

<b>SCM /Tender Ref #:</b>	DPME 15/2022-23
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<b>Request for proposals for:</b>	Review of the 2019-24 Medium-Term Strategic Framework (MTSF) methodology and the development of the draft 2024-29 medium-term plan
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## 1. BACKGROUND / CONTEXT

The National Development Plan (NDP) 2030, which was adopted in 2012, sets out a long-term plan that outlines a coherent vision for the country's future, built on the foundational pillars to build the capabilities of people, the state and the economy. The plan aims to eradicate poverty and reduce unemployment and inequality by 2030. The achievement of the NDP 2030 goals is dependent on leadership from and a compact between all sectors of society.

The implementation of the NDP 2030 is supported by the Medium-Term Strategic Framework (MTSF), which reflects the country's strategic intentions and objectives for a particular government five-year term of office. The MTSF translates the NDP priorities into strategic priorities, interventions and targets for a five-year period whilst also taking into consideration the electoral mandate for a particular term of office. In addition, it aims to ensure that the country's medium-term development agenda is aligned with regional and international development plans such as the African Union Agenda 2063 and the United Nations Sustainable Developmental Goals of 2030. The MTSF provides direction and guidance to all-of-government planning and resourcing towards the achievement of the country's development goals within a five-year period.

As the custodian of the country's planning system, the DPME is initiating a process to review the current approach to medium-term planning with a view to developing the draft medium-term country plan for the seventh administration for the period 2024 to 2029.

The approach to medium-term planning and the development of the Medium-Term Strategic Framework has evolved over time, with a combination of methodologies and designs being adopted in line with accepted development planning and strategic planning methodologies.

The MTSF as a medium-term plan for government was first introduced in 2004 for the period 2004-2009, with subsequent five-year plans for 2009-2014, 2014-2019 and 2019-2024. The 2019-2024 MTSF served as both an integrated planning instrument as well as a monitoring framework.

While the 2019-24 MTSF is government-led, it reflects the goals and aspirations of society as a whole. The 2019-2024 MTSF was developed in consultation with all spheres of government, the private sector and civil society. However, more work needs to be done to facilitate the participation of non-government stakeholders in the MTSF development process.

The 2019-2024 MTSF took into consideration an assessment of the country's performance against NDP targets and reflects on both the achievements and challenges, including poor economic performance, hindering South Africa's national development. It further draws on lessons learned from the previous 2014-2019 MTSF, including government's initial approach and methodology to implement the NDP 2030, which may have impacted on the

country's ability to achieve the desired results. There are seven development priorities which guide the 2019-2024 MTSF for the 6<sup>th</sup> administration of government. Within the framework of the seven priorities, results chains were developed, using planning methodologies that were results-based, theory-based and evidence-based. The MTSF framework included an integrated monitoring framework with outcomes, interventions, indicators and targets.

In the 2020/21 financial year, the implementation of the 2019-2024 MTSF was affected by the outbreak of COVID-19 pandemic, which had a significant impact on the social and economic environment. This and other key factors required that the 2019-24 MTSF be revised to consider this new context. The outbreak of the pandemic put pressure on the country's health, economic and fiscal systems. To prioritise the health system and save lives, the President acted decisively by announcing a National State of Disaster on 15 March 2020, which was followed by a nationwide lockdown from 27 March 2020. The lockdown put further pressure on an economy that was already in a technical recession. The COVID-19 interventions and the relief package, announced in the 2020 Supplementary Budget, impacted on short- and medium-term plans. The DPME, in consultation with the rest of government, therefore had to revise plans, interventions and targets. A realignment and reprioritisation of interventions and targets considered lessons learnt prior to March 2020, but also proposed ways to move beyond the crises. The Revised 2019-24 MTSF further supports government's integrated development approach to implementation of public policy and action across the three spheres of government as facilitated by the District Development Model (DDM).

To improve the implementation of the MTSF on an annual basis, a new planning instrument was introduced in the form of the National Annual Strategic Plan (NASP). The 2022/23 NASP identified the priorities of government for the year ahead in line with the MTSF and guided by the 2022 Budget Prioritisation Framework. The NASP was further intended to assist departments and public entities in improving the alignment of APPs with government's short, medium and long-term priorities.

## **2. PROBLEM STATEMENT AND PURPOSE**

### **Problem Statement**

Despite the existence of multiple planning instruments and complex planning processes across government, South Africa's performance in achieving its development goals has been sub-optimal. While this cannot necessarily be attributed to the quality of planning processes and the related planning instruments, a number of strengths and weaknesses have been identified over time, which should be part of a systematic review and assessment of current and previous approaches to the development of the MTSF. Among the identified challenges include the complexity of the plan; inadequate prioritization as well as a lack of modeling to inform the planning process. In addition, consideration should be given to the inclusion of the three spheres of government, state owned companies and non-state actors in the planning process and the implementation of the plan.

