

2013 Budget Speech by Minister Collins Chabane
Department of Performance Monitoring and Evaluation
28 May 2013

Chairperson of the Portfolio Committee on Appropriations

Deputy Minister in The Presidency for Performance Monitoring and Evaluation

Honourable Members

Honoured Guests

Members of the Audit Committee

Management and staff of the Department of Performance Monitoring and Evaluation

Members of the media present

Friends and Comrades

Ladies and Gentlemen

It gives me great pleasure to present the third budget vote of this young department, which has made remarkable achievements within a short space of time. The Department of Performance Monitoring and Evaluation is one of the two anchor programmes of the ANC government which received an overwhelming mandate from voters to govern this country for another five years in 2009.

The ANC committed to all South Africans that it will introduce National Planning and Performance Monitoring and Evaluation to close the gap in long term planning for the country and to ensure that government produces the key outcomes we want and our people desire.

Honourable Chairperson

There are no major changes or policy shifts from the strategic choices we made and published through our Strategic Plan and Annual Performance Plan. We will continue on the journey that we have started of monitoring government performance against the five key priorities of education, health, reducing crime, job creation and the development of rural communities.

I will use this opportunity to report back on some of the advances we have made with our M&E programmes and to describe a few areas we will focus on during this financial year.

Honourable Members

This year marks the eve of our country's celebrations of 20 years of South Africa's young democracy. This will be a time to reflect and take note of the achievements we have made as a country to deliver to our people and improve their lives for the better. It will also be an opportunity to reflect on the challenges ahead in the consolidation of our democracy.

Last financial year, as a follow-up to the mid-term review, we started doing research work for the production of the 20 year review of the country's progress towards becoming a non-racial, non-sexist and prosperous society. We have set ourselves a target to publish the 20 year review by the end of this year.

The 20 year review will use evidence to reflect on the progress we have made as well as the challenges we have faced since 1994. It will also reflect on the things we need to do going forward in order to consolidate the gains we have made and plug the gaps that exist. The building blocks of the review will be the work we have done so far through the outcomes approach, as well as existing and new research work which is being undertaken by ourselves and various research institutions. The five thematic issues which will inform the review will be, one the extent to which the wellbeing of the citizens has changed; two, the way in which society has transformed; three, changes in the wider environment; four, changes in government and finally international outcomes.

This government has delivered many services which have led to improvement of the lives of our people-but more needs to be done. Our latest Development Indicators report, which will be released shortly, provides an indication of the progress made in a variety of areas. The indicators reveal that, with regard to the delivery of basic municipal services, access to a basic level of water infrastructure increased from 92% of households in 2009 to 95% in 2012; access to a minimum level of sanitation infrastructure increased from 77% in 2009 to 85% in 2012; and access to electricity increased from 81% in 2009 to 88% in 2012. An example with regard to building a

non-sexist society is that there has been a vast improvement in the representation of women in all three tiers of government since 1994.

Honourable Chairperson

In 2009, we undertook to make government work better, faster and smarter. We did this by introducing the outcomes approach and negotiating inter-departmental and inter-governmental delivery agreements for the 12 priority outcomes.

We have been monitoring progress on the implementation of the delivery agreements for the outcomes as well as facilitating quarterly reporting to Cabinet. We are pleased that the evidence and the trends emerging from our work confirm that we were correct to focus our nation and government on these key priorities.

In June last year, we published the Mid-term Review on progress made against the targets set in the delivery agreements. The review described the good progress which has been made and made concrete proposals on steps to be taken to improve performance in areas where there had not been as much progress as had been hoped. For example, unemployment remains a challenge and our economic growth rate remains too low. Implementation of the National Development Plan, the National Infrastructure Plan, the New Growth Path and the Industrial Policy Action Plan should catalyse investment and support for industry in creating more employment.

Many departments have adopted the new approach of focusing on measurable results and impacts and the government as a whole is starting to achieve a number of the targets which we set for ourselves. There is improved coordination between government departments and between the three spheres of government, particularly in the important concurrent functions of basic education and health. In both of these sectors the national and provincial departments are now working together more effectively to improve service delivery. This is particularly so in the health sector, where the national department has been able to successfully oversee a range of improvements in the delivery of health services at provincial level.

As a result, life expectancy has improved from 56 years in 2009 to 60 years in 2012. The infant and under-5 mortality rates have been reduced from 40 and 56 per 1000 live births respectively in 2009 to 30 and 42 per 1000 live births respectively in 2012. The mother to child HIV transmission rate has declined from 3.5% in 2009 to 2.7% in

2012. The TB cure rate increased from 63% in 2009 to 74% in 2012. Patient satisfaction measured through the Stats SA General Household Survey has also improved from 54% in 2009 to 64% in 2011.

We are now working with National Treasury and the national departments responsible for concurrent functions to ascertain the potential for further improvements to the management of concurrent functions through greater use of national norms and standards, drawing on the successes in the health sector.

