply chains
- Community funded

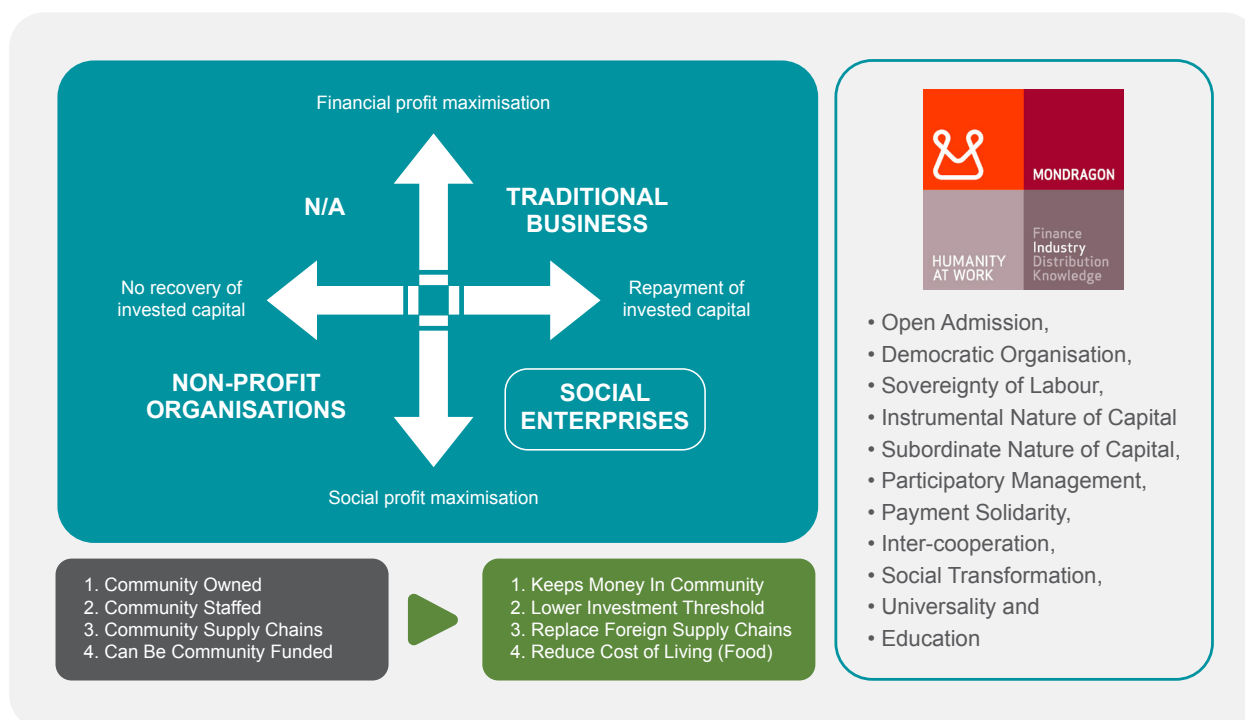
## PART B: OUR STRATEGIC FOCUS

a) Examples of Social Enterprises include the **John Lewis Partnership** in the UK

b) Examples of Community Owned Enterprises include **Mondragon Cooperatives Corporation (MCC)** in Spain, as illustrated below:

c) Examples of Civil Society Organisations driven by community development include the Silk Road Network of NGOs, which has 305 NGOs Network in 82 countries. The advantage of SIRONET is that the Chairperson of the NDA Board was elected in October 2023 to serve in the International Steering Committee on SIRONET for a period of 5 years.

**Figure 17: Definition of Social Enterprise and Community-Owned Enterprise**



Social and Solidarity Enterprises are a type of a CSO. The NDA Act mandates it to fund and capacitate CSOs that are implementing programs to address poverty and its causes. The NDA is not stepping away from the mandate but will be more focused on the types of CSOs they support.

### 6.6.1. Profitability of Social and Solidarity Enterprises

A social and solidarity enterprise, although it generates financial profit, its profitability is measured by the ability to apply the “**Concerned for Community Principle of Cooperatives**”. Social enterprises need to be profitable in order to build sustainable communities. A large percentage of the social enterprises will conduct financial transactions and apply commercial strategies to maximise social improvements, and they must do so in a financially sustainable way. Social enterprises need to be commercially competitive and provide a clear community benefit.

### 6.6.2. Investment Thresholds

Where social enterprises are fundamentally different from conventional businesses is that their investment threshold rates can be lower. Capital markets have an internal rate of return thresholds below which they won't invest. By blending open market capital with other sources, such as government grants or community contributions, enterprises that would not otherwise have started can do so. This means social enterprises are potential sources of employment for people who cannot break into the formal labour market. As such, they do not depend on philanthropy and can sustain themselves over the long term. Their models can be expanded or replicated in other communities to generate more impact.

### 6.7 History of Cooperatives at the international level

A cooperative is defined as an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise. Cooperatives are **people-centred enterprises** owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations.

Cooperatives bring people together in a democratic and equal way. Whether the members are the customers, employees, users or residents, cooperatives are democratically managed by the 'one member, one vote' rule. Members share equal voting rights regardless of the amount of capital they put into the enterprise.

As businesses **driven by values**, not just profit, cooperatives share internationally agreed principles and act together to build a better world through cooperation. Putting fairness, equality and social justice at the heart of the enterprise, cooperatives around the world are allowing people to work together to create **sustainable enterprises** that generate long-term jobs and prosperity.

Cooperatives allow people to take control of their economic future, and because **they are not owned by shareholders**, the economic and social benefits of their activity stay in the communities where they are established. Profits generated are either reinvested in the enterprise or returned to the members. The cooperative movement is far from being a marginal phenomenon, **at least 12% of humanity** is a cooperator of any of the 3 million cooperatives in the world.

#### 6.7.1. Cooperative Values and Principles

Cooperatives are based on the values of **self-help, democracy, equality, equity, and solidarity**. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility and caring for others. The cooperative principles are guidelines by which cooperatives put their values into practice.

##### 1. Voluntary and Open Membership

Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership without gender, social, racial, political or religious discrimination.

##### 2. Democratic Member Control

Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives, members have equal voting rights (one member, one vote) and cooperatives at other levels are also organised democratically.

##### 3. Member Economic Participation

Members contribute equitably to and democratically control the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

##### 4. Autonomy and Independence

Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

##### 5. Education, Training, and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

##### 6. Cooperation among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

##### 7. Concern for Community

Cooperatives work for the sustainable development of their communities through policies approved by their members.

#### 6.7.2. Types of Cooperatives

Cooperative businesses exist to meet their members' needs, and they are focused more on service than investment. Cooperatives are owned and controlled by their members.



Increased local control keeps the cooperative in the community. In this business structure, profits return to members. Thus, money is kept within a community. Consumers believe co-ops have better products and services at a lower cost. The most common types of cooperatives are:

**Consumer Cooperative:** A consumer cooperative is a purchasing organisation, usually retail in nature, that is formed by and for the benefit of the consumer. Consumer cooperatives are guided by the principle that the process of producing and distributing goods and services shouldn't be controlled by major corporations aiming to maximise profit. Instead, they should be owned, controlled and directed by the consumer to supply his or her economic needs. Members benefit by gaining access to quality goods and services, many otherwise unavailable, based on their level of involvement with the cooperative. By acting together, members have an economy of size and increase their bargaining power. Members also share the earnings. When the organisation generates profits, members receive earnings based on their level of involvement with the cooperative. Some examples of consumer cooperatives are credit unions, natural food co-ops, rural electric co-ops, housing co-ops, energy co-ops, and other co-ops.