### **Purpose**

The review of the MTSF framework and approach will draw from a wide knowledge base of theory and practice on national development planning, particularly medium-term planning, and identify new approaches and tested methodologies, including those which are evidence-based, theory-based with multiple stakeholders and multiple objectives. Based on the review, the purpose of the second phase of the project will be to apply the new knowledge in the development of a proposed planning process and draft medium-term plan for the period 2024-2029, including stakeholder engagements.

This is particularly important given the centrality of the country's medium-term plan in catalyzing action across sectors and spheres of government and in achieving the country's development goals.

### **Critical issues to be addressed in the review**

Among the critical issues which the review should seek to address are the following:

- The approach and methodologies behind the development of the medium-term plan
- The nature, scope and structure of the medium-term plan including its key components
- The approach to prioritisation and related methodologies in the context of the medium-term plan as well as the complexity of the plan and the weighting of priorities
- The extent to which the medium-term plan has utilized explicit or implicit theory of change and a results-based approach
- The structure of the medium-term plan, including the impacts, outcomes, interventions and related indicators, baselines and targets
- The manner in which the medium-term plan contributes to policy coherence
- The role of the medium-term plan in the overall national planning ecosystem
- The relationship between the medium-term plan and other planning instruments, including the national long-term development plan, the National Spatial Development Framework, sector plans, institutional plans of departments and public entities and the plans of state-owned companies
- The inter-governmental nature of the medium-term plan, including the extent to which the plan represents the priorities of the three spheres of government at a national, provincial and local level
- The extent to which the plan is able to combine a sustained programmatic and predictable approach with a more flexible and agile approach, particularly in response to short-term shocks and shifts in the environment as well as performance data on the implementation of the plan;
- The manner in which the plan integrates methodologies such as risk identification and mitigation, scenario planning, foresighting, modelling and anticipatory governance.
- The relationship between the planning instrument and the monitoring of performance in implementing the plan;
- The relationship between the medium-term planning process, the costing of the medium-term plan and budget allocations;
- The role of non-state actors in the development of the medium-term plan.
- The institutional arrangements and processes relating to the development of country medium-term plans.

The review should examine whether the planning process, design methodology, structure and development approach contribute towards the goals the plan seeks to realize as well as directing, guiding and supporting the achievement of the results associated with this plan. The review should further propose an annual implementation framework for the 2024-2029 medium-term plan that is linked to the impacts and outcomes that the plan seeks to achieve.

Technical expertise is required to (1) review the appropriateness and effectiveness of the current framework, planning process, methodology and structure in relation to the 2019-24 MTSF and previous MTSFs as well as assess the development process followed in producing the plan and (2) to develop and support the management and coordination of the

proposed planning process and draft 2024-2029 MTSF in line with government's strategic focus and priorities.

### 3. OBJECTIVES AND SCOPE OF THE PROJECT

**Objective:** The objectives of this project are two-fold: 1) to review the methodology, structure and approach for the 2019-2024 MTSF and prior MTSFs; 2) to develop the planning process and methodology and draft 2024-2029 medium-term plan in line with government's strategic focus and priorities. The project will thus be undertaken over two phases and the duration is over two financial years.

**Phase 1:** To produce a review report on the appropriateness and effectiveness of the current framework, planning process, methodology, design and structure and development process implemented in the production of the 2019-2024 MTSF, the 2019-2024 MTSF itself and previous MTSFs, and to provide recommendations for the improvement thereof. The review must identify the current state of the art and best practice in relation to medium-term planning, including new and innovative planning methodologies. The review must inform the development of the next medium-term plan and provide a supporting conceptual framework and planning process for subsequent iterations of this medium-term development plan.

**Phase 2:** To develop the proposed planning process and methodology for the development of the draft medium-term plan for 2024-2029; to support the management and coordination of the development process and to develop the draft 2024-2029 medium term plan in line with government's strategic focus and priorities.