With regard to education and skills, the number of learners matriculating each year has been increasing steadily, from 110 000 in 2009 to 136 000 in 2012. The percentage of Grade 1 learners who attended formal Grade R increased from 80% in 2009 to over 90% in 2013. There has been an improvement in Grade 3 literacy which has risen from 48% of learners operating at a minimum literacy level in 2009 to 52% in 2012. Due to increased standard setting, monitoring and support by the Department of Basic Education, the delivery of textbooks by the provincial education departments has improved remarkably over the last year. 98% of the textbooks that were planned to be delivered had been delivered by the beginning of the 2013 school year.

The numbers of young people in learnerships and artisan programmes has increased, as has the number of learners in FET Colleges. The FET College pass rate improved by about 10% on average between 2009 and 2012. The placement rate of FET college graduates has also improved, from 22% in 2009 to 41% in 2012.

With regard to crime, there has been a decrease in overall serious crime from 3924 cases per 100 000 population in 2009 to 3608 cases in 2012. There have also been reductions in the rates of contact crimes and trio crimes. In terms of combating corruption involving amounts of money larger than R5 million, 239 people were arrested and 32 people convicted between 2009 and 2012.

While the economy has been growing and creating more jobs, the numbers of people seeking work has also increased. This, coupled with the global economic downturn, has inhibited our ability to meet our targets for reducing unemployment. As I mentioned earlier, the government will remain focused on addressing this key issue.

As a department, we play a particularly important role in outcome 12, the development of an efficient and effective public service. We believe that by improving the quality of monitoring and evaluation within departments, we will improve the efficiency and effectiveness of the public service.

There are still a number of challenges to be overcome to strengthen monitoring and evaluation practices in government. Many of the plans for the programmes of departments are not yet sufficiently rigorous in terms of measuring baseline data and clearly explaining how the programme will achieve its intended objectives. There is not yet enough measurement of outcomes and impacts and some departments do not yet have the necessary information management systems in place to do this. We need to do more to build a culture of continuous improvement as opposed to keeping on doing things in the same way because they have always been done that way.

In order to address these challenges, we are engaged in a range of monitoring and evaluation capacity building initiatives including managing national and provincial M&E forums, M&E learning networks, developing guidelines and training courses for officials and partnering with other countries to learn and share best practices. In order to build capacity for monitoring and evaluations, we have partnered with PALAMA and the South African Monitoring and Evaluation Association (SAMEA).

The department is also contributing to outcome 12 by monitoring a range of indicators of public service efficiency and effectiveness, by monitoring the quality of management practices in departments and municipalities, and by monitoring the quality of frontline service delivery to citizens, which the Deputy Minister will elaborate on in detail. Some of the indicators which we have been monitoring include the payment of suppliers within 30 days, the development and implementation of service delivery improvement plans, the time taken to fill vacancies and to finalise disciplinary cases, as well as the finalisation of Anti-corruption and Presidential Hotline cases.

With regard to the quality of front-line service delivery, there have been some marked improvements in some departments. For example, the average number of days taken by the South African Social Security Agency or SASSA to process a social grant application decreased from 30 days in 2009 to 5 days in 2012. This is a remarkable achievement. There has also been an improvement in the average time taken for police to respond to calls for assistance.

In September 2012, President Jacob Zuma received the National Development Plan (NDP) on behalf of our nation from the National Planning Commission (NPC). The NDP has been adopted by Cabinet and will be implemented by this government. The NDP provides a road-map for tackling the triple challenges of poverty, inequality and unemployment.

With its adoption, we now have a shared long-term strategic framework within which more detailed planning can take place. The crucial challenge is to ensure that medium and short-term planning is situated within the context of the long-term agenda of the NDP. In order to achieve this, in collaboration with the National Planning Commission Secretariat, we are currently in the process of translating the NDP priorities into the 2014-2019 Medium-Term Strategic Framework (MTSF).

The MTSF will be positioned as the first 5-year building block of the NDP, and will inform the new five year strategic plans of national and provincial departments. This will result in a clear line of sight between the actions and targets in the NDP and the actions and targets in the plans of individual departments, which in turn will ensure that the NDP is thoroughly and systematically implemented. It will also ensure that progress with the key actions and targets in the NDP will be regularly reported on to Parliament, through the annual reporting process.

There is a high correlation between the priorities in the NDP and the current 12 priority outcomes. Many of the indicators and targets are consistent and overlap with the current delivery agreements. This correlation will enable us to maintain continuity in the planning and monitoring and evaluation processes of government. The draft MTSF will be submitted to the July Cabinet Lekgotla for consideration and finalised for submission to the new Cabinet for consideration after the 2014 national elections.

Honourable Members

Last year we indicated that we will work with other government departments and provinces to identify key projects, programmes, plans and policies to be evaluated. Seven evaluations started in the past financial year and will be completed in this current financial year and improvement plans will be developed and monitored. We have begun with preparatory work for sixteen evaluations to be carried out in the current financial year.