**Worker Cooperative:** A worker-owned cooperative is just that — an organisation owned and operated by the workers or staff of the business. Although one of the smallest segments of the cooperative community in the U.S., it's also one of the fastest growing, as people realise that the surest way to love and keep your job is to own it. Worker co-ops may be formed by freelancers joining forces, entrepreneurs eager to share the ups and downs of founding a business, or conversion of existing businesses to worker ownership as a retirement strategy for owners.

**Producer Cooperative:** Owned and operated by producers working either separately or as a group, a producer cooperative is an organisation formed to offer its members expanded marketing capabilities and production efficacy. After allowing for the expenses of operation and funds allocated for expansion or reserves, it operates on a cost basis for the mutual benefit of its members and stockholders as producers or patrons.

**Business or Organization-Owned Cooperative:** A business or organization-owned cooperative is an organisation owned by a group of businesses or organisations, such as municipalities, for their mutual benefit. These businesses cooperate, allying to purchase goods and services at a total cost that is substantially less than the costs that would

be incurred by individual businesses acting alone. By purchasing cooperatively, their buying activity becomes more efficient. They also save through lower administrative costs and guaranteed levels of business with vendors and suppliers. The member businesses that belong to the co-op agree to pay set fees, participate in governing the co-op and use its services. A business-owned co-op has a democratically elected Board of Directors to oversee policies and operations and hire management personnel, who in turn hire staff and implement the Board's policies.

### 6.8 Mondragon Cooperatives Corporation

The Mondragon Cooperatives Corporation (MCC) is celebrating 70 years old in 2024. It was formed in 1954 by a Jesuit priest named Don Jose Maria Arizmendiarreta. Upon his ordination, he was sent to the Mondragon region to minister to the people. When he arrived in 1941, he found high unemployment, poor education, and no positive vision for the future. The Basque region was one of the poorest in Spain. The assets of the region were few but important: industrious people who knew how to work hard, solidarity based on being treated badly by the Spanish government for hundreds of years, and a strong social structure. Don Jose began the construction of his paradigm shift by starting an industrial apprentice school in the late 1940s.

In 1955, he began to take action to change the future of Mondragon. He invited five young men who had been in his business classes to go with him to raise money to buy a business and bring it to Mondragon. They raised \$361,604. This is a community with high unemployment. In 1990 dollars, that would be about two million dollars. With the money in hand, the five went shopping and purchased a small manufacturing company that made Aladdin kerosene heaters. One year after they purchased it, they moved it to Mondragon and the cooperative was born. They named it ULGOR after the first initials of the five principals' names.

In 1956, the company had 24 employees. In 1958, it had 149 employees. In 1990, the Mondragon Cooperative Complex, of which ULGOR was the first of many connected cooperatives, had 21,241 member employees. It consisted of a complex of more than one hundred enterprises and was worth more than \$2.6 billion. In 2019, the group had posted just over €13 billion in revenues, a staff complement of 80 800 and 266 companies and cooperatives in the Mondragon Group. Globally, Mondragon has more than 12,000 people working abroad in seven (7) countries and more than 140 production subsidiaries.

The Mondragon Corporation will be the international benchmark upon which to model COEs that the NDA wish to support. It is a voluntary association of ninety-five autonomous co-operatives that differs radically from conventional enterprises. Notable exceptions include:

- Each co-op's highest-paid executive makes at most six times the salary of its lowest-paid employee.
- There are no outside shareholders; instead, after a temporary contract, new workers who have proved themselves may become member-owners of their coops.
- A managing director acts as a C.E.O. within each co-op, but the members themselves vote on many vital decisions about strategy, salaries, and policy.
- The votes of all members, whether they are senior management or blue-collar, count equally.
- When individual co-operatives perform well, their members share in the profits.
- During times of economic hardship, the co-operatives collectively support one another, sharing funds and reallocating workers among themselves to preserve jobs.

The Mondragon Corporation employ more than 80,000 people in Spain, making it one of the nation's largest employers. The group includes one of the country's largest grocery chains, Eroski, along with a credit union and manufacturers that export their wares around the planet. The Mondragon philosophy is embedded in five design principles which have defined its success over the years as well as its incredible record of job creation and community continuity.

### 6.8.1. Democracy

The first principle of Mondragon is that of democracy. It is a cooperative; therefore, every worker has a vote. The workers elect the board of directors, and the board of directors hires the managers. This has a positive effect on the workers because the people they elect are the people who hire their supervisors. If they do not like what the management is doing, they can always vote out the board. Part of the democratic structure is a worker's congress where everyone has a vote. There is also a "watchdog" council of workers that watches upper management and a social council made up of representatives of teams of twenty to fifty workers. In short, everyone has a voice and a representative with a voice.

Although unions also exist within the cooperative, they play a very different role than in most corporations because of

the high quality of communication between management and the workers and the power balance that is already in place. In Short, the principle of democracy allows the workers to know that, if they wish, they can fundamentally restructure any or all of the Mondragon Cooperative Complex. They are the final decision-makers.

### 6.8.2. Self-Finance

Worker democracies are unusual, but they are not unique. The financial structure of the Mondragon Cooperative Complex has no parallel in the world. First, all workers must put some of their own money into the cooperative they are part of. The money accumulates interest but can only be removed upon retirement. It guarantees that everyone has something to lose if the enterprise fails; it also carries with it a reward at retirement if the enterprise is successful. Second, a bank was created within the cooperative structure that serves the cooperative and is itself a cooperative. It has a very clear mission, which is to fund new jobs so that all people who wish to work in the Mondragon area can do so.

This mission is even more important than making the best return on investment, thus violating the prevailing paradigm of banking. Simply put, the Mondragon Cooperative Bank risks its capital to protect the job base of the community. All workers and the Mondragon cooperatives must use this bank. It holds the savings and retirement funds of the workers and processes all the funds flowing through all the Mondragon enterprises. The Mondragon Bank perceives itself not just as a guardian of the money it uses but as a catalyst for creating new businesses within the Mondragon Cooperative Complex structure.

### 6.8.3. Education

The third principle is linked to education. Remember that Don Jose started a technical school back in the 1940s to serve the young people in the Mondragon region. That school evolved along with the cooperatives. The needs of the growing cooperatives were always connected to the curriculum of the school. Many of the students also worked at the co-ops, so they could see the direct connection between their preparation and their job.

The school added students and increased the range of its curriculum. It added management and marketing departments and now is considered one of the best business schools in all of Europe. As of 1990, more than 6,500 students were enrolled in degree programs and 3,500

in other types of training courses.

This direct connection to specific enterprises and jobs is rarely emulated anywhere in the world. But here we are describing a complete community with a commitment to sustain an educational system that reinforces the ability to keep jobs within the region. Those marketing studies the bank maintained for would-be co-op entrepreneurs - Were done, for the most part, as coursework for the marketing program at the school. What more powerful incentive could you give students than to know that their work might very well be the basis of a vigorous new enterprise just down the street?

### 6.8.4. Fair Remuneration

The fourth principle focuses on the concept of fair pay. This issue, symbolising who is and who is not important in society, is becoming a trigger in many countries where CEOs take larger and larger pieces of the pay pie. The Mondragon Cooperative Complex had three things going for it: fairness as part of the culture, a distinctly Christian slant to its enterprise ethics, and the Basque hallmark of moderation.

As a result, the cooperative could create an extraordinary set of payment relationships and make them work. Specific pay ratios were set in 1955 and held until the 1980s. The person at the top could earn no more than six times the salary of the person at the bottom of the cooperative. If the boss wanted a raise, everyone got a raise. In the United States, in 2021, the ratio is about 150:1 in major corporations. Recently, the ratios at Mondragon have increased to 15:1 because the rest of Spain has recognised how good Mondragon's managers are and lured them away with higher salaries.