#### Scope

##### Phase 1:

In addition to the critical issues outlined above, the **Review Report** that is produced must:

- a) Assess and make recommendations on the approach and methodologies behind the development of the 2019-2024 and previous medium-term plans
- b) Assess and make recommendations on the diagnostic process that was undertaken as part of the development of the 2019-2024 MTSF;
- c) Assess and make recommendations on the results-chain and the processes undertaken to develop the results-chains per priority for the 2019-2024 MTSF and the approach and weighting of priorities;
- d) Assess and make recommendations on the structure of the MTSF given its role as a strategic medium-term development plan and the manner in which the plan contributes to policy coherence;
- e) Assess and make recommendations on the processes undertaken to develop the MTSF and the integrated monitoring framework of the 2019-24 MTSF and the role of non-state actors in the development of the plan;
- f) Assess and make recommendations on the extent to which the MTSF adequately addresses medium-term sectoral considerations and priorities, including planning relating to the economy and employment; infrastructure; climate change; social sector policy; local government; science and innovation and the capacity of the state.
- g) Assess the institutional arrangements and coordination mechanisms which support the implementation of the 2019-2024 MTSF including how the MTSF intersects with national, provincial and local government development and institutional plans;

- h) Investigate the synergies and gaps relating to the development processes and actual planning instruments in relation to the 2019-2024 MTSF, the Provincial Development Plans, and local government plans, including the DDM One Plans;
- i) Identify international standards and best practice for medium- and short-term development planning processes and plans that can be implemented within the South African context;
- j) Investigate foresighting, scenario planning, economic modelling and other innovative planning methodologies that can be adopted in the development of short and medium-term plans, including the required capabilities and processes to implement such methodologies;
- k) Make recommendations for the required design methodology, structure and development approach to inform the development of the 2024-2029 MTSF. This should be supported by the appropriate conceptual framework;
- l) Make recommendations on how an annual implementation plan can be used to support the institutionalisation of the MTSF.

**Phase 2:**

- i) Develop the **2024-2029 MTSF** in line with the conceptual framework that is approved by DPME from Phase 1.
- ii) Propose an annual implementation framework for the 2024-2029 MTSF that is linked to the impacts and outcomes that the MTSF seeks to achieve.

**4. PROPOSED METHODOLOGY / APPROACH**

The potential service provider should propose an appropriate methodology to respond to the objective and scope of the project.

**5. DELIVERABLES AND TIME FRAMES**

Description	Expected Timelines	% of project (Payment)
<b>Phase 1 – 2019-24 MTSF Review Report</b>		
1. Inception meeting	After Award	-
2. Submission of inception report, including detailed and comprehensive project plan	2 weeks	-
3. Approval of Inception Report	3 days	2%
4. Service Level Agreement (SLA) Signed	2 days	-
5. Submission of literature review including International Comparative Study	2 weeks	
6. Presentation and approval of methodology, data collection instruments, analytical framework, report structure and other tools	3 days	-
7. Submission and presentation of first draft report	6 weeks	8%
8. Approval of first draft report (approval by Steering Committee)	5 working days	
9. Approval of second draft report (approval by Steering Committee)	2 weeks	

**TERMS OF REFERENCE: ANNEXURE A**

10. Approval of final report (approval by Steering Committee)	4 weeks	10%
11. Power-point or audio-visual presentation of the results and provision of all datasets, metadata and survey documentation (including interview transcripts).	2 weeks	-
12. Presentation of final report to stakeholders	2 weeks	10%
<b>Phase 2 – Development of the 2024-29 MTSF</b>		
1. Proposed planning process and methodology for the development of the draft medium-term plan for 2024-2029	Proposed start date 5 days	
2. Implementation of technical planning processes and facilitation of planning engagements to inform the development of the 2024-29 medium-term plan	5 months	5%
3. Approval of first draft 2024-29 medium-term plan (approval by Steering Committee)	1 month	10%
4. Facilitate stakeholder engagements on the first draft 2024-29 MTSF	2 months	5%
5. Approval of second draft 2024-29 MTSF (approval by Steering Committee)	2 months	20%
6. Facilitate stakeholder engagements on the second draft 2024-29 MTSF	1 month	10%
7. Approval of final draft 2024-29 MTSF (approval by Steering Committee)	1 month	20%
		<b>100%</b>

**6. STEERING COMMITTEE**

A Steering Committee will be established to oversee the different phases of the project, comprising of officials from:

- national centre of government departments including DPME, the Presidency, National Treasury, the Department of Cooperative Governance, Department of Public Service and Administration;
- Offices of the Premier;
- South African Local Government Association

DPME will further establish a reference group including external stakeholders and experts to provide strategic guidance and advice on the project.

Programme Manager will approve the project milestones or deliverables.

**7. PEER REVIEW**

Not applicable.

## 8. OTHER

a) Special Conditions:

- i) DPME reserves the right to terminate the contract at the conclusion of Phase 1 and appoint another service provider to undertake Phase 2 if the work undertaken in Phase 1 is deemed to be of insufficient quality.