In the past three years of its existence, DPME has made good progress in collaboration with our sister departments in developing, piloting and implementing monitoring and evaluation systems to contribute to the building of a capable and developmental state. Last year, we reported that we have worked with other transversal departments and institutions as well as the Offices of the Premier to develop and pilot an instrument to monitor management practices in national and provincial departments. This instrument, the Management Performance Assessment Tool or MPAT, draws on the monitoring work of other institutions such as the Auditor General and the Public Service Commission and does not duplicate their work. It provides a single holistic picture of the state of management practices in a department. Generally, audits focus on compliance only, whereas MPAT focuses on getting managers to work more smartly. This is important to improve government performance - for example, getting departments to procure more smartly results in better service delivery by suppliers and contractors, and savings from reducing corruption and increasing value for money.

We also said last year that the MPAT assessments will be repeated annually so that improvements can be tracked. We are pleased to announce that in the past financial year, 156 national and provincial departments participated in the assessments. This represents a substantial increase over the 103 departments which participated in the 2011-12 MPAT assessment cycle.

This increased level of participation can be attributed to the fact that many departments have indicated that they find the assessment process useful. The process of getting the top management of each department to assess itself against a holistic set of good practice management standards and to agree on required improvements is the main value-add of the MPAT assessment process. Management practices in departments are generally weak because top management has not paid sufficient attention to improving them and by carrying out annual MPAT assessments the Presidency and the Offices of the Premier are sending out a clear message that improving administration is a priority of government.

The monitoring of management practices is starting to bear fruit in a number of areas. For example, the average time taken to fill a funded vacancy in national and provincial departments improved from 9 months in 2010 to 4 months in 2012. The responsiveness of departments to cases referred to them from Chapter 9 institutions

and from the national Anti-Corruption Hotline has also improved. Compliance rates have improved regarding important issues such as finalising performance agreements for heads of department and the submission of financial disclosure forms by senior managers.

However, there is still much room for improvement in departments, particularly in administrative areas such as payment of suppliers within 30 days and the setting and monitoring of service delivery standards, and we will be continuing to closely monitor these issues to ensure that they improve.

The diagnostic in the NDP points to a South African local government system that has inherent weaknesses in capacity and performance. These include ineffective service delivery due to poor planning, poor administrative and financial management practices, shortage of skills, and undue political influence in the recruitment of senior managers, amongst others. Last year, we reported that we have started to develop an appropriate tool to assess the quality of management practices and basic service delivery in municipalities in collaboration with the Department of Cooperative Governance and National Treasury.

This has been done, and during this year we will be piloting the implementation of the Municipal Assessment Tool (MAT), focusing on both the quality of generic management practices such as planning, human resources, financial management, community engagement and governance, as well as the quality of basic service delivery. The pilot phase will comprise the assessment of 10 municipalities which will inform the refinement of the assessment tool, so that assessments of municipalities can start taking place more widely from next year. We hope that once embedded in the system of local government, this will go a long way towards laying a firm foundation for sustained improvement in the performance of municipalities.

One of the intentions of the MPAT and MAT assessments is to lead and drive a process of addressing issues raised by the Auditor General, and we expect that these assessments will result in improved audit reports overtime.

We are in the process of establishing an operational management support programme in partnership with the National Treasury and the private sector, with the aim of assisting departments and municipalities to address some of the operational

weaknesses that we have identified through our MPAT, MAT and frontline service delivery monitoring programmes.

Honourable Chairperson

The biggest challenge facing the department is to ensure that other departments and municipalities act on M&E information. In the past Members have proposed that DPME should be given “teeth” to enable it to enforce its recommendations. However, I would advise members to consider this proposal very carefully. There is an existing legal system for accountability and consequences for poor performance, as described for example in the Public Service Act and Public Finance Management Act. In line with the Constitution, this legal system emphasises the accountability of the Executive Authorities and Accounting Officers of departments to Parliament. If Parliament calls departments to account for how they are acting on M&E findings, it will help DPME to ensure that its findings are acted upon. We therefore look forward to receiving many more invitations to present to portfolio committees.

The argument for giving DPME teeth has also been one of the arguments for enabling legislation for performance monitoring and evaluation. The department is continuing to explore this issue with other departments at the administrative centre of government, and will bring an initial policy document to the Standing Committee on Appropriations in the coming months.

Honourable members

In the last financial year, we presented the first audited annual report for DPME. The Auditor General South Africa (AGSA) expressed an unqualified audit opinion. We are currently compiling our annual report for the financial year ended in 31 March 2013. We are confident that once again we will receive a favourable audit opinion.

Turning to the budget, the Department has been allocated R192.7 million for the 2013/14 financial year. Of this, R109 million will be spent on compensation of employees, R75 million on goods and services, and R9 million on payments for capital assets. The Department has four budget programmes, which correspond with the four branches of the department, and the budget has been allocated to these programmes as follows:

- Administration: R57 million
- Outcomes monitoring and evaluation: R61 million
- Monitoring and Evaluation Systems Coordination and Support: R17 million
- Public Sector Oversight: R57 million.

In conclusion, as our approach to M&E matures, we increasingly recognise the need to strengthen the involvement of citizens in monitoring government service delivery. We are excited to announce that the citizen based monitoring programme is now being piloted with the South African Police Services and the Departments of Health and Social Development to give practical expression to this commitment. The Deputy Minister will further elaborate on this exciting initiative.

I now commend the budget to the house.

I thank you