### 6.8.5. Equitable Retirement

The fifth and last principle centres on all equitable retirement plans. The Mondragon Cooperative Complex self-funds and fully funds its retirement package. Workers contribute 32 percent of their earnings and receive 60 percent of their final salary. The cooperative also paid for all workers' health care until the late 1980s, when the Basque government assumed most of the financing. One nice touch is that as part of the retirement package, the worker is given a vegetable garden plot if he or she does not already have one.

Mondragon Cooperative Corporation was founded on the following ten founding principles of cooperation:

- Open Admission
- Democratic Organization
- Sovereignty of Labor
- Instrumental and Subordinate Nature of Capital
- Participatory Management
- Wage Solidarity
- Inter Co-operation
- Social Transformation
- Universality
- Education

The MCC consists of four groups, each of which incorporates similar business activities, and the Group operates all over the world through what it calls 'business delegations':

- **Finance** – Mondragon established a cooperative focusing on banking, insurance and social welfare. The cooperative bank has 1.2 million customers and more than 300 solvent branches across Spain.
- **Industry** - The industrial area covers a broad range of activities, including goods and services in the sectors of consumer goods, capital goods, industrial components, construction and services to business.
- **Distribution** – The EROSKI GROUP is one of Spain's leading retail chains, with a network of more than 1,600 shops. It operates mainly in the food sector, although it also has dedicated stores in such sectors as cosmetics, sports shops, petrol stations, opticians and travel agencies. The company's parent company is the Eroski Cooperative, owned by both its workforce and customers, who make up its governing bodies. The store sizes are equivalent to Makro or Game in South Africa. All Eroski Group Cooperatives are worker-operated and owned shops.
- **Knowledge** - the Group has its own University and 14 Research and Development centres. The university now has more than 5,000 students, with campuses in various areas of Spain. The university provides training and skills development to all employees of MCC.

## 6.9 Social and Solidarity Economy

Social and Solidarity Economy (SSE) refers to forms of economic activities and relations that prioritise social and often environmental objectives over profit motives. It involves citizens acting collectively and in solidarity for the democratisation of the economy and society, including producers, workers, and consumers. It is often used as an umbrella term to encompass "social economy", "solidarity





economy”, or third-sector organisations and enterprises. SSE is fundamentally about reasserting social control over the economy and relinking the economy with society and nature. While many SSE organisations and enterprises (SSEOs) are established to respond to the specific needs of people and communities, some also aim to transform the economic operating system into ones based on such values as participatory democracy, solidarity, equity, human and Earth rights, self-determination, mutuality and cooperation. All SSEOs emphasise human social values and ethics in economic activity and relations and economic practices built upon democratic governance and self-management, reciprocity, solidarity, and active citizenship.

The SSEOs have rapidly grown in numbers in both developed and developing countries. Organised at the grassroots level, they have contributed to mitigating long-run damaging trends such as a rise in poverty and inequality, especially in the developed world, environmental degradation and de-industrialization placing skilled workers into unemployment. Furthermore, SSEOs play a pivotal role in offering social services across communities, especially at a time when government budgets are stressed and subject to cutbacks. In addition to providing fair services, SSEOs have, by and large, demonstrated a remarkable capacity as employers to maintain and create jobs in times of crises where the government and the market failed.

Solidarity economy was used as an economic organising concept as early as 1937 when Felipe Alaiz advocated for the construction of an *economía solidaria* between worker collectives in urban and rural areas during the Spanish Civil War.<sup>1</sup> Contemporary uses of the term appear to have emerged in both France and South America – specifically Colombia and Chile – in the early 1980s. European concepts of *économie solidaire* emerged from a long tradition of “social economy” activism and policy-oriented toward addressing social and economic exclusion through “third sector” alternatives to conventional market and state-centred institutions.

While the social economy often sought to supplement or complement the existing social order, the solidarity economy advocated a more transformative approach to economic activism. In Colombia, *economía solidaria* emerged out of the country’s cooperative movement and was understood as a concept that could place cooperatives (cooperativism) into a broader and more political context of a vision for building a different economy. In Chile, the concept was developed more broadly and theoretically by economist Luis Razeto as a cross-cutting “sector” of the economy consisting of diverse enterprises that share a common “economic rationality” of cooperation and solidarity.

A solidarity economy approach takes a very different path. Beginning from a core belief that people are deeply creative and capable of developing their solutions to economic problems and that these solutions will look different in different places and contexts, a solidarity economy approach seeks to make existing and emerging alternatives visible and to link them in mutually supportive ways. The core idea is simple: alternatives are everywhere, and our task is to identify them and connect them in ways that build a coherent and powerful social movement for another economy.

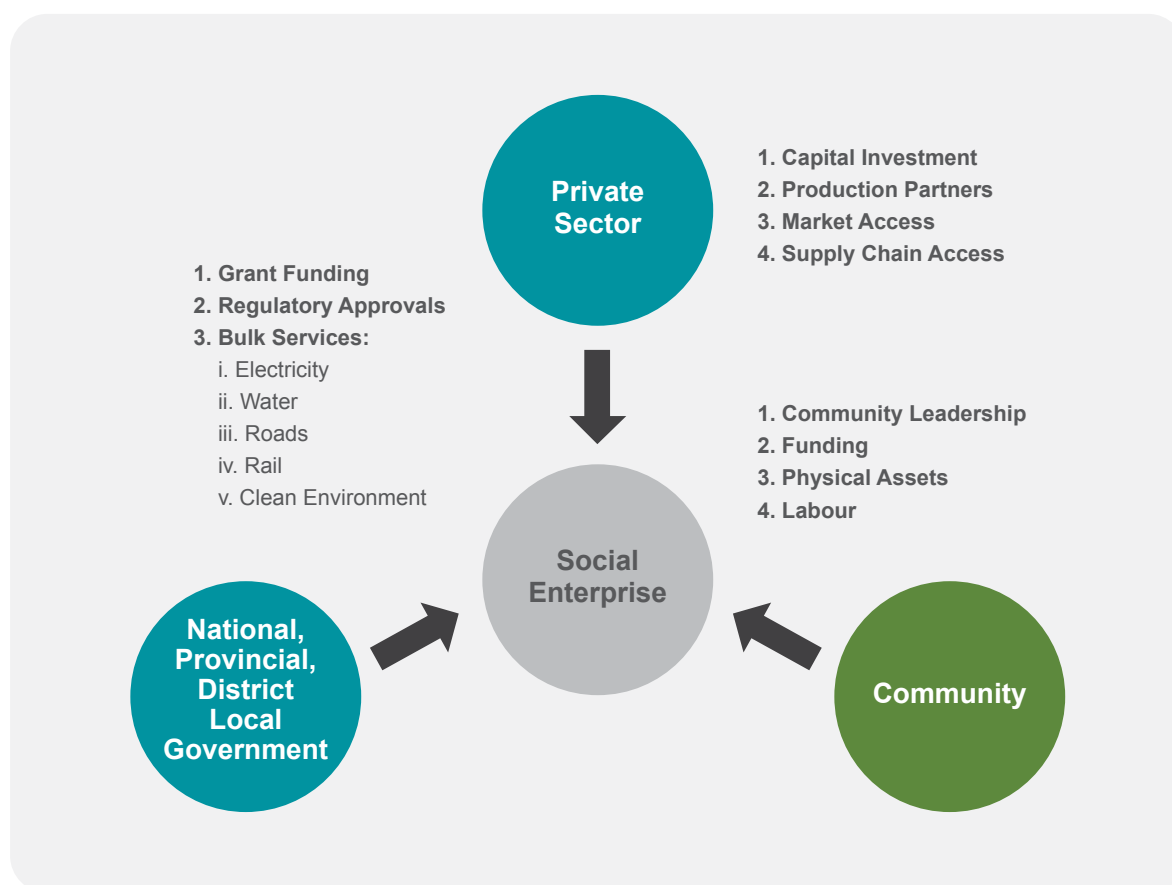
### 6.9.1. Resources Required to Grow Community-Owned Enterprises

Community Owned Enterprises are typically innovative and enterprising, and they manage to start socially beneficial businesses with very few resources at their disposal. To grow the number and size of COEs in welfare-dependent townships and rural communities, the NDA need to break down the barriers that prevent them from acquiring more and better resources for their good social enterprise ideas. The new NDA Operation Model breaks down this barrier by industrialising resource mobilisation for COEs in the welfare-dependent community. More specifically, it fully exploits the District Development Model to bring the full might of the state’s resources to bear.



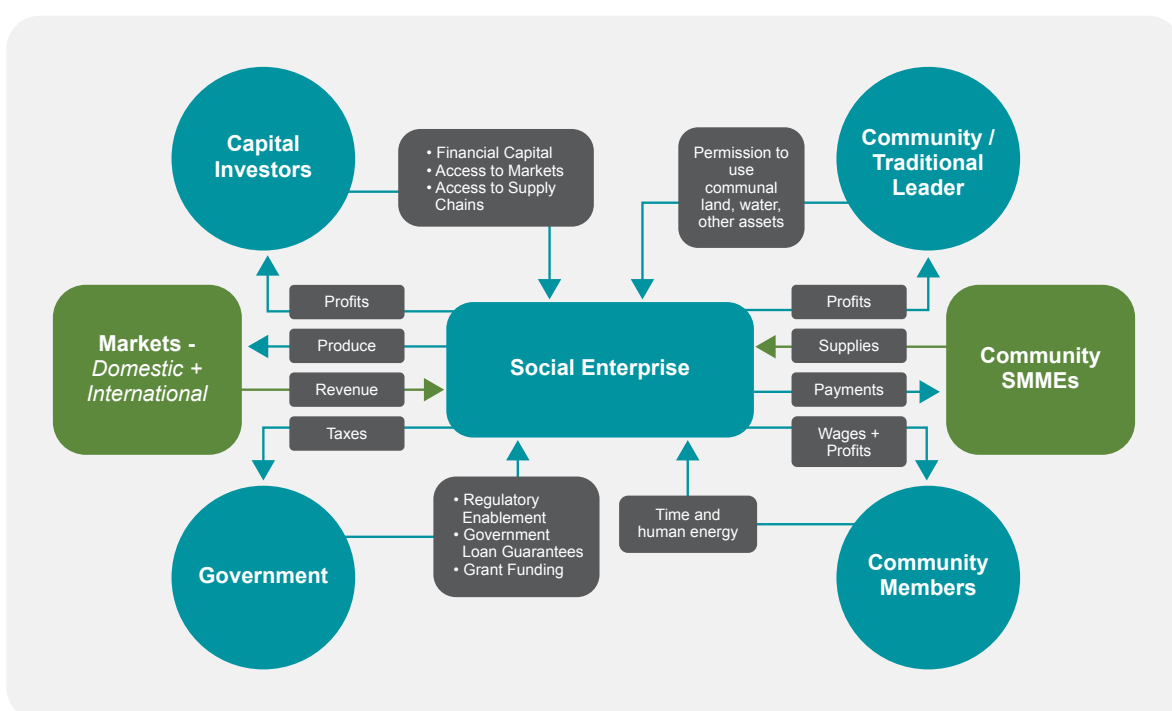
## PART B: OUR STRATEGIC FOCUS

**Figure 18: Community-Owned Enterprise Sector Resource Requirement**



There is a value exchange for all the providers of resources to social enterprises. The various value exchanges are depicted below:

**Figure 19: Social Enterprise Resource Allocation Value Exchange**





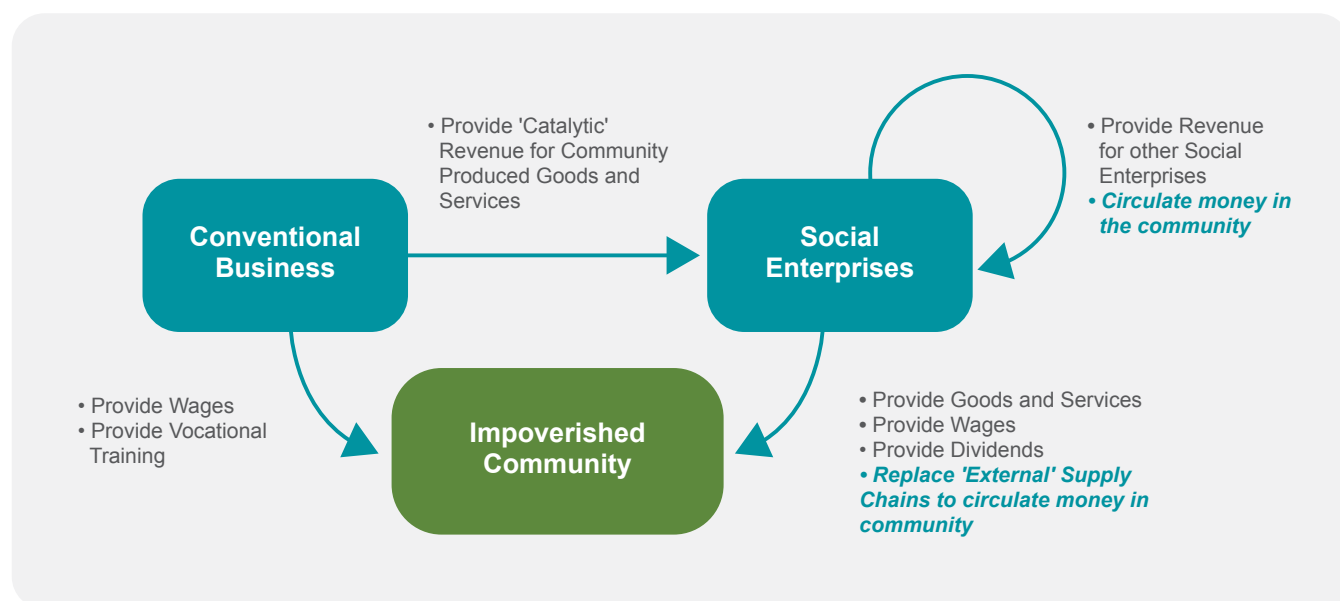
### 6.9.2. CSOs, Community Leadership and Trust

The trusted leaders of communities are typically found amongst the ranks of community-based organisations, NGOs and other types of civil society organisations. Finding and working with these trusted community leaders also secures the support and sponsorship of the community members. The participation of the broader CSO community will bestow the necessary legitimacy and community support upon the social entrepreneurs wishing to secure government resources to the benefit of the community.

### 6.9.3. Synergy of Traditional Businesses and Community-Owned Enterprises

The Mondragon model also illustrates the synergy between traditional businesses and Cooperatives. Mondragon sold its goods and services to traditional businesses to grow and capitalise on its Cooperatives. The NDA should focus on the same when enabling the start of COEs, as illustrated below:

**Figure 20: Synergy of Traditional Businesses and Community-Owned Enterprises**





# PART C

## MEASURING OUR PERFORMANCE



# 7 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 several support functions and is responsible for the development of organisational strategy, planning and reporting, compliance to legislation, prescripts and policies, sound financial management systems and human resource management and organisational development, and 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 (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Institutional capacity to deliver on the NDA mandate	New Organisational Structure	Approved Organisational Structure	New indicator	New indicator	New indicator	New indicator	Organisational Structure approved	Organisational Structure implemented	Organisational Structure implemented
	Capacity Enhancement Plan	Number of Staff capacitated in the implementation of the new service delivery model	New indicator	New indicator	New indicator	New indicator	100	150	200



## PART C: MEASURING OUR PERFORMANCE

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
	New Branding and Integrated Marketing Communication Strategy	Consulted Branding and Integrated Marketing Communication Strategy	New indicator	New indicator	New indicator	New indicator	Branding and Integrated Marketing Communication Strategy consulted	Branding and Integrated Marketing Communication Strategy implemented	Branding and Integrated Marketing Communication Strategy implemented
	IT System	Developed Digital platform for the new operating model	New indicator	New indicator	New indicator	New indicator	Digital platform deployed for the new operating model	Digital platform implemented	Digital platform implemented
	Resource Mobilisation Report	Rand value of financial resources raised from NDA partnerships to fund poverty eradication interventions	R15,7m	R54,5m	R35m	R57 million	R60 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R250 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R450 million financial resources raised from NDA partnerships to fund poverty eradication interventions
	Internal Audit Turnaround plan progress Report	Percentage of prior year audit findings resolved	New indicator	New indicator	New indicator	80% of prior year audit findings of resolved	80% of 2023/24 AGSA audit findings resolved	90% of 2024/25 AGSA audit findings resolved	100% of 2025/26 AGSA audit findings resolved

## PART C: MEASURING OUR PERFORMANCE

### Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Approved Organisational Structure	Organisational Structure approved	Organisational Structure developed	Organisational Structure consulted	Draft Organisational Structure produced	Organisational Structure approved
Number of Staff capacitated in the implementation of the new service delivery model	100 Staff capacitated in the implementation of the new service delivery model	25 Staff capacitated in the implementation of the new service delivery model	50 Staff capacitated in the implementation of the new service delivery model	75 Staff capacitated in the implementation of the new service delivery model	100 Staff capacitated in the implementation of the new service delivery model
Consulted Branding and Integrated Marketing Communication Strategy	Branding and Integrated Marketing Communication Strategy consulted	Branding and Marketing Strategy developed	Branding and Marketing Strategy consulted	Draft branding and Integrated Marketing Communication Strategy Produced	Branding and Integrated Marketing Communication Strategy Consulted
Developed Digital platform for the new operating model	Digital platform deployed for the new operating model	Assessment Report and Business case	Business Requirements Specification and TOR	Develop Digital Platform for the new operating model	Deployed digital platform for the new operating model
Rand value of financial resources raised from NDA partnerships to fund poverty eradication interventions	R60 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R10 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R35 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R 50 million financial resources raised from NDA partnerships to fund poverty eradication interventions	R60 million financial resources raised from NDA partnerships to fund poverty eradication interventions
Percentage of prior year audit findings resolved	80% of 2023/24 AGSA audit findings resolved	NDA prior year audit turnaround plan developed	30% of 2023/24 AGSA audit findings resolved	50% of 2023/24 AGSA audit findings resolved	80% of 2023/24 AGSA audit findings resolved

EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

The programme's primary emphasis will be on advancing and upholding organisational excellence and sustainability. This will be accomplished through the implementation of efficient and effective administrative practices, encompassing performance management, employee well-being, expenditure management, cost control, as well as brand enhancement and recognition. All these objectives will be realised within a robust accountability framework of governance and administration.

To ensure operational excellence and sustainability, the NDA will implement good governance practices, which include a well-defined organisational structure, policies and business processes, and staff capacity building to effect improved service delivery.

Furthermore, the needs and expectations of both the communities served and relevant stakeholders are to be met, with the provision of regular feedback to improve service delivery and community support. For the NDA to succeed in the achievement of governance and implementation support, the comparison against best practices of industry peers will enable the organisation to learn from their success and challenges and thus improve. Adaptability remains the gold standard for operational excellence such that an organisation's ability to be proactive in change management and succeed thereof will yield the resilience required to be effective in adapting to new scenarios.

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.

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Institutional capacity to deliver on the NDA mandate	Limited resources (people, systems, processes and finance) to deliver on the mandate	1. Develop Organisational Structure 2. Capacitation of internal staff 3. Develop and implement IT systems and business processes
	Poor organisational culture	1. Leadership development interventions 2. Implement Change Management Strategy 3. Enforcement of disciplinary policy and code of conduct
	Poor Reputation	1. Develop and implement branding and marketing strategy 2. Put in place a Stakeholder Management Plan with PR exercise on the Turnaround Strategy

## PART C: MEASURING OUR PERFORMANCE

### PROGRAMME 2: CIVIL SOCIETY ORGANISATIONS DEVELOPMENT

**Purpose:** This programme designs and implements programmes and projects that respond to poverty eradication through sustainable livelihoods. The programme uses a combination of interventions to support efforts to eradicate poverty in impoverished communities. The key intervention target is those people who have no means of creating gainful income from economic activities to support their 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 (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Increased access to resources for target Community Owned Enterprises	Resource Distribution Report	Number of Civil Society Organisations who have accessed resources for implementation of poverty eradication interventions	New indicator	New indicator	New indicator	79 Civil Society Organisations	120 Civil Society Organisations	150 Civil Society Organisations	200 Civil Society Organisations
	Community Engagement Report	Number of community engagements on poverty eradication conducted	New Indicator	New Indicator	New Indicator	New Indicator	22 community engagements on poverty eradication conducted	44 community engagements on poverty eradication conducted	66 community engagements on poverty eradication conducted
Community driven projects to build self-sustainable communities	COE Report	Number of COEs established	New Indicator	New Indicator	New Indicator	New Indicator	9 COEs established	44 COEs established	66 COEs established



## PART C: MEASURING OUR PERFORMANCE

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
	Capacity Building Report	Number of Civil Society Organisations capacitated with skills to implement development interventions	1114	2558	3124	3077	1000 Civil Society Organisations	2000 Civil Society Organisations	3000 Civil Society Organisations
		Number of community members capacitated with skills to implement poverty eradication interventions	New indicator	New indicator projects	New indicator projects	5110	2200 community members capacitated	3000 community members capacitated	3500 community members capacitated
	COE Report	Number of beneficiaries participating in income generation projects	2049	750	3175	1911	1000 community members participating	3000 community members participating	5000 community members participating

## PART C: MEASURING OUR PERFORMANCE

### Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Civil Society Organisations who have accessed resources for implementation of poverty eradication interventions	120 Civil Society Organisations	8 Community Owned Enterprises	12 Community Owned Enterprises	50 Civil Society Organisations	120 Civil Society Organisations
Number of community engagements on poverty eradication conducted	22 community engagements	-	-	9 community engagements	22 community engagements
Number of Community Owned Enterprises established	9 COEs established	-	-	4 COEs established	9 COEs established
Number of Civil Society Organisations capacitated with skills to implement poverty eradication interventions	1000 Civil Society Organisations	8 Community Owned Enterprises	12 Community Owned Enterprises	400 Civil Society Organisations	1000 Civil Society Organisations
Number of community members capacitated with skills to implement poverty eradication interventions	2200 community members	-	-	1100 community members	2200 community members
Number of beneficiaries participating in income generation projects	1000 beneficiaries	-	-	500 beneficiaries	1000 beneficiaries

### 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 organisation's development activities. Programme 2 has the key outcome of creating sustainable COEs that provide development services to deprived communities and demographics. To do this, the NDA, through its outputs, will strive towards increasing job creation, increasing COE income and empowering COEs through focused development interventions in the areas of capacity building and access to resources. The outcome of building sustainable communities will be achieved over time as these COEs implement economically uplifting programmes, which will, in turn, contribute to achieving the desired impact of reduced levels of poverty in South Africa.

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

The programme will emphasise the NDA's role as the primary coordinator of development initiatives as it strives to establish itself as the leading development agency in the nation. Additionally, the program will prioritise generating a substantial impact in eradicating poverty by leveraging various essential methods and avenues for poverty reduction, which include, but are not restricted to, supporting social enterprises (SEs).

In emphasising its role as the primary coordinator of development initiatives, the NDA can ensure clear communication of its vision, mission, and goals to key stakeholders. By building capacity internally, the NDA can, in turn, strengthen its capabilities and expertise in project management and socio-economic development in communities to demonstrate competence in coordinating development efforts. Another key role the NDA will play is that of advocating for policies and reforms that promote the NDA's central role in coordinating development efforts at a national, provincial and municipal level.

Updated key Risks

Outcome	Key Risks	Risk Mitigation
Increased access to resources for target Community Owned Enterprises	Insufficient resources to support community development interventions	1. Implement the Resource mobilisation Strategy 2. Strengthening of Inter-governmental Relations 3. Strengthening financial management processes
Community driven projects to build self-sustainable communities	High failure rate of CSOs	1. Access to resources to support CSOs 2. Build technical and non-technical skills to manage enterprises 3. Engagement and education of the CSOs



### 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 (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
An enabled environment for sustainable development created through research, lobbying and advocacy	Evaluation Report	Conducted evaluations on poverty eradication programmes	New indicator	New indicator	New indicator	New indicator	Design Evaluation report on NDA poverty eradication interventions produced	Evaluation report on implementation of the NDA poverty eradication interventions produced	Evaluation reports on outcomes of the NDA poverty eradication interventions produced
	Policy landscape report	Produced policy landscape report	New indicator	New indicator	New indicator	New indicator	Research report on policy landscape produced	Review of policy landscape produced	Review of policy landscape produced
	Policy Advocacy framework	Approved Policy Advocacy framework	New indicator	New indicator	New indicator	New indicator	Policy Advocacy framework approved	Policy Advocacy framework implemented	Policy Advocacy framework implemented

PART C: MEASURING OUR PERFORMANCE

Outcome	Output	Output indicator	Audited/actual performance			Estimated performance (2023/24)	Medium-term targets		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
	Research Publications	Produced research report on policy impediments	New indicator	New indicator	New indicator	New indicator	Research report produced on policy impediments	Research report produced on policy impediments	Research report produced on policy impediments
	Policy Briefs	Produced policy briefs for lobbying and advocacy	New indicator	New indicator	New indicator	New indicator	Policy briefs for lobbying and advocacy produced	Policy briefs for lobbying and advocacy produced	Policy briefs for lobbying and advocacy produced
	Dialogue reports	Dialogues held to lobby for proposed policy changes	New indicator	New indicator	New indicator	New indicator	Dialogue held on proposed policy changes	Dialogue held on proposed policy changes	Dialogue held on proposed policy changes

## PART C: MEASURING OUR PERFORMANCE

### Indicators, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Conducted evaluations on poverty eradication programmes	Design Evaluation report on NDA poverty eradication interventions produced	-	-	Design Evaluation protocol on NDA poverty eradication interventions produced	Design Evaluation report on NDA poverty eradication interventions produced
Produced policy landscape report	Research report on policy landscape produced	Development, social and economic policies literature review drafted	Draft research report on development, social and economic policy landscape produced	Final research report on policy landscape produced	-
Approved Policy Advocacy framework	Policy Advocacy framework approved	Draft framework for lobby and advocacy developed	Draft lobby and advocacy framework consulted	Draft Policy Advocacy framework developed	Policy advocacy framework approved
Produced research report on policy impediments	Research report produced on policy impediments	Research protocol for research on policy impediments for community owned enterprises produced	Literature review, interviews with key informants and analysis conducted	Draft research report on policy impediments produced	Final research report on policy impediments produced
Produced policy briefs for lobbying and advocacy	Policy briefs for lobbying and advocacy produced	-	-	Policy brief on policy landscape developed	Draft Policy brief on regulatory barriers for COEs
Dialogues held to lobby for proposed policy changes	Dialogue held on proposed policy changes	Concept paper on development, social and economic policies impediments in South Africa produced	Dialogue report on development policies impediments with stakeholders	Round Table on Pathways out of Poverty held with stakeholders	Dialogue on policy landscape held with stakeholders

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. Two distinct outputs 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 the reduction of poverty in South Africa.

The Research Unit has the responsibility of conducting research work in response to the Secondary Mandate of the NDA.in 2023-24, the Unit has planned to conduct research studies as guided by the Research Agenda of the NDA. The research studies will focus on identifying socio-economic impediments to the success of the COEs so as to create an enabling environment for the CSOs. As part of influencing development policy, the Research Unit will strongly lobby for policy changes as identified and recommended by research outcomes.

Updated key Risks

Outcome	Key Risks	Risk Mitigation
An enabled environment for sustainable development	Inability to influence our development stakeholders	1. Proposals for policy enhancements on identified sectors 2. Research report on policy landscape



# PART C: MEASURING OUR PERFORMANCE

## CONSOLIDATED BUDGET BY PROGRAMME FOR MTEF PERIOD (2024 - 2027)

EXPENDITURE BY PROGRAMME	2023/2024 FINAL BGT	YEAR 1 2024/2025	ITEM % OF TOTAL BUDGET	YEAR 2 2025/2026	ITEM % OF TOTAL BUDGET	YEAR 3 2026/2027	ITEM % OF TOTAL BUDGET
<b>REVENUE</b>							
Transfer allocation	220 116 000	211 701 000	98,7%	216 275 000	98,7%	226 223 000	98,8%
Interest income	2 082 626	2 700 000	1,3%	2 850 000	1,3%	2 850 000	1,2%
<b>TOTAL REVENUE</b>	<b>222 198 626</b>	<b>214 401 000</b>	<b>100,0%</b>	<b>219 125 000</b>	<b>100,0%</b>	<b>229 073 000</b>	<b>100,0%</b>
Programme 2 - CSOs Development	18 030 896	11 928 513	5,6%	12 070 038	5,5%	12 314 263	5,4%
Compensation of employees	81 289 306	82 978 881	38,7%	85 468 248	39,0%	89 468 849	39,1%
<b>Total : Programme 2</b>	<b>99 320 202</b>	<b>94 907 394</b>	<b>44,3%</b>	<b>97 538 285</b>	<b>44,5%</b>	<b>101 783 112</b>	<b>44,4%</b>
Programme 3 - Research	4 018 157	3 504 956	1,6%	3 705 754	1,7%	3 441 597	1,5%
Compensation of employees	6 587 218	6 248 671	2,9%	6 480 978	3,0%	6 738 064	2,9%
<b>Total Programme 3</b>	<b>10 605 376</b>	<b>9 753 626</b>	<b>4,5%</b>	<b>10 186 732</b>	<b>4,6%</b>	<b>10 179 661</b>	<b>4,4%</b>
Mandate expenses	109 925 578	104 661 021	48,8%	107 725 017	49,2%	111 962 773	48,9%
Programme 1 - Administration	48 695 940	45 781 821	21,4%	45 065 793	20,6%	48 146 562	21,0%
Compensation of employees	63 577 109	63 958 158	29,8%	66 334 190	30,3%	68 963 665	30,1%
<b>Total Programme 1</b>	<b>112 273 048</b>	<b>109 739 980</b>	<b>51,2%</b>	<b>111 399 984</b>	<b>50,8%</b>	<b>117 110 227</b>	<b>51,1%</b>
<b>TOTAL EXPENDITURE</b>	<b>222 198 626</b>	<b>214 401 000</b>	<b>100,0%</b>	<b>219 125 000</b>	<b>100,0%</b>	<b>229 073 000</b>	<b>100,0%</b>
<b>NET SURPLUS/DEFICIT</b>	<b>(0)</b>	<b>0</b>		<b>0</b>		<b>0</b>	

PROGRAMME 1: GOVERNANCE & ADMINISTRATION	2023/2024 FINAL BGT	YEAR 1 2024/2025	BUDGET ITEM % OF TOTAL	YEAR 2 2025/2026	BUDGET ITEM % OF TOTAL	YEAR 3 2026/2027	BUDGET ITEM % OF TOTAL
ICT costs	8 444 008	8 021 002	7,3%	8 397 989	7,5%	8 784 296	7,9%
Operating leases	11 832 455	13 016 814	11,9%	10 140 571	9,1%	10 936 414	9,8%
Municipal rates and taxes	2 579 959	2 696 058	2,5%	2 822 772	2,5%	2 992 139	2,7%
Audit fees	4 947 705	5 244 567	4,8%	5 491 062	4,9%	5 743 651	5,2%
<b>Fixed costs</b>	<b>27 804 128</b>	<b>28 978 441</b>	<b>26,4%</b>	<b>26 852 393</b>		<b>28 456 500</b>	
Marketing & communications	889 800	1 244 507	1,1%	1 294 507	1,2%	1 320 397	1,2%
Consulting & professional fees	4 566 316	2 770 000	2,5%	3 810 240	3,4%	3 928 630	3,5%
Printing & stationery	1 138 920	837 941	0,8%	877 324	0,8%	917 681	0,8%
Telephone	185 026	180 000	0,2%	180 000	0,2%	166 632	0,1%
Repairs & maintenance	743 160	557 370	0,5%	568 517	0,5%	594 669	0,5%
Seminars, workshops, conferences	512 180	360 000	0,3%	376 920	0,3%	394 258	0,4%
Office set-up costs	621 299	434 909	0,4%	600 000	0,5%	627 600	0,6%
Travel & accommodation	4 791 395	2 468 579	2,2%	2 269 890	2,0%	3 305 833	3,0%
Stakeholder management	469 890	1 062 660	1,0%	1 112 605	1,0%	1 163 785	1,0%
Board & LCC remuneration]	1 149 434	1 384 960	1,3%	1 450 053	1,3%	1 545 717	1,4%
Other employment related costs	2 530 589	2 563 800	2,3%	2 691 139	2,4%	2 801 131	2,4%
General expenses	2 226 526	2 238 654	2,0%	2 182 205	2,0%	2 147 919	1,9%
<b>Total goods and services</b>	<b>47 628 663</b>	<b>45 081 820</b>	<b>41,1%</b>	<b>44 265 793</b>	<b>39,7%</b>	<b>47 370 751</b>	<b>40,4%</b>
Capital expenditure	1 067 277	700 000	0,6%	800 000	0,7%	775 811	0,7%
Compensation of employees	63 577 109	63 958 158	58,3%	66 334 190	59,5%	68 963 665	58,9%
	<b>112 273 048</b>	<b>109 739 979</b>	<b>102%</b>	<b>111 399 983</b>	<b>102%</b>	<b>117 110 227</b>	<b>102%</b>

## PART C: MEASURING OUR PERFORMANCE

PROGRAMME 2: CSO DEVELOPMENT	2023/2024 FINAL BGT	YEAR 1 2024/2025	BUDGET ITEM % OF TOTAL	YEAR 2 2025/2026	BUDGET ITEM % OF TOTAL	YEAR 3 2026/2027	BUDGET ITEM % OF TOTAL
DDM Implementation	412 603	1 239 520	1%	1 297 777	1%	1 357 475	1%
Programme technical support	396 829	595 244	1%	623 220	1%	651 888	1%
Capacity building	5 148 154	3 172 932	3%	3 228 222	3%	3 345 666	3%
Grant Funding	9 000 001	5 000 000	5%	5 000 000	5%	5 000 000	5%
Monitoring & support of CSOs	3 073 309	1 920 818	2%	1 920 818	2%	1 959 234	2%
Programme operating expenditure	18 030 896	11 928 513	12,6%	12 070 037	12,4%	12 314 263	12,6%
Compensation of employees	81 289 306	82 978 881	87%	85 468 248	88%	89 468 849	92%
<b>TOTAL PROGRAMME BUDGET</b>	<b>99 320 202</b>	<b>94 907 394</b>	<b>100%</b>	<b>97 538 284</b>	<b>100%</b>	<b>101 783 112</b>	<b>104%</b>

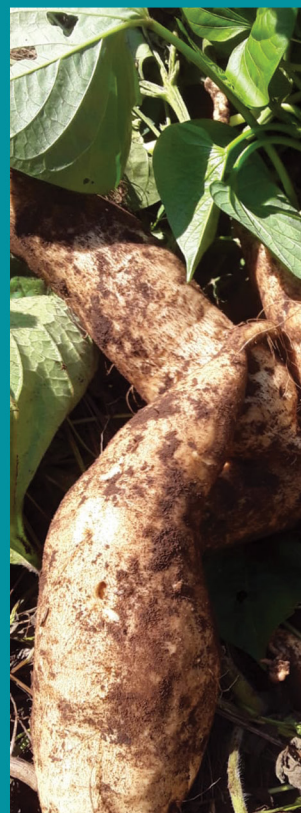
PROGRAMME 3: RESEARCH	2023/2024 FINAL BGT	YEAR 1 2024/2025	BUDGET ITEM % OF TOTAL	YEAR 2 2025/2026	BUDGET ITEM % OF TOTAL	YEAR 3 2026/2027	BUDGET ITEM % OF TOTAL
Research studies	1 953 701	1 676 693	17%	1 791 563	18%	1 439 352	14%
Knowledge management	287 155	246 465	3%	258 049	3%	269 919	3%
Monitoring & evaluation studies	1 777 301	1 581 798	16%	1 656 142	16%	1 732 325	17%
Programme operating expenditure	4 018 157	3 504 956	35,9%	3 705 755	36,4%	3 441 597	33,8%
Compensation of employees	6 587 218	6 248 671	64%	6 480 978	64%	6 738 064	66%
<b>TOTAL PROGRAMME BUDGET</b>	<b>10 605 376</b>	<b>9 753 627</b>	<b>100%</b>	<b>10 186 732</b>	<b>100%</b>	<b>10 179 661</b>	<b>100%</b>

# PART D

## TECHNICAL INDICATOR DESCRIPTIONS



**NDA**  
National  
Development  
Agency



## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### PROGRAMME 1: GOVERNANCE AND ADMINISTRATION

Indicator Title	Approved Organisational Structure
<b>Definition</b>	This refers to the formal framework or layout of the NDA that outlines how the NDA is organised, with roles, responsibilities, and reporting relationships clearly defined
<b>Source of Data</b>	Human Capital Management Report
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of verification</b>	Portfolio of evidence submitted by the relevant business unit of the organisation
<b>Assumptions</b>	The assumption is that the framework has received formal authorisation from EXCO and Board Members
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Organisational Structure approved and implemented
<b>Indicator Responsibility</b>	Corporate Services



## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of Staff capacitated in the implementation of the new service delivery model
Definition	This refers to the count of employees or individuals who have received training in skills that are considered essential or crucial for the NDA and the growth thereof.
Source of Data	Skills Development Report
Method of Calculation/Assessment	Simple count
Means of verification	Portfolio of evidence submitted by the relevant business unit of the organisation
Assumptions	The human resource registers will be updated timeously, including previous records to ensure consistent counting
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Improved performance as a result of skilled staff
Indicator Responsibility	Corporate Services

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Consulted Branding and Integrated Marketing Communication Strategy
Definition	This KPI refers to a strategic document that will articulate how the NDA will be repositioned from a branding and marketing perspective
Source of Data	Progress Report
Method of Calculation/Assessment	Simple count
Means of verification	Consultation with NDA internal stakeholders (NDA structures excluding the Board)
Assumptions	Consultations with stakeholders will be concluded on time
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Improved image of the NDA
Indicator Responsibility	Corporate Services

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Developed Digital platform for the new operating model
Definition	This KPI refers to the phased development of a digital platform for the new operating model
Source of Data	Progress Report
Method of Calculation/Assessment	Simple count
Means of verification	Signed-off IT system; signed-off reports on completed phase.
Assumptions	Availability of resources and skills to develop the IT system
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Improved NDA organisational efficiency
Indicator Responsibility	Corporate Services

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Rand value of financial resources raised from NDA partnerships to fund poverty eradication interventions
Definition	The KPI aims to mobilise and secure financial commitments from third parties towards supporting development initiatives implemented by COEs
Source of Data	<ul style="list-style-type: none"> <li>• Signed Funding agreements</li> <li>• Letters of commitment</li> </ul>
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)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Secure financial resources from third parties
Indicator Responsibility	Chief Operations Officer



## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Percentage of prior year (2023/24) AGSA audit findings resolved
<b>Definition</b>	The indicator will report on the percentage of prior year (2023/24) audit findings resolved by Management
<b>Source of Data</b>	Internal Audit Report
<b>Method of Calculation/Assessment</b>	Number of audit findings for 2023/24 / Number of (2023/24) findings resolved
<b>Means of verification</b>	Internal Audit Report
<b>Assumptions</b>	The audit will be concluded on time to allow for enough time to implement remedial measures
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation type</b>	Cumulative year-to-date
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Reduced number of findings
<b>Indicator Responsibility</b>	Chief Audit Executive

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### PROGRAMME 2: CIVIL SOCIETY ORGANISATION DEVELOPMENT

Indicator Title	Number of Civil Society Organisations who have accessed re-sources for implementation of poverty eradication intervention
Definition	This KPI measures the number of CSOs that have been supported with financial and non-financial resources. The financial and non-financial support could be coming from NDA or from strategic partners of the NDA directly to the CSO.
Source of Data	Signed Agreements between CSOs and partners; Letters of commitment from strategic partners to the CSOs or NDA; NDA Grant Approval Letters
Method of Calculation/Assessment	Simple count
Means of verification	Signed Agreements between CSOs and partners; Letters of commitment from strategic partners to the CSOs or NDA; NDA Grant Approval Letters
Assumptions	The NDA and strategic partnerships will provide resources on time
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Increased access to resources by CSOs for implementation of community development interventions
Indicator Responsibility	Chief Operations Officer

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of community engagements on poverty eradication conducted
Definition	This KPI refers to community engagements with community stakeholders to engage on a range of developmental issues.
Source of Data	Community Engagement Reports
Method of Calculation/Assessment	Simple counts
Means of verification	Community Engagement Reports
Assumptions	Communities will cooperate in the engagements
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Communities that are empowered to fight poverty in their communities
Indicator Responsibility	Chief Operations Officer

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of COEs established
<b>Definition</b>	This KPI refers to the COEs that have been formed through formal registration means or non-formal means where an agreement exists between CSOs that have an agreement to work together or form a single body that represents their interests
<b>Source of Data</b>	Registration Certificates or Memorandum of Agreement or Any other document formalising relationship between a number of CSOs
<b>Method of Calculation/Assessment</b>	Simple count
<b>Means of verification</b>	Registration Certificates or Memorandum of Agreement or Any other document formalising relationship between a number of CSOs (Memorandum of Association)
<b>Assumptions</b>	CSOs are amenable to forming COEs and the COE will develop a memorandum of association after completing the establishment process
<b>Disaggregation of Beneficiaries (where applicable)</b>	Province; District
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation type</b>	Cumulative year-to-date
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Established COEs to implement community interventions
<b>Indicator Responsibility</b>	Chief Operations Officer



## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of Civil Society Organisations capacitated with skills to implement development interventions
Definition	This KPI refers to CSOs that have been capacitated with management and technical skills to implement their programmes.
Source of Data	Capacity Building Report
Method of Calculation/Assessment	Simple count
Means of verification	Attendance Registers; Capacity Building Report
Assumptions	Sufficient resources will be raised for capacity building
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Skilled CSOs and improved implementation of interventions
Indicator Responsibility	Chief Operations Officer

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Number of community members capacitated with skills to implement poverty eradication interventions
Definition	This KPI refers to community members that have been capacitated with management and technical skills
Source of Data	Attendance Registers or Capacity Building Report
Method of Calculation/Assessment	Simple count
Means of verification	Attendance Registers or Capacity Building Report
Assumptions	Sufficient resources will be raised for capacity building
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Skilled community members and improved implementation of interventions
Indicator Responsibility	Chief Operations Officer

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

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	Appointment Letters
Assumptions	CSO development interventions lead to the creation of work opportunities
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Cumulative year-to-date
Reporting Cycle	Quarterly
Desired Performance	Increase in work opportunities created
Indicator Responsibility	Chief Operations Officer

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

### PROGRAMME 3: RESEARCH

Indicator Title	Conducted evaluations on poverty eradication programmes
Definition	Evaluations refer to 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)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
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

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Produced policy landscape report
Definition	This KPI refers to a research undertaken on identifying regulatory impediments to CSOs
Source of Data	Literature, primary data collection, official documents, public statements (media, commentary etc)
Method of Calculation/Assessment	Simple count
Means of verification	Final report submitted as means of proof of evidence
Assumptions	Report has been signed off by Executive responsible for quality assurance
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Presentation of proposals for policy development, enhancement or revision by appropriate policy making structures in the public sector
Indicator Responsibility	Executive: Development Management & Research



## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Approved Policy Advocacy Framework
<b>Definition</b>	This KPI refers to guidelines for planning, designing, conducting and evaluating advocacy interventions aimed at influencing development policy reforms.
<b>Source of Data</b>	Published documents and informants on advocacy programmes
<b>Method of Calculation/Assessment</b>	Simple count (qualitative)
<b>Means of verification</b>	Document submitted and signed off by the Executive of the programme
<b>Assumptions</b>	Framework has been consulted and signed off
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Presentation of proposals for policy development, enhancement or revision by appropriate policy making structures in the public sector
<b>Indicator Responsibility</b>	Executive: Development Management & Research

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Produced research report on policy impediments
Definition	This indicator refers to research report produced through following research methodologies to meet the standards of research guidelines on studies of human and non-human subjects.
Source of Data	Literature review (published and grey), reports and official documents and opinion pieces on policies relating to development, economic and social sectors
Method of Calculation/Assessment	Simple count
Means of verification	Final research report submitted as means of proof of evidence by the business unit
Assumptions	Report has been signed off by Executive responsible for quality assurance
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Presentation of proposals for policy development, enhancement or revision by appropriate policy making structures in the public sector
Indicator Responsibility	Executive: Development Management & Research

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Produced policy briefs for lobbying and advocacy
Definition	This indicator refers to policy briefs prepared on research conducted by NDA
Source of Data	Policy Brief report
Method of Calculation/Assessment	Simple count
Means of verification	Policy brief report
Assumptions	Research report will be finalised on time
Disaggregation of Beneficiaries (where applicable)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Produce policy briefs for research conducted
Indicator Responsibility	Executive: Development Management & Research

## PART D: TECHNICAL INDICATOR DESCRIPTIONS

Indicator Title	Dialogues held to lobby for proposed policy changes
Definition	This KPI refers to formal engagements with stakeholders from public, private and civil society representatives to discuss policy positions meant for poverty eradication in South Africa.
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)	Not Applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation type	Non-cumulative
Reporting Cycle	Quarterly
Desired Performance	Presentation of proposals for policy development, enhancement or revision by appropriate policy making structures in the public sector
Indicator Responsibility	Executive: Development Management & Research

## NOTES





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## National Development Agency